

Bangkok Insurance Public Company Limited
Review report and interim financial statements
31 March 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of 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 31 March 2019, the related statements of comprehensive income, changes in owners' equity, and cash flows, in which the equity method is applied, for the three-month period then ended, as well as the condensed notes to the financial statements. I have also reviewed the separate financial information of Bangkok Insurance 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: 2 May 2019

Bangkok Insurance Public Company Limited

Statement of financial position

As at 31 March 2019

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	3	144,188,033	419,566,786	144,188,033	419,566,786
Premium receivables - net	4	2,295,347,205	2,704,395,600	2,295,347,205	2,704,395,600
Accrued investment income		285,119,830	41,426,814	285,119,830	41,426,814
Reinsurance assets - net	5	6,084,180,972	6,100,713,107	6,084,180,972	6,100,713,107
Reinsurance receivables - net	6	377,217,761	236,156,098	377,217,761	236,156,098
Investment assets					
Investments in securities - net	7	49,257,724,345	47,951,308,972	49,257,724,345	47,951,308,972
Loans - net	8	1,158,043,924	1,440,401,559	1,158,043,924	1,440,401,559
Investments in associates	9.1	229,037,520	227,741,827	129,395,722	129,395,722
Investment properties - net	10	148,188,003	152,436,405	148,188,003	152,436,405
Premises and equipment - net	11	773,213,536	814,168,460	773,213,536	814,168,460
Intangible assets - net	12	146,420,250	164,773,921	146,420,250	164,773,921
Other assets					
Land and building leasehold rights - net		42,704,375	43,940,582	42,704,375	43,940,582
Others		312,182,254	323,179,168	312,182,254	323,179,168
Total assets		61,253,568,008	60,620,209,299	61,153,926,210	60,521,863,194

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

Bangkok Insurance Public Company Limited

Statement of financial position (continued)

As at 31 March 2019

(Unit: Baht)

Note	Financial statements				
	in which the equity method is applied		Separate financial statements		
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	14	15,202,254,472	14,735,598,920	15,202,254,472	14,735,598,920
Due to reinsurers	15	1,981,768,146	2,178,929,186	1,981,768,146	2,178,929,186
Income tax payable		254,731,838	168,637,153	254,731,838	168,637,153
Employee benefit obligations		390,614,677	381,189,307	390,614,677	381,189,307
Deferred tax liabilities	13.1	4,640,096,011	4,724,428,194	4,620,167,651	4,704,758,973
Other liabilities					
Premiums received in advance		1,879,159,595	1,868,685,541	1,879,159,595	1,868,685,541
Commission payables		381,926,114	367,452,819	381,926,114	367,452,819
Accrued expenses		480,315,897	574,301,037	480,315,897	574,301,037
Liabilities under finance lease agreements		48,852,942	53,864,179	48,852,942	53,864,179
Others		706,467,816	691,758,762	706,467,816	691,758,762
Total liabilities		25,966,187,508	25,744,845,098	25,946,259,148	25,725,175,877
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		7,884,714,896	7,302,708,577	7,805,001,458	7,224,031,693
Other component of owners' equity	7.2	21,688,995,604	21,858,985,624	21,688,995,604	21,858,985,624
Total owners' equity		35,287,380,500	34,875,364,201	35,207,667,062	34,796,687,317
Total liabilities and owners' equity		61,253,568,008	60,620,209,299	61,153,926,210	60,521,863,194

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

Directors

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited**Statement of comprehensive income****For the three-month period ended 31 March 2019**

