

Thaire Life Assurance Public Company Limited
Review report and interim financial statements
31 March 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 31 March 2019, the statements of income, comprehensive income, changes in owners' equity and cash flows, in which the equity method is applied, for the three-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: 7 May 2019

Thaire Life Assurance Public Company Limited

Statements of financial position

As at 31 March 2019 and 31 December 2018

(Unit: Baht)

Note	Financial statements				
	in which the equity method is applied		Separate financial statements		
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Cash and cash equivalents	3	134,212,858	55,107,499	134,212,858	55,107,499
Accrued investment income		11,293,554	10,979,404	11,293,554	10,979,404
Reinsurance assets	4	2,676,284	2,890,523	2,676,284	2,890,523
Reinsurance receivables	5	260,373,592	195,504,325	260,373,592	195,504,325
Investment assets					
Investments in securities - net	6	1,899,600,730	1,880,320,416	1,899,600,730	1,880,320,416
Loans	7	1,271,144	1,350,532	1,271,144	1,350,532
Investment in an associate	8.1	15,234,589	16,102,055	21,684,234	21,684,234
Premises and equipment - net	9	55,324,517	55,212,073	55,324,517	55,212,073
Intangible assets - net	10	36,739,889	37,834,960	36,739,889	37,834,960
Deferred tax assets	11.1	31,351,720	30,797,125	31,351,720	30,797,125
Other assets					
Deferred commission expenses		72,094,506	70,819,695	72,094,506	70,819,695
Others		14,394,269	950,292	14,394,269	950,292
Total assets		2,534,567,652	2,357,868,899	2,541,017,297	2,363,451,078
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	12	666,329,316	683,877,504	666,329,316	683,877,504
Due to reinsurers	13	265,987,213	184,571,501	265,987,213	184,571,501
Income tax payable		54,428,364	33,572,395	54,428,364	33,572,395
Employee benefit obligations		11,784,006	10,871,877	11,784,006	10,871,877
Other liabilities					
Accrued expenses		3,227,124	2,587,759	3,227,124	2,587,759
Deferred commission income		40,144	43,358	40,144	43,358
Others		9,711,658	3,423,973	9,711,658	3,423,973
Total liabilities		1,011,507,825	918,948,367	1,011,507,825	918,948,367
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		773,645,447	714,249,360	778,074,933	718,202,902
Other components of owners' equity		10,251,555	(14,491,653)	12,271,714	(12,863,016)
Total owners' equity		1,523,059,827	1,438,920,532	1,529,509,472	1,444,502,711
Total liabilities and owners' equity		2,534,567,652	2,357,868,899	2,541,017,297	2,363,451,078

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 31 March 2019 and 2018

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Reinsurance premium written		567,376,053	548,220,323	567,376,053	548,220,323
Less: Reinsurance premium ceded		(1,843,062)	(5,135,821)	(1,843,062)	(5,135,821)
Net reinsurance premium written		565,532,991	543,084,502	565,532,991	543,084,502
Add: Unearned premium reserves					
decreased from prior period		6,375,844	14,038,129	6,375,844	14,038,129
Earned premium		571,908,835	557,122,631	571,908,835	557,122,631
Commission income (reversal)		(91,638)	964,129	(91,638)	964,129
Share of loss from investment in an associate, accounted for under the equity method	8.3	(475,944)	(855,635)	-	-
Net investment revenue		12,525,070	8,673,530	12,525,070	8,673,530
Gains on investments		3,476,003	9,319,287	3,476,003	9,319,287
Fair value gain (loss)		6,583,793	(2,297,839)	6,583,793	(2,297,839)
Other income		74,350	1,391,153	74,350	1,391,153
Total revenues		594,000,469	574,317,256	594,476,413	575,172,891
Expenses					
Long-term insurance policy reserves increased (decreased) from prior period		(8,510,836)	19,582,584	(8,510,836)	19,582,584
Gross benefits and claims		341,656,534	305,185,195	341,656,534	305,185,195
Less: claims recovered from reinsurers		(391,611)	(1,030,574)	(391,611)	(1,030,574)
Commission expenses		154,555,489	141,638,155	154,555,489	141,638,155
Other underwriting expenses		8,559,654	5,933,371	8,559,654	5,933,371
Operating expenses		24,067,792	18,313,707	24,067,792	18,313,707
Total expenses		519,937,022	489,622,438	519,937,022	489,622,438
Profit before income tax expenses		74,063,447	84,694,818	74,539,391	85,550,453
Income tax expenses	11.2	(14,147,625)	(16,159,739)	(14,147,625)	(16,159,739)
Profit for the periods		59,915,822	68,535,079	60,391,766	69,390,714
Earnings per share					
15					
Basic earnings per share					
Profits for the periods		0.10	0.11	0.10	0.12

