

Thaire Life Assurance Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2021

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 2021, 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 interim financial statements. I have also reviewed the separate financial information of Thaire Life Assurance Public Company Limited for the same period (collectively called "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 5 May 2021

Thaire Life Assurance Public Company Limited

Statements of financial position

As at 31 March 2021 and 31 December 2020

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied			
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	3	26,663,402	41,134,866	26,663,402	41,134,866
Accrued investment income		15,760,724	14,386,288	15,760,724	14,386,288
Reinsurance assets	4	3,534,047	3,372,998	3,534,047	3,372,998
Reinsurance receivables	5	223,556,931	433,896,203	223,556,931	433,896,203
Investment assets					
Investments in securities	6	1,930,245,315	1,924,821,674	1,930,245,315	1,924,821,674
Loans and interest receivables	7	516,400	633,103	516,400	633,103
Investments in an associate	8	12,790,402	12,814,178	18,910,900	18,910,900
Premises and equipment	9	59,253,421	51,069,455	59,253,421	51,069,455
Intangible assets	10	39,328,318	37,920,025	39,328,318	37,920,025
Deferred tax assets	11.1	65,645,289	85,884,833	64,421,190	84,665,489
Other assets					
Deferred commission expenses		75,447,206	80,760,917	75,447,206	80,760,917
Others		26,989,095	13,409,224	26,989,095	13,409,224
Total assets		2,479,730,550	2,700,103,764	2,484,626,949	2,704,981,142

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

Thaire Life Assurance Public Company Limited

Statements of financial position (continued)

As at 31 March 2021 and 31 December 2020

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	12	789,794,969	864,361,657	789,794,969	864,361,657
Due to reinsurers	13	164,044,798	346,731,212	164,044,798	346,731,212
Income tax payable		29,540,236	29,540,236	29,540,236	29,540,236
Lease liabilities		1,310,593	1,486,503	1,310,593	1,486,503
Employee benefit obligations		15,054,768	17,180,397	15,054,768	17,180,397
Other liabilities					
Accrued expenses		2,513,933	3,281,189	2,513,933	3,281,189
Deferred commission income		53,011	50,595	53,011	50,595
Others		14,695,450	13,475,935	14,695,450	13,475,935
Total liabilities		1,017,007,758	1,276,107,724	1,017,007,758	1,276,107,724
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		812,471,611	782,250,161	814,545,551	783,996,204
Other component of owners' equity		(88,911,644)	(97,416,946)	(86,089,185)	(94,285,611)
Total owners' equity		1,462,722,792	1,423,996,040	1,467,619,191	1,428,873,418
Total liabilities and owners' equity		2,479,730,550	2,700,103,764	2,484,626,949	2,704,981,142
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statements of income****For the three-month periods ended 31 March 2021 and 2020**

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Reinsurance premium written		479,906,878	520,493,012	479,906,878	520,493,012
Less: Reinsurance premium ceded		(4,871,248)	(4,371,481)	(4,871,248)	(4,371,481)
Net reinsurance premium written		475,035,630	516,121,531	475,035,630	516,121,531
Add: Unearned premium reserves					
decreased from prior period		49,448,356	11,192,573	49,448,356	11,192,573
Net earned premium		524,483,986	527,314,104	524,483,986	527,314,104
Commission income		1,013,813	721,164	1,013,813	721,164
Net investment revenue		15,119,399	14,432,492	15,119,399	14,432,492
Gains (losses) on investments		3,143,053	(5,708,120)	3,143,053	(5,708,120)
Fair value gains (losses)		88,082	(1,401,847)	88,082	(1,401,847)
Share of loss from investment in an associate					
under the equity method	8.3	(409,872)	(191,611)	-	-
Other income		301,071	2,091,563	301,071	2,091,563
Total revenues		543,739,532	537,257,745	544,149,404	537,449,356
Expenses					
Long-term insurance policy reserves					
increased (decreased) from prior period		(10,533,184)	17,241,954	(10,533,184)	17,241,954
Unexpired risk reserves decreased		-	(9,507,891)	-	(9,507,891)
Gross benefits and claims		352,010,638	325,889,038	352,010,638	325,889,038
Less: claims recovered from reinsurers		(571,678)	(1,080,893)	(571,678)	(1,080,893)
Commission expenses		136,806,539	137,658,580	136,806,539	137,658,580
Other underwriting expenses		12,197,815	8,460,612	12,197,815	8,460,612
Operating expenses		21,242,596	24,313,687	21,242,596	24,313,687
Finance costs		22,147	32,701	22,147	32,701
Expected credit losses (reversal)		(44,450)	254,179	(44,450)	254,179
Total expenses		511,130,423	503,261,967	511,130,423	503,261,967
Profit before income tax expenses		32,609,109	33,995,778	33,018,981	34,187,389
Income tax expenses	11.2	(4,515,025)	(5,448,223)	(4,597,000)	(5,486,545)
Net profit		28,094,084	28,547,555	28,421,981	28,700,844
Earnings per share	15				
Basic earnings per share					
Net profit		0.05	0.05	0.05	0.05