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Gross premium written		4,896,202,362	4,272,166,440	4,896,202,362	4,272,166,440
Less: Premium ceded to reinsurers		(1,488,271,156)	(1,312,135,107)	(1,488,271,156)	(1,312,135,107)
Net premium written		3,407,931,206	2,960,031,333	3,407,931,206	2,960,031,333
Less: Unearned premium reserves increased from prior period		(375,909,631)	(223,878,996)	(375,909,631)	(223,878,996)
Earned premium		3,032,021,575	2,736,152,337	3,032,021,575	2,736,152,337
Fee and commission income		308,741,732	257,536,732	308,741,732	257,536,732
Shares of profits from investments in associates, accounted for under the equity method	9.2	1,295,693	2,581,004	-	-
Investment revenue		341,105,703	351,041,699	341,105,703	351,041,699
Gains on investments		1,815,036	2,167,708	1,815,036	1,355,224
Other income		47,299,401	35,951,667	47,299,401	35,951,667
Total revenues		3,732,279,140	3,385,431,147	3,730,983,447	3,382,037,659
Expenses					
Gross claims		2,180,922,237	2,175,769,097	2,180,922,237	2,175,769,097
Less: Claim recovery from reinsurers		(582,648,154)	(845,408,654)	(582,648,154)	(845,408,654)
Commissions and brokerages		659,132,716	582,470,892	659,132,716	582,470,892
Other underwriting expenses		512,010,780	439,843,715	512,010,780	439,843,715
Operating expenses		285,718,619	253,550,634	285,718,619	253,550,634
Investment expenses		19,254,008	20,552,527	19,254,008	20,552,527
Finance costs		702,910	876,165	702,910	876,165
Total expenses		3,075,093,116	2,627,654,376	3,075,093,116	2,627,654,376
Profits before income tax expenses		657,186,024	757,776,771	655,890,331	754,383,283
Less: Income tax expenses	13.2	(75,179,705)	(98,622,941)	(74,920,566)	(97,944,243)
Profits for the periods		582,006,319	659,153,830	580,969,765	656,439,040
Other comprehensive income:					
Items to be recognised in profit or loss in subsequent periods:					
Gains (losses) on revaluation of available-for-sale investments		(212,487,525)	2,029,736,439	(212,487,525)	2,029,736,439
Add (less): Income taxes		42,497,505	(405,947,289)	42,497,505	(405,947,289)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(169,990,020)	1,623,789,150	(169,990,020)	1,623,789,150
Other comprehensive income (loss) for the periods		(169,990,020)	1,623,789,150	(169,990,020)	1,623,789,150
Total comprehensive income for the periods		412,016,299	2,282,942,980	410,979,745	2,280,228,190
Earnings per share:	17				
Basic earnings per share					
Profits for the periods		5.47	6.19	5.46	6.17

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

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited**Statement of cash flows****For the three-month period ended 31 March 2019**

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied		2019	2018
	2019	2018	2019	2018
Cash flows from (used in) operating activities				
Direct premium written	5,069,585,674	4,335,549,856	5,069,585,674	4,335,549,856
Cash paid for reinsurance	(742,365,114)	(705,339,436)	(742,365,114)	(705,339,436)
Interest income	68,193,580	75,238,943	68,193,580	75,238,943
Dividend income	29,219,108	77,316,448	29,219,108	77,316,448
Other investment income	40,084,366	34,809,409	40,084,366	34,809,409
Other income	7,147,806	1,193,032	7,147,806	1,193,032
Losses incurred on direct insurance	(1,907,164,647)	(1,730,719,032)	(1,907,164,647)	(1,730,719,032)
Commissions and brokerages on direct insurance	(604,461,445)	(486,654,546)	(604,461,445)	(486,654,546)
Other underwriting expenses	(584,380,276)	(505,108,268)	(584,380,276)	(505,108,268)
Operating expenses	(379,146,616)	(308,408,694)	(379,146,616)	(308,408,694)
Investment expenses	(13,713,301)	(13,982,043)	(13,713,301)	(13,982,043)
Income taxes	(30,723,741)	(25,891,358)	(30,723,741)	(25,891,358)
Investments in securities	(1,497,665,753)	(785,583,271)	(1,497,665,753)	(785,583,271)
Loans	282,218,280	(21,073,584)	282,218,280	(21,073,584)
Net cash used in operating activities	(263,172,079)	(58,652,544)	(263,172,079)	(58,652,544)
Cash flows from (used in) investing activities				
Cash flows from				
Premises and equipment	78,617	49,897	78,617	49,897
Cash from investing activities	78,617	49,897	78,617	49,897
Cash flows used in				
Premises and equipment	(12,285,291)	(9,948,220)	(12,285,291)	(9,948,220)
Intangible assets	-	(5,501,143)	-	(5,501,143)
Cash used in investing activities	(12,285,291)	(15,449,363)	(12,285,291)	(15,449,363)
Net cash used in investing activities	(12,206,674)	(15,399,466)	(12,206,674)	(15,399,466)
Net decrease in cash and cash equivalents	(275,378,753)	(74,052,010)	(275,378,753)	(74,052,010)
Cash and cash equivalents at beginning of the periods	419,566,786	399,583,620	419,566,786	399,583,620
Cash and cash equivalents at end of the periods	144,188,033	325,531,610	144,188,033	325,531,610

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

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited
Statement of changes in owners' equity
For the three-month period ended 31 March 2019

(Unit: Baht)

Financial statements in which the equity method is applied							
Issued and paid-up share capital	Share premium	Retained earnings			Other component of equity		
		Appropriated		Unappropriated	Revaluation surplus on available-for-sale investments - net of income taxes	Total	
Statutory reserve	Other reserve						
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
Profit for the period	-	-	-	-	659,153,830	-	659,153,830
Other comprehensive income for the period	-	-	-	-	-	1,623,789,150	1,623,789,150
Balance as at 31 March 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>7,041,010,529</u>	<u>24,673,704,396</u>	<u>37,428,384,925</u>
Balance as at 1 January 2019	1,064,700,000	1,442,500,000	106,470,000	3,100,000,000	7,302,708,577	21,858,985,624	34,875,364,201
Profit for the period	-	-	-	-	582,006,319	-	582,006,319
Other comprehensive loss for the period	-	-	-	-	-	(169,990,020)	(169,990,020)
Balance as at 31 March 2019	<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>3,100,000,000</u>	<u>7,884,714,896</u>	<u>21,688,995,604</u>	<u>35,287,380,500</u>

