

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

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thaire Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of Thaire Life Assurance Public Company Limited as at 30 June 2019, the statements of income and comprehensive income, in which the equity method is applied, for the three-month and six-month periods then ended, and the statements of changes in owners' equity and cash flows, in which the equity method is applied, for the six-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: 6 August 2019

Thaire Life Assurance Public Company Limited

Statements of financial position

As at 30 June 2019 and 31 December 2018

(Unit: Baht)

Note	Financial statements				
	in which the equity method is applied		Separate financial statements		
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Cash and cash equivalents	3	59,034,995	55,107,499	59,034,995	55,107,499
Accrued investment income		12,380,483	10,979,404	12,380,483	10,979,404
Reinsurance assets	4	2,643,786	2,890,523	2,643,786	2,890,523
Reinsurance receivables	5	428,651,708	195,504,325	428,651,708	195,504,325
Investment assets					
Investments in securities - net	6	1,888,087,104	1,880,320,416	1,888,087,104	1,880,320,416
Loans	7	1,191,228	1,350,532	1,191,228	1,350,532
Investment in an associate	8	14,096,176	16,102,055	21,684,234	21,684,234
Premises and equipment - net	9	55,140,410	55,212,073	55,140,410	55,212,073
Intangible assets - net	10	35,632,766	37,834,960	35,632,766	37,834,960
Deferred tax assets	11.1	10,226,146	30,797,125	8,708,534	30,797,125
Other assets					
Deferred commission expenses		81,480,208	70,819,695	81,480,208	70,819,695
Others		6,689,111	950,292	6,689,111	950,292
Total assets		2,595,254,121	2,357,868,899	2,601,324,567	2,363,451,078
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	12	824,774,560	683,877,504	824,774,560	683,877,504
Due to reinsurers	13	221,761,396	184,571,501	221,761,396	184,571,501
Income tax payable		14,309,853	33,572,395	14,309,853	33,572,395
Employee benefit obligations	14	14,277,569	10,871,877	14,277,569	10,871,877
Other liabilities					
Accrued expenses		3,569,750	2,587,759	3,569,750	2,587,759
Deferred commission income		39,657	43,358	39,657	43,358
Others		2,613,405	3,423,973	2,613,405	3,423,973
Total liabilities		1,081,346,190	918,948,367	1,081,346,190	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		732,691,941	714,249,360	736,584,329	718,202,902
Other components of owners' equity		42,053,165	(14,491,653)	44,231,223	(12,863,016)
Total owners' equity		1,513,907,931	1,438,920,532	1,519,978,377	1,444,502,711
Total liabilities and owners' equity		2,595,254,121	2,357,868,899	2,601,324,567	2,363,451,078

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statement of income****For the three-month period ended 30 June 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		693,475,151	633,287,342	693,475,151	633,287,342
Less: Reinsurance premium ceded		(4,262,492)	(4,498,051)	(4,262,492)	(4,498,051)
Net reinsurance premium written		689,212,659	628,789,291	689,212,659	628,789,291
Less: Unearned premium reserves increased from prior period		(139,391,344)	(68,492,877)	(139,391,344)	(68,492,877)
Earned premium		549,821,315	560,296,414	549,821,315	560,296,414
Commission income		513,261	596,730	513,261	596,730
Share of loss from investment in an associate, accounted for under the equity method	8.3	(435,999)	(328,896)	-	-
Net investment revenue		25,050,389	21,635,569	25,050,389	21,635,569
Gains on investments		1,886,250	5,989,678	1,886,250	5,989,678
Fair value gain (loss)		7,266,297	(6,510,059)	7,266,297	(6,510,059)
Other income		154,948	86,202	154,948	86,202
Total revenues		584,256,461	581,765,638	584,692,460	582,094,534
Expenses					
Long-term insurance policy reserves increased from prior period		15,146,356	20,324,563	15,146,356	20,324,563
Gross benefits and claims		372,863,119	296,813,710	372,863,119	296,813,710
Less: claims recovered from reinsurers		(746,094)	(849,646)	(746,094)	(849,646)
Commission expenses		106,424,278	118,094,755	106,424,278	118,094,755
Other underwriting expenses		9,168,633	6,348,760	9,168,633	6,348,760
Operating expenses		25,226,649	25,507,892	25,226,649	25,507,892
Total expenses		528,082,941	466,240,034	528,082,941	466,240,034
Profits before income tax expenses		56,173,520	115,525,604	56,609,519	115,854,500
Income tax expenses	11.2	(7,171,015)	(21,529,303)	(8,144,112)	(21,529,303)
Profits for the periods		49,002,505	93,996,301	48,465,407	94,325,197
Earnings per share					
16					
Basic earnings per share					
Profits for the periods		0.08	0.16	0.08	0.16