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 2021 and 2020**

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2021	2020	2021	2020
Net profit	28,094,084	28,547,555	28,421,981	28,700,844
Other comprehensive income (loss)				
Items to be reclassified to statements of income in subsequent periods:				
Translation adjustments of the financial statements in foreign currency of an associate	386,095	1,041,184	-	-
Revaluation gains (losses) on available-for-sale investments measured at fair value through other comprehensive income	10,245,533	(203,613,756)	10,245,533	(203,613,756)
Add (less): Income taxes	(2,126,326)	40,514,515	(2,049,107)	40,722,751
Items to be reclassified to statements of income in subsequent periods - net of income taxes	8,505,302	(162,058,057)	8,196,426	(162,891,005)
Items not to be reclassified to statements of income in subsequent periods:				
Actuarial gains (losses)	2,659,207	(2,679,231)	2,659,207	(2,679,231)
Add (loss): Income taxes	(531,841)	535,846	(531,841)	535,846
Items not to be reclassified to statements of income in subsequent periods - net of income taxes	2,127,366	(2,143,385)	2,127,366	(2,143,385)
Other comprehensive income (loss) for the periods	10,632,668	(164,201,442)	10,323,792	(165,034,390)
Total comprehensive income (loss) for the periods	38,726,752	(135,653,887)	38,745,773	(136,333,546)

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 2021 and 2020**

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Cash flows from (used in) operating activities				
Cash received from reinsurance	1,152,849	80,622,369	1,152,849	80,622,369
Interest income	3,609,786	4,623,777	3,609,786	4,623,777
Dividend income	10,288,725	8,367,101	10,288,725	8,367,101
Other investment income (expenses)	684,611	(5,813,308)	684,611	(5,813,308)
Other income	7,274,835	81,563	7,274,835	81,563
Other underwriting expenses	(12,300,477)	(8,422,724)	(12,300,477)	(8,422,724)
Operating expenses	(21,202,483)	(19,144,477)	(21,202,483)	(19,144,477)
Income tax expenses	(514,032)	(189,351)	(514,032)	(189,351)
Cash received on financial assets	307,033,310	334,640,714	307,033,310	334,640,714
Cash paid for financial assets	(300,299,996)	(402,622,208)	(300,299,996)	(402,622,208)
Net cash used in operating activities	(4,272,872)	(7,856,544)	(4,272,872)	(7,856,544)
Cash flows used in investing activities				
Purchases of equipment	(25,792)	(381,705)	(25,792)	(381,705)
Purchases of intangible assets	(9,998,539)	(179,225)	(9,998,539)	(179,225)
Net cash used in investing activities	(10,024,331)	(560,930)	(10,024,331)	(560,930)
Cash flows used in financing activities				
Repayment of lease liabilities	(198,057)	(198,057)	(198,057)	(198,057)
Net cash used in financing activities	(198,057)	(198,057)	(198,057)	(198,057)
(Increase) decrease in expected credit losses	23,796	(18,080)	23,796	(18,080)
Net decrease in cash and cash equivalents	(14,471,464)	(8,633,611)	(14,471,464)	(8,633,611)
Cash and cash equivalents at beginning of the periods	41,134,866	33,798,067	41,134,866	33,798,067
Cash and cash equivalents at end of the periods	26,663,402	25,164,456	26,663,402	25,164,456

