

Thaire Life Assurance Public Company Limited
Review report and interim financial statements
30 September 2018

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 2018, 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.

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 9 November 2018

Thaire Life Assurance Public Company Limited

Statement of financial position

As at 30 September 2018

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	3	131,579,457	212,087,690	131,579,457	212,087,690
Accrued investment income		9,382,249	9,242,150	9,382,249	9,242,150
Reinsurance assets	4	2,912,548	4,015,200	2,912,548	4,015,200
Reinsurance receivables	5	355,994,696	212,172,855	355,994,696	212,172,855
Investment assets					
Investments in securities - net	6	1,684,848,078	1,756,626,673	1,684,848,078	1,756,626,673
Loans	7	1,417,105	120,379	1,417,105	120,379
Investments in associates	8.1	16,719,358	18,586,214	21,684,234	21,684,234
Premises and equipment - net	9	54,962,445	46,319,442	54,962,445	46,319,442
Intangible assets - net	10	38,973,748	40,278,981	38,973,748	40,278,981
Deferred tax assets	11.1	11,663,087	28,150,584	11,663,087	28,150,584
Other assets					
Deferred commission expenses		87,311,446	65,652,194	87,311,446	65,652,194
Others		4,970,187	3,812,535	4,970,187	3,812,535
Total assets		2,400,734,404	2,397,064,897	2,405,699,280	2,400,162,917
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	12	757,941,792	578,361,292	757,941,792	578,361,292
Due to reinsurers	13	120,943,508	181,944,707	120,943,508	181,944,707
Income tax payable		24,164,885	71,439,987	24,164,885	71,439,987
Employee benefit obligations		10,604,333	9,087,919	10,604,333	9,087,919
Other liabilities					
Accrued expenses		3,245,947	2,529,686	3,245,947	2,529,686
Deferred commission income		43,688	60,249	43,688	60,249
Others		14,543,581	10,176,891	14,543,581	10,176,891
Total liabilities		931,487,734	853,600,731	931,487,734	853,600,731
Owners' equity					
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		698,188,225	761,494,365	701,585,760	763,441,126
Other component of owners' equity		31,895,620	42,806,976	33,462,961	43,958,235
Total owners' equity		1,469,246,670	1,543,464,166	1,474,211,546	1,546,562,186
Total liabilities and owners' equity		2,400,734,404	2,397,064,897	2,405,699,280	2,400,162,917

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

Directors

Thaire Life Assurance Public Company Limited

Statement of income

For the three-month period ended 30 September 2018

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Reinsurance premium written		731,338,783	615,442,038	731,338,783	615,442,038
Less: Reinsurance premium ceded		(4,646,535)	(4,919,626)	(4,646,535)	(4,919,626)
Net reinsurance premium written		726,692,248	610,522,412	726,692,248	610,522,412
Less: Unearned premium reserves increased					
from prior period		(65,352,551)	(31,448,822)	(65,352,551)	(31,448,822)
Earned premium		661,339,697	579,073,590	661,339,697	579,073,590
Commission income		569,224	581,599	569,224	581,599
Share of profit (loss) from investments in associates,					
accounted for under the equity method	8.3	(266,243)	1,616,146	-	-
Net investment revenue		15,438,676	8,873,154	15,438,676	8,873,154
Gains on investments		7,854,148	2,562,092	7,854,148	2,562,092
Fair value gains		8,405,526	-	8,405,526	-
Other income		79,144	736,305	79,144	736,305
Total revenues		693,420,172	593,442,886	693,686,415	591,826,740
Expenses					
Long-term insurance policy reserves increased					
from prior period		20,339,370	11,021,673	20,339,370	11,021,673
Gross benefits and claims		386,107,567	247,355,829	386,107,567	247,355,829
Less: claims recovered from reinsurers		(978,235)	(639,924)	(978,235)	(639,924)
Commission expenses		168,712,167	145,278,692	168,712,167	145,278,692
Other underwriting expenses		6,742,750	5,382,884	6,742,750	5,382,884
Operating expenses		20,751,812	18,391,148	20,751,812	18,391,148
Total expenses		601,675,431	426,790,302	601,675,431	426,790,302
Profits before income tax expenses		91,744,741	166,652,584	92,010,984	165,036,438
Income tax expenses	11.2	(16,906,428)	(35,298,293)	(16,906,428)	(31,500,637)
Profits for the period		74,838,313	131,354,291	75,104,556	133,535,801
Earnings per share					
	15				
Basic earnings per share					
Profits for the period		0.12	0.22	0.13	0.22