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 June 2019 and 2018

(Unit: Baht)

Note	Financial statements		Separate financial statements		
	2019	2018	2019	2018	
Profits for the periods	<u>49,002,505</u>	<u>93,996,301</u>	<u>48,465,407</u>	<u>94,325,197</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	(702,414)	881,505	-	
Gain (loss) on revaluation of available-for-sale investments		39,949,386	(46,158,183)	39,949,386	(46,158,183)
Add (Less): Income taxes		<u>(7,445,362)</u>	<u>9,231,637</u>	<u>(7,989,877)</u>	<u>9,231,637</u>
Items to be recognised in statement of income in subsequent periods - net of income taxes		<u>31,801,610</u>	<u>(36,045,041)</u>	<u>31,959,509</u>	<u>(36,926,546)</u>
Items not to be recognised in statement of income in subsequent periods:					
Actuarial gains		54,536	-	54,536	-
Less: Income taxes		<u>(10,907)</u>	<u>-</u>	<u>(10,907)</u>	<u>-</u>
Items not to be recognised in statement of income in subsequent periods - net of income taxes		<u>43,629</u>	<u>-</u>	<u>43,629</u>	<u>-</u>
Other comprehensive income (loss) for the periods		<u>31,845,239</u>	<u>(36,045,041)</u>	<u>32,003,138</u>	<u>(36,926,546)</u>
Total comprehensive income for the periods		<u><u>80,847,744</u></u>	<u><u>57,951,260</u></u>	<u><u>80,468,545</u></u>	<u><u>57,398,651</u></u>

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

Thaire Life Assurance Public Company Limited

Statement of income

For the six-month period ended 30 June 2019 and 2018

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied		2019	2018
		2019	2018	2019	2018
Revenues					
Reinsurance premium written		1,260,851,204	1,181,507,665	1,260,851,204	1,181,507,665
Less: Reinsurance premium ceded		(6,105,554)	(9,633,872)	(6,105,554)	(9,633,872)
Net reinsurance premium written		1,254,745,650	1,171,873,793	1,254,745,650	1,171,873,793
Less: Unearned premium reserves increased from prior period		(133,015,500)	(54,454,748)	(133,015,500)	(54,454,748)
Earned premium		1,121,730,150	1,117,419,045	1,121,730,150	1,117,419,045
Commission income		421,623	1,560,859	421,623	1,560,859
Share of loss from investment in an associate, accounted for under the equity method	8.3	(911,943)	(1,184,531)	-	-
Net investment revenue		37,575,459	30,309,099	37,575,459	30,309,099
Gains on investments		5,362,253	15,308,965	5,362,253	15,308,965
Fair value gain (loss)		13,850,090	(8,853,708)	13,850,090	(8,853,708)
Other income		229,298	1,523,165	229,298	1,523,165
Total revenues		1,178,256,930	1,156,082,894	1,179,168,873	1,157,267,425
Expenses					
Long-term insurance policy reserves increased from prior period		6,635,520	39,907,147	6,635,520	39,907,147
Gross benefits and claims		714,519,653	601,998,905	714,519,653	601,998,905
Less: claims recovered from reinsurers		(1,137,705)	(1,880,220)	(1,137,705)	(1,880,220)
Commission expenses		260,979,767	259,732,910	260,979,767	259,732,910
Other underwriting expenses		17,728,287	12,282,131	17,728,287	12,282,131
Operating expenses		49,294,441	43,821,599	49,294,441	43,821,599
Total expenses		1,048,019,963	955,862,472	1,048,019,963	955,862,472
Profits before income tax expenses		130,236,967	200,220,422	131,148,910	201,404,953
Income tax expenses	11.2	(21,318,640)	(37,689,042)	(22,291,737)	(37,689,042)
Profits for the periods		108,918,327	162,531,380	108,857,173	163,715,911
Earnings per share					
	16				
Basic earnings per share					
Profits for the periods		0.18	0.27	0.18	0.27

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statement of comprehensive income****For the six-month period ended 30 June 2019 and 2018**