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 2021 and 2020

(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 - statutory reserve			Unappropriated	Revaluation deficit on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Translation adjustments of the financial statements in foreign currency of an associate - net of income taxes	Total other components of owners' equity		
Balance as at 1 January 2020	600,000,000	79,162,825	60,000,000	739,516,723	(17,440,786)	(2,624,758)	(20,065,544)	1,458,614,004
Net profit	-	-	-	28,547,555	-	-	-	28,547,555
Other comprehensive income (loss) for the period	-	-	-	(2,143,385)	(162,891,005)	832,948	(162,058,057)	(164,201,442)
Total comprehensive income (loss) for the period	-	-	-	26,404,170	(162,891,005)	832,948	(162,058,057)	(135,653,887)
Balance as at 31 March 2020	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>765,920,893</u>	<u>(180,331,791)</u>	<u>(1,791,810)</u>	<u>(182,123,601)</u>	<u>1,322,960,117</u>
Balance as at 1 January 2021	600,000,000	79,162,825	60,000,000	782,250,161	(94,285,611)	(3,131,335)	(97,416,946)	1,423,996,040
Net profit	-	-	-	28,094,084	-	-	-	28,094,084
Other comprehensive income for the period	-	-	-	2,127,366	8,196,426	308,876	8,505,302	10,632,668
Total comprehensive income for the period	-	-	-	30,221,450	8,196,426	308,876	8,505,302	38,726,752
Balance as at 31 March 2021	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>812,471,611</u>	<u>(86,089,185)</u>	<u>(2,822,459)</u>	<u>(88,911,644)</u>	<u>1,462,722,792</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 2021 and 2020

(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 deficit on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes		
Balance as at 1 January 2020	600,000,000	79,162,825	60,000,000	743,339,730	(17,440,786)	1,465,061,769
Net profit	-	-	-	28,700,844	-	28,700,844
Other comprehensive loss for the period	-	-	-	(2,143,385)	(162,891,005)	(165,034,390)
Total comprehensive income (loss) for the period	-	-	-	26,557,459	(162,891,005)	(136,333,546)
Balance as at 31 March 2020	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>769,897,189</u>	<u>(180,331,791)</u>	<u>1,328,728,223</u>
Balance as at 1 January 2021	600,000,000	79,162,825	60,000,000	783,996,204	(94,285,611)	1,428,873,418
Net profit	-	-	-	28,421,981	-	28,421,981
Other comprehensive income for the period	-	-	-	2,127,366	8,196,426	10,323,792
Total comprehensive income for the period	-	-	-	30,549,347	8,196,426	38,745,773
Balance as at 31 March 2021	<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>814,545,551</u>	<u>(86,089,185)</u>	<u>1,467,619,191</u>
	-	-	-	-	-	-

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

Thaire Life Assurance Public Company Limited
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For the three-month periods ended 31 March 2021 and 2020

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Thaire Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 2021 and 2020

1. General information

1.1 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 2021 and 31 December 2020, the major shareholder held 10.10%, of the issued and paid-up share capital of the Company. The Company is principally engaged in the provision of life reinsurance services. The registered office of the Company is located at No. 48/15 Soi Ratchadapisek 20, Ratchadapisek Road, Samsenok Sub-district, Huaykwang District, Bangkok.

1.2 Coronavirus 2019 pandemic

The Coronavirus 2019 (COVID-19) pandemic has caused an economic slowdown and has an impact on businesses and industries in various sectors either directly or indirectly. This situation may bring uncertainties and have an impact on the environment in which the business operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues (if any) as the situation has evolved.