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 September 2018

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied		2018	2017
	2018	2017	2018	2017
Profits for the periods	<u>74,838,313</u>	<u>131,354,291</u>	<u>75,104,556</u>	<u>133,535,801</u>
Other comprehensive income				
Items to be recognised in statement of income in subsequent periods:				
Share of other comprehensive income from associates				
- Exchange differences on translation of financial statements in foreign currency	(684,069)	(88,869)	-	-
- Gain on revaluation of available-for-sale investments	-	18,665	-	-
Gains on revaluation of available-for-sale investments	33,097,386	17,171,520	33,097,386	17,171,520
Less: Income tax expenses	<u>(6,619,477)</u>	<u>(3,434,304)</u>	<u>(6,619,477)</u>	<u>(3,434,304)</u>
Items to be recognised in statement of income in subsequent periods - net of income taxes	<u>25,793,840</u>	<u>13,667,012</u>	<u>26,477,909</u>	<u>13,737,216</u>
Other comprehensive income for the period	<u>25,793,840</u>	<u>13,667,012</u>	<u>26,477,909</u>	<u>13,737,216</u>
Total comprehensive income for the period	<u><u>100,632,153</u></u>	<u><u>145,021,303</u></u>	<u><u>101,582,465</u></u>	<u><u>147,273,017</u></u>

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statement of income****For the nine-month period ended 30 September 2018**

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Reinsurance premium written		1,912,846,448	1,633,832,819	1,912,846,448	1,633,832,819
Less: Reinsurance premium ceded		(14,280,407)	(15,175,771)	(14,280,407)	(15,175,771)
Net reinsurance premium written		1,898,566,041	1,618,657,048	1,898,566,041	1,618,657,048
Less: Unearned premium reserves increased					
from prior period		(119,807,299)	(81,965,850)	(119,807,299)	(81,965,850)
Earned premium		1,778,758,742	1,536,691,198	1,778,758,742	1,536,691,198
Commission income		2,130,083	2,830,464	2,130,083	2,830,464
Share of profit (loss) from investments in associates,					
accounted for under the equity method	8.3	(1,450,774)	5,830,906	-	-
Net investment revenue		45,747,775	32,874,087	45,747,775	37,914,087
Gains on investments		23,163,113	7,241,041	23,163,113	7,241,041
Fair value gain (loss)		(448,182)	2,137,000	(448,182)	2,137,000
Other income		1,602,309	2,174,522	1,602,309	2,174,522
Total revenues		1,849,503,066	1,589,779,218	1,850,953,840	1,588,988,312
Expenses					
Long-term insurance policy reserves increased					
(decreased) from prior period		60,246,517	(10,845,083)	60,246,517	(10,845,083)
Gross benefits and claims		988,106,472	676,501,009	988,106,472	676,501,009
Less: claims recovered from reinsurers		(2,858,455)	(2,487,088)	(2,858,455)	(2,487,088)
Commission expenses		428,445,077	397,866,109	428,445,077	397,866,109
Other underwriting expenses		19,024,881	16,024,513	19,024,881	16,024,513
Operating expenses		64,573,411	54,382,995	64,573,411	54,382,995
Total expenses		1,557,537,903	1,131,442,455	1,557,537,903	1,131,442,455
Profits before income tax expenses		291,965,163	458,336,763	293,415,937	457,545,857
Income tax expenses	11.2	(54,595,470)	(89,811,610)	(54,595,470)	(86,013,954)
Profits for the period		237,369,693	368,525,153	238,820,467	371,531,903
Earnings per share					
	15				
Basic earnings per share					
Profits for the period		0.40	0.61	0.40	0.62

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statement of comprehensive income****For the nine-month period ended 30 September 2018**

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied		2018	2017
	2018	2017	2018	2017
Profits for the period	<u>237,369,693</u>	<u>368,525,153</u>	<u>238,820,467</u>	<u>371,531,903</u>
Other comprehensive income				
Items to be recognised in statement of income in subsequent periods:				
Share of other comprehensive income from associates				
- Exchange differences on translation of financial statements in foreign currency	(416,082)	(398,410)	-	-
- Gains on revaluation of available-for-sale investments	-	26,643	-	-
Gain (loss) on revaluation of available-for-sale investments	(13,119,093)	35,005,833	(13,119,093)	35,005,833
Add (less): Income tax revenue (expense)	<u>2,623,819</u>	<u>(7,001,167)</u>	<u>2,623,819</u>	<u>(7,001,167)</u>
Items to be recognised in statement of income in subsequent periods - net of income taxes	<u>(10,911,356)</u>	<u>27,632,899</u>	<u>(10,495,274)</u>	<u>28,004,666</u>
Items not to be recognised in statement of income in subsequent periods:				
Share of other comprehensive income from an associate - actuarial losses	-	(44,467)	-	-
Actuarial losses	(847,604)	(3,282,753)	(847,604)	(3,282,753)
Add: Income tax revenues	<u>169,521</u>	<u>656,551</u>	<u>169,521</u>	<u>656,551</u>
Items not to be recognised in statement of income in subsequent periods - net of income taxes	<u>(678,083)</u>	<u>(2,670,669)</u>	<u>(678,083)</u>	<u>(2,626,202)</u>
Other comprehensive income (loss) for the period	<u>(11,589,439)</u>	<u>24,962,230</u>	<u>(11,173,357)</u>	<u>25,378,464</u>
Total comprehensive income for the period	<u><u>225,780,254</u></u>	<u><u>393,487,383</u></u>	<u><u>227,647,110</u></u>	<u><u>396,910,367</u></u>

