

Bangkok Insurance Public Company Limited
Review report and interim financial statements
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Insurance Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of Bangkok Insurance Public Company Limited as at 30 September 2018, the related statements of comprehensive income, in which the equity method is applied, for the three-month and nine-month periods then ended, the related statements of changes in owners' equity and cash flows, in which the equity method is applied, for the nine-month period then ended, as well as the condensed notes to the financial statements. I have also reviewed the separate financial information of Bangkok Insurance Public Company Limited for the same periods. 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.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

EY Office Limited
Bangkok: 1 November 2018

Bangkok Insurance Public Company Limited

Statements of financial position

As at 30 September 2018

(Unit: Baht)

Note	Financial statements				
	in which the equity method is applied		Separate financial statements		
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Cash and cash equivalents	3	216,120,352	399,583,620	216,120,352	399,583,620
Premium receivables - net	4	2,010,676,505	2,401,046,091	2,010,676,505	2,401,046,091
Accrued investment income		53,103,770	94,695,499	53,103,770	94,695,499
Reinsurance assets - net	5	5,307,611,956	5,487,395,925	5,307,611,956	5,487,395,925
Reinsurance receivables - net	6	181,685,058	239,202,038	181,685,058	239,202,038
Investment assets					
Investments in securities - net	7	48,859,724,771	47,819,624,499	48,859,724,771	47,819,624,499
Loans - net	8	1,371,119,921	1,359,308,172	1,371,119,921	1,359,308,172
Investments in associates	9.1	221,825,707	214,935,714	129,395,722	134,395,122
Investment properties - net	10	156,779,215	169,666,034	156,779,215	169,666,034
Premises and equipment - net	11	869,349,778	1,007,214,174	869,349,778	1,007,214,174
Intangible assets - net	12	175,801,879	226,579,175	175,801,879	226,579,175
Other assets					
Land and building leasehold rights - net		45,204,260	48,954,088	45,204,260	48,954,088
Others		494,164,477	634,575,332	494,164,477	634,575,332
Total assets		59,963,167,649	60,102,780,361	59,870,737,664	60,022,239,769

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

Bangkok Insurance Public Company Limited
Statements of financial position (continued)
As at 30 September 2018

(Unit: Baht)

Note	Financial statements				
	in which the equity method is applied		Separate financial statements		
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	14	13,579,611,794	13,762,343,603	13,579,611,794	13,762,343,603
Due to reinsurers	15	1,750,532,182	2,051,516,569	1,750,532,182	2,051,516,569
Income tax payable		67,928,586	112,217,882	67,928,586	112,217,882
Employee benefit obligations		435,381,900	351,202,663	435,381,900	351,202,663
Deferred tax liabilities	13.1	4,962,504,045	5,039,465,161	4,944,018,048	5,023,357,043
Other liabilities					
Premiums received in advance		1,849,728,408	1,802,396,156	1,849,728,408	1,802,396,156
Commission payables		359,719,366	333,856,726	359,719,366	333,856,726
Accrued expenses		474,685,354	635,001,045	474,685,354	635,001,045
Liabilities under finance lease agreements		59,533,944	65,006,724	59,533,944	65,006,724
Others		813,092,779	804,331,887	813,092,779	804,331,887
Total liabilities		24,352,718,358	24,957,338,416	24,334,232,361	24,941,230,298
Owners' equity					
Share capital					
Registered, issued and paid up					
106,470,000 ordinary shares of Baht 10 each		1,064,700,000	1,064,700,000	1,064,700,000	1,064,700,000
Share premium		1,442,500,000	1,442,500,000	1,442,500,000	1,442,500,000
Retained earnings					
Appropriated					
Statutory reserve		106,470,000	106,470,000	106,470,000	106,470,000
Other reserve		3,100,000,000	3,100,000,000	3,100,000,000	3,100,000,000
Unappropriated		7,251,802,923	6,381,856,699	7,177,858,935	6,317,424,225
Other component of owners' equity		22,644,976,368	23,049,915,246	22,644,976,368	23,049,915,246
Total owners' equity		35,610,449,291	35,145,441,945	35,536,505,303	35,081,009,471
Total liabilities and owners' equity		59,963,167,649	60,102,780,361	59,870,737,664	60,022,239,769

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

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Directors
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(Unaudited but reviewed)

Bangkok Insurance Public Company Limited
Statements of comprehensive income
For the three-month periods ended 30 September 2018

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Gross premium written		4,298,374,347	3,605,294,486	4,298,374,347	3,605,294,486
Less: Premium ceded to reinsurers		(1,372,460,681)	(1,002,479,976)	(1,372,460,681)	(1,002,479,976)
Net premium written		2,925,913,666	2,602,814,510	2,925,913,666	2,602,814,510
Add (less): Unearned premium reserves (increased) decreased from prior period		(63,848,723)	155,309,506	(63,848,723)	155,309,506
Net earned premium		2,862,064,943	2,758,124,016	2,862,064,943	2,758,124,016
Fee and commission income		266,984,394	244,615,468	266,984,394	244,615,468
Shares of profits from investments in associates, accounted for under the equity method	9.2	1,602,286	1,057,009	-	-
Net investment revenue		373,878,943	344,063,739	373,878,943	344,063,739
Gains (losses) on investments		(627,519)	56,170,324	(627,519)	56,170,324
Other income		38,402,777	39,727,182	38,402,777	39,727,182
Total revenues		3,542,305,824	3,443,757,738	3,540,703,538	3,442,700,729
Expenses					
Gross claims		1,714,996,988	1,381,615,280	1,714,996,988	1,381,615,280
Add (less): Claim recovery from reinsurers		(366,847,724)	39,503,482	(366,847,724)	39,503,482
Commissions and brokerages		564,185,742	506,650,658	564,185,742	506,650,658
Other underwriting expenses		509,575,104	455,248,225	509,575,104	455,248,225
Operating expenses		257,078,445	293,626,487	257,078,445	293,626,487
Investment expenses		21,227,428	22,788,500	21,227,428	22,788,500
Finance costs		796,032	898,060	796,032	898,060
Total expenses		2,701,012,015	2,700,330,692	2,701,012,015	2,700,330,692
Profits before income tax expenses		841,293,809	743,427,046	839,691,523	742,370,037
Less: Income tax expenses	13.2	(102,307,060)	(85,744,558)	(101,986,603)	(85,533,156)
Profits for the periods		738,986,749	657,682,488	737,704,920	656,836,881
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains on revaluation of available-for-sale investments		3,136,698,048	4,693,490,924	3,136,698,048	4,693,490,924
Less: Income taxes		(627,339,609)	(938,698,184)	(627,339,609)	(938,698,184)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		2,509,358,439	3,754,792,740	2,509,358,439	3,754,792,740
Other comprehensive income for the periods		2,509,358,439	3,754,792,740	2,509,358,439	3,754,792,740
Total comprehensive income for the periods		3,248,345,188	4,412,475,228	3,247,063,359	4,411,629,621
Earnings per share:					
Basic earnings per share					
Profits for the periods		6.94	6.18	6.93	6.17