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

(Unaudited but reviewed)

Bangkok Insurance Public Company Limited
Statement of changes in owners' equity (continued)
For the three-month period ended 31 March 2019

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital	Share premium	Retained earnings			Other component of equity	Total
			Appropriated		Unappropriated	Revaluation surplus	
			Statutory reserve	Other reserve		on available-for-sale investments - net of income taxes	
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
Profit for the period	-	-	-	-	656,439,040	-	656,439,040
Other comprehensive income for the period	-	-	-	-	-	1,623,789,150	1,623,789,150
Balance as at 31 March 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>6,973,863,265</u>	<u>24,673,704,396</u>	<u>37,361,237,661</u>
Balance as at 1 January 2019	1,064,700,000	1,442,500,000	106,470,000	3,100,000,000	7,224,031,693	21,858,985,624	34,796,687,317
Profit for the period	-	-	-	-	580,969,765	-	580,969,765
Other comprehensive loss for the period	-	-	-	-	-	(169,990,020)	(169,990,020)
Balance as at 31 March 2019	<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>3,100,000,000</u>	<u>7,805,001,458</u>	<u>21,688,995,604</u>	<u>35,207,667,062</u>

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

Bangkok Insurance Public Company Limited

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Bangkok Insurance Public Company Limited

Notes to interim financial statements

For the three-month period ended 31 March 2019

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 31 March 2019 and 31 December 2018, 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 prepares 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 prepares 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 period

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

IFRS 15 Revenue from Contracts with Customers

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

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

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

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

TFRS 4 (revised 2018) Insurance contracts

This standard provides an option to the qualifying insurers under such standard to use a temporary exemption from application of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures on certain topics and to apply the same topics in accordance Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead for the financial reporting period beginning before 1 January 2022 or before the effective date of TFRS 17 Insurance Contracts.

The Company's management is currently considering the alternatives as discussed above.

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

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

(Unaudited but reviewed)

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

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

TFRS 16 Leases

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

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

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

2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the changes in accounting policy as a result of the adoption of new standard as discussed in Note 2.3 (a) to interim financial statements.

3. Cash and cash equivalents

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2019	31 December 2018
Cash on hand	2,610,393	2,617,841
Deposits at banks with no fixed maturity date	141,577,640	156,948,945
Deposits at banks with fixed maturity date	-	260,000,000
Total cash and cash equivalents	144,188,033	419,566,786

(Unaudited but reviewed)

4. Premium receivables

As at 31 March 2019 and 31 December 2018, 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	
	31 March 2019	31 December 2018
Not yet due	1,536,059,467	2,038,484,982
Overdue not longer than 30 days	311,746,280	248,579,644
Overdue 31 days to 60 days	264,160,364	137,293,396
Overdue 61 days to 90 days	43,356,517	61,646,610
Overdue 91 days to 1 year	140,024,577	218,390,968
Overdue longer than 1 year	44,592,078	30,036,344
Total	2,339,939,283	2,734,431,944
Less: Allowance for doubtful accounts	(44,592,078)	(30,036,344)
Premium receivables - net	<u>2,295,347,205</u>	<u>2,704,395,600</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.

5. Reinsurance assets

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2019	31 December 2018
Insurance reserves refundable from reinsurers		
Loss reserves	3,568,759,199	3,660,483,908
Unearned premium reserves	2,521,418,039	2,446,253,125
Total	6,090,177,238	6,106,737,033
Less: Allowance for impairment	(5,996,266)	(6,023,926)
Reinsurance assets - net	<u>6,084,180,972</u>	<u>6,100,713,107</u>

(Unaudited but reviewed)

6. Reinsurance receivables

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 March 2019	31 December 2018
Amounts deposited on reinsurance	32,533,171	35,099,642
Amounts due from reinsurers	369,655,182	226,081,731
Total	402,188,353	261,181,373
Less: Allowance for doubtful accounts	(24,970,592)	(25,025,275)
Receivables on reinsurance contracts - net	377,217,761	236,156,098

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			
	31 March 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
Government and state enterprise securities	6,116,634,113	6,114,592,028	5,454,238,258	5,450,775,315
Private sector debt securities	901,265,213	906,549,540	1,094,386,616	1,101,496,223
Equity securities	7,661,355,130	34,769,357,393	7,487,243,189	34,807,328,555
Total	14,679,254,456	41,790,498,961	14,035,868,063	41,359,600,093
Add: Unrealised gains	27,111,244,505	-	27,323,732,030	-
Total available-for-sale investments	41,790,498,961	41,790,498,961	41,359,600,093	41,359,600,093
Held-to-maturity investments				
Deposits at financial institutions which matured over 3 months	6,779,904,102		5,904,387,597	
Total held-to-maturity investments	6,779,904,102		5,904,387,597	
General investments				
Domestic equity securities	602,635,058		602,635,058	
Foreign equity securities	201,689,384		201,689,384	
Total	804,324,442		804,324,442	
Less: Allowance for impairment	(117,003,160)		(117,003,160)	
General investments - net	687,321,282		687,321,282	
Investment in securities - net	49,257,724,345		47,951,308,972	