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Profits for the period		108,918,327	162,531,380	108,857,173	163,715,911
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	(1,093,936)	267,987	-	-
Gain (loss) on revaluation of available-for-sale investments		71,367,799	(46,216,479)	71,367,799	(46,216,479)
Add (less): Income taxes		(13,729,045)	9,243,296	(14,273,560)	9,243,296
Items to be recognised in statement of income in subsequent periods - net of income taxes		56,544,818	(36,705,196)	57,094,239	(36,973,183)
Items not to be recognised in statement of income in subsequent periods:					
Actuarial losses		(595,133)	(847,604)	(595,133)	(847,604)
Add: Income taxes		119,027	169,521	119,027	169,521
Items not to be recognised in statement of income in subsequent periods - net of income taxes		(476,106)	(678,083)	(476,106)	(678,083)
Other comprehensive income (loss) for the periods		56,068,712	(37,383,279)	56,618,133	(37,651,266)
Total comprehensive income for the periods		164,987,039	125,148,101	165,475,306	126,064,645

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statement of cash flows****For the six-month period ended 30 June 2019 and 2018**

(Unit: Baht)

	Note	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		71,695,629	106,938,599	71,695,629	106,938,599
Interest income		8,769,711	8,427,329	8,769,711	8,427,329
Dividend income		27,665,060	20,805,265	27,665,060	20,805,265
Other investment income		5,114,928	15,033,841	5,114,928	15,033,841
Other income		233,768	333,145	233,768	333,145
Other underwriting expenses		(17,210,935)	(12,067,205)	(17,210,935)	(12,067,205)
Operating expenses		(44,713,300)	(38,425,553)	(44,713,300)	(38,425,553)
Income tax expenses		(33,620,221)	(71,653,717)	(33,620,221)	(71,653,717)
Investments in securities		77,436,313	(13,964,372)	77,436,313	(13,964,372)
Loans		159,304	(1,394,582)	159,304	(1,394,582)
Net cash provided by operating activities		95,530,257	14,032,750	95,530,257	14,032,750
Cash flows from (used in) investing activities					
Disposals of equipment		416,521	1,699,120	416,521	1,699,120
Purchases of equipment		(2,019,282)	(6,923,940)	(2,019,282)	(6,923,940)
Purchases of intangible assets		-	(1,775,426)	-	(1,775,426)
Net cash used in investing activities		(1,602,761)	(7,000,246)	(1,602,761)	(7,000,246)
Cash flows from (used in) financing activities					
Dividend paid	17	(90,000,000)	(180,000,000)	(90,000,000)	(180,000,000)
Net cash used in financing activities		(90,000,000)	(180,000,000)	(90,000,000)	(180,000,000)
Net increase (decrease) in cash and cash equivalents		3,927,496	(172,967,496)	3,927,496	(172,967,496)
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		59,034,995	39,120,194	59,034,995	39,120,194
		-	-	-	-

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

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited

Statement of changes in owners' equity (continued)

For the six-month period ended 30 June 2019 and 2018

(Unit: Baht)

Separate financial statements							
	Note	Issued and paid-up share capital	Share permium	Retained earnings		Other component of owners' equity	Total owners' equity
				Appropriated - statutory reserve	Unappropriated	Revaluation surplus (deficit) on available-for-sale investments - net of income taxes	
Balance as at 1 January 2018		600,000,000	79,162,825	60,000,000	763,441,126	43,958,235	1,546,562,186
Dividend paid	17	-	-	-	(180,000,000)	-	(180,000,000)
Reversal of dividend payable to ineligible shareholders		-	-	-	270	-	270
Profit for the period		-	-	-	163,715,911	-	163,715,911
Other comprehensive loss for the period		-	-	-	(678,083)	(36,973,183)	(37,651,266)
Balance as at 30 June 2018		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>746,479,224</u>	<u>6,985,052</u>	<u>1,492,627,101</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
Dividend paid	17	-	-	-	(90,000,000)	-	(90,000,000)
Reversal of dividend payable to ineligible shareholders		-	-	-	360	-	360
Profit for the period		-	-	-	108,857,173	-	108,857,173
Other comprehensive income (loss) for the period		-	-	-	(476,106)	57,094,239	56,618,133
Balance as at 30 June 2019		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>736,584,329</u>	<u>44,231,223</u>	<u>1,519,978,377</u>
		-	-	-	-	-	-

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

Thaire Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2019 and 2018

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Thaire Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2019 and 2018

1. Corporate information

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

2. Basis for preparation of interim financial statements

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

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

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

2.1 The financial statements in which the equity method is applied

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

2.2 Separate financial statements

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

2.3 New financial reporting standards

a. Financial reporting standards that became effective in the current period

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

IFRS 15 Revenue from Contracts with Customers

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

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

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

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

TFRS 4 (revised 2018) Insurance contracts

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

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

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

The Federation of Accounting Professions issued a number of new 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.

