

Thaivivat Insurance Public Company Limited
and its subsidiary
Review report and interim financial statements
31 March 2019

Independent Auditor's Report on Review of Interim financial Information

To the Shareholders of Thaivivat Insurance Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thaivivat Insurance Public Company Limited and its subsidiary as at 31 March 2019, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Thaivivat 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.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 10 May 2019

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of financial position

As at 31 March 2019

(Unit: Baht)

	Note	Consolidated financial statements		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	323,441,879	229,766,928	320,516,488	227,320,041
Premium receivables	4	484,240,335	523,277,518	484,033,948	523,143,844
Accrued investment income		13,018,544	12,040,139	7,729,962	7,306,365
Reinsurance assets	5	395,977,716	408,451,103	395,977,716	408,451,103
Reinsurance from receivables contracts	6	209,241,843	215,132,383	210,770,071	215,937,578
Investment assets					
Investments in securities	7	3,393,380,265	3,262,293,511	3,348,782,932	3,216,490,844
Loans	8	5,843,918	7,168,090	5,843,918	7,168,090
Investment in subsidiary	9	-	-	67,200,000	67,200,000
Property, buildings and equipment	10	319,069,831	317,223,243	315,585,758	312,882,797
Goodwill		17,760,000	18,240,000	-	-
Intangible assets - computer software		9,733,739	10,199,695	9,669,534	10,087,936
Deferred tax assets	11	93,933,561	91,702,016	93,933,561	91,702,016
Other assets	12	566,404,645	553,947,851	566,982,436	554,393,839
Total assets		5,832,046,276	5,649,442,477	5,827,026,324	5,642,084,453

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

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of financial position (Continued)

As at 31 March 2019

(Unit: Baht)

	Note	Consolidated financial statements		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 equity					
Liabilities					
Insurance contract liabilities	13	3,224,711,134	3,135,720,447	3,222,447,582	3,133,927,643
Amount due to reinsurers	14	516,871,256	506,562,790	516,871,256	506,562,790
Income tax payable		37,192,896	15,420,600	37,192,896	15,420,600
Employee benefit obligations	15	122,876,724	91,215,706	122,876,724	91,215,706
Other liabilities	16	586,537,524	647,871,888	585,718,791	647,203,550
Total liabilities		4,488,189,534	4,396,791,431	4,485,107,249	4,394,330,289
Equity					
Share capital					
Registered					
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000
Issued and paid-up					
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000
Premium on share capital		163,800,007	163,800,007	163,800,007	163,800,007
Retained earnings					
Appropriated - statutory reserve		30,300,000	30,300,000	30,300,000	30,300,000
Unappropriated		681,570,039	621,258,591	687,126,696	626,021,433
Other components of equity					
Surplus on changes in value of available-for-sale investments	7.2	157,692,372	124,632,724	157,692,372	124,632,724
Exchange differences on translation of financial statements in foreign currency		(7,918,976)	(6,497,341)	-	-
Equity attributable to shareholders of the Company		1,328,443,442	1,236,493,981	1,341,919,075	1,247,754,164
Non-controlling interests of the subsidiary		15,413,300	16,157,065	-	-
Total equity		1,343,856,742	1,252,651,046	1,341,919,075	1,247,754,164
Total liabilities and equity		5,832,046,276	5,649,442,477	5,827,026,324	5,642,084,453
		-	-	-	-

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



Directors




Directors

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited and its subsidiary**Statements of comprehensive income****For the three-month period ended 31 March 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Income					
Gross premium written		1,043,820,898	947,877,950	1,043,019,847	947,166,074
Less: Premium ceded to reinsurers		(190,652,274)	(160,005,315)	(190,652,274)	(160,005,315)
Net premium written		853,168,624	787,872,635	852,367,573	787,160,759
Less: Unearned premium reserves increase					
from prior period		(42,784,135)	(76,586,598)	(42,628,230)	(76,321,913)
Net earned premium		810,384,489	711,286,037	809,739,343	710,838,846
Fee and commission income		50,749,128	53,114,501	50,749,128	53,114,501
Investment income		14,340,848	19,340,612	13,642,523	18,597,226
Gain (loss) on investments		774,044	(366,524)	774,044	(366,524)
Gain (loss) on fair value adjustment of investments		21,955,344	(6,270,475)	21,955,344	(6,270,475)
Other income		1,493,010	1,350,215	1,491,910	1,428,746
Total income		899,696,863	778,454,366	898,352,292	777,342,320
Expenses					
Claim and loss adjustment expenses		588,852,654	474,414,710	588,065,460	473,981,693
Less: Claim recovered from reinsurers		(110,496,015)	(81,611,712)	(110,496,015)	(81,611,712)
Commission and brokerage expenses		172,873,015	166,814,462	172,788,613	166,739,538
Other underwriting expenses		65,159,464	58,642,018	65,119,519	58,601,928
Operating expenses	17	109,431,518	100,131,145	107,864,466	97,795,633
Total expenses		825,820,636	718,390,623	823,342,043	715,507,080
Profit before income tax		73,876,227	60,063,743	75,010,249	61,835,240
Income tax expenses	11	(13,904,986)	(10,884,742)	(13,904,986)	(10,884,742)
Profit for the period		59,971,241	49,179,001	61,105,263	50,950,498