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 31 March 2019 and 2018**

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Profit for the periods		<u>59,915,822</u>	<u>68,535,079</u>	<u>60,391,766</u>	<u>69,390,714</u>
Other comprehensive income					
Items to be recognised in statement of income in subsequent periods:					
Translation adjustments of the financial statements					
in foreign currency of an associate	8.3	(391,522)	(613,518)	-	-
Gain (loss) on revaluation of					
available-for-sale investments		31,418,413	(58,296)	31,418,413	(58,296)
Add (less): Income taxes		(6,283,683)	11,659	(6,283,683)	11,659
Items to be recognised in statement of income					
in subsequent periods - net of income taxes		<u>24,743,208</u>	<u>(660,155)</u>	<u>25,134,730</u>	<u>(46,637)</u>
Items not to be recognised in statement of					
income in subsequent periods:					
Actuarial losses		(649,669)	(847,604)	(649,669)	(847,604)
Add: Income taxes		129,934	169,521	129,934	169,521
Items not to be recognised in statement of income					
in subsequent periods - net of income taxes		<u>(519,735)</u>	<u>(678,083)</u>	<u>(519,735)</u>	<u>(678,083)</u>
Other comprehensive income (loss) for the periods		<u>24,223,473</u>	<u>(1,338,238)</u>	<u>24,614,995</u>	<u>(724,720)</u>
Total comprehensive income for the periods		<u><u>84,139,295</u></u>	<u><u>67,196,841</u></u>	<u><u>85,006,761</u></u>	<u><u>68,665,994</u></u>

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 three-month periods ended 31 March 2019 and 2018**

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Cash flows from (used in) operating activities				
Cash received from reinsurance	76,470,592	124,769,995	76,470,592	124,769,995
Interest income	4,801,813	4,504,572	4,801,813	4,504,572
Dividend income	7,535,609	5,753,932	7,535,609	5,753,932
Other investment income	3,371,140	8,032,881	3,371,140	8,032,881
Other income	74,350	253,331	74,350	253,331
Other underwriting expenses	(8,386,635)	(5,841,562)	(8,386,635)	(5,841,562)
Operating expenses	(22,282,663)	(22,037,117)	(22,282,663)	(22,037,117)
Income tax expenses	(65,354)	(208,577)	(65,354)	(208,577)
Investments in securities	18,167,564	17,431,622	18,167,564	17,431,622
Loans	79,388	44,088	79,388	44,088
Net cash provided by operating activities	79,765,804	132,703,165	79,765,804	132,703,165
Cash flows from (used in) investing activities				
Disposals of equipment	416,521	1,110,000	416,521	1,110,000
Purchases of equipment	(1,076,966)	(1,171,427)	(1,076,966)	(1,171,427)
Purchases of intangible assets	-	(1,775,426)	-	(1,775,426)
Net cash used in investing activities	(660,445)	(1,836,853)	(660,445)	(1,836,853)
Net increase in cash and cash equivalents	79,105,359	130,866,312	79,105,359	130,866,312
Cash and cash equivalents at beginning of the periods	55,107,499	212,087,690	55,107,499	212,087,690
Cash and cash equivalents at end of the periods	134,212,858	342,954,002	134,212,858	342,954,002
	-	-	-	-