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

(Unaudited but reviewed)

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

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
Cash flows from (used in) operating activities				
Cash received from reinsurance	259,064,764	356,507,089	259,064,764	356,507,089
Interest income	12,617,550	17,002,894	12,617,550	17,002,894
Dividend income	33,418,890	29,951,926	33,418,890	29,951,926
Other investment income (expense)	22,734,350	(4,664,816)	22,734,350	(4,664,816)
Other income	486,241	2,160,952	486,241	2,160,952
Other underwriting expenses	(18,535,946)	(15,835,297)	(18,535,946)	(15,835,297)
Operating expenses	(57,833,028)	(37,195,725)	(57,833,028)	(37,195,725)
Income tax expenses	(82,650,932)	(70,163,054)	(82,650,932)	(70,163,054)
Investments in securities	63,515,722	(66,708,076)	63,515,722	(66,708,076)
Loans	(1,296,726)	128,831	(1,296,726)	128,831
Investments in an associate	-	(21,684,234)	-	(21,684,234)
Net cash provided by operating activities	231,520,885	189,500,490	231,520,885	189,500,490
Cash flows from (used in) investing activities				
Disposals of equipment	1,699,120	14,990	1,699,120	14,990
Purchases of equipment	(11,720,836)	(1,494,883)	(11,720,836)	(1,494,883)
Purchases of intangible assets	(2,007,402)	(16,279,808)	(2,007,402)	(16,279,808)
Net cash used in investing activities	(12,029,118)	(17,759,701)	(12,029,118)	(17,759,701)
Cash flows from (used in) financing activities				
Dividend paid	(300,000,000)	(240,000,000)	(300,000,000)	(240,000,000)
Net cash used in financing activities	(300,000,000)	(240,000,000)	(300,000,000)	(240,000,000)
Net decrease in cash and cash equivalents	(80,508,233)	(68,259,211)	(80,508,233)	(68,259,211)
Cash and cash equivalents at beginning of the period	212,087,690	181,912,145	212,087,690	181,912,145
Cash and cash equivalents at end of the period	131,579,457	113,652,934	131,579,457	113,652,934

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statement of changes in owners' equity****For the nine-month period ended 30 September 2018**

(Unit: Baht)

		Financial statements in which the equity method is applied							
				Retained earnings		Other component of owners' equity			
		Issued and	Share	Appropriated -		Exchange differences	Revaluation surplus (deficit)		
		paid-up	premium	statutory reserve	Unappropriated	on translation of	on available-for-sale	Total other component	Total
Note		share capital				financial statements in	investments - net	of owners' equity	owners' equity
						foreign currency	of income taxes		
		600,000,000	79,162,825	60,000,000	569,482,472	-	4,369,813	4,369,813	1,313,015,110
	16	-	-	-	(240,000,000)	-	-	-	(240,000,000)
		-	-	-	80	-	-	-	80
		-	-	-	368,525,153	-	-	-	368,525,153
		-	-	-	(2,670,669)	(398,410)	28,031,309	27,632,899	24,962,230
		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>695,337,036</u>	<u>(398,410)</u>	<u>32,401,122</u>	<u>32,002,712</u>	<u>1,466,502,573</u>
		600,000,000	79,162,825	60,000,000	761,494,365	(1,121,566)	43,928,542	42,806,976	1,543,464,166
	16	-	-	-	(300,000,000)	-	-	-	(300,000,000)
		-	-	-	2,250	-	-	-	2,250
		-	-	-	237,369,693	-	-	-	237,369,693
		-	-	-	(678,083)	(416,082)	(10,495,274)	(10,911,356)	(11,589,439)
		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>698,188,225</u>	<u>(1,537,648)</u>	<u>33,433,268</u>	<u>31,895,620</u>	<u>1,469,246,670</u>

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited

Statement of changes in owners' equity (continued)

For the nine-month period ended 30 September 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	
Balance as at 1 January 2017		600,000,000	79,162,825	60,000,000	552,491,098	4,440,786	1,296,094,709
Dividend paid	16	-	-	-	(240,000,000)	-	(240,000,000)
Reversal of dividend payable due to ineligible shareholders		-	-	-	80	-	80
Profit for the period		-	-	-	371,531,903	-	371,531,903
Other comprehensive income (loss) for the period		-	-	-	(2,626,202)	28,004,666	25,378,464
Balance as at 30 September 2017		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>681,396,879</u>	<u>32,445,452</u>	<u>1,453,005,156</u>
Balance as at 1 January 2018		600,000,000	79,162,825	60,000,000	763,441,126	43,958,235	1,546,562,186
Dividend paid	16	-	-	-	(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)
Balance as at 30 September 2018		<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>

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 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 2018 and 31 December 2017, the major shareholder held 14.82% and 15.53%, 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, conditions and terms 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 its 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 year

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. 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.

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

Thai Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

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.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are 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 2017.