(Unaudited but reviewed)

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 three-month period ended	For the year ended
	31 March 2019	31 December 2018
Revaluation surplus on available-for-sale investments - beginning of the periods	27,323,732,030	28,812,394,057
Losses on revaluation during the periods	(212,441,662)	(1,410,192,766)
Gains on sales of available-for-sale investments during the periods transferred to be recognised in profit or loss	(45,863)	(78,469,261)
Revaluation surplus on available-for-sale investments - end of the periods	27,111,244,505	27,323,732,030
Less: Income taxes	(5,422,248,901)	(5,464,746,406)
Revaluation surplus on available-for-sale investments - net of income taxes	21,688,995,604	21,858,985,624

7.3 Investments subject to restriction

As at 31 March 2019 and 31 December 2018, 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 19 to the interim financial statements.

8. Loans and interest receivables

As at 31 March 2019 and 31 December 2018, 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						
	31 March 2019						
	Mortgaged loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest ⁽¹⁾	Total
Not yet due	997,258,537	1,798,651	7,976,203	-	1,005,234,740	1,798,651	1,007,033,391
Overdue							
Less than 3 months	38,992,733	343,321	-	-	38,992,733	343,321	39,336,054
6 - 12 months	2,668,570	-	-	-	2,668,570	-	2,668,570
Longer than 12 months	112,017,198	-	-	-	112,017,198	-	112,017,198
Total	1,150,937,038	2,141,972	7,976,203	-	1,158,913,241	2,141,972	1,161,055,213
Less: Allowance for doubtful account	(869,317)	-	-	-	(869,317)	-	(869,317)
Loans and interest receivables - net	<u>1,150,067,721</u>	<u>2,141,972</u>	<u>7,976,203</u>	<u>-</u>	<u>1,158,043,924</u>	<u>2,141,972</u>	<u>1,160,185,896</u>

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

(Unit: Baht)

Overdue years	Financial statements in which the equity method is applied and Separate financial statements						
	31 December 2018						
	Mortgaged loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest ⁽¹⁾	Total
Not yet due	1,253,405,661	476,224	8,802,775	-	1,262,208,436	476,224	1,262,684,660
Overdue							
Less than 3 months	36,991,385	349,371	-	-	36,991,385	349,371	37,340,756
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	1,432,328,746	825,595	8,802,775	-	1,441,131,521	825,595	1,441,957,116
Less: Allowance for doubtful account	(729,962)	-	-	-	(729,962)	-	(729,962)
Loans and interest receivables - net	<u>1,431,598,784</u>	<u>825,595</u>	<u>8,802,775</u>	<u>-</u>	<u>1,440,401,559</u>	<u>825,595</u>	<u>1,441,227,154</u>

⁽²⁾ 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 31 March 2019 and 31 December 2018, the balances of employee loans were Baht 111.1 million and Baht 109.8 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	
			31 March 2019	31 December 2018	31 March 2019	31 December 2018
			(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	38.00

(Unit: Baht)

Company's name	Financial statements			
	in which the equity method is applied		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Asia Insurance (Cambodia) Plc.	85,612,894	84,194,779	30,202,059	30,202,059
Asian Insurance International (Holding) Limited	120,010,603	119,980,265	72,054,063	72,054,063
Bangkok Insurance (Lao) Company Limited	23,414,023	23,566,783	27,139,600	27,139,600
Total	229,037,520	227,741,827	129,395,722	129,395,722

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 31 March		Dividend income for the three-month periods ended 31 March	
	2019	2018	2019	2018
Asia Insurance (Cambodia) Plc.	1,418,115	2,487,823	-	-
Asian Insurance International (Holding) Limited	30,338	905,652	-	-
Bangkok Insurance (Lao) Company Limited	(152,760)	(812,471)	-	-
Total	1,295,693	2,581,004	-	-

(Unaudited but reviewed)

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 three-month periods ended 31 March		Profits (losses) for the three-month periods ended 31 March	
	31 March	31 December	31 March	31 December	2019	2018	2019	2018
	2019	2018	2019	2018				
Asia Insurance (Cambodia) Plc.	451.8	449.7	69.5	65.2	23.4	22.4	6.2	10.9
Asian Insurance International (Holding) Limited	208.8	212.9	-	-	0.3	2.4	0.1	2.2
Bangkok Insurance (Lao) Company Limited	305.1	296.3	249.8	238.5	7.3	6.0	(0.4)	(2.2)

As at 31 March 2019 and 31 December 2018, 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.