2. Basis for preparation of financial statements

2.1 Basis for preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting whereby the Company choose to present condensed interim financial statements. However, the Company presented each line item in the statements of financial position, income, comprehensive income, changes in owners’ equity and cash flows in the same full format as that used in its annual financial statements, and in accordance with the format of financial statements specified in 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 (No.2) dated 4 April 2019.

This interim financial information is 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. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

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

2.2 Financial reporting standards that became effective in the current year

During the period, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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. However, the adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

2.3 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met. However, the management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

2.4 Significant accounting policies

This interim financial information is prepared using the same significant accounting policies and methods of computation as were used in the preparation of financial statements for the year ended 31 December 2020.

(Unaudited but reviewed)

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2021	31 December 2020
Cash	3	4
Deposits at banks with no fixed maturity date	19,556	18,923
Deposits at banks with fixed maturity date	-	22,000
Deposits at other financial institutions	7,122	250
Total	26,681	41,177
Less: Allowance for expected credit losses	(18)	(42)
Cash and cash equivalents - net	26,663	41,135

4. Reinsurance assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2021	31 December 2020
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	2,900	2,822
Unearned premium reserves	634	551
Total reinsurance assets	3,534	3,373

5. Reinsurance receivables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2021	31 December 2020
Amounts deposited on reinsurance	66,958	98,624
Amounts due from reinsurers	156,599	335,272
Total reinsurance receivables	223,557	433,896

6. Investments in securities

6.1 Classified by types of investments

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	31 March 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments measured at fair value through profit or loss				
Unit trusts	77,894	77,908	79,066	79,069
Total	77,894	77,908	79,066	79,069
Add: Revaluation gains	14	-	3	-
Trading investments measured at fair value through profit or loss - net	77,908	77,908	79,069	79,069
Available-for-sale investments measured at fair value through other comprehensive income				
Common stocks	375,484	365,860	364,433	339,383
Unit trusts	656,276	537,066	659,959	543,592
Total	1,031,760	902,926	1,024,392	882,975
Less: Revaluation losses	(107,611)	-	(117,857)	-
Less: Allowance for impairments	(21,223)	-	(23,560)	-
Available-for-sale investments measured at fair value through other comprehensive income - net	902,926	902,926	882,975	882,975
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities				
	445,395	450,163	475,659	486,338
Private enterprise debt securities				
	309,421	312,867	287,544	291,939
Deposits at financial institutions which mature over 3 months				
	195,000	195,000	200,000	200,000
Total	949,816	958,030	963,203	978,277
Less: Allowance for expected credit losses	(405)	-	(425)	-
Held-to-maturity investments measured at amortised cost - net	949,411	958,030	962,778	978,277
Investments in securities - net	1,930,245	1,938,864	1,924,822	1,940,321

6.2 Classified by stage of credit risk

(Unit: Thousand Baht)

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

31 March 2021

	Gross carrying value	Allowance for expected credit losses	carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	949,816	(405)	949,411
Total	949,816	(405)	949,411

(Unit: Thousand Baht)

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

31 December 2020

	Gross carrying value	Allowance for expected credit losses	Net carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	963,203	(425)	962,778
Total	963,203	(425)	962,778

6.3 Investments subject to restriction

As at 31 March 2021 and 31 December 2020, the Company placed some investments as a security with the Registrar as described in Notes 17 to the interim financial statements.

7. Loans and interest receivables

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.