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

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited and its subsidiary**Statements of comprehensive income (continued)****For the three-month period ended 31 March 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currency		(1,825,193)	(2,025,482)	-	-
Gain on changes in value of available-for-sale investments		41,324,560	4,006,532	41,324,560	4,006,532
Income tax effect		(8,264,912)	(801,306)	(8,264,912)	(801,306)
Other comprehensive income for the period - net of income tax		31,234,455	1,179,744	33,059,648	3,205,226
Total comprehensive income for the period		91,205,696	50,358,745	94,164,911	54,155,724
Profit for the period attributable to:					
Equity holders of the Company		60,311,448	49,710,451	61,105,263	50,950,498
Non-controlling interests of the subsidiary (loss)		(340,207)	(531,450)		
		59,971,241	49,179,001		
Total comprehensive income for the period attributable to:					
Equity holders of the Company		91,949,461	51,353,840	94,164,911	54,155,724
Non-controlling interests of the subsidiary (loss)		(743,765)	(995,095)		
		91,205,696	50,358,745		
Earnings per share					
18					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.20	0.16	0.20	0.17

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

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited and its subsidiary**Statements of cash flows****For the three-month period ended 31 March 2019**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from (used in) operating activities				
Direct premium written	1,094,285,431	1,008,922,182	1,092,658,538	1,007,803,578
Cash paid for reinsurance	(16,266,907)	(59,111,394)	(16,252,306)	(59,120,910)
Interest income	9,321,706	6,794,574	9,302,762	6,750,655
Dividend income	3,977,963	9,269,260	3,977,963	9,269,260
Other investment income	590,210	646,540	590,210	646,540
Other income	803,115	826,743	800,661	882,056
Claim incurred on direct insurance	(541,125,811)	(562,019,345)	(540,800,602)	(561,600,829)
Loss adjustment expenses on direct insurance	(12,758,538)	(9,921,871)	(12,752,341)	(9,914,889)
Commission and brokerage on direct insurance	(186,540,737)	(167,776,506)	(186,278,191)	(167,651,200)
Other underwriting expenses	(68,840,960)	(61,807,674)	(68,801,015)	(61,767,584)
Operating expenses	(113,580,281)	(115,403,303)	(113,109,266)	(113,581,427)
Income tax	(2,629,148)	(1,847,349)	(2,629,148)	(1,847,349)
Investments in securities	(156,764,657)	(26,685,513)	(156,764,657)	(26,685,513)
Loans	1,324,173	1,915,591	1,324,173	1,915,591
Deposits at financial institutions	90,007,414	(170,531)	90,007,414	(170,531)
Net cash from operating activities	101,802,973	23,631,404	101,274,195	24,927,448
Cash flows from (used in) investing activities				
Purchases of property, buildings and equipment	(7,997,000)	(985,471)	(7,997,000)	(795,087)
Purchases of intangible assets	(120,000)	(7,207)	(120,000)	(7,207)
Disposals of equipment	39,252	-	39,252	-
Net cash used in investing activities	(8,077,748)	(992,678)	(8,077,748)	(802,294)
Decrease in translation adjustments	(50,274)	(83,704)	-	-
Net increase in cash and cash equivalents	93,674,951	22,555,022	93,196,447	24,125,154
Cash and cash equivalents at beginning of period	229,766,928	240,644,140	227,320,041	237,379,687
Cash and cash equivalents at end of period	323,441,879	263,199,162	320,516,488	261,504,841

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

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of changes in equity

For the three-month period ended 31 March 2019

(Unit: Baht)

Consolidated financial statements									
Equity attributable to equity holders of the Company									
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total equity
			Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency			
Balance as at 1 January 2018	303,000,000	163,800,007	30,300,000	528,219,520	144,151,377	(4,800,000)	1,164,670,904	18,082,143	1,182,753,047
Profit for the period (loss)	-	-	-	49,710,451	-	-	49,710,451	(531,450)	49,179,001
Other comprehensive income for the period (loss)	-	-	-	-	3,205,226	(1,561,837)	1,643,389	(463,645)	1,179,744
Total comprehensive income for the period (loss)	-	-	-	49,710,451	3,205,226	(1,561,837)	51,353,840	(995,095)	50,358,745
Balance as at 31 March 2018	303,000,000	163,800,007	30,300,000	577,929,971	147,356,603	(6,361,837)	1,216,024,744	17,087,048	1,233,111,792
Balance as at 1 January 2019	303,000,000	163,800,007	30,300,000	621,258,591	124,632,724	(6,497,341)	1,236,493,981	16,157,065	1,252,651,046
Profit for the period (loss)	-	-