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 three-month periods ended 31 March 2019 and 2018

(Unit: Baht)

	Financial statements in which the equity method is applied							
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of owners' equity			Total owners' equity
			Appropriated -		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 components of owners' equity	
			statutory reserve	Unappropriated				
Balance as at 1 January 2018	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
Profit for the period	-	-	-	68,535,079	-	-	-	68,535,079
Other comprehensive loss for the period	-	-	-	(678,083)	(46,637)	(613,518)	(660,155)	(1,338,238)
Balance as at 31 March 2018	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>829,351,361</u>	<u>43,911,598</u>	<u>(1,764,777)</u>	<u>42,146,821</u>	<u>1,610,661,007</u>
Balance as at 1 January 2019	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
Profit for the period	-	-	-	59,915,822	-	-	-	59,915,822
Other comprehensive income (loss) for the period	-	-	-	(519,735)	25,134,730	(391,522)	24,743,208	24,223,473
Balance as at 31 March 2019	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>773,645,447</u>	<u>12,271,714</u>	<u>(2,020,159)</u>	<u>10,251,555</u>	<u>1,523,059,827</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 three-month periods ended 31 March 2019 and 2018

(Unit: Baht)

	Separate financial statements					
	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 2018	600,000,000	79,162,825	60,000,000	763,441,126	43,958,235	1,546,562,186
Profit for the period	-	-	-	69,390,714	-	69,390,714
Other comprehensive loss for the period	-	-	-	(678,083)	(46,637)	(724,720)
Balance as at 31 March 2018	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>832,153,757</u>	<u>43,911,598</u>	<u>1,615,228,180</u>
Balance as at 1 January 2019	600,000,000	79,162,825	60,000,000	718,202,902	(12,863,016)	1,444,502,711
Profit for the period	-	-	-	60,391,766	-	60,391,766
Other comprehensive income (loss) for the period	-	-	-	(519,735)	25,134,730	24,614,995
Balance as at 31 March 2019	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>778,074,933</u>	<u>12,271,714</u>	<u>1,529,509,472</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 periods ended 31 March 2019 and 2018

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Thaire Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 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 31 March 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 the qualifying insurers under such standard to use a temporary exemption from adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures and to adopt the Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead for the financial reporting period beginning before 1 January 2022 or before the effective date of TFRS 17 Insurance Contracts.

The Company's management is currently considering the alternatives 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 financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards 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.

The Company's management is currently evaluating the impact of these standards to the financial statements in the year when they are adopted and considering the alternatives as allowed by TFRS 4 (revised 2018) Insurance Contracts to the qualifying insurers.

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.

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.

3. Cash and cash equivalents

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2019	31 December 2018
Cash	4,243	8,783
Deposits at banks with no fixed maturity date	52,419,140	44,821,548
Deposits at other financial institutions	8,171,886	10,277,168
Short-term investments in money market funds	73,617,589	-
Total cash and cash equivalents	134,212,858	55,107,499

As at 31 March 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	
	31 March 2019	31 December 2018
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	2,673,841	2,883,108
Unearned premium reserves	2,443	7,415
Total reinsurance assets	2,676,284	2,890,523