(Unaudited but reviewed)

3. Cash and cash equivalents

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
Cash	4,840	1,034
Deposits at banks with no fixed maturity date	111,482,974	69,033,204
Deposits at other financial institutions	20,091,643	43,791,232
Short-term investments in money market mutual fund	-	99,262,220
Total cash and cash equivalents	<u>131,579,457</u>	<u>212,087,690</u>

As at 30 September 2018 and 31 December 2017, 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	
	30 September 2018	31 December 2017
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	2,899,696	4,005,634
Unearned premium reserves	12,852	9,566
Total reinsurance assets	<u>2,912,548</u>	<u>4,015,200</u>

5. Reinsurance receivables

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September	
	2018	31 December 2017
Amounts deposited on reinsurance	59,826,014	53,976,701
Amounts due from reinsurers	296,168,682	158,196,154
Total reinsurance receivables	<u>355,994,696</u>	<u>212,172,855</u>

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 2018		31 December 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	149,279,710	148,902,912	6,223,658	6,213,240
Less: Unrealised losses	(376,798)	-	(10,418)	-
Trading investments - net	<u>148,902,912</u>	<u>148,902,912</u>	<u>6,213,240</u>	<u>6,213,240</u>
Available-for-sale investments				
Equity securities	885,281,912	927,110,612	653,587,368	708,535,161
Add: Unrealised gains	41,828,700	-	54,947,793	-
Available-for-sale investments - net	<u>927,110,612</u>	<u>927,110,612</u>	<u>708,535,161</u>	<u>708,535,161</u>
Held-to-maturity investments				
Government and state enterprise securities	381,717,369		768,672,536	
Private enterprise debt securities	120,011,465		76,100,016	
Deposits at financial institutions which mature over 3 months	105,000,000		195,000,000	
Total held-to-maturity investments	<u>606,728,834</u>		<u>1,039,772,552</u>	
General investments				
Equity securities	2,105,720		2,105,720	
Total general investments	<u>2,105,720</u>		<u>2,105,720</u>	
Investments in securities - net	<u>1,684,848,078</u>		<u>1,756,626,673</u>	

6.2 Revaluation surplus on available-for-sale investments

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	For the nine-month period ended 30 September 2018	For the year ended 31 December 2017	For the nine-month period ended 30 September 2018	For the year ended 31 December 2017
Revaluation surplus on available-for-sale investments - net of income taxes				
- beginning of the period	43,928,542	4,369,813	43,958,235	4,440,786
Gain on revaluation during the period	11,854,843	37,591,463	11,854,843	37,539,863
(Gain) loss transferred to be recognised in statement of income	(24,973,936)	11,856,948	(24,973,936)	11,856,948
Total	(13,119,093)	49,448,411	(13,119,093)	49,396,811
Add (less): Income taxes	2,623,819	(9,889,682)	2,623,819	(9,879,362)
Other comprehensive income (loss) for the periods - net of income taxes	(10,495,274)	39,558,729	(10,495,274)	39,517,449
Revaluation surplus on available-for-sale investments - net of income taxes				
- end of the period	33,433,268	43,928,542	33,462,961	43,958,235

6.3 Investments subject to restriction

As at 30 September 2018 and 31 December 2017, 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 18 and 19 to the interim financial statements.

7. Loans

The ending balances of loans are loans provided to employees in accordance with the Company's employee welfare plan at the interest rate 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 as of the end of the reporting period.

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
Mortgage loans	1,417,105	-
Personal guarantee loans	-	120,379
Total loans	1,417,105	120,379

8. Investment in an associate

8.1 Details 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 2018	31 December 2017	30 September 2018	31 December 2017
			(Thousand Baht)	(Thousand Baht)	(%)	(%)
TKI Life Insurance Company Limited	Life insurance	Lao	66,118	66,118	32.50	32.50

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements	
	Investment value under equity method		Investment value under cost method	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
TKI Life Insurance Company Limited	16,719	18,586	21,684	21,684

8.2 Financial information of the associate

Summarised information about financial position

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	30 September 2018	31 December 2017
Total assets	51,630	58,884
Total liabilities	(186)	(1,696)
Net assets	51,444	57,188
Shareholding percentage (%)	32.50	32.50
Carrying amount of the associates based on equity method	16,719	18,586

Summarised information of statement of comprehensive income

	(Unit: Thousand Baht)		
	TKI Life Insurance Company Limited		EMCS Thai Co., Ltd
	For the three-month periods ended 30 September		For the three-month period ended 30 September
	2018	2017	2017
Revenue	1,288	-	36,888
Profit (loss) for the period	(819)	(3,483)	13,742
Other comprehensive income (loss) for the period	(2,105)	(274)	93
Total comprehensive income (loss) for the period	(2,924)	(3,757)	13,835

	(Unit: Thousand Baht)		
	TKI Life Insurance Company Limited		EMCS Thai Co., Ltd
	For the nine-month periods ended 30 September		For the nine-month period ended 30 September
	2018	2017	2017
Revenue	2,933	31	98,220
Profit (loss) for the period	(4,464)	(3,984)	35,629
Other comprehensive income (loss) for the period	(1,280)	(1,226)	(89)
Total comprehensive income (loss) for the period	(5,744)	(5,210)	35,540

On 22 September 2017, the Extraordinary General Meeting of Shareholders passed a resolution to approve the sale of all 1,200,000 shares of EMCS Thai Company Limited held by the Company, equivalent to 20 percent of the total shares of EMCS Thai Company Limited, at a price of Baht 50 per share, or a total of Baht 60 million to Thai Reinsurance Public Company Limited.