As at 31 March 2021 and 31 December 2020, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

Staging	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2021	31 December 2020
	Mortgaged loans	Mortgaged loans
Stage 1 - Loans without a significant increase of credit risk	516	633
Loans and interest receivables	516	633

8. Investment in an associate

8.1 Details of an associate

Company's name	Nature of business	Country of incorporation	Shareholding percentage held by the Company			
			Issued and paid-up share capital		31 March 2021	31 December 2020
			31 March 2021	31 December 2020	31 March 2021	31 December 2020
			(Thousand Baht)	(Thousand Baht)	(%)	(%)
TKI Life Insurance Company Limited	Life insurance	Laos	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		Cost		Allowance for impairment		Investment value under cost method	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
TKI Life Insurance Company Limited	12,790	12,814	21,684	21,684	(2,773)	(2,773)	18,911	18,911

8.2 Financial information of an associate**Summarised information about financial position**

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	31 March 2021	31 December 2020
Total assets	46,376	43,725
Total liabilities	(7,021)	(4,297)
Net assets	39,355	39,428
Shareholding percentage (%)	32.50	32.50
Carrying amount of an associate under equity method	12,790	12,814

Summarised information of statements of comprehensive income

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	For the three-month periods ended	
	31 March	
	2021	2020
Total revenues	1,640	1,599
Loss for the periods	(1,202)	(590)
Total comprehensive loss for the periods	(1,202)	(590)

8.3 Share of loss and other comprehensive income and dividend income

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

(Unit: Thousand Baht)

Associate	Financial statements in which the equity method is applied				Separate financial statements	
	Share of loss from investment in an associate for the three-month periods ended 31 March		Share of other comprehensive income from investment in an associate for the three-month periods ended 31 March		Dividends received for the three-month periods ended 31 March	
	2021	2020	2021	2020	2021	2020
TKI Life Insurance Company Limited	(410)	(192)	-	-	-	-

As at 31 March 2021 and 31 December 2020, 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. The Company obtained the 2020 financial statements of TKI Life Insurance Company Limited, which were audited by the associate's auditor and the auditor expressed an unqualified opinion under the report dated 4 March 2021. 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.

9. Premises and equipment

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements					
	For the three-month period ended 31 March 2021					
	Land	Building	Furniture, fixtures and equipment	Computers	Right-of-use assets	Total
Net book value as at 1 January 2021	17,640	27,203	3,782	1,002	1,442	51,069
Acquisition during the period - at cost	-	-	33	9,411	-	9,444
Depreciation charged for the period	-	(545)	(376)	(159)	(180)	(1,260)
Net book value as at 31 March 2021	17,640	26,658	3,439	10,254	1,262	59,253

10. Intangible assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	For the three-month period ended 31 March 2021		
	Computer software	Computer software under development	Total
Net book value as at 1 January 2021	30,307	7,613	37,920
Acquisition during the period - at cost	1,584	977	2,561
Amortisation charged for the period	(1,153)	-	(1,153)
Net book value as at 31 March 2021	<u>30,738</u>	<u>8,590</u>	<u>39,328</u>

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

As at 31 March 2021 and 31 December 2020, the components of deferred tax assets were as follows:

	(Unit: Thousand Baht)							
	Financial statements in which the equity method is applied				Financial statements in which the equity method is applied and Separate financial statements			
	in which the equity method is applied		Separate financial statements		Changes in deferred tax assets for the three-month periods ended 31 March		Changes in deferred tax assets for the three-month periods ended 31 March	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	2021	2020	2021	2020
Deferred tax assets								
(liabilities) arose from:								
Premium reserves	10,152	-	10,152	-	10,152	10,348	10,152	10,348
Loss reserves	2,847	5,796	2,847	5,796	(2,949)	3,390	(2,949)	3,390
Commission payable on reinsurance	35,414	61,076	35,414	61,076	(25,662)	3,002	(25,662)	3,002
Employee benefit obligations	3,011	3,436	3,011	3,436	(425)	647	(425)	647
Unrealised losses on available-for-sale investments	21,522	23,571	21,522	23,571	(2,049)	40,723	(2,049)	40,723
Deferred commission - net	(15,079)	(16,142)	(15,079)	(16,142)	1,063	(239)	1,063	(239)
Allowance for impairment on investment	4,329	4,805	4,884	5,360	(476)	-	(476)	-
Others	3,449	3,343	1,670	1,568	106	(2,048)	102	(1,878)
Deferred tax assets	<u>65,645</u>	<u>85,885</u>	<u>64,421</u>	<u>84,665</u>				
Total changes					<u>(20,240)</u>	<u>55,823</u>	<u>(20,244)</u>	<u>55,993</u>
Recognition of changes in:								
- Statements of income					(17,581)	14,773	(17,663)	14,734
- Statements of comprehensive income					(2,659)	41,050	(2,581)	41,259