5. Reinsurance receivables

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2019	31 December 2018
Amounts deposited on reinsurance	61,959,123	62,033,064
Amounts due from reinsurers	198,414,469	133,471,261
Total reinsurance receivables	260,373,592	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			
	31 March 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	84,538,671	83,176,047	86,439,441	78,514,664
Less: Unrealised loss	(1,362,624)	-	(7,924,777)	-
Trading investments - net	<u>83,176,047</u>	<u>83,176,047</u>	<u>78,514,664</u>	<u>78,514,664</u>
Available-for-sale investments				
Equity securities	1,012,504,841	1,027,844,484	959,411,077	943,332,306
Add (less): Unrealised gain (loss)	15,339,643	-	(16,078,771)	-
Available-for-sale investments - net	<u>1,027,844,484</u>	<u>1,027,844,484</u>	<u>943,332,306</u>	<u>943,332,306</u>
Held-to-maturity investments				
Government and state enterprise securities	467,328,856		546,367,877	
Private enterprise debt securities	189,145,623		179,999,849	
Deposits at financial institutions with a maturity period of longer than 3 months	<u>130,000,000</u>		<u>130,000,000</u>	
Total held-to-maturity investments	<u>786,474,479</u>		<u>856,367,726</u>	
General investments				
Equity securities	<u>2,105,720</u>		<u>2,105,720</u>	
Total general investments	<u>2,105,720</u>		<u>2,105,720</u>	
Investments in securities - net	<u>1,899,600,730</u>		<u>1,880,320,416</u>	

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
	three-month period ended 31 March 2019	year ended 31 December 2018	three-month period ended 31 March 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	35,643,484	(45,837,502)	35,643,484	(45,837,502)
Gains transferred to be recognised in statements of income	(4,225,071)	(25,189,062)	(4,225,071)	(25,189,062)
Total	31,418,413	(71,026,564)	31,418,413	(71,026,564)
Add (less): Income taxes	(6,283,683)	14,205,313	(6,283,683)	14,205,313
Other comprehensive income (loss) for the periods - net of income taxes	25,134,730	(56,821,251)	25,134,730	(56,821,251)
Revaluation surplus (deficit) on available-for-sale investments - net of income taxes				
- end of the periods	12,271,714	(12,863,016)	12,271,714	(12,863,016)

6.3 Investments subject to restriction

As at 31 March 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 17 and 18 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	
	31 March 2019	31 December 2018
	Mortgage loans	1,271,144
Total loans	1,271,144	1,350,532

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	
			31 March 2019	31 December 2018	31 March 2019	31 December 2018
			(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	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
TKI Life Insurance Company Limited	15,235	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	
	31 March 2019	31 December 2018
Total assets	48,068	50,607
Total liabilities	(1,192)	(1,062)
Net assets	46,876	49,545
Shareholding percentage (%)	32.50	32.50
Carrying amount of the associates based on equity method	15,235	16,102

Summary of items in statements of comprehensive income

	(Unit: Thousand Baht)	
	TKI Life Insurance Company Limited	
	For the three-month periods ended	
	31 March	
	2019	2018
Total revenues	1,068	529
Loss for the periods	(1,464)	(2,633)
Other comprehensive loss for the periods	(1,205)	(1,888)
Total comprehensive loss for the periods	(2,669)	(4,521)

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

During the periods, the Company recognised shares of loss and other comprehensive loss from investment in an associate 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)

Associate	Financial statements in which the equity method is applied		Share of other comprehensive		Separate financial statements	
	Share of loss from investment in an associate presented in statements of income for the three-month periods ended 31 March		loss from investment in an associate presented in statements of comprehensive income for the three-month periods ended 31 March		Dividends received during the three-month periods ended 31 March	
	2019	2018	2019	2018	2019	2018
TKI Life Insurance Company Limited	(476)	(856)	(392)	(614)	-	-

As at 31 March 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 three-month period ended 31 March 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	-	218,494	364,924	493,548	-	1,076,966
Transfer in (out) - at cost	-	1,628,433	358,013	-	(1,986,446)	-
Disposal during the period - net book value	-	-	-	-	-	-
Depreciation charged for the period	-	(460,734)	(267,209)	(236,579)	-	(964,522)
Net book value as at						
31 March 2019	<u>17,640,000</u>	<u>25,241,046</u>	<u>4,234,123</u>	<u>1,833,113</u>	<u>6,376,235</u>	<u>55,324,517</u>

10. Intangible assets

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements
	For the three-month period ended 31 March 2019
	Computer software
Net book value as at 1 January 2019	37,834,960
Amortisation charged for the period	(1,095,071)
Net book value as at 31 March 2019	<u>36,739,889</u>