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

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

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

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

The Company's management is currently evaluating the impact of the financial reporting standards related to financial instruments on the financial statements in the year when they are adopted and considering the alternatives allowed under the accounting guidance.

TFRS 16 Leases

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

(Unaudited but reviewed)

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

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

2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

3. Cash and cash equivalents

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 June 2019	31 December 2018
Cash	3,491	8,783
Deposits at banks with no fixed maturity date	15,079,656	44,821,548
Deposits at other financial institutions	22,902,641	10,277,168
Short-term investments in money market funds	21,049,207	-
Total cash and cash equivalents	<u>59,034,995</u>	<u>55,107,499</u>

As at 30 June 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	
	30 June 2019	31 December 2018
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	2,617,523	2,883,108
Unearned premium reserves	26,263	7,415
Total reinsurance assets	<u>2,643,786</u>	<u>2,890,523</u>

5. Reinsurance receivables

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 June 2019	31 December 2018
	Amounts deposited on reinsurance	65,804,888
Amounts due from reinsurers	362,846,820	133,471,261
Total reinsurance receivables	428,651,708	195,504,325

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

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	30 June 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	73,966,314	79,878,561	86,439,441	78,514,664
Add (less): Unrealised gain (loss)	5,912,247	-	(7,924,777)	-
Trading investments - net	79,878,561	79,878,561	78,514,664	78,514,664
Available-for-sale investments				
Equity securities	973,180,418	1,028,469,446	959,411,077	943,332,306
Add (less): Unrealised gain (loss)	55,289,028	-	(16,078,771)	-
Available-for-sale investments - net	1,028,469,446	1,028,469,446	943,332,306	943,332,306
Held-to-maturity investments				
Government and state enterprise securities	412,538,974		546,367,877	
Private enterprise debt securities	235,094,403		179,999,849	
Deposits at financial institutions with a maturity period of longer than 3 months	130,000,000		130,000,000	
Total held-to-maturity investments	777,633,377		856,367,726	
General investments				
Equity securities	2,105,720		2,105,720	
Total general investments	2,105,720		2,105,720	
Investments in securities - net	1,888,087,104		1,880,320,416	

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

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	For the	For the	For the	For the
	six-month	year ended	six-month	year ended
period ended	31 December	period ended	31 December	
30 June 2019	2018	30 June 2019	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	76,159,650	(45,837,502)	76,159,650	(45,837,502)
Gains transferred to be recognised in statements of income	(4,791,851)	(25,189,062)	(4,791,851)	(25,189,062)
Total	71,367,799	(71,026,564)	71,367,799	(71,026,564)
Add (less): Income taxes	(14,273,560)	14,205,313	(14,273,560)	14,205,313
Other comprehensive income (loss) for the periods - net of income taxes	57,094,239	(56,821,251)	57,094,239	(56,821,251)
Revaluation surplus (deficit) on available-for-sale investments - net of income taxes				
- end of the periods	44,231,223	(12,863,016)	44,231,223	(12,863,016)

6.3 Investments subject to restriction

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

7. Loans

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

	(Unit: Baht)	
	Financial statements	
	in which the equity method is applied	
	and Separate financial statements	
	30 June 2019	31 December 2018
Mortgage loans	1,191,228	1,350,532
Total loans	<u>1,191,228</u>	<u>1,350,532</u>

8. Investment in an associate

8.1 Corporate information of an associate

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

Company's name	(Unit: Thousand Baht)			
	Financial statements		Separate financial statements	
	in which the equity method is applied		Investment value under cost method	
	Investment value under equity method		Investment value under cost method	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
TKI Life Insurance Company Limited	14,096	16,102	21,684	21,684

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

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	30 June 2019	31 December 2018
Total assets	46,193	50,607
Total liabilities	(2,820)	(1,062)
Net assets	43,373	49,545
Shareholding percentage (%)	32.50	32.50
Carrying amount of an associate based on equity method	14,096	16,102

Summary of items in statements of comprehensive income

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Total revenues	871	1,116	1,939	1,645
Loss for the periods	(1,342)	(1,012)	(2,806)	(3,645)
Other comprehensive income (loss) for the periods	(2,161)	2,712	(3,366)	825
Total comprehensive income (loss) for the periods	(3,503)	1,700	(6,172)	(2,820)