(Unaudited but reviewed)

Total changes

(20,240) 55,823 (20,244) 55,993

11.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2021 and 2020 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 31 March		For the three-month periods ended 31 March	
	2021	2020	2021	2020
Current income taxes:				
Interim corporate income tax charge	13,066	(20,221)	13,066	(20,221)
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(17,581)	14,773	(17,663)	14,734
Income tax expenses reported in the statements of income	(4,515)	(5,448)	(4,597)	(5,487)

Reconciliations between income tax expenses and the product of accounting profits for the three-month periods ended 31 March 2021 and 2020 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	
	2021	2020	2021	2020
Accounting profits before income tax expenses	32,609	33,996	33,019	34,187
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(6,522)	(6,799)	(6,604)	(6,838)
Tax effects of:				
Non-taxable revenues	1,864	1,255	1,864	1,255
Exempted expenses	-	(25)	-	(25)
Additional tax-deductible expenses allowed	162	142	162	142
Others	(19)	(21)	(19)	(21)
Total	2,007	1,351	2,007	1,351

(Unaudited but reviewed)

Income tax expenses reported in
statements of income

(4,515)

(5,448)

(4,597)

(5,487)

(Unaudited but reviewed)

12. Insurance contract liabilities

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 March 2021		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	498,150	(2,900)	495,250
Loss reserves			
Claims incurred and reported	804	-	804
Claims incurred but not yet reported	13,429	-	13,429
Premium reserves			
Unearned premium reserves	277,412	(634)	276,778
Total	789,795	(3,534)	786,261

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2020		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	508,605	(2,822)	505,783
Loss reserves			
Claims incurred and reported	356	-	356
Claims incurred but not yet reported	28,623	-	28,623
Premium reserves			
Unearned premium reserves	326,778	(551)	326,227
Total	864,362	(3,373)	860,989

(Unaudited but reviewed)

12.1 Long-term insurance policy reserves

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balances	508,605	471,182
Reserves increased from new policies and enforced policies	16,034	88,105
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(13,347)	(53,545)
Assumptions changes	(13,142)	2,863
Ending balances	498,150	508,605

12.2 Loss reserves

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balances	28,979	7,790
Claims incurred for the periods	240,589	1,000,127
Changes in loss reserve	(13,451)	47,382
Changes in assumptions for calculating loss reserves	(1,743)	(26,201)
Claims paid during the periods	(240,141)	(1,000,119)
Ending balances	14,233	28,979

(Unaudited but reviewed)

12.3 Unearned premium reserves

(Unit: Thousand Baht)

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

	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balances	326,778	298,052
Premium written for the periods	244,764	1,401,278
Premium earned during the periods	(294,130)	(1,372,552)
Ending balances	<u>277,412</u>	<u>326,778</u>

12.4 Unexpired risk reserves

(Unit: Thousand Baht)

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

	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balances	-	9,508
Dissolved during the periods	-	(9,508)
Ending balances	<u>-</u>	<u>-</u>

13. Due to reinsurers

(Unit: Thousand Baht)

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

	31 March 2021	31 December 2020
Amounts due to reinsurers	<u>164,045</u>	<u>346,731</u>
Total due to reinsurers	<u>164,045</u>	<u>346,731</u>