11. Deferred tax assets and income tax expenses**11.1 Deferred tax assets**

As at 31 March 2019 and 31 December 2018, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Financial statements in which the equity method is applied and Separate financial statements		Changes in deferred tax assets and liabilities for the three-month periods ended 31 March	
	31 March 2019	31 December 2018	2019	2018
Deferred tax assets arose from:				
Premium reserves	5,390	-	5,390	2,249
Loss reserves	3,851	4,341	(490)	(3,427)
Commission payable on reinsurance	36,173	34,123	2,050	6,956
Differences between premium/discount on debt securities recognised at effective interest rates and interest actually incurred	(194)	(156)	(38)	20
Unrealised (gains) losses on available-for- sale investments	(3,068)	3,216	(6,284)	12
Net deferred commission	(14,411)	(14,155)	(256)	762
Others	3,611	3,428	183	214
Deferred tax assets	<u>31,352</u>	<u>30,797</u>		
Total changes			<u>555</u>	<u>6,786</u>
Changes recognised in:				
- Statement of income			6,708	6,605
- Statement of comprehensive income			(6,153)	181
			<u>555</u>	<u>6,786</u>

11.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Current income taxes:		
Corporate income tax charged for the periods	(20,856)	(22,765)
Deferred income taxes:		
Relating to origination and reversal of temporary differences	6,708	6,605
Income tax expenses reported in the statements of income	<u>(14,148)</u>	<u>(16,160)</u>

Reconciliations between income tax expenses and the product of accounting profits for the three-month periods ended 31 March 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 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Accounting profits before income tax expenses	74,063	84,695	74,539	85,550
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(14,813)	(16,939)	(14,908)	(17,110)
Tax effects of:				
Non-taxable revenues	1,413	792	1,413	792
Exempted expenses	(844)	(10)	(844)	(10)
Additional tax-deductible expenses allowed	209	168	209	168
Others	(113)	(171)	(18)	-
Total	665	779	760	950
Income tax expenses reported in statements of income	<u>(14,148)</u>	<u>(16,160)</u>	<u>(14,148)</u>	<u>(16,160)</u>

(Unaudited but reviewed)

12. Insurance contract liabilities

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 March 2019		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	398,031,488	(2,673,841)	395,357,647
Loss reserves			
Claims incurred and reported	357,445	-	357,445
Claims incurred but not yet reported	18,897,693	-	18,897,693
Premium reserves			
Unearned premium reserves	249,042,690	(2,443)	249,040,247
Total	<u>666,329,316</u>	<u>(2,676,284)</u>	<u>663,653,032</u>

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2018		
	Insurance contract liabilities	Liabilities on reinsurance	Net
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	255,423,506	(7,415)	255,416,091
Total	<u>683,877,504</u>	<u>(2,890,523)</u>	<u>680,986,981</u>

(Unaudited but reviewed)

12.1 Long-term insurance policy reserves

(Unit: Baht)

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

	For the three-month period ended 31 March 2019	For the year ended 31 December 2018
Beginning balances	406,751,589	321,283,566
Reserves increased from new policies and enforced policies	15,307,786	143,083,523
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(11,799,782)	(41,212,054)
Assumptions changes	(12,228,105)	(16,403,446)
Ending balances	<u>398,031,488</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 three-month period ended 31 March 2019	For the year ended 31 December 2018
Beginning balances	21,702,409	34,949,431
Claims incurred for the periods	227,656,743	979,028,274
Changes in loss reserve	9,003,811	56,925,383
Changes in assumptions for calculating loss reserves	(11,464,582)	(66,185,055)
Claims paid during the periods	(227,643,243)	(983,015,624)
Ending balances	<u>19,255,138</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 three-month period ended 31 March 2019	For the year ended 31 December 2018
Beginning balances	255,423,506	222,128,295
Premium written for the periods	296,748,832	1,322,323,819
Premium earned during the periods	(303,129,648)	(1,289,028,608)
Ending balances	<u>249,042,690</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