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

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited
Statements of comprehensive income
For the nine-month periods ended 30 September 2018

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Gross premium written		12,449,159,356	11,583,350,522	12,449,159,356	11,583,350,522
Less: Premium ceded to reinsurers		(3,766,495,289)	(3,461,648,010)	(3,766,495,289)	(3,461,648,010)
Net premium written		8,682,664,067	8,121,702,512	8,682,664,067	8,121,702,512
Add (less): Unearned premium reserves (increased) decreased from prior period		(326,534,059)	180,121,305	(326,534,059)	180,121,305
Net earned premium		8,356,130,008	8,301,823,817	8,356,130,008	8,301,823,817
Fee and commission income		751,036,300	800,413,278	751,036,300	800,413,278
Shares of profits from investments in associates, accounted for under the equity method	9.2	11,076,909	7,099,076	-	-
Net investment revenue		1,039,977,187	1,015,238,898	1,039,977,187	1,015,238,898
Gains on investments		67,445,607	70,249,634	66,633,123	70,249,634
Other income		118,114,078	135,125,662	118,114,078	135,125,662
Total revenues		10,343,780,089	10,329,950,365	10,331,890,696	10,322,851,289
Expenses					
Gross claims		5,587,542,318	6,045,977,405	5,587,542,318	6,045,977,405
Less: Claim recovery from reinsurers		(1,517,806,564)	(1,692,653,239)	(1,517,806,564)	(1,692,653,239)
Commissions and brokerages		1,693,511,007	1,579,271,821	1,693,511,007	1,579,271,821
Other underwriting expenses		1,415,748,222	1,359,717,612	1,415,748,222	1,359,717,612
Operating expenses		762,003,155	765,457,508	762,003,155	765,457,508
Investment expenses		62,881,604	66,576,862	62,881,604	66,576,862
Finance costs		2,496,063	2,706,079	2,496,063	2,706,079
Total expenses		8,006,375,805	8,127,054,048	8,006,375,805	8,127,054,048
Profits before income tax expenses		2,337,404,284	2,202,896,317	2,325,514,891	2,195,797,241
Less: Income tax expenses	13.2	(296,288,060)	(258,191,490)	(293,910,181)	(256,771,675)
Profits for the periods		2,041,116,224	1,944,704,827	2,031,604,710	1,939,025,566
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains (losses) on revaluation of available-for-sale investments		(506,173,598)	3,961,107,460	(506,173,598)	3,961,107,460
Add (less): Income taxes		101,234,720	(792,221,492)	101,234,720	(792,221,492)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(404,938,878)	3,168,885,968	(404,938,878)	3,168,885,968
Other comprehensive income (loss) for the periods		(404,938,878)	3,168,885,968	(404,938,878)	3,168,885,968
Total comprehensive income for the periods		1,636,177,346	5,113,590,795	1,626,665,832	5,107,911,534
Earnings per share:					
Basic earnings per share					
Profits for the periods	17	19.17	18.27	19.08	18.21

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

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited**Statements of cash flows****For the nine-month periods ended 30 September 2018**

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Cash flows from (used in) operating activities					
Direct premium written		12,403,793,189	11,866,516,801	12,403,793,189	11,866,516,801
Cash paid for reinsurance		(1,318,367,601)	(1,405,025,238)	(1,318,367,601)	(1,405,025,238)
Interest income		226,405,464	194,491,397	226,405,464	194,491,397
Dividend income		855,061,583	800,360,127	855,061,583	800,360,127
Other investment income		103,465,847	108,460,559	103,465,847	108,460,559
Other income		14,636,801	20,523,354	14,636,801	20,523,354
Losses incurred on direct insurance		(5,668,776,018)	(5,400,458,996)	(5,668,776,018)	(5,400,458,996)
Commissions and brokerages on direct insurance		(1,546,707,305)	(1,519,699,648)	(1,546,707,305)	(1,519,699,648)
Other underwriting expenses		(1,606,380,390)	(1,528,775,217)	(1,606,380,390)	(1,528,775,217)
Operating expenses		(582,758,510)	(778,484,129)	(582,758,510)	(778,484,129)
Investment expenses		(42,632,509)	(46,603,831)	(42,632,509)	(46,603,831)
Income taxes		(317,634,985)	(338,277,921)	(317,634,985)	(338,277,921)
Investments in securities		(2,925,294,525)	(578,590,669)	(2,925,294,525)	(578,590,669)
Loans		(13,059,703)	69,117,233	(13,059,703)	69,117,233
Investments in associates		5,949,741	-	5,949,741	-
Deposits at financial institutions		1,442,999,685	(85,251,764)	1,442,999,685	(85,251,764)
Net cash provided by operating activities		1,030,700,764	1,378,302,058	1,030,700,764	1,378,302,058
Cash flows from (used in) investing activities					
Cash flows from					
Premises and equipment		183,280	6,346,837	183,280	6,346,837
Cash provided by investing activities		183,280	6,346,837	183,280	6,346,837
Cash flows used in					
Premises and equipment		(34,709,105)	(82,234,399)	(34,709,105)	(82,234,399)
Intangible assets		(8,468,207)	(20,572,761)	(8,468,207)	(20,572,761)
Cash used in investing activities		(43,177,312)	(102,807,160)	(43,177,312)	(102,807,160)
Net cash used in investing activities		(42,994,032)	(96,460,323)	(42,994,032)	(96,460,323)
Cash flows from (used in) financing activities					
Dividends paid	18	(1,171,170,000)	(1,171,153,473)	(1,171,170,000)	(1,171,153,473)
Net cash used in financing activities		(1,171,170,000)	(1,171,153,473)	(1,171,170,000)	(1,171,153,473)
Net increase (decrease) in cash and cash equivalents		(183,463,268)	110,688,262	(183,463,268)	110,688,262
Cash and cash equivalents at beginning of the periods		399,583,620	412,484,321	399,583,620	412,484,321
Cash and cash equivalents at end of the periods		216,120,352	523,172,583	216,120,352	523,172,583

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

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited**Statements of changes in owners' equity****For the nine-month periods ended 30 September 2018**

(Unit: Baht)

Financial statements in which the equity method is applied

	Note	Issued and paid-up		Retained earnings			Other component of equity	
		share capital	Share premium	Appropriated		Unappropriated	Revaluation surplus on available-for-sale investments - net	
				Statutory reserve	Other reserve		of income taxes	Total
Balance as at 1 January 2017		1,064,700,000	1,442,500,000	106,470,000	3,100,000,000	5,472,711,707	22,067,347,169	33,253,728,876
Dividend paid	18	-	-	-	-	(1,171,153,473)	-	(1,171,153,473)
Profit for the period		-	-	-	-	1,944,704,827	-	1,944,704,827
Other comprehensive income for the period		-	-	-	-	-	3,168,885,968	3,168,885,968
Balance as at 30 September 2017		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>3,100,000,000</u>	<u>6,246,263,061</u>	<u>25,236,233,137</u>	<u>37,196,166,198</u>
Balance as at 1 January 2018		1,064,700,000	1,442,500,000	106,470,000	3,100,000,000	6,381,856,699	23,049,915,246	35,145,441,945
Dividend paid	18	-	-	-	-	(1,171,170,000)	-	(1,171,170,000)
Profit for the period		-	-	-	-	2,041,116,224	-	2,041,116,224
Other comprehensive loss for the period		-	-	-	-	-	(404,938,878)	(404,938,878)
Balance as at 30 September 2018		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>3,100,000,000</u>	<u>7,251,802,923</u>	<u>22,644,976,368</u>	<u>35,610,449,291</u>