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

During the periods, the Company recognised shares of loss and other comprehensive income (loss) from investment in an associate in the financial statements, in which the equity method is applied, and recognised dividends received from the 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 presented in statements of income for the three-month periods ended		Share of other comprehensive income (loss) from investment in an associate presented in statements of comprehensive income for the three-month periods ended		Dividends received for the three-month periods ended	
	30 June		30 June		30 June	
	2019	2018	2019	2018	2019	2018
TKI Life Insurance Company Limited	(436)	(329)	(702)	882	-	-
Total	(436)	(329)	(702)	882	-	-

(Unit: Thousand Baht)

Associate	Financial statements in which the equity method is applied				Separate financial statements	
	Share of loss from investment in an associate presented in statements of income for the six-month periods ended		Share of other comprehensive income (loss) from investment in an associate presented in statements of comprehensive income for the six-month periods ended		Dividends received for the six-month periods ended	
	30 June		30 June		30 June	
	2019	2018	2019	2018	2019	2018
TKI Life Insurance Company Limited	(912)	(1,185)	(1,094)	268	-	-
Total	(912)	(1,185)	(1,094)	268	-	-

As at 30 June 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 six-month period ended 30 June 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	-	874,074	572,267	572,942	-	2,019,283
Transfer in (out) - at cost	-	6,668,687	1,693,994	-	(8,362,681)	-
Write-off during the period - net book value	-	-	(152)	(4,317)	-	(4,469)
Depreciation charged for the period	-	(983,953)	(613,693)	(488,831)	-	(2,086,477)
Net book value as at 30 June 2019	<u>17,640,000</u>	<u>30,413,661</u>	<u>5,430,811</u>	<u>1,655,938</u>	<u>-</u>	<u>55,140,410</u>

10. Intangible assets

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements
	For the six-month period ended 30 June 2019
	Computer software
Net book value as at 1 January 2019	37,834,960
Amortisation charged for the period	(2,202,194)
Net book value as at 30 June 2019	<u>35,632,766</u>

11. Deferred tax assets and income tax expenses

11.1 Deferred tax assets

As at 30 June 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				Financial statements in which the equity method is applied			
		Changes in deferred tax assets for the six-month periods ended 30 June		Separate financial statements		Changes in deferred tax assets for the six-month periods ended 30 June		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	2019	2018	2019	2018
Deferred tax assets arose									
from:									
Premium reserves		11,789	-	11,789	-	11,789	-	11,789	-
Loss reserves		4,639	4,341	4,639	4,341	298	(1,813)	298	(1,813)
Commission payable on reinsurance		16,825	34,123	16,825	34,123	(17,298)	(23,040)	(17,298)	(23,040)
Differences between premium/discount on debt securities recognised at effective interest rates and interest actually incurred		(126)	(156)	(126)	(156)	30	121	30	121
Unrealised (gains) losses on available-for-sale investments		(11,058)	3,216	(11,058)	3,216	(14,274)	9,244	(14,274)	9,244
Net deferred commission		(16,288)	(14,155)	(16,288)	(14,155)	(2,133)	(1,897)	(2,133)	(1,897)
Others		4,445	3,428	2,927	3,428	1,017	258	(501)	258
Deferred tax assets		<u>10,226</u>	<u>30,797</u>	<u>8,708</u>	<u>30,797</u>				
Total changes						<u>(20,571)</u>	<u>(17,127)</u>	<u>(22,089)</u>	<u>(17,127)</u>
Recognition of changes in:									
- Statements of income						(6,961)	(26,539)	(7,934)	(26,539)
- Statements of comprehensive income						<u>(13,610)</u>	<u>9,412</u>	<u>(14,155)</u>	<u>9,412</u>
Total changes						<u>(20,571)</u>	<u>(17,127)</u>	<u>(22,089)</u>	<u>(17,127)</u>

11.2 Income tax expenses

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2019	2018	2019	2018
Current income taxes:				
Interim corporate income tax charge	6,458	11,615	6,458	11,615
Adjustment of prior year's corporate income tax expenses	40	-	40	-
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(13,669)	(33,144)	(14,642)	(33,144)
Income tax expenses reported in the statement of income	<u>(7,171)</u>	<u>(21,529)</u>	<u>(8,144)</u>	<u>(21,529)</u>