	31 March 2019	31 December 2018
Amounts due to reinsurers	<u>265,987,213</u>	<u>184,571,501</u>
Total due to reinsurers	<u>265,987,213</u>	<u>184,571,501</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 Operating segment information reporting

Operating segment information for the three-month periods ended 31 March 2019 and 2018 can be classified by type of products as follows:

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied

For the three-month period ended 31 March 2019

	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	328,676,933	238,699,120	567,376,053
Less: Reinsurance premium ceded	(1,614,416)	(228,646)	(1,843,062)
Net reinsurance premium written	327,062,517	238,470,474	565,532,991
Add (less): Unearned premium reserves (increased) decreased from prior period	14,187,104	(7,811,260)	6,375,844
Earned premium	341,249,621	230,659,214	571,908,835
Underwriting expenses			
Long-term insurance policy reserves decreased from prior period	(843,524)	(7,667,312)	(8,510,836)
Net benefits and claims	208,927,855	132,337,068	341,264,923
Commissions and brokerages expenses - net	93,157,311	61,489,816	154,647,127
Other underwriting expenses	4,958,547	3,601,107	8,559,654
Total underwriting expenses	306,200,189	189,760,679	495,960,868
Profit from underwriting	35,049,432	40,898,535	75,947,967
Operating expenses			(24,067,792)
Profit from operation			51,880,175
Share of loss from investment in an associates			(475,944)
Net investment revenue			22,584,866
Other income			74,350
Profit before income tax expenses			74,063,447
Income tax expenses			(14,147,625)
Profit for the period			59,915,822

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which the equity method is applied		
	For the three-month period ended 31 March 2018		
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	334,959,495	213,260,828	548,220,323
Less: Reinsurance premium ceded	(4,913,345)	(222,476)	(5,135,821)
Net reinsurance premium written	330,046,150	213,038,352	543,084,502
Add (less): Unearned premium reserves (increased) decreased from prior period	(10,369,763)	24,407,892	14,038,129
Earned premium	319,676,387	237,446,244	557,122,631
Underwriting expenses			
Long-term insurance policy reserves increased (decreased) from prior period	(637,922)	20,220,506	19,582,584
Net benefits and claims	155,683,987	148,470,634	304,154,621
Commissions and brokerages expenses - net	105,562,951	35,111,075	140,674,026
Other underwriting expenses	3,625,256	2,308,115	5,933,371
Total underwriting expenses	264,234,272	206,110,330	470,344,602
Profit from underwriting	55,442,115	31,335,914	86,778,029
Operating expenses			(18,313,707)
Profit from operation			68,464,322
Share of loss from investment in an associate			(855,635)
Net investment revenue			15,694,978
Other income			1,391,153
Profit before income tax expenses			84,694,818
Income tax expenses			(16,159,739)
Profit for the period			68,535,079

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 periods ended 31 March 2019 and 2018, the Company had net reinsurance premium written from each life insurance company for the amount equal to or higher than 10% of total net reinsurance premium written as follows:

	(Unit: Million Baht)	
	Financial statements in which the equity method is applied	
	For the three-month periods ended 31 March	
	2019	2018
Net reinsurance premium written	345	275

15. 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.

16. Related party transactions

16.1 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 its shares
Thai Reinsurance Plc.	Related by way of having common directors ⁽¹⁾ 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 ⁽¹⁾ and shareholder
Thaire Innovation Co., Ltd.	Related by way of having common directors ⁽¹⁾ and shareholder

⁽¹⁾ Have a common director since 23 April 2019, which was the date that director was approved from resolution of the Annual General Meeting.