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

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited**Statements of changes in owners' equity (continued)****For the nine-month periods ended 30 September 2018**

(Unit: Baht)

		Separate financial statements					Other component of equity	
		Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	Revaluation surplus	Total
Note	Statutory reserve			Other reserve	on available-for-sale investments - net of income taxes			
				Appropriated				
Balance as at 1 January 2017		1,064,700,000	1,442,500,000	106,470,000	3,100,000,000	5,414,328,991	22,067,347,169	33,195,346,160
Dividend paid	18	-	-	-	-	(1,171,153,473)	-	(1,171,153,473)
Profit for the period		-	-	-	-	1,939,025,566	-	1,939,025,566
Other comprehensive income for the period		-	-	-	-	-	3,168,885,968	3,168,885,968
Balance as at 30 September 2017		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>3,100,000,000</u>	<u>6,182,201,084</u>	<u>25,236,233,137</u>	<u>37,132,104,221</u>
Balance as at 1 January 2018		1,064,700,000	1,442,500,000	106,470,000	3,100,000,000	6,317,424,225	23,049,915,246	35,081,009,471
Dividend paid	18	-	-	-	-	(1,171,170,000)	-	(1,171,170,000)
Profit for the period		-	-	-	-	2,031,604,710	-	2,031,604,710
Other comprehensive loss for the period		-	-	-	-	-	(404,938,878)	(404,938,878)
Balance as at 30 September 2018		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>3,100,000,000</u>	<u>7,177,858,935</u>	<u>22,644,976,368</u>	<u>35,536,505,303</u>

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

Bangkok Insurance Public Company Limited

Notes to interim financial statements

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

1. Corporate information

Bangkok Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand, and listed on the Stock Exchange of Thailand. The Company’s major shareholder is Bangkok Bank Public Company Limited whereby as at 30 September 2018 and 31 December 2017, such major shareholder held 9.97% of the issued and paid-up ordinary shares of the Company. The Company is principally engaged in the provision of non-life insurance. The Company’s registered office is located at No. 25, Bangkok Insurance Building, South Sathon Road, Tung Ma Ha Mek, Sathon, 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 non-life insurance companies dated 4 March 2016 whereby the Company choose to present condensed interim financial statements. However, the Company presented each line item in the statements of financial position, comprehensive income, changes in owners’ equity and cash flows in the same full format as that used in its annual financial statements.

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

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

2.1 The financial statements in which the equity method is applied

The Company has prepared the financial statements, in which equity method is applied, which have presented investments in associates under the equity method.

2.2 Separate financial statements

The Company has prepared its separate financial statements, which have presented investments in associates under the cost method.

2.3 New financial reporting standards

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

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

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

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

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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

Thai Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2017.

3. Cash and cash equivalents

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
Cash on hand	2,605,957	2,579,000
Deposits at banks with no fixed maturity date	213,514,395	127,004,620
Deposits at banks with fixed maturity date	-	270,000,000
Total cash and cash equivalents	<u>216,120,352</u>	<u>399,583,620</u>

As at 30 September 2018 and 31 December 2017, saving deposits and fixed deposits carried interests at the rates between 0.38 and 1.00 percent per annum and 0.38 and 1.35 percent per annum, respectively.

4. Premium receivables

As at 30 September 2018 and 31 December 2017, the balances of premium receivables from direct insurance were classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
Not yet due	1,276,415,787	1,837,930,662
Overdue not longer than 30 days	254,540,510	201,204,808
Overdue 31 days to 60 days	264,684,645	95,178,596
Overdue 61 days to 90 days	68,317,918	59,087,727
Overdue 91 days to 1 year	146,717,645	207,644,298
Overdue longer than 1 year	36,906,808	22,411,427
Total	<u>2,047,583,313</u>	<u>2,423,457,518</u>
Less: Allowance for doubtful accounts	<u>(36,906,808)</u>	<u>(22,411,427)</u>
Premium receivables - net	<u>2,010,676,505</u>	<u>2,401,046,091</u>

For premium receivables due from agents and brokers, the Company has stipulated the collection guidelines in accordance with the Premium Collection Law whereby the Company has taken legal proceedings with agents and brokers on a case by case basis for overdue premiums.

(Unaudited but reviewed)

5. Reinsurance assets

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
Insurance reserves refundable from reinsurers		
Loss reserves	3,154,256,205	3,345,545,432
Unearned premium reserves	2,159,401,259	2,148,429,161
Total	5,313,657,464	5,493,974,593
Less: Allowance for impairment	(6,045,508)	(6,578,668)
Reinsurance assets - net	5,307,611,956	5,487,395,925

As at 30 September 2018 and 31 December 2017, Insurance reserves refundable from reinsurers included insurance reserves refundable from reinsurers due to flood situation in 2011 amounting to Baht 20.9 million and Baht 31.5 million, respectively.

6. Reinsurance receivables

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
Amounts deposited on reinsurance	36,043,776	37,091,956
Amounts due from reinsurers	169,798,581	239,405,655
Total	205,842,357	276,497,611
Less: Allowance for doubtful accounts	(24,157,299)	(37,295,573)
Receivables on reinsurance contracts - net	181,685,058	239,202,038

7. Investments in securities**7.1 Classified by type of investment**

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	30 September 2018		31 December 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
Government and state enterprise securities	4,876,335,998	4,870,896,328	1,954,375,379	1,964,880,052
Private sector debt securities	1,194,517,675	1,202,859,092	1,313,390,745	1,337,918,329
Equity securities	7,171,310,991	35,474,629,703	6,977,967,772	35,755,329,572
Total	13,242,164,664	41,548,385,123	10,245,733,896	39,058,127,953
Add: Unrealised gains	28,306,220,459	-	28,812,394,057	-
Total available-for-sale investments	41,548,385,123	41,548,385,123	39,058,127,953	39,058,127,953
Held-to-maturity investments				
Deposits at financial institutions which matured over 3 months	6,608,576,179		8,051,575,864	
Total held-to-maturity investments	6,608,576,179		8,051,575,864	
General investments				
Domestic equity securities	603,435,058		603,435,058	
Foreign equity securities	217,131,571		201,689,384	
Total	820,566,629		805,124,442	
Less: Allowance for impairment	(117,803,160)		(95,203,760)	
General investments - net	702,763,469		709,920,682	
Investment in securities - net	48,859,724,771		47,819,624,499	