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Current income taxes:				
Interim corporate income tax charge	(14,398)	(11,150)	(14,398)	(11,150)
Adjustment of prior year's corporate income tax expenses	40	-	40	-
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(6,961)	(26,539)	(7,934)	(26,539)
Income tax expenses reported in the statement of income	<u>(21,319)</u>	<u>(37,689)</u>	<u>(22,292)</u>	<u>(37,689)</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Financial statements in which the		Separate financial statements	
	equity method is applied			
	For the three-month periods		For the three-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Accounting profits before income tax				
expenses	56,174	115,525	56,610	115,855
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(11,234)	(23,105)	(11,322)	(23,171)
Adjustment of prior year's corporate				
income tax expenses	40	-	40	-
Tax effects of:				
Tax - exempted revenues	3,123	1,654	3,123	1,654
Non - tax deductible expenses	(2)	(4)	(2)	(4)
Additional tax deductible expenses				
allowed	35	28	35	28
Others	867	(102)	(18)	(36)
Total	4,023	1,576	3,138	1,642
Income tax expenses reported in				
statement of income	(7,171)	(21,529)	(8,144)	(21,529)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Financial statements in which the		Separate financial statements	
	equity method is applied			
	For the six-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Accounting profits before income tax				
expenses	130,237	200,220	131,149	201,405
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(26,047)	(40,044)	(26,230)	(40,281)
Adjustment of prior year's corporate				
income tax expenses	40	-	40	-
Tax effects of:				
Tax - exempted revenues	4,536	2,446	4,536	2,446
Non - tax deductible expenses	(846)	(14)	(846)	(14)
Additional tax deductible expenses				
allowed	244	196	244	196
Others	754	(273)	(36)	(36)
Total	4,688	2,355	3,898	2,592
Income tax expenses reported in				
statement of income	(21,319)	(37,689)	(22,292)	(37,689)

(Unaudited but reviewed)

12. Insurance contract liabilities

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	30 June 2019		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	413,121,524	(2,617,523)	410,504,001
Loss reserves			
Claims incurred and reported	362,406	-	362,406
Claims incurred but not yet reported	22,832,776	-	22,832,776
Premium reserves			
Unearned premium reserves	388,457,854	(26,263)	388,431,591
Total	<u>824,774,560</u>	<u>(2,643,786)</u>	<u>822,130,774</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 six-month period ended 30 June 2019	For the year ended 31 December 2018
Beginning balances	406,751,589	321,283,566
Reserves increased from new policies and enforced policies	54,985,583	143,083,523
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(24,610,491)	(41,212,054)
Assumptions changes	(24,005,157)	(16,403,446)
Ending balances	<u>413,121,524</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 six-month period ended 30 June 2019	For the year ended 31 December 2018
Beginning balances	21,702,409	34,949,431
Claims incurred for the periods	487,693,580	979,028,274
Changes in loss reserve	(1,654,379)	56,925,383
Changes in assumptions for calculating loss reserves	3,128,402	(66,185,055)
Claims paid during the periods	(487,674,830)	(983,015,624)
Ending balances	<u>23,195,182</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 six-month period ended 30 June 2019	For the year ended 31 December 2018
Beginning balances	255,423,506	222,128,295
Premium written for the periods	751,029,705	1,322,323,819
Premium earned during the periods	(617,995,357)	(1,289,028,608)
Ending balances	<u>388,457,854</u>	<u>255,423,506</u>

13. Due to reinsurers

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 June 2019	31 December 2018
Amounts due to reinsurers	<u>221,761,396</u>	<u>184,571,501</u>
Total due to reinsurers	<u>221,761,396</u>	<u>184,571,501</u>

14. Employee benefit obligations

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

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the six-month period ended 30 June 2019	For the year ended 31 December 2018
Employee benefit obligations at beginning of the periods	10,871,877	9,087,919
Included in statements of income:		
Current service costs	624,716	765,915
Interest costs	116,605	125,831
Past service costs	2,069,238	-
Included in statements of comprehensive income:		
Actuarial losses	595,133	892,212
Employee benefit obligations at end of the periods	<u>14,277,569</u>	<u>10,871,877</u>

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

15. Segment information

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

15.1 Operating segment information reporting

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

	(Unit: Baht)		
	Financial statements in which the equity method is applied		
	For the three-month period ended 30 June 2019		
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	269,125,066	424,350,085	693,475,151
Less: Reinsurance premium ceded	(4,033,847)	(228,645)	(4,262,492)
Net reinsurance premium written	265,091,219	424,121,440	689,212,659
Add (less): Unearned premium reserves (increased) decreased from prior period	1,410,217	(140,801,561)	(139,391,344)
Earned premium	266,501,436	283,319,879	549,821,315
Underwriting expenses			
Long-term insurance policy reserves increased (decreased) from prior period	(13,553,705)	28,700,061	15,146,356
Net benefits and claims	186,194,061	185,922,964	372,117,025
Commissions and brokerages expenses - net	68,995,629	36,915,388	105,911,017
Other underwriting expenses	3,446,890	5,721,743	9,168,633
Total underwriting expenses	245,082,875	257,260,156	502,343,031
Profit from underwriting	21,418,561	26,059,723	47,478,284
Operating expenses			(25,226,649)
Profit from operation			22,251,635
Share of loss from investment in an associates			(435,999)
Net investment revenue			34,202,936
Other income			154,948
Profit before income tax expenses			56,173,520
Income tax expenses			(7,171,015)
Profit for the period			49,002,505