On 6 November 2017, the Office of the Insurance Commission (OIC) granted approval to Thai Reinsurance Public Company Limited to purchase the shares of EMCS Thai Company Limited from the Company. The Company received payment for the shares on 16 November 2017.

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

During the period, the Company recognised shares of profit (loss) and other comprehensive income (loss) from investment in associates in the financial statements, in which the equity method is applied, and recognised dividends received from the 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 associates for the three-month periods ended 30 September		Share of other comprehensive income (loss) from investments in associates for the three-month periods ended 30 September		Dividends received during the three-month periods ended 30 September	
	2018	2017	2018	2017	2018	2017
EMCS Thai Co., Ltd.	-	2,748	-	18	-	-
TKI Life Insurance Company Limited	(266)	(1,132)	(684)	(88)	-	-
	<u>(266)</u>	<u>1,616</u>	<u>(684)</u>	<u>(70)</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

Associate	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profit (loss) from investments in associates for the nine-month periods ended 30 September		Share of other comprehensive loss from investments in associates for the nine-month periods ended 30 September		Dividends received during the nine-month periods ended 30 September	
	2018	2017	2018	2017	2018	2017
EMCS Thai Co., Ltd.	-	7,126	-	(18)	-	5,040
TKI Life Insurance Company Limited	(1,451)	(1,295)	(416)	(398)	-	-
	<u>(1,451)</u>	<u>5,831</u>	<u>(416)</u>	<u>(416)</u>	<u>-</u>	<u>5,040</u>

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, the Company recorded investments in associates under the equity method (in the financial statements in which the equity method is applied) based on the financial information, as prepared by the associates' management. However, the Company obtained the 2017 financial statements of TKI Life Insurance Company Limited which were audited by the associate's auditor under report dated 16 March 2018, showed the amounts that are not significantly different from the financial information prepared by the associate's management used equity-accounting in that year.

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 2018						
	Land	Building	Furniture, fixtures and equipment	Computers	Motor vehicles	Construction in progress	Total
Net book value as at							
1 January 2018	17,640,000	22,759,492	2,655,351	1,857,519	250,000	1,157,080	46,319,442
Addition during the period - at cost	-	1,714,593	1,967,076	538,488	-	7,500,679	11,720,836
Transfer in (out) during the period - at cost	-	1,157,080	-	-	-	(1,157,080)	-
Disposal during the period - net book value	-	-	(328,403)	(4,649)	(250,000)	-	(583,052)
Depreciation charges for the period	-	(1,315,685)	(571,290)	(607,806)	-	-	(2,494,781)
Net book value as at							
30 September 2018	<u>17,640,000</u>	<u>24,315,480</u>	<u>3,722,734</u>	<u>1,783,552</u>	<u>-</u>	<u>7,500,679</u>	<u>54,962,445</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 2018
	Computer software
Net book value as at 1 January 2018	40,278,981
Addition during the period - at cost	2,007,402
Amortisation for the period	(3,312,635)
Net book value as at 30 September 2018	<u>38,973,748</u>

11. Deferred tax assets and income tax expenses

11.1 Deferred tax assets

As at 30 September 2018 and 31 December 2017, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Financial statements		Changes in deferred	
	in which the equity method is applied		tax assets and liabilities for the	
	30 September		nine-month periods ended	
	2018	2017	30 September	
	2018	2017	2018	2017
Deferred tax assets arose from:				
Loss reserves	7,116	6,990	126	(3,020)
Commission payable on reinsurance	27,010	42,403	(15,393)	(5,705)
Differences between premium/discount on debt securities recognised at effective interest rates and interest actually incurred	(18)	(206)	188	(184)
Unrealised gains on available-for-sale investments	(8,366)	(10,990)	2,624	(7,001)
Net deferred commission	(17,453)	(13,118)	(4,335)	(2,043)
Share of accumulated profit from investment in an associate	-	-	-	(3,798)
Others	3,374	3,072	302	(299)
Deferred tax assets	<u>11,663</u>	<u>28,151</u>		
Total changes			<u>(16,488)</u>	<u>(22,050)</u>
Changes recognised in:				
- Statement of income			(19,281)	(15,706)
- Statement of comprehensive income			2,793	(6,344)
			<u>(16,488)</u>	<u>(22,050)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		30 September	
	30 September	31 December		
	2018	2017	2018	2017
Deferred tax assets arose from:				
Loss reserves	7,116	6,990	126	(3,020)
Commission payable on reinsurance	27,010	42,403	(15,393)	(5,705)
Differences between premium/discount on debt securities recognised at effective interest rates and interest actually incurred	(18)	(206)	188	(184)
Unrealised gains on available-for-sale investments	(8,366)	(10,990)	2,624	(7,001)
Net deferred commission	(17,453)	(13,118)	(4,335)	(2,043)
Others	3,374	3,072	302	(299)
Deferred tax assets	<u>11,663</u>	<u>28,151</u>		
Total changes			<u>(16,488)</u>	<u>(18,252)</u>
Changes recognised in:				
- Statement of income			(19,281)	(11,908)
- Statement of comprehensive income			2,793	(6,344)
			<u>(16,488)</u>	<u>(18,252)</u>