7.2 Revaluation surplus on available-for-sale investments

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month	
	period ended 30 September 2018	For the year ended 31 December 2017
Revaluation surplus on available-for-sale investments - beginning of the periods	28,812,394,057	27,584,183,961
Gains (losses) on revaluation during the periods	(437,384,866)	1,317,176,684
Gains on sales of available-for-sale investments during the periods transferred to be recognised in profit or loss	(68,788,732)	(88,966,588)
Revaluation surplus on available-for-sale investments - end of the periods	28,306,220,459	28,812,394,057
Less: Income taxes	(5,661,244,091)	(5,762,478,811)
Revaluation surplus on available-for-sale investments - net of income taxes	<u>22,644,976,368</u>	<u>23,049,915,246</u>

7.3 Investments subject to restriction

As at 30 September 2018 and 31 December 2017, the Company placed certain investments as a security with the Registrar and placed with the bank to secure bank overdraft facilities and others as required in the normal course of business of the Company as described in Note 20 to the interim financial statements.

8. Loans and interest receivables

As at 30 September 2018 and 31 December 2017, the balances of loans and interest receivables, classified by overdue years, were as follows:

(Unit: Baht)

Overdue years	Financial statements in which the equity method is applied and Separate financial statements						
	30 September 2018						
	Mortgaged loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest ⁽¹⁾	Total
Not yet due	1,198,942,539	212,681	8,426,662	-	1,207,369,201	212,681	1,207,581,882
Overdue							
Less than 3 months	22,406,529	209,132	-	-	22,406,529	209,132	22,615,661
6 - 12 months	22,684,946	-	-	-	22,684,946	-	22,684,946
Longer than 12 months	119,246,754	-	-	-	119,246,754	-	119,246,754
Total	1,363,280,768	421,813	8,426,662	-	1,371,707,430	421,813	1,372,129,243
Less: Allowance for doubtful account	(587,509)	-	-	-	(587,509)	-	(587,509)
Loans and interest receivables - net	<u>1,362,693,259</u>	<u>421,813</u>	<u>8,426,662</u>	<u>-</u>	<u>1,371,119,921</u>	<u>421,813</u>	<u>1,371,541,734</u>

⁽¹⁾ Shown as a part of "accrued investment income" in the statements of financial position

(Unit: Baht)

Financial statements in which the equity method is applied and Separate financial statements							
31 December 2017							
Overdue years	Mortgaged loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest ⁽¹⁾	Total
Not yet due	1,169,395,263	925,744	6,233,720	-	1,175,628,983	925,744	1,176,554,727
Overdue							
Less than 3 months	30,200,000	147,484	-	-	30,200,000	147,484	30,347,484
Longer than 12 months	153,479,189	-	-	-	153,479,189	-	153,479,189
Loans and interest receivables	<u>1,353,074,452</u>	<u>1,073,228</u>	<u>6,233,720</u>	<u>-</u>	<u>1,359,308,172</u>	<u>1,073,228</u>	<u>1,360,381,400</u>

⁽¹⁾ Shown as a part of "accrued investment income" in the statements of financial position

Credit limits granted to each employee under the Company's employee welfare plan are not exceeding 30 times of employee's salary and Baht 1,000,000 for personal guarantee loans with interest being charged at the rate of 3.0% per annum, and not exceeding 60 times of employee's salary and Baht 5,000,000 for mortgaged loans with interest being charged at the rate of 2.5% per annum.

As at 30 September 2018 and 31 December 2017, the balances of employee loans were Baht 103.1 million and Baht 53.9 million, respectively.

9. Investments in associates

9.1 Details of associates

Company's name	Nature of business	Country of incorporation	Paid-up share capital as at		Shareholding	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(USD)	(USD)	(%)	(%)
Asia Insurance (Cambodia) Plc.	Non-life insurance	Cambodia	7,000,000	7,000,000	22.92	22.92
Asian Insurance International Holding) Limited	Holding company	Bermuda	5,740,000	5,740,000	41.70	41.70
Bangkok Insurance (Lao) Company Limited	Non-life insurance	Lao	2,000,000	2,000,000	38.00	45.00

(Unit: Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Asia Insurance (Cambodia) Plc.	79,796,736	73,608,791	30,202,059	30,202,059
Asian Insurance International (Holding) Limited	119,913,419	113,598,568	72,054,063	72,054,063
Bangkok Insurance (Lao) Company Limited	22,115,552	27,728,355	27,139,600	32,139,000
Total	<u>221,825,707</u>	<u>214,935,714</u>	<u>129,395,722</u>	<u>134,395,122</u>

On 29 March 2018, the Company sold the shares of Bangkok Insurance (Lao) Company Limited which held by the Company, equivalent to 7 percent of the total shares of such company.

9.2 Shares of profits (losses) and dividends income

(Unit: Baht)

Company's name	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profits (losses) from investments in associates for the three-month periods ended 30 September		Share of profits (losses) from investments in associates for the nine-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
	2018	2017	2018	2017	2018	2017
Asia Insurance (Cambodia) Plc.	1,658,551	1,395,403	6,187,945	3,647,563	-	-
Asian Insurance International (Holding) Limited	100,809	53,506	6,314,851	4,097,313	-	-
Bangkok Insurance (Lao) Company Limited	(157,074)	(391,900)	(1,425,887)	(645,800)	-	-
Total	1,602,286	1,057,009	11,076,909	7,099,076	-	-

9.3 Summarised financial information of associates

(Unit: Million Baht)

Company's name	Total assets as at		Total liabilities as at		Total revenues for the nine-month periods ended 30 September		Profits (losses) for the nine-month periods ended 30 September	
	30 September	31 December	30 September	31 December	2018	2017	2018	2017
	2018	2017	2018	2017				
Asia Insurance (Cambodia) Plc.	434.4	398.9	69.5	58.8	68.9	68.5	27.0	20.9
Asian Insurance International (Holding) Limited	212.5	211.9	-	-	2.9	0.4	2.4	(0.1)
Bangkok Insurance (Lao) Company Limited	141.2	105.7	90.1	50.3	17.2	10.1	(3.2)	(2.4)

As at 30 September 2018 and 31 December 2017, the Company recorded investments in associates under the equity method (in the financial statements in which the equity method is applied) based on the financial information, as prepared by the associates' management, which have yet been reviewed by their external auditors.

(Unaudited but reviewed)

10. Investment properties

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements
Net book value as at 1 January 2018	169,666,034
Depreciation charge for the period	(12,886,819)
Net book value as at 30 September 2018	<u>156,779,215</u>

The investment properties of the Company, which are offices for rent, as at 30 September 2018 and 31 December 2017, the fair values of the investment properties amounting to Baht 179.3 million and Baht 206.0 million, respectively, which were appraised by an independent valuer using the income approach. The key assumptions used in such appraisal are yield rate, inflation rate, long-term vacancy rate and long-term growth rate in rental fee, etc.