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 2019	152,436,405
Depreciation charge for the period	(4,248,402)
Net book value as at 31 March 2019	<u>148,188,003</u>

The investment properties of the Company, which are offices for rent, as at 31 March 2019 and 31 December 2018, the fair values of the investment properties amounting to Baht 284.4 million and Baht 170.3 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.

(Unaudited but reviewed)

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 2019	206,132,665	240,753,706	29,629	293,021,738	56,885,706	17,345,016	814,168,460
Addition during the period - at cost	6,344,138	1,683,706	-	1,726,780	1,069,330	2,177,770	13,001,724
Disposals during the period							
- at net book value	-	-	-	(10)	(11,378)	-	(11,388)
Depreciation charge for the period	-	(6,446,383)	-	(41,264,304)	(6,234,573)	-	(53,945,260)
Net book value as at							
31 March 2019	<u>212,476,803</u>	<u>235,991,029</u>	<u>29,629</u>	<u>253,484,204</u>	<u>51,709,085</u>	<u>19,522,786</u>	<u>773,213,536</u>

12. Intangible assets

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements
	Computer software
Net book value as at 1 January 2019	164,773,921
Amortisation for the period	(18,353,671)
Net book value as at 31 March 2019	<u>146,420,250</u>

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

As at 31 March 2019 and 31 December 2018, 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 three-month periods ended 31 March	
	31 March 2019	31 December 2018	2019	2018
Deferred tax assets arose from:				
Allowance for impairment on investments	23,400,632	23,400,632	-	-
Premium reserves	250,204,488	210,854,551	39,349,937	35,043,575
Loss reserves of claims incurred and reported	363,218,461	366,197,366	(2,978,905)	(21,519,074)
Loss reserves of claims incurred but not yet reported	61,762,596	60,661,254	1,101,342	344,321
Provision for long-term employee benefits	79,421,968	77,536,894	1,885,074	2,278,614
Others	25,372,138	22,635,769	2,736,369	303,919
Total	803,380,283	761,286,466		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	5,422,248,901	5,464,746,406	42,497,505	(405,947,289)
Actuarial gains	1,299,033	1,299,033	-	-
Shares of profits from investments in associates	19,928,360	19,669,221	(259,139)	(678,698)
Total	5,443,476,294	5,485,714,660		
Deferred tax liabilities	4,640,096,011	4,724,428,194		
Total changes			84,332,183	(390,174,632)
Changes are recognised:				
- in profit or loss			41,834,678	15,772,657
- in other comprehensive income			42,497,505	(405,947,289)
			84,332,183	(390,174,632)

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements		Changes in deferred tax assets or liabilities for the three-month periods ended 31 March	
	31 March 2019	31 December 2018	2019	2018
	Deferred tax assets arose from:			
Allowance for impairment on investments	23,400,632	23,400,632	-	-
Premium reserves	250,204,488	210,854,551	39,349,937	35,043,575
Loss reserves of claims incurred and reported	363,218,461	366,197,366	(2,978,905)	(21,519,074)
Loss reserves of claims incurred but not yet reported	61,762,596	60,661,254	1,101,342	344,321
Provision for long-term employee benefits	79,421,968	77,536,894	1,885,074	2,278,614
Others	25,372,138	22,635,769	2,736,369	303,919
Total	803,380,283	761,286,466		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	5,422,248,901	5,464,746,406	42,497,505	(405,947,289)
Actuarial gains	1,299,033	1,299,033	-	-
Total	5,423,547,934	5,466,045,439		
Deferred tax liabilities	4,620,167,651	4,704,758,973		
Total changes			84,591,322	(389,495,934)
Changes are recognised:				
- in profit or loss			42,093,817	16,451,355
- in other comprehensive income			42,497,505	(405,947,289)
			84,591,322	(389,495,934)

13.2 Income tax expenses

Income tax expenses for the three month periods ended 31 March 2019 and 2018 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 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Current income taxes:				
Corporate income tax charge	(117,014,383)	(114,395,598)	(117,014,383)	(114,395,598)
Deferred income taxes:				
Deferred income taxes relating to origination and reversal of temporary differences	41,834,678	15,772,657	42,093,817	16,451,355
Income tax expenses reported in profit or loss	<u>(75,179,705)</u>	<u>(98,622,941)</u>	<u>(74,920,566)</u>	<u>(97,944,243)</u>

(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting profits for the three-month periods ended 31 March 2019 and 2018 and the applicable tax rate were as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial Statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Accounting profits before income tax expenses	<u>657,186,024</u>	<u>757,776,771</u>	<u>655,890,331</u>	<u>754,383,283</u>
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(131,437,205)	(151,555,354)	(131,178,066)	(150,876,656)
Net tax effect on tax-exempted revenues and non tax-deductible expenses	<u>56,257,500</u>	<u>52,932,413</u>	<u>56,257,500</u>	<u>52,932,413</u>
Income tax expenses reported in profit or loss	<u>(75,179,705)</u>	<u>(98,622,941)</u>	<u>(74,920,566)</u>	<u>(97,944,243)</u>