14. Segment information

14.1 Operating segment information reporting

Operating segment information for the three-month periods ended 31 March 2021 and 2020 can be classified by type of products as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		
	For the three-month periods ended 31 March 2021		
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	246,216	233,691	479,907
Less: Reinsurance premium ceded	(4,697)	(174)	(4,871)
Net reinsurance premium written	241,519	233,517	475,036
Add: Unearned premium reserves decreased from prior period	12,662	36,786	49,448
Net earned premium	254,181	270,303	524,484
Underwriting expenses			
Long-term insurance policy reserves decreased	(2,446)	(8,087)	(10,533)
Net benefits and claims	178,008	173,431	351,439
Commissions and brokerages expenses - net	67,749	68,043	135,792
Other underwriting expenses	6,258	5,940	12,198
Total underwriting expenses	249,569	239,327	488,896
Profit from underwriting	4,612	30,976	35,588
Operating expenses			(21,265)
Reversal of expected credit losses			44
Profit from operation			14,367
Share of loss from investment in an associate			(410)
Net investment revenue			18,351
Other income			301
Profit before income tax expenses			32,609
Income tax expenses			(4,515)
Net profit			28,094

(Unaudited but reviewed)

(Unit: Thousand Baht)

Financial statements in which the equity method is applied

For the three-month period ended 31 March 2020

	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	300,758	219,735	520,493
Less: Reinsurance premium ceded	(4,142)	(229)	(4,371)
Net reinsurance premium written	296,616	219,506	516,122
Add: Unearned premium reserves decreased from prior period	4,031	7,161	11,192
Net earned premium	300,647	226,667	527,314
Underwriting expenses			
Long-term insurance policy reserves increased	1,104	16,138	17,242
Unexpired risk reserves decreased	(5,098)	(4,410)	(9,508)
Net benefits and claims	172,340	152,468	324,808
Commissions and brokerages expenses - net	83,489	53,448	136,937
Other underwriting expenses	4,889	3,572	8,461
Total underwriting expenses	256,724	221,216	477,940
Profit from underwriting	43,923	5,451	49,374
Operating expenses			(24,347)
Expected credit losses			(254)
Profit from operation			24,773
Share of loss from investment in an associates			(192)
Net investment revenue			7,323
Other income			2,092
Profit before income tax expenses			33,996
Income tax expenses			(5,448)
Net profit			28,548

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 2021 and 2020, the Company had reinsurance premium written from each life insurance company for the amount equal to or higher than 10% of total reinsurance premium written as follows:

	(Unit: Million Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the three-month periods ended 31 March	
	2021	2020
Reinsurance premium written	301	332

15. Earnings per share

Basic earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares in issue during the period.

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 32.50% of its shares
Thai Reinsurance Plc.	Related by way of having common directors and being the Company's shareholder
Bangkok Life Assurance Plc.	Related by way of having a common director and being the Company's shareholder
The Navakij Insurance Plc.	Related by way of having a common director and being the Company's shareholder
Thaire Services Co., Ltd.	Related by way of having common directors and a shareholder
Thai Life Insurance Plc.	Related by way of having a common director ⁽¹⁾
South East Life Insurance Plc.	Related by way of having a common director ⁽²⁾ and being the Company's shareholder
Thaire Actuarial Consulting Co., Ltd.	Related by way of having a common director and a shareholder
EMCS Thai Co., Ltd.	Related by way of having a common director and a shareholder
Thaire Innovation Co., Ltd.	Related by way of having a common director and a shareholder

⁽¹⁾ This entity had been considered a related party until 5 October 2020, the date of which a common director resigned from the Company's Board of Directors.

⁽²⁾ This entity has had a common director since 19 February 2021, the date of which it was approved by a resolution of the Company's Board of Directors Meeting.

16.2 Significant related party transactions

During the three-month periods ended 31 March 2021 and 2020, the Company had significant business transactions with an associate company and 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 were as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March		Pricing policy
	2021	2020	
<u>Transactions with an associate</u>			
<i>Revenues</i>			
Service revenues ⁽¹⁾	148	2,079	Mutually agreed rates
Reinsurance premium written	339	-	According to terms of reinsurance contracts
<i>Expenses</i>			
Claim expenses	53	-	According to the ratios as specified in the reinsurance contracts
Commission expenses	69	-	According to terms of reinsurance contracts
<u>Transactions with related parties</u>			
<i>Revenues</i>			
Reinsurance premium written	100,421	96,835	According to terms of reinsurance contracts
Commission income	30	221	According to terms of reinsurance contracts
Claims refundable	2	330	According to the ratios as specified in the reinsurance contracts
<i>Expenses</i>			
Reinsurance premium ceded	59	804	According to terms of reinsurance contracts
Claim expenses	87,829	29,462	According to the ratios as specified in the reinsurance contracts
Commission expenses	42,169	33,033	According to terms of reinsurance contracts
Service fee expenses ⁽²⁾	1,847	1,972	Mutually agreed rates