11. Premises and equipment

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements						Total
	Land	Buildings	Condominium unit	Office furniture, fixtures and equipment	Motor vehicles	Construction in progress	
Net book value as at							
1 January 2018	206,132,665	267,104,156	29,629	436,969,151	69,588,725	27,389,848	1,007,214,174
Addition during the period - at cost	-	-	-	21,810,876	12,945,177	11,771,198	46,527,251
Transfer in (out) during the period							
- at cost	-	-	-	24,369,344	-	(24,369,344)	-
Disposals during the period							
- at net book value	-	-	-	(10)	(69,972)	-	(69,982)
Depreciation charge for the period	-	(19,756,582)	-	(145,286,179)	(19,278,904)	-	(184,321,665)
Net book value as at							
30 September 2018	<u>206,132,665</u>	<u>247,347,574</u>	<u>29,629</u>	<u>337,863,182</u>	<u>63,185,026</u>	<u>14,791,702</u>	<u>869,349,778</u>

12. Intangible assets

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	Computer software	Computer software under development	Total
Net book value as at 1 January 2018	222,939,164	3,640,011	226,579,175
Addition during the period - at cost	5,848,287	-	5,848,287
Transfer in (out) during the period - at cost	3,640,011	(3,640,011)	-
Amortisation for the period	(56,625,583)	-	(56,625,583)
Net book value as at 30 September 2018	<u>175,801,879</u>	<u>-</u>	<u>175,801,879</u>

13. Deferred tax asset/liabilities and income tax expenses**13.1 Deferred tax assets/liabilities**

As at 30 September 2018 and 31 December 2017, the components of deferred tax assets and liabilities consisted of tax effects arising from the following transactions.

	(Unit: Baht)			
	Financial statements in which the equity method is applied		Changes in deferred tax assets or liabilities for the nine-month periods ended 30 September	
	30 September 2018	31 December 2017	2018	2017
Deferred tax assets arose from:				
Allowance for impairment on investments	23,560,632	19,040,752	4,519,880	1,404,320
Premium reserves	182,093,882	161,663,994	20,429,888	(34,597,059)
Loss reserves of claims incurred and reported	349,297,121	403,860,729	(54,563,608)	(19,189,678)
Loss reserves of claims incurred but not yet reported	60,777,092	66,265,177	(5,488,085)	(3,224,373)
Provision for long-term employee benefits	87,219,524	80,383,677	6,835,847	11,771,561
Others	14,420,936	8,050,583	6,370,353	(2,292,179)
Total	717,369,187	739,264,912		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	5,661,244,091	5,762,478,811	101,234,720	(792,221,492)
Actuarial gains	143,144	143,144	-	-
Shares of profits from investments in associates	18,485,997	16,108,118	(2,377,879)	(1,419,815)
Total	5,679,873,232	5,778,730,073		
Deferred tax liabilities	4,962,504,045	5,039,465,161		
Total changes			76,961,116	(839,768,715)
Changes are recognised:				
- in profit or loss			(24,273,604)	(47,547,223)
- in other comprehensive income			101,234,720	(792,221,492)
			76,961,116	(839,768,715)

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements		Changes in deferred tax assets or liabilities for the nine-month periods ended 30 September	
	30 September 2018	31 December 2017	2018	2017
Deferred tax assets arose from:				
Allowance for impairment on investments	23,560,632	19,040,752	4,519,880	1,404,320
Premium reserves	182,093,882	161,663,994	20,429,888	(34,597,059)
Loss reserves of claims incurred and reported	349,297,121	403,860,729	(54,563,608)	(19,189,678)
Loss reserves of claims incurred but not yet reported	60,777,092	66,265,177	(5,488,085)	(3,224,373)
Provision for long-term employee benefits	87,219,524	80,383,677	6,835,847	11,771,561
Others	14,420,936	8,050,583	6,370,353	(2,292,179)
Total	<u>717,369,187</u>	<u>739,264,912</u>		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	5,661,244,091	5,762,478,811	101,234,720	(792,221,492)
Actuarial gains	143,144	143,144	-	-
Total	<u>5,661,387,235</u>	<u>5,762,621,955</u>		
Deferred tax liabilities	<u>4,944,018,048</u>	<u>5,023,357,043</u>		
Total changes			<u>79,338,995</u>	<u>(838,348,900)</u>
Changes are recognised:				
- in profit or loss			(21,895,725)	(46,127,408)
- in other comprehensive income			101,234,720	(792,221,492)
			<u>79,338,995</u>	<u>(838,348,900)</u>

13.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 were made up as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2018	2017	2018	2017
Current income taxes:				
Corporate income tax charge	(88,144,225)	(22,984,269)	(88,144,225)	(22,984,269)
Deferred income taxes:				
Deferred income taxes relating to origination and reversal of temporary differences	(14,162,835)	(62,760,289)	(13,842,378)	(62,548,887)
Income tax expenses reported in profit or loss	<u>(102,307,060)</u>	<u>(85,744,558)</u>	<u>(101,986,603)</u>	<u>(85,533,156)</u>

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
Current income taxes:				
Interim corporate income tax charge	(272,014,456)	(210,644,267)	(272,014,456)	(210,644,267)
Deferred income taxes:				
Deferred income taxes relating to origination and reversal of temporary differences	(24,273,604)	(47,547,223)	(21,895,725)	(46,127,408)
Income tax expenses reported in profit or loss	<u>(296,288,060)</u>	<u>(258,191,490)</u>	<u>(293,910,181)</u>	<u>(256,771,675)</u>

(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting profits for the three-month and nine-month periods ended 30 September 2018 and 2017 and the applicable tax rate are as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial Statements	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2018	2017	2018	2017
Accounting profits before income tax expenses	<u>841,293,809</u>	<u>743,427,046</u>	<u>839,691,523</u>	<u>742,370,037</u>
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(168,258,762)	(148,685,409)	(167,938,305)	(148,474,007)
Adjustment in respect of current income tax of prior period	-	(1,298,397)	-	(1,298,397)
Net tax effect on tax-exempt revenues and non-tax deductible expenses	<u>65,951,702</u>	<u>64,239,248</u>	<u>65,951,702</u>	<u>64,239,248</u>
Income tax expenses reported in profit or loss	<u>(102,307,060)</u>	<u>(85,744,558)</u>	<u>(101,986,603)</u>	<u>(85,533,156)</u>

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial Statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
Accounting profits before income tax expenses	<u>2,337,404,284</u>	<u>2,202,896,317</u>	<u>2,325,514,891</u>	<u>2,195,797,241</u>
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(467,480,857)	(440,579,263)	(465,102,978)	(439,159,448)
Adjustment in respect of current income tax of prior period	(291,677)	(1,414,056)	(291,677)	(1,414,056)
Net tax effect on tax-exempt revenues and non-tax deductible expenses	<u>171,484,474</u>	<u>183,801,829</u>	<u>171,484,474</u>	<u>183,801,829</u>
Income tax expenses reported in profit or loss	<u>(296,288,060)</u>	<u>(258,191,490)</u>	<u>(293,910,181)</u>	<u>(256,771,675)</u>