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied

For the three-month period ended 30 June 2018

	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	320,529,399	312,757,943	633,287,342
Less: Reinsurance premium ceded	(4,275,575)	(222,476)	(4,498,051)
Net reinsurance premium written	316,253,824	312,535,467	628,789,291
Less: Unearned premium reserves increased from prior period	(4,814,463)	(63,678,414)	(68,492,877)
Earned premium	311,439,361	248,857,053	560,296,414
Underwriting expenses			
Long-term insurance policy reserves increased (decreased) from prior period	(10,106,663)	30,431,226	20,324,563
Net benefits and claims	182,243,490	113,720,574	295,964,064
Commissions and brokerages expenses - net	54,783,141	62,714,884	117,498,025
Other underwriting expenses	3,188,750	3,160,010	6,348,760
Total underwriting expenses	230,108,718	210,026,694	440,135,412
Profit from underwriting	81,330,643	38,830,359	120,161,002
Operating expenses			(25,507,892)
Profit from operations			94,653,110
Share of loss from investment in an associate			(328,896)
Net investment revenue			21,115,188
Other revenue			86,202
Profit before income tax expenses			115,525,604
Income tax expenses			(21,529,303)
Profit for the period			93,996,301

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied			
For the six-month period ended 30 June 2019			
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	597,801,999	663,049,205	1,260,851,204
Less: Reinsurance premium ceded	(5,648,263)	(457,291)	(6,105,554)
Net reinsurance premium written	592,153,736	662,591,914	1,254,745,650
Add (less): Unearned premium reserves (increased) decreased from prior period	15,597,321	(148,612,821)	(133,015,500)
Earned premium	607,751,057	513,979,093	1,121,730,150
Underwriting expenses			
Long-term insurance policy reserves increased (decreased) from prior period	(14,397,229)	21,032,749	6,635,520
Net benefits and claims	395,121,916	318,260,032	713,381,948
Commissions and brokerages expenses - net	162,152,940	98,405,204	260,558,144
Other underwriting expenses	8,405,437	9,322,850	17,728,287
Total underwriting expenses	551,283,064	447,020,835	998,303,899
Profit from underwriting	56,467,993	66,958,258	123,426,251
Operating expenses			(49,294,441)
Profit from operation			74,131,810
Share of loss from investment in an associate			(911,943)
Net investment revenue			56,787,802
Other income			229,298
Profit before income tax expenses			130,236,967
Income tax expenses			(21,318,640)
Profit for the period			108,918,327

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied			
For the six-month period ended 30 June 2018			
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	655,488,894	526,018,771	1,181,507,665
Less: Reinsurance premium ceded	(9,188,920)	(444,952)	(9,633,872)
Net reinsurance premium written	646,299,974	525,573,819	1,171,873,793
Less: Unearned premium reserves increased from prior period	(15,184,226)	(39,270,522)	(54,454,748)
Earned premium	631,115,748	486,303,297	1,117,419,045
Underwriting expenses			
Long-term insurance policy reserves increased (decreased) from prior period	(10,744,585)	50,651,732	39,907,147
Net benefits and claims	337,927,477	262,191,208	600,118,685
Commission expenses	160,346,092	97,825,959	258,172,051
Other underwriting expenses	6,814,006	5,468,125	12,282,131
Total underwriting expenses	494,342,990	416,137,024	910,480,014
Profit from underwriting	136,772,758	70,166,273	206,939,031
Operating expenses			(43,821,599)
Profit from operations			163,117,432
Share of loss from investment in an associate			(1,184,531)
Net investment revenue			36,764,356
Other revenue			1,523,165
Profit before income tax expenses			200,220,422
Income tax expenses			(37,689,042)
Profit for the period			162,531,380

15.2 Geographic information

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

15.3 Major customers

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

(Unit: Million Baht)

	Financial statements in which the equity method is applied			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Reinsurance premium written	515	391	827	635