⁽¹⁾ Including in "Other income" in statements of income

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

16.3 Outstanding balances

As at 31 March 2021 and 31 December 2020, the Company had the outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
Associate		
Other receivables ⁽¹⁾	2,079	7,122
Amounts due from reinsurers ⁽³⁾	251	-
Deferred commissions expenses	14	-
Loss reserves ⁽⁴⁾	52	-
Amounts due to reinsurers ⁽⁵⁾	26	-
Related parties		
Insurance reserves refundable from reinsurers ⁽²⁾	233	-
Amounts due from reinsurers ⁽³⁾	668	744
Amounts deposited on reinsurance ⁽³⁾	59,120	32,728
Deferred commissions expenses	30,456	30,740
Loss reserves ⁽⁴⁾	7,593	12,513
Amounts due to reinsurers ⁽⁵⁾	29,503	6,069
Deferred commissions income	3	-

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

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

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

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

⁽⁵⁾ Included 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 2021 and 2020, 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	
	2021	2020
Short-term benefits	9,124	9,116
post-employment benefits	998	1,167
Total	10,122	10,283

17. Assets subject to restrictions

As at 31 March 2021 and 31 December 2020, 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 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Assets placed				
Government bonds	21.0	21.3	21.0	21.9
Assets reserved as insurance reserves				
Government and state enterprise bonds	217.0	224.7	217.0	228.7
Private sector debt securities	54.0	56.3	54.0	56.2

18. Commitments**18.1 Capital Commitments**

As at 31 March 2021 and 31 December 2020, the Company had capital commitments in relation to installation of computer software and hardware amounting to Baht 3.3 million and Baht 3.0 million, respectively.

18.2 Service commitments

As at 31 March 2021 and 31 December 2020, the Company had outstanding service commitments and future minimum service fees amounting to Baht 6.5 million and Baht 6.0 million, respectively.

19. Fair value of financial assets

As of 31 March 2021 and 31 December 2020, the Company had the following financial assets that were measured at fair value, using different levels of inputs as follows:

(Unit: Thousand Baht)

	31 March 2021				Carrying value
	Fair value				
	Level 1	Level 2	Level 3	Total	
Trading investments measured at fair value through profit or loss	-	77,908	-	77,908	77,908
Available-for-sale investments measured at fair value through other comprehensive income	612,868	287,523	2,535	902,926	902,926

(Unit: Thousand Baht)

	31 December 2020				Carrying value
	Fair value				
	Level 1	Level 2	Level 3	Total	
Trading investments measured at fair value through profit or loss	-	79,069	-	79,069	79,069
Available-for-sale investments measured at fair value through other comprehensive income	600,510	280,115	2,350	882,975	882,975

The methods and assumptions used by the Company in estimating the fair value of financial instruments were as follows:

- (a) Investments in listed equity securities and investment units were presented at fair values using market price.
- (b) Investments in debts securities were presented at fair values, determined using the yield curves as announced by the Thai Bond Market Association.
- (c) Investments in non-listed were presented at equity securities fair values, determined using the discounted cash flow method. Investments in non-listed investment units were presented at fair values are 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.

20. Events after the reporting period

On 23 April 2021, the Annual General Meeting of the Company's shareholders resolved to approve the payment of dividend from 2020 operating results at Baht 0.14 per share or a total of Baht 84 million, which was already approved by the Office of Insurance Commission, to shareholders.

21. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Audit Committee on 5 May 2021.