16.2 Significant related party transactions

During the three-month period ended 31 March 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 31 March		Pricing policy
	2019	2018	
<u>Transactions with an associate</u>			
<i>Revenues</i>			
Service revenues	69	-	Mutually agreed rates
<u>Transactions with related parties</u>			
<i>Revenues</i>			
Reinsurance premium written	91,030	49,656	According to terms of reinsurance contracts
Commission income	213	195	According to terms of reinsurance contracts
Claims refundable	274	210	According to the ratios as specified in the reinsurance contracts
Service revenues	-	208	Mutually agreed rates
<i>Expenses</i>			
Reinsurance premium ceded	554	624	According to terms of reinsurance contracts
Claim expenses	25,480	67,758	According to the ratios as specified in the reinsurance contracts
Commission expenses	37,697	(1,985)	According to terms of reinsurance contracts
Service fee expenses ⁽¹⁾	2,151	2,160	Mutually agreed rates

⁽¹⁾ Including in "Operating expenses" in statements of income

16.3 Outstanding balances

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

	(Unit: Thousand Baht)	
	31 March 2019	31 December 2018
Associate		
Other receivable ⁽¹⁾	69	108
Related parties		
Insurance reserves refundable from reinsurers ⁽²⁾	754	694
Amounts due from reinsurers ⁽³⁾	55,076	17,765
Amounts deposited on reinsurance ⁽³⁾	-	753
Deferred commissions expenses	18,898	17,508
Loss reserves ⁽⁴⁾	1,359	4,326
Amounts due to reinsurers ⁽⁵⁾	34,241	16,735
Deferred commissions income	11	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

16.4 Directors' and key management's remuneration

During the three-month periods ended 31 March 2019 and 2018, the Company had salaries, bonuses, meeting allowances and post-employment benefits of its directors and key management personnel recognised as expenses, as follows:

	(Unit: Thousand Baht)	
	For the three-month periods	
	ended 31 March	
	2019	2018
Short-term benefits	9,556	6,210
post-employment benefits	779	618
Total	10,335	6,828

17. Assets placed and reserved with the Registrar

As at 31 March 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			
	31 March 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
Assets placed				
Government bonds	21.0	20.4	21.0	20.8
Assets reserved as insurance reserves				
Government and state enterprise bonds	134.0	134.5	214.0	215.3
Fixed deposits	130.0	130.0	-	-

18. Other assets subject to restrictions

As at 31 March 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	
	31 March 2019	31 December 2018
	Guarantee for electricity consumption	
Government bonds	0.1	0.1

19. Commitments**19.1 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 31 March 2019 and 31 December 2018, the Company had future minimum lease payments required under such non-cancellable operating lease contract as follows.

(Unit: Million Baht)

Payable	31 March 2019	31 December 2018
Within 1 year	0.8	0.8
Longer than 1 year but within 5 years	2.2	2.4

19.2 Capital Commitments

As at 31 March 2019 and 31 December 2018, the Company had outstanding capital commitments in relation to building renovation amounting to Baht 0.7 million and Baht 0.9 million, respectively.

19.3 Service commitments

As at 31 March 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.

20. Fair value of financial instruments

As of 31 March 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)					
	31 March 2019			31 December 2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Investment in securities						
Trading - Equity						
securities	83,176,047	-	83,176,047	78,514,664	-	78,514,664
Available-for-sale -						
Equity securities	615,976,292	411,868,192	1,027,844,484	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.

21. Events after the reporting period

21.1 Employee benefits

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette, which stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees will be entitled to receive not less than 400 days' compensation at the latest wage rate. The law will be effective from 5 May 2019. This change is considered a post-employment benefit plan amendment, which resulted in the Company having additional employee benefit obligations of Baht 1.6 million. The Company will reflect the effect of the change by recognising past service costs as expenses in the statement of income for the period in which the law becomes effective, which is the second quarter of 2019.

21.2 Dividend payment

On 23 April 2019, the Annual General Meeting of the Company's shareholders resolved to approve the payment of dividend from 2018 operating results at Baht 0.35 per share. The Company already distributed interim dividend at Baht 0.20 per share, remaining a dividend of Baht 0.15 per share or a total of Baht 90 million to be paid to the Company's shareholders, which was already approved by the Office of Insurance Commission to pay to shareholders.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Audit Committee on 7 May 2019.