14. Insurance contract liabilities

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 March 2019		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	6,097,062,705	(3,493,229,106)	2,603,833,599
Claims incurred but not reported	378,346,805	(69,533,827)	308,812,978
Premium reserves			
Unearned premium reserves	<u>8,726,844,962</u>	<u>(2,521,418,039)</u>	<u>6,205,426,923</u>
Total	<u>15,202,254,472</u>	<u>(6,084,180,972)</u>	<u>9,118,073,500</u>

(Unaudited but reviewed)

(Unit: Baht)

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

31 December 2018

	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	6,086,143,516	(3,584,081,265)	2,502,062,251
Claims incurred but not reported	373,684,987	(70,378,717)	303,306,270
Premium reserves			
Unearned premium reserves	8,275,770,417	(2,446,253,125)	5,829,517,292
Total	<u>14,735,598,920</u>	<u>(6,100,713,107)</u>	<u>8,634,885,813</u>

14.1 Loss reserves

(Unit: Baht)

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

For the three-month

period ended

31 March 2019

For the year ended

31 December 2018

Beginning balances	6,459,828,503	6,422,182,460
Claim incurred during the periods	1,884,038,121	8,246,102,565
Change in loss reserves of claimed incurred in prior periods	298,751,331	(180,557,798)
Changes in assumptions in calculating loss reserves	-	(28,061,358)
Claims and loss adjustment expenses paid during the periods	<u>(2,167,208,445)</u>	<u>(7,999,837,366)</u>
Ending balances	<u>6,475,409,510</u>	<u>6,459,828,503</u>

(Unaudited but reviewed)

14.2 Unearned premium reserves

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the three-month	For the year ended
	period ended 31 March 2019	31 December 2018
Beginning balances	8,275,770,417	7,340,161,143
Premium written during the periods	4,896,202,362	17,326,215,295
Premium earned during the periods	(4,445,127,817)	(16,390,606,021)
Ending balances	<u>8,726,844,962</u>	<u>8,275,770,417</u>

15. Due to reinsurers

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the three-month	For the year ended
	period ended 31 March 2019	31 December 2018
Amounts withheld on reinsurance	1,054,732,178	1,031,419,571
Amounts due to reinsurers	<u>927,035,968</u>	<u>1,147,509,615</u>
Total due to reinsurers	<u>1,981,768,146</u>	<u>2,178,929,186</u>

16. Segment information/major customers

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 periods ended 31 March 2019 and 2018 can be classified by types of insurance products as follows:

(Unit: Baht)

	Financial statements in which equity method is applied				
	For the three-month period ended 31 March 2019				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenues					
Gross premium written	401,955,559	163,193,167	2,031,266,516	2,299,787,120	4,896,202,362
Less: Premium ceded to reinsurers	(139,926,008)	(98,781,671)	(65,406,235)	(1,184,157,242)	(1,488,271,156)
Net premium written	262,029,551	64,411,496	1,965,860,281	1,115,629,878	3,407,931,206
Add (less): Unearned premium reserves (increased) decreased from prior period	8,493,677	(6,572,042)	(235,287,901)	(142,543,365)	(375,909,631)
Earned premium	270,523,228	57,839,454	1,730,572,380	973,086,513	3,032,021,575
Commission and brokerage fee income	57,118,401	24,075,304	16,286,080	211,261,947	308,741,732
Total underwriting income	327,641,629	81,914,758	1,746,858,460	1,184,348,460	3,340,763,307
Underwriting expenses					
Net claims (reversal)	(9,744,387)	7,891,535	1,128,754,576	471,372,359	1,598,274,083
Commission and brokerage expenses	89,947,553	13,637,186	304,994,701	250,553,276	659,132,716
Other underwriting expenses	66,499,420	18,399,100	211,040,803	216,071,457	512,010,780
Total underwriting expenses	146,702,586	39,927,821	1,644,790,080	937,997,092	2,769,417,579
Profit from underwriting	180,939,043	41,986,937	102,068,380	246,351,368	571,345,728
Shares of profits from investments in associates					1,295,693
Investment revenue					341,105,703
Gains on investments					1,815,036
Other income					47,299,401
Operating expenses					(285,718,619)
Investment expenses					(19,254,008)
Finance costs					(702,910)
Profit before income tax expenses					657,186,024
Less: Income tax expenses					(75,179,705)
Profit for the period					582,006,319

(Unaudited but reviewed)

(Unit: Baht)