(Unaudited but reviewed)

14. Insurance contract liabilities

(Unit: Baht)

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

	30 September 2018		
	Insurance contract liabilities	Reinsurance assets	Net
Loss reserves			
Claims incurred and reported	5,552,770,413	(3,102,922,077)	2,449,848,336
Claims incurred but not reported	349,174,081	(45,288,620)	303,885,461
Premium reserves			
Unearned premium reserves	7,677,667,300	(2,159,401,259)	5,518,266,041
Total	<u>13,579,611,794</u>	<u>(5,307,611,956)</u>	<u>8,271,999,838</u>

(Unit: Baht)

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

	31 December 2017		
	Insurance contract liabilities	Reinsurance assets	Net
Loss reserves			
Claims incurred and reported	6,024,121,001	(3,272,231,190)	2,751,889,811
Claims incurred but not reported	398,061,459	(66,735,574)	331,325,885
Premium reserves			
Unearned premium reserves	7,340,161,143	(2,148,429,161)	5,191,731,982
Total	<u>13,762,343,603</u>	<u>(5,487,395,925)</u>	<u>8,274,947,678</u>

14.1 Loss reserves

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2018	31 December 2017
Beginning balances	6,422,182,460	6,081,530,837
Claim incurred during the periods	5,698,270,626	8,453,995,159
Change in loss reserves of claimed incurred in prior periods	(45,437,766)	(140,591,841)
Changes in assumptions in calculating loss reserves	-	619,713
Claims paid during the periods	(6,173,070,826)	(7,973,371,408)
Ending balances	5,901,944,494	6,422,182,460

As at 30 September 2018 and 31 December 2017, the Company, which is a reinsurer under the reinsurance contracts, had loss reserves under such contracts totaling Baht 227.5 million and Baht 246.7 million, respectively.

As at 30 September 2018 and 31 December 2017, loss reserves included loss reserves incurred as a result of the flood situation in 2011 amounting to Baht 25.4 million and Baht 46.3 million, respectively.

14.2 Unearned premium reserves

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2018	31 December 2017
Beginning balances	7,340,161,143	7,399,140,681
Premium written during the periods	12,449,159,356	15,940,906,580
Premium earned during the periods	(12,111,653,199)	(15,999,886,118)
Ending balances	7,677,667,300	7,340,161,143

14.3 Unexpired risk reserves

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2018	31 December 2017
Beginning balances	4,340,868,488	4,279,482,220
Estimated claims for the periods	2,293,140,652	3,287,671,653
Risk expired during the periods	(2,050,565,116)	(3,226,285,385)
Ending balances	<u>4,583,444,024</u>	<u>4,340,868,488</u>

15. Due to reinsurers

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	30 September 2018	31 December 2017
	Amounts withheld on reinsurance	982,110,735
Amounts due to reinsurers	768,421,447	1,005,714,067
Total due to reinsurers	<u>1,750,532,182</u>	<u>2,051,516,569</u>

16. Segment information

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

16.1 Segment information reporting

Operating segment information for the three-month and nine-month periods ended 30 September 2018 and 2017 can be classified by types of insurance products as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied				
	For the three-month period ended 30 September 2018				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenue					
Premium written	381,222,957	109,335,774	1,684,767,798	2,123,047,818	4,298,374,347
Less: Premium ceded to reinsurers	(127,162,175)	(51,962,302)	(38,621,377)	(1,154,714,827)	(1,372,460,681)
Net premium written	254,060,782	57,373,472	1,646,146,421	968,332,991	2,925,913,666
Add (less): Unearned premium reserves (increased) decreased from prior period	21,008,243	(5,770,218)	(93,969,486)	14,882,738	(63,848,723)
Net earned premium	275,069,025	51,603,254	1,552,176,935	983,215,729	2,862,064,943
Fee and commission income	41,678,510	17,158,994	10,822,304	197,324,586	266,984,394
Total underwriting revenue	316,747,535	68,762,248	1,562,999,239	1,180,540,315	3,129,049,337
Underwriting expenses					
Net claims	31,702,872	15,477,484	1,017,046,343	283,922,565	1,348,149,264
Commission and brokerage expenses	80,210,963	12,519,655	251,197,263	220,257,861	564,185,742
Other underwriting expenses	68,051,265	15,743,408	197,567,622	228,212,809	509,575,104
Total underwriting expenses	179,965,100	43,740,547	1,465,811,228	732,393,235	2,421,910,110
Profit from underwriting	136,782,435	25,021,701	97,188,011	448,147,080	707,139,227
Shares of profits from investments in associate					1,602,286
Net investment revenue					373,878,943
Losses on investments					(627,519)
Other income					38,402,777
Operating expenses					(257,078,445)
Investment expenses					(21,227,428)
Finance cost					(796,032)
Profit before income tax expenses					841,293,809
Less: Income tax expenses					(102,307,060)
Profit for the period					738,986,749

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which the equity method				
	For the three-month period ended 30 September 2017				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenue					
Premium written	379,503,999	98,585,512	1,421,655,942	1,705,549,033	3,605,294,486
Less: Premium ceded to reinsurers	(111,721,120)	(45,914,301)	(34,804,029)	(810,040,526)	(1,002,479,976)
Net premium written	267,782,879	52,671,211	1,386,851,913	895,508,507	2,602,814,510
Add (less): Unearned premium reserves (increased) decreased from prior period	6,000,558	(2,590,482)	143,719,940	8,179,490	155,309,506
Net earned premium	273,783,437	50,080,729	1,530,571,853	903,687,997	2,758,124,016
Fee and commission income	44,310,983	15,454,359	9,071,156	175,778,970	244,615,468
Total underwriting revenue	318,094,420	65,535,088	1,539,643,009	1,079,466,967	3,002,739,484
Underwriting expenses					
Net claims	31,090,776	12,775,543	1,041,816,010	335,436,433	1,421,118,762
Commission and brokerage expenses	90,593,326	11,484,912	206,317,756	198,254,664	506,650,658
Other underwriting expenses	62,126,065	13,974,053	183,719,381	195,428,726	455,248,225
Total underwriting expenses	183,810,167	38,234,508	1,431,853,147	729,119,823	2,383,017,645
Profit from underwriting	134,284,253	27,300,580	107,789,862	350,347,144	619,721,839
Shares of profits from investments in associates					1,057,009
Net investment revenue					344,063,739
Gains on investments					56,170,324
Other income					39,727,182
Operating expenses					(293,626,487)
Investment expenses					(22,788,500)
Finance costs					(898,060)
Profit before income tax expenses					743,427,046
Less: Income tax expenses					(85,744,558)
Profit for the period					657,682,488