11.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 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	
	2018	2017	2018	2017
Current income taxes:				
Interim corporate income tax charge	(24,164)	(34,254)	(24,164)	(34,254)
Deferred income taxes:				
Relating to origination and reversal of temporary differences	7,258	(1,045)	7,258	2,753
Income tax expenses reported in the statement of income	<u>(16,906)</u>	<u>(35,299)</u>	<u>(16,906)</u>	<u>(31,501)</u>

(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	
	2018	2017	2018	2017
Current income taxes:				
Interim corporate income tax charge	(35,314)	(74,106)	(35,314)	(74,106)
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(19,281)	(15,706)	(19,281)	(11,908)
Income tax expenses reported in the statement of income	<u>(54,595)</u>	<u>(89,812)</u>	<u>(54,595)</u>	<u>(86,014)</u>

Reconciliations between income tax expenses and the product of accounting profits for the three-month and nine-month periods ended 30 September 2018 and 2017 and the applicable tax rate are 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	
	2018	2017	2018	2017
Accounting profits before income tax expenses	<u>91,745</u>	<u>166,653</u>	<u>92,011</u>	<u>165,037</u>
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(18,349)	(33,330)	(18,402)	(33,007)
Tax effects of:				
Tax - exempted revenues	1,417	1,770	1,470	1,447
Share of accumulated profit from investment in an associate	-	(3,798)	-	-
Non - tax deductible expenses	-	(4)	-	(4)
Additional tax deductible expenses allowed	44	53	44	53
Others	(18)	10	(18)	10
Total	<u>1,443</u>	<u>(1,969)</u>	<u>1,496</u>	<u>1,506</u>
Income tax expenses reported in statement of income	<u>(16,906)</u>	<u>(35,299)</u>	<u>(16,906)</u>	<u>(31,501)</u>

(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 June		For the nine-month periods ended 30 June	
	2018	2017	2018	2017
Accounting profits before income tax expenses	291,965	458,337	293,416	457,546
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(58,393)	(91,667)	(58,683)	(91,509)
Tax effects of:				
Tax - exempted revenues	3,626	5,491	3,916	5,333
Share of accumulated profit from investment in an associate	-	(3,798)	-	-
Non - tax deductible expenses	(14)	(55)	(14)	(55)
Additional tax deductible expenses allowed	240	198	240	198
Others	(54)	19	(54)	19
Total	3,798	1,855	4,088	5,495
Income tax expenses reported in statement of income	(54,595)	(89,812)	(54,595)	(86,014)

12. Insurance contract liabilities

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	30 September 2018		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long term insurance policy reserves	380,424,145	(2,899,696)	377,524,449
Loss reserves			
Claims incurred and reported	376,938	-	376,938
Claims incurred but not yet reported	35,201,829	-	35,201,829
Premium reserves			
Unearned premium reserves	341,938,880	(12,852)	341,926,028
Total	757,941,792	(2,912,548)	755,029,244

(Unaudited but reviewed)

(Unit: Baht)

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

	31 December 2017		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long term insurance policy reserves	321,283,566	(4,005,634)	317,277,932
Loss reserves			
Claims incurred and reported	4,340,244	-	4,340,244
Claims incurred but not yet reported	30,609,187	-	30,609,187
Premium reserves			
Unearned premium reserves	222,128,295	(9,566)	222,118,729
Total	<u>578,361,292</u>	<u>(4,015,200)</u>	<u>574,346,092</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 2018	For the year ended 31 December 2017
Beginning balances	321,283,566	285,412,354
Reserves increased from new policies and enforced policies	126,609,199	114,177,401
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(31,546,336)	(9,996,013)
Assumptions changes	(35,922,284)	(68,310,176)
Ending balances	<u>380,424,145</u>	<u>321,283,566</u>

(Unaudited but reviewed)

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 2018	For the year ended 31 December 2017
Beginning balance	34,949,431	49,650,247
Claims incurred for the period	683,820,964	590,931,566
Changes in loss reserve	47,599,608	79,219,351
Changes in assumptions for calculating loss reserves	(43,015,873)	(93,888,416)
Claims paid during the period	(687,775,363)	(590,963,317)
Ending balance	<u>35,578,767</u>	<u>34,949,431</u>

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 2018	For the year ended 31 December 2017
Beginning balance	222,128,295	182,092,051
Premium written for the period	1,103,565,350	940,110,057
Premium earned during the period	(983,754,765)	(900,073,813)
Ending balance	<u>341,938,880</u>	<u>222,128,295</u>

13. Due to reinsurers

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
Amounts due to reinsurers	<u>120,943,508</u>	<u>181,944,707</u>
Total due to reinsurers	<u>120,943,508</u>	<u>181,944,707</u>

14. 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.