	Financial statements in which equity method is applied				
	For the three-month period ended 31 March 2018				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenues					
Gross premium written	446,270,897	109,397,044	1,610,567,449	2,105,931,050	4,272,166,440
Less: Premium ceded to reinsurers	(151,816,618)	(59,131,745)	(52,141,250)	(1,049,045,494)	(1,312,135,107)
Net premium written	294,454,279	50,265,299	1,558,426,199	1,056,885,556	2,960,031,333
Add (less): Unearned premium reserves (increased) decreased from prior period	(22,699,267)	690,774	(64,328,246)	(137,542,257)	(223,878,996)
Earned premium	271,755,012	50,956,073	1,494,097,953	919,343,299	2,736,152,337
Commission and brokerage fee income	51,874,796	16,861,214	14,515,325	174,285,397	257,536,732
Total underwriting income	323,629,808	67,817,287	1,508,613,278	1,093,628,696	2,993,689,069
Underwriting expenses					
Net claims	28,335,282	4,330,017	899,693,617	398,001,527	1,330,360,443
Commission and brokerage expenses	105,493,080	10,143,961	235,317,033	231,516,818	582,470,892
Other underwriting expenses	46,221,692	13,924,395	188,838,178	190,859,450	439,843,715
Total underwriting expenses	180,050,054	28,398,373	1,323,848,828	820,377,795	2,352,675,050
Profit from underwriting	143,579,754	39,418,914	184,764,450	273,250,901	641,014,019
Shares of profits from investments in associates					2,581,004
Investment revenue					351,041,699
Gains on investments					2,167,708
Other income					35,951,667
Operating expenses					(253,550,634)
Investment expenses					(20,552,527)
Finance costs					(876,165)
Profit before income tax expenses					757,776,771
Less: Income tax expenses					(98,622,941)
Profit for the period					659,153,830

(Unaudited but reviewed)

The following table presented the Company's operating segment assets and liabilities as at 31 March 2019 and 31 December 2018.

(Unit: Baht)

	Financial statements in which the equity method is applied						
	Fire	Marine and transportation	Motor	Miscellaneous	Total segments	Unallocated	Total
Assets							
As at 31 March 2019	<u>515,653,751</u>	<u>260,731,751</u>	<u>902,559,101</u>	<u>6,880,325,672</u>	<u>8,559,270,275</u>	<u>52,694,297,733</u>	<u>61,253,568,008</u>
As at 31 December 2018	<u>603,858,249</u>	<u>193,570,534</u>	<u>924,619,709</u>	<u>7,193,042,244</u>	<u>8,915,090,736</u>	<u>51,705,118,563</u>	<u>60,620,209,299</u>
Liabilities							
As at 31 March 2019	<u>3,119,243,277</u>	<u>366,474,524</u>	<u>5,802,618,219</u>	<u>9,597,966,447</u>	<u>18,886,302,467</u>	<u>7,079,885,041</u>	<u>25,966,187,508</u>
As at 31 December 2018	<u>3,277,391,494</u>	<u>284,219,492</u>	<u>5,442,711,078</u>	<u>9,636,542,299</u>	<u>18,640,864,363</u>	<u>7,103,980,735</u>	<u>25,744,845,098</u>

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 periods ended 31 March 2019 and 2018, the Company had no major customer with gross premium written of 10 percent or more of the total gross premium written.

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. 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	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 having common directors and shareholding
Thai Reinsurance Pcl. ⁽¹⁾	Insurance	Related by way of having common directors and shareholding
Charoong Thai Wire and Cable Pcl. ⁽¹⁾	Electrical products	Related by way of having common directors and shareholding
Furukawa Metal (Thailand) Pcl. ⁽¹⁾	Electrical products	Related by way of having common directors and shareholding
Bumrungrad Hospital Pcl.	Health care services	Related by way of having common directors and shareholding
Bangkok Glass Co., Ltd. ⁽¹⁾	Packaging	Related by way of having common directors and shareholding
Sorachai Vivatn Co., Ltd.	Property development	Related by way of having common directors and shareholding
Bangpa-in golf Co., Ltd. ⁽¹⁾	Entertainment and Leisure	Related by way of having common directors and shareholding
Thai Metal Processing Co., Ltd. ⁽¹⁾	Electronic parts	Related by way of having common directors and shareholding
Asia Sermkij Co., Ltd. ⁽¹⁾	Finance	Related by way of having common directors and shareholding
AIOI Bangkok Insurance Pcl.	Non-life insurance	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 since 9 November 2018, which was the date when there was common directors and its shares are also held by Company.