16. Earnings per share

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

17. Dividends paid

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

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend from 2018 net income	Annual General Meeting of the shareholders on 23 April 2019	90.0	0.15
Total dividend paid during the period of 2019		90.0	0.15
Final dividend from 2017 net income	Annual General Meeting of the shareholders on 25 April 2018	180.0	0.30
Total dividend paid during the period of 2018		180.0	0.30

18. Related party transactions

18.1 Nature of relationship

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

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

Name of related parties	Relationship with the Company
TKI Life Insurance Company Limited	An associate whereby the Company holds 32.5% of its shares
Thai Reinsurance Plc.	Related by way of having common directors and being the Company's shareholder
Bangkok Life Assurance Plc.	Related by way of having common directors and being the Company's shareholder
The Navakij Insurance Plc.	Related by way of having common directors and being the Company's shareholder
Thaire Services Co., Ltd.	Related by way of having common directors and shareholder
Thai Life Insurance Plc.	Related by way of having common directors
Thaire Actuarial Consulting Co., Ltd.	Related by way of having a common shareholder
EMCS Thai Co., Ltd.	Related by way of having common directors and shareholder
Thaire Innovation Co., Ltd.	Related by way of having common directors and shareholder

18.2 Significant related party transactions

During the three-month and six-month periods ended 30 June 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		For the six-month periods ended		Pricing policy
	30 June		30 June		
	2019	2018	2019	2018	
<u>Transactions with associates</u>					
<i>Revenues</i>					
Service revenues	69	-	138	-	Mutually agreed rates
<u>Transactions with related parties</u>					
<i>Revenues</i>					
Reinsurance premium written	216,856	214,527	307,886	264,183	According to terms of reinsurance contracts
Commissions and brokerages income	158	140	371	335	According to terms of reinsurance contracts
Claims refundable	226	202	500	412	According to the ratios as specified in the reinsurance contracts
Service revenues	-	-	-	208	Mutually agreed rates
<i>Expenses</i>					
Reinsurance premium ceded	694	584	1,248	1,208	According to terms of reinsurance contracts
Claim expenses	95,673	43,531	121,153	111,289	According to the ratios as specified in the reinsurance contracts
Commissions and brokerages expenses	35,064	56,840	72,761	54,855	According to terms of reinsurance contracts
Service fee expenses ⁽¹⁾	2,151	2,161	4,302	4,321	Mutually agreed rates
<i>Owner's equity</i>					
Dividend paid	11,133	29,857	11,133	29,857	As declared

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

18.3 Outstanding balances

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

	(Unit: Thousand Baht)	
	30 June 2019	31 December 2018
Associate		
Other receivable ⁽¹⁾	77	108
Related parties		
Insurance reserves refundable from reinsurers ⁽²⁾	779	694
Amounts due from reinsurers ⁽³⁾	140,301	17,765
Amounts deposited on reinsurance ⁽³⁾	2,225	753
Deferred commissions expenses	30,774	17,508
Loss reserves ⁽⁴⁾	11,676	4,326
Amounts due to reinsurers ⁽⁵⁾	5,002	16,735
Deferred commissions income	12	10

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

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

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

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

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

18.4 Directors' and key management's remuneration

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

	(Unit: Thousand Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Short-term benefits	10,084	9,359	19,640	15,569
Post employment benefits	1,469	933	2,248	1,551
Total	11,553	10,292	21,888	17,120

(Unaudited but reviewed)

19. Assets placed and reserved with the Registrar

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

(Unit: Million Baht)

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

	30 June 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
Assets placed				
Government bonds	21.0	21.1	21.0	20.8
Assets reserved as insurance reserves				
Government and state enterprise bonds	134.0	135.7	214.0	215.3
Fixed deposits	130.0	130.0	-	-

20. Other assets subject to restrictions

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

(Unit: Million Baht)

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

	30 June 2019	31 December 2018
	Guarantee for electricity consumption	
Government bonds	0.1	0.1

21. Commitments

21.1 Operating lease commitments

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

Payable	(Unit: Million Baht)	
	30 June 2019	31 December 2018
Within 1 year	0.8	0.8
Longer than 1 year but within 5 years	2.0	2.4

21.2 Capital Commitments

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

21.3 Service commitments

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

22. Fair value of financial instruments

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

	(Unit: Baht)					
	30 June 2019			31 December 2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Investment in securities						
Trading - Equity securities	79,878,561	-	79,878,561	78,514,664	-	78,514,664
Available-for-sale - Equity securities	661,088,023	367,381,423	1,028,469,446	584,809,424	358,522,882	943,332,306

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

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

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

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Audit Committee on 6 August 2019.