14.1 Segment information reporting

Operating segment information for the three-month and nine-month periods ended 30 September 2018 and 2017 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 2018		
	Conventional products	Non-conventional products	Total
Underwriting revenues			
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)
Earned premium	356,468,105	304,871,592	661,339,697
Underwriting expenses			
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
Total underwriting expenses	287,910,360	292,444,035	580,354,395
Profit from underwriting	68,557,745	12,427,557	80,985,302
Operating expenses			(20,751,812)
Profit from operations			60,233,490
Share of loss from investment in an associate			(266,243)
Net investment revenue			31,698,350
Other revenue			79,144
Profit before income tax expenses			91,744,741
Income tax expenses			(16,906,428)
Profit for the period			74,838,313

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied			
For the three-month period ended 30 September 2017			
	Conventional	Non-conventional	
	products	products	Total
Underwriting revenues			
Reinsurance premium written	364,612,295	250,829,743	615,442,038
Less: Reinsurance premium ceded	(4,664,576)	(255,050)	(4,919,626)
Net reinsurance premium written	359,947,719	250,574,693	610,522,412
Add (less): Unearned premium reserves (increased) decreased from prior period	(31,997,406)	548,584	(31,448,822)
Earned premium	327,950,313	251,123,277	579,073,590
Underwriting expenses			
Long-term insurance policy reserves increased from prior period	8,561,944	2,459,729	11,021,673
Net benefits and claims	111,487,273	135,228,632	246,715,905
Commissions expenses - net	98,922,523	45,774,570	144,697,093
Other underwriting expenses	3,222,349	2,160,535	5,382,884
Total underwriting expenses	222,194,089	185,623,466	407,817,555
Profit from underwriting	105,756,224	65,499,811	171,256,035
Operating expenses			(18,391,148)
Profit from operations			152,864,887
Share of profit from investments in an associates			1,616,146
Net investment revenue			11,435,246
Other income			736,305
Profit before income tax expenses			166,652,584
Income tax expenses			(35,298,293)
Profit for the period			131,354,291

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied			
For the nine-month period ended 30 September 2018			
	Conventional	Non-conventional	
	products	products	Total
Underwriting revenues			
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)
Earned premium	987,583,853	791,174,889	1,778,758,742
Underwriting expenses			
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
Total underwriting expenses	782,253,350	708,581,059	1,490,834,409
Profit from underwriting	205,330,503	82,593,830	287,924,333
Operating expenses			(64,573,411)
Profit from operations			223,350,922
Share of loss from investment in an associate			(1,450,774)
Net investment revenue			68,462,706
Other revenue			1,602,309
Profit before income tax expenses			291,965,163
Income tax expenses			(54,595,470)
Profit for the period			237,369,693

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which the equity method is applied		
	For the nine-month period ended 30 September 2017		
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	916,016,217	717,816,602	1,633,832,819
Less: Reinsurance premium ceded	(14,410,623)	(765,148)	(15,175,771)
Net reinsurance premium written	901,605,594	717,051,454	1,618,657,048
Less: Unearned premium reserves increased from prior period	(24,798,391)	(57,167,459)	(81,965,850)
Earned premium	876,807,203	659,883,995	1,536,691,198
Underwriting expenses			
Long-term insurance policy reserves increased (decreased) from prior period	(11,226,899)	381,816	(10,845,083)
Net benefits and claims	361,145,351	312,868,570	674,013,921
Commission expenses	282,506,805	112,528,840	395,035,645
Other underwriting expenses	8,984,220	7,040,293	16,024,513
Total underwriting expenses	641,409,477	432,819,519	1,074,228,996
Profit from underwriting	235,397,726	227,064,476	462,462,202
Operating expenses			(54,382,995)
Profit from operations			408,079,207
Share of profit from investments in an associates			5,830,906
Net investment revenue			42,252,128
Other income			2,174,522
Profit before income tax expenses			458,336,763
Income tax expenses			(89,811,610)
Profit for the period			368,525,153

14.2 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.

14.3 Major customers

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company had reinsurance premium written from 3 major life insurance companies 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	
	2018	2017	2018	2017
Reinsurance premium written from				
3 major companies ⁽¹⁾	469	347	1,171	1,026

⁽¹⁾ Presented total amounts of reinsurance premiums written from the first 3 major customers in each period.