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which the equity method is applied				
	For the nine-month period ended 30 September 2018				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenue					
Premium written	1,218,592,534	317,301,896	4,861,783,560	6,051,481,366	12,449,159,356
Less: Premium ceded to reinsurers	(391,062,864)	(158,335,108)	(131,109,660)	(3,085,987,657)	(3,766,495,289)
Net premium written	827,529,670	158,966,788	4,730,673,900	2,965,493,709	8,682,664,067
Less: Unearned premium reserves increased from prior period	(10,438,700)	(6,067,127)	(183,446,027)	(126,582,205)	(326,534,059)
Net earned premium	817,090,970	152,899,661	4,547,227,873	2,838,911,504	8,356,130,008
Fee and commission income	133,529,706	48,601,497	36,114,440	532,790,657	751,036,300
Total underwriting revenue	950,620,676	201,501,158	4,583,342,313	3,371,702,161	9,107,166,308
Underwriting expenses					
Net claims	117,208,055	30,758,727	2,890,385,929	1,031,383,043	4,069,735,754
Commission and brokerage expenses	269,748,376	33,430,200	720,832,460	669,499,971	1,693,511,007
Other underwriting expenses	165,567,227	48,703,096	586,960,606	614,517,293	1,415,748,222
Total underwriting expenses	552,523,658	112,892,023	4,198,178,995	2,315,400,307	7,178,994,983
Profit from underwriting	398,097,018	88,609,135	385,163,318	1,056,301,854	1,928,171,325
Shares of profits from investments in associates					11,076,909
Net investment revenue					1,039,977,187
Gains on investments					67,445,607
Other income					118,114,078
Operating expenses					(762,003,155)
Investment expenses					(62,881,604)
Finance cost					(2,496,063)
Profit before income tax expenses					2,337,404,284
Less: Income tax expenses					(296,288,060)
Profit for the period					2,041,116,224

(Unaudited but reviewed)

(Unit: Baht)

Financial statements in which the equity method is applied and Separate financial statements					
For the nine-month period ended 30 September 2017					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenue					
Premium written	1,174,972,014	322,014,795	4,457,196,016	5,629,167,697	11,583,350,522
Less: Premium ceded to reinsurers	(350,402,997)	(170,401,531)	(128,401,151)	(2,812,442,331)	(3,461,648,010)
Net premium written	824,569,017	151,613,264	4,328,794,865	2,816,725,366	8,121,702,512
Add (less): Unearned premium reserves (increased) decreased from prior period	(6,767,427)	(2,305,420)	349,017,066	(159,822,914)	180,121,305
Net earned premium	817,801,590	149,307,844	4,677,811,931	2,656,902,452	8,301,823,817
Fee and commission income	137,951,746	51,178,911	34,160,837	577,121,784	800,413,278
Total underwriting revenue	955,753,336	200,486,755	4,711,972,768	3,234,024,236	9,102,237,095
Underwriting expenses					
Net claims	70,183,198	17,476,104	3,083,855,127	1,181,809,737	4,353,324,166
Commission and brokerage expenses	276,018,032	34,624,827	654,627,117	614,001,845	1,579,271,821
Other underwriting expenses	176,237,768	45,117,938	558,832,457	579,529,449	1,359,717,612
Total underwriting expenses	522,438,998	97,218,869	4,297,314,701	2,375,341,031	7,292,313,599
Profit from underwriting	433,314,338	103,267,886	414,658,067	858,683,205	1,809,923,496
Shares of profits from investments in associates					7,099,076
Net investment revenue					1,015,238,898
Gains on investments					70,249,634
Other income					135,125,662
Operating expenses					(765,457,508)
Investment expenses					(66,576,862)
Finance costs					(2,706,079)
Profit before income tax expenses					2,202,896,317
Less: Income tax expenses					(258,191,490)
Profit for the period					1,944,704,827

The following table presented the Company's operating segment assets and liabilities as at 30 September 2018 and 31 December 2017.

(Unit: Baht)

Financial statements in which the equity method is applied							
	Fire	Marine and transportation	Motor	Miscellaneous	Total segments	Unallocated	Total
Assets							
As at 30 September 2018	635,436,444	159,023,107	639,648,284	5,989,216,107	7,423,323,942	52,539,843,707	59,963,167,649
As at 31 December 2017	644,824,302	245,621,730	759,939,181	6,330,752,962	7,981,138,175	52,121,642,186	60,102,780,361
Liabilities							
As at 30 September 2018	3,293,804,947	251,856,870	5,113,713,351	8,403,673,451	17,063,048,619	7,289,669,739	24,352,718,358
As at 31 December 2017	3,349,900,257	354,963,279	5,024,733,940	8,819,112,529	17,548,710,005	7,408,628,411	24,957,338,416

16.2 Geographic information

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

16.3 Major customers

For the three-month and nine-month periods ended 30 September 2018 and 2017, the Company had no major customer with revenue of 10 percent or more of the total revenues.

17. Earnings per share

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

18. Dividends paid

Dividend declared during the nine-month periods ended 30 September 2018 and 2017 are as follow:

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
The second interim dividend for 2018	Meeting No. 4/18 of Board of Directors on 10 August 2018	319.4	3.00
The first interim dividend for 2018	Meeting No. 2/18 of Board of Directors on 11 May 2018	319.4	3.00
Final dividend for 2017	Annual General Meeting No. 25 of the Shareholders on 27 April 2018	532.4	5.00
Total dividends for the period 2018		1,171.2	
The second interim dividend for 2017	Meeting No. 3/17 of Board of Directors on 11 August 2017	319.4	3.00
The first interim dividend for 2017	Meeting No. 2/17 of Board of Directors on 12 May 2017	319.4	3.00
Final dividend for 2016	Annual General Meeting No. 24 of the Shareholders on 28 April 2017	532.3	5.00
Total dividends for the period 2017		1,171.1	

19. Related party transactions

19.1 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	Type of business	Relationship with the Company
Asia Insurance (Cambodia) Plc.	Non-life insurance	Associate
Asian Insurance International (Holding) Limited	Holding company	Associate
Bangkok Insurance (Lao) Company Limited	Non-life insurance	Associate
Bangkok Bank Pcl.	Banking	Related by way of having common directors and shareholding
Bangkok Aviation Fuel Services Pcl.	Energy and Utilities	Related by way of having common directors and shareholding
Asia Plus Group Holdings Pcl.	Securities	Related by way of having common directors and shareholding
Fuel Pipeline Transportation Co., Ltd.	Energy and Utilities	Related by way of having common directors and shareholding
Thai Indo Kordsa Co., Ltd.	Manufacture of Textiles	Related by way of having common directors and shareholding
Bangkok Life Assurance Pcl.	Life insurance	Related by way of having common directors and shareholding
Thai Orix Leasing Co., Ltd.	Finance	Related by way of having common directors and shareholding
Asia Insurance (Investments) Limited	Holding company	Related by way of shareholding
Thai Reinsurance Pcl. ⁽¹⁾	Insurance	Related by way of shareholding
AIOI Bangkok Insurance Pcl.	Non-life insurance	Related by way of shareholding
Charoong Thai Wire and Cable Pcl. ⁽¹⁾	Electrical products	Related by way of shareholding
Furukawa Metal (Thailand) Pcl. ⁽¹⁾	Electrical products	Related by way of shareholding
Bumrungrad Hospital Pcl.	Health care services	Related by way of shareholding
Bangkok Glass Co., Ltd. ⁽¹⁾	Packaging	Related by way of shareholding
Sorachai Vivatn Co., Ltd.	Property development	Related by way of shareholding
EMCS Thai Co., Ltd. ⁽²⁾	Professional services	Related by way of shareholding
Bangpa-in golf Co., Ltd. ⁽¹⁾	Entertainment and Leisure	Related by way of shareholding
Thai Metal Processing Co., Ltd. ⁽¹⁾	Electronic parts	Related by way of shareholding
Asia Sermkij Co., Ltd. ⁽¹⁾	Finance	Related by way of shareholding
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company

⁽¹⁾ This entity had been considered a related party until 16 September 2017, which was the date when there was no more common director and percentage of cross-shareholding was also less than 10% of the issued and paid-up share capital.