18.2 Significant related party transactions

During the three-month periods ended 31 March 2019 and 2018, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March		Pricing policy
	2019	2018	
<u>Transactions with associates and related companies</u>			
Revenues			
Premium written	201,745	150,225	According to terms of underwriting agreements
Fee and commission income	51,523	11,746	According to terms of reinsurance agreements depending on type of insurance and reinsurance
Interest income ⁽¹⁾	15,130	16,318	Similar rates to the rates the financial institutions and related companies offer to their general customers
Dividend income ⁽¹⁾	213,215	186,913	The declared amount
Rental income ⁽²⁾	1,208	264	Similar rates to the rates the Company offers to its general customers
Expenses			
Premium ceded to reinsurers	161,949	44,513	According to terms of reinsurance agreements depending on types of insurance and reinsurance
Net claims (reversal)	(67,435)	(9,488)	As actually incurred
Commissions and brokerages	16,481	9,709	According to terms of underwriting agreements
Management fee for private fund ⁽³⁾	61	66	Similar rates to the rates the related party offers to its general customers
Fee for trading securities ⁽³⁾	131	207	Similar rates to the rates the 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

18.3 Outstanding balances

As at 31 March 2019 and 31 December 2018, the Company had the following significant balances with its related companies.

	(Unit: Thousand Baht)	
	31 March 2019	31 December 2018
<u>Transactions with associates</u>		
General investments - equity securities	99,642	98,346
<u>Transactions with related companies</u>		
Deposits at financial institutions	3,991,437	3,872,992
Premium receivables	77,934	35,040
Reinsurance assets		
Amounts deposited on reinsurance	7,022	6,817
Amounts due from reinsurers	7,363	9,771
Available-for-sale investments		
Equity securities	28,951,155	29,570,730
General investments - equity securities	680,231	680,231
Other assets		
Deposits and golf club membership fees	36,966	37,186
Due to reinsurers		
Amounts withheld on reinsurance	100,760	101,783
Amounts due to reinsurers	75,914	38,403
Insurance contract liabilities		
Loss reserves	2	-
Other Liabilities		
Liabilities under finance lease agreements	140	173
Accounts payable on purchases of securities	21,117	1,789

(Unaudited but reviewed)

18.4 Directors' and key management's benefits

During the three-month periods ended 31 March 2019 and 2018, 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	
	2019	2018
Short-term benefits	37.9	43.4
Post-employment benefits	1.0	2.3
Total	38.9	45.7

19. Assets subject to restriction and commitment

As at 31 March 2019 and 31 December 2018, 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			
	31 March 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
Placed as securities				
Government bonds	14.0	14.0	14.0	14.0
Placed as insurance reserves				
Ordinary shares	35.2	188.9	35.2	175.6
Government bonds	926.0	925.0	926.0	924.1
Debentures	180.0	184.8	100.0	104.0
	1,141.2	1,298.7	1,061.2	1,203.7
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	38.2	38.1	38.2
Placed to secure bank guarantees				
Deposited at financial institutions	20.0	20.0	20.0	20.0

20. Commitments and contingent liabilities

20.1 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 31 March 2019 and 31 December 2018, future minimum lease payments required under those non-cancellable operating lease contracts were as follows.

Payable	(Unit: Million Baht)	
	31 March 2019	31 December 2018
Within 1 year	31	31
Over 1 year and not over 5 years	113	114
Over 5 years	90	90

20.2 Capital Commitments

As at 31 March 2019 and 31 December 2018, there were outstanding capital commitments contracted for decoration and construction building amounting to Baht 2.8 million and Baht 4.9 million, respectively.

20.3 Litigation

As at 31 March 2019 and 31 December 2018, the Company had litigation claims totaling approximately Baht 3,426.7 million and Baht 3,369.9 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 1,136.4 million and Baht 1,114.4 million, respectively. However, the Company has considered and estimated for losses that may arise from those cases amounting to approximately Baht 142.2 million and Baht 302.7 million, respectively, which were already recognised in “Insurance contract liabilities” in the statements of financial position as at those dates.

21. Fair value of financial assets

As of 31 March 2019 and 31 December 2018, the Company had the following financial assets that were measured at fair value or cost but fair value are disclosed by using different levels of inputs as follows:

(Unit: Million Baht)

	31 March 2019			31 December 2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Available-for-sale investments						
Government and state enterprise securities	-	6,115	6,115	-	5,451	5,451
Private sector debt securities	-	906	906	-	1,102	1,102
Equity securities	33,908	861	34,769	33,942	865	34,807
Total	33,908	7,882	41,790	33,942	7,418	41,360

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.

22. Event after the reporting period**22.1 Amendment to the law relating to the legal severance pay rates**

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 the Company having additional employee benefit obligations of Baht 65 million to be recognised as past service costs as expenses in profit or loss in the period in which the law is effective, which is the second quarter of 2019.

22.2 The Annual General Meeting's resolution

On 26 April 2019, the Annual General Meeting No. 26 of the Company's shareholders passed the following resolutions:

1. Approved dividend payment to the Company's shareholders from the 2018 operating results at Baht 14 per share. Since the meetings of the Company's Board of directors were already resolved to pay the interim dividend payments for a total of Baht 9 per share, there remained dividend of Baht 5 per share or a total of Baht 532.3 million.
2. Approved the appropriation of unappropriated retained earnings of Baht 3,900 million to other reserve.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Executive Directors on 2 May 2019.