15. Earnings per share

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

16. Dividends paid

Dividends declared during the nine-month periods ended 30 September 2018 and 2017 consisted of the following:

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
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
Final dividend from 2016 net income	Annual General Meeting of the shareholders on 21 April 2017	120.0	0.20
Interim dividend for 2017	Board of Director meeting on 30 August 2017	120.0	0.20
Total dividend paid during the period of 2017		240.0	0.40

17. Related party transactions

17.1 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 32.5% of such company shares
EMCS Thai Co., Ltd. ⁽¹⁾	An associate whereby the Company holds 20.00% of such company's shares
Thai Reinsurance Plc.	Related by way of shareholding
Bangkok Life Assurance Plc.	Related by way of having common directors and shareholding
The Navakij Insurance Plc.	Related by way of having common directors and shareholding
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 common shareholder

⁽¹⁾ This entity had been considered an associate until the date of sold the investment in an associate (6 November 2017) and ceased to be a related company due to no having common directors.

17.2 Significant related party transactions

During the three-month and nine-month periods ended 30 September 2018 and 2017, 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		For the nine-month		Pricing policy
	periods ended		periods ended		
	30 September		30 September		
	2018	2017	2018	2017	
<u>Transactions with associates</u>					
Revenues					
Dividend income ⁽¹⁾	-	-	-	5,040	As declared
<u>Transactions with related parties</u>					
Revenues					
Reinsurance premium written	137,955	86,965	402,138	285,531	Normal commercial terms for reinsurance
Commissions income	139	125	474	545	Normal commercial terms for reinsurance
Claims refundable	227	128	639	474	As the proportion specified in insurance contract
Service revenues	-	564	208	1,744	Contract rate
Expenses					
Reinsurance premium ceded	620	559	1,828	1,683	Normal commercial terms for reinsurance
Claim expenses	79,879	54,434	191,168	149,295	As the proportion specified in insurance contract
Commissions expenses	42,953	22,910	97,808	57,398	Normal commercial terms for reinsurance
Service fee expenses ⁽²⁾	2,239	4,495	6,560	13,469	Contract rate
Owner's equity					
Dividend paid	19,904	19,849	49,761	41,912	As declared

⁽¹⁾ Including in "Net investment revenue" in statement of income

⁽²⁾ Including in "Operating expenses" in statement of income

17.3 Outstanding balances

As at 30 September 2018 and 31 December 2017, the Company had the outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)	
	30 September 2018	31 December 2017
Related parties		
Insurance reserves refundable from reinsurers ⁽¹⁾	686	796
Amounts due from reinsurers ⁽²⁾	59,565	34,566
Amounts deposited on reinsurance ⁽²⁾	752	3,254
Deferred commissions expenses	27,418	12,703
Loss reserves ⁽³⁾	10,984	18,886
Amounts due to reinsurers ⁽⁴⁾	5,442	19,020
Deferred commissions income	10	12
Accrued expenses ⁽⁵⁾	-	67

⁽¹⁾ Including in "Reinsurance assets" in statement of financial position

⁽²⁾ Including in "Reinsurance receivables" in statement of financial position

⁽³⁾ Including in "Insurance contract liabilities" in statement of financial position

⁽⁴⁾ Including in "Due to reinsurers" in statement of financial position

⁽⁵⁾ Including in "Other liabilities" in statement of financial position

17.4 Directors' and key management's remuneration

During the three-month and nine-month periods ended 30 September 2018 and 2017, 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	
	2018	2017	2018	2017
Short-term benefits	8,171	5,467	23,740	18,801
Post employment benefits	958	405	2,509	4,908
Total	9,129	5,872	26,249	23,709

18. Assets placed and reserved with the Registrar

As at 30 September 2018 and 31 December 2017, 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 2018		31 December 2017	
	Cost	Fair value	Cost	Fair value
Assets placed				
Government bonds	21.0	20.5	21.0	21.1
Assets reserved as insurance reserves				
Government and state enterprise bonds	214.0	214.8	179.0	182.7

19. Other assets subject to restrictions

As at 30 September 2018 and 31 December 2017, the Company had pledged the following assets as collateral.

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
	Guarantee for electricity consumption	
Government bonds	0.1	0.1

20. Commitments**20.1 Capital Commitments**

As at 30 September 2018 and 31 December 2017, there were outstanding capital commitments contracted for building renovation amounting to Baht 1.8 million and Baht 1.0 million, respectively.

20.2 Service commitments

As at 30 September 2018 and 31 December 2017, the Company had outstanding service commitments and future minimum service fees amounting to Baht 1.8 million and Baht 4.2 million, respectively.

21. Fair value of financial instruments

As of 30 September 2018 and 31 December 2017, the Company had the following financial assets that were measured at fair value using different levels of inputs as follows:

(Unit: Baht)

	30 September 2018			31 December 2017		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash and cash equivalents						
Investment in money						
market mutual fund	-	-	-	-	99,262,220	99,262,220
Investment in securities						
Trading - Equity securities	80,063,345	68,839,567	148,902,912	6,213,240	-	6,213,240
Available-for-sale - Equity securities	562,978,217	364,132,395	927,110,612	518,402,696	190,132,465	708,535,161

The Company determined fair value of financial assets by the following method.

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

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

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Audit Committee on 9 November 2018.