⁽²⁾ This company had been ceased to be the Company's related party since 7 August 2017, the date on which the Company sold all its entire investment in such company.

19.2 Significant related party transactions

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	2018	2017	2018	2017	
Revenues					
Premium written	128,031	110,878	385,101	402,990	Normal commercial terms for underwriting
Fee and commission income	7,330	7,376	29,398	96,568	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Interest income ⁽¹⁾	14,487	20,111	49,508	67,464	Same rates as financial institutions and related companies offer to their general customers
Dividend income ⁽¹⁾	212,936	202,160	582,442	605,914	The declared amount
Rental Income ⁽²⁾	871	393	1,399	1,421	Same rates offer to general customers
Expenses					
Premium ceded to reinsurers	28,524	28,017	112,481	320,547	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Net claims (reversal)	(16,141)	(18,683)	(42,332)	(167,536)	Actual incurred
Commissions and brokerages	7,416	4,568	20,494	28,993	Normal commercial terms for underwriting
Management fee for private fund ⁽³⁾	70	66	202	197	Similar rates its related party offers to its general customers
Fee for trading securities ⁽³⁾	71	41	421	287	Similar rates its related party offers to its general customers

⁽¹⁾ Presented in "Net investment revenue" in statements of comprehensive income

⁽²⁾ Presented in "Other income" in statements of comprehensive income

⁽³⁾ Presented in "Operating expenses" in statements of comprehensive income

19.3 Outstanding balances

As at 30 September 2018 and 31 December 2017, the Company had the following significant balances with its related companies.

	(Unit: Thousand Baht)	
	<u>30 September 2018</u>	<u>31 December 2017</u>
Transactions with associates		
General investments - equity securities	92,430	80,541
Transactions with related companies		
Deposits at financial institutions	4,418,107	5,301,523
Premium receivables	64,881	21,129
Accrued interest receivables - debentures (including in accrued investment income)	1,295	151
Reinsurance assets		
Amounts deposited on reinsurance	6,655	5,622
Amounts due from reinsurers	10,808	14,259
Insurance contract liabilities		
Loss reserve	18	-
Available-for-sale investments		
Equity securities	29,772,970	30,166,833
Debentures	100,665	102,990
General investments - equity securities	473,529	471,658
Other assets		
Deposits and golf club membership fees	37,301	37,565
Receivable on sales of securities	1,429	-
Due to reinsurers		
Amounts withheld on reinsurance	99,740	106,248
Amounts due to reinsurers	30,689	32,128
Other Liabilities		
Liabilities under finance lease agreements	211	486
Accounts payable on purchases of securities	1,397	1,672

19.4 Directors' and key management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company had employee benefit expenses incurred on their directors and key management as below.

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
	Short-term employee benefits	17.7	16.6	78.7
Long-term employee benefits	2.3	(0.1)	7.0	(0.3)
Total	20.0	16.5	85.7	76.4

20. Assets subject to restriction and commitment

As at 30 September 2018 and 31 December 2017, the Company had the following assets placed with the Registrar as securities and insurance reserves in accordance with the Non-life Insurance Act and as placed with the bank as collateral.

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	30 September 2018		31 December 2017	
	Cost	Fair value	Cost	Fair value
Placed as securities				
Government bonds	14.0	14.0	14.0	14.1
Placed as insurance reserves				
Ordinary shares	35.2	175.6	35.2	169.8
Government bonds	816.0	813.9	766.0	778.6
Debentures	200.0	205.1	250.0	259.3
	1,051.2	1,194.6	1,051.2	1,207.7
Placed to secure bank overdraft facilities				
Deposited at financial institutions	30.0	30.0	30.0	30.0
Placed to secure performance bonds				
Government and state enterprise bonds	38.1	38.3	49.3	50.6
Placed to secure bank guarantees				
Deposited at financial institutions	20.0	20.0	20.0	20.0

21. Commitments and contingent liabilities

21.1 Operating lease commitments

The Company entered into several lease agreements in respect of the lease of land and office building space. The terms of the agreements are 33 years for land and more than 3 years for office building space.

As at 30 September 2018 and 31 December 2017, future minimum lease payments required under those non-cancellable operating lease contracts were as follows.

Payable	(Unit: Million Baht)	
	30 September 2018	31 December 2017
Within 1 year	29	24
Over 1 year and not over 5 years	112	102
Over 5 years	118	118

21.2 Capital Commitments

As at 30 September 2018 and 31 December 2017, there were outstanding capital commitments contracted for decoration, construction building, and computer software development amounting to Baht 6.5 million and Baht 12.7 million, respectively.

21.3 Litigation

As at 30 September 2018 and 31 December 2017, the Company had litigation claims totaling approximately Baht 1,466.0 million and Baht 2,351.0 million, respectively, as an insurer. The outcomes of the cases have not yet been finalised whereby the maximum responsibility of such claims limits at the lower of the sum insured or the sum sued totaling Baht 1,006.8 million and Baht 1,317.9 million, respectively. However, the Company has considered and estimated for losses that may arise from those cases amounting to approximately Baht 151.9 million and Baht 428.2 million, respectively, which were already recognised in "Insurance contract liabilities" in the statements of financial position as at those dates.

22. Fair value of financial assets

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

(Unit: Million Baht)

	30 September 2018			31 December 2017		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Available-for-sale investments						
Government and state enterprise securities	-	4,871	4,871	-	1,965	1,965
Private sector debt securities	-	1,203	1,203	-	1,338	1,338
Equity securities	34,649	825	35,474	34,857	898	35,755
Total	34,649	6,899	41,548	34,857	4,201	39,058

Valuation techniques and inputs for Level 2 valuations

- (a) The fair value of investments in debt securities is determined by using the yield curve as announced by the Thai Bond Market Association.
- (b) The fair value of investments in investment units, which are not listed on the Stock Exchange of Thailand, is determined by using the net assets value per unit as announced by the fund managers.

During the periods, 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 Executive Directors on 1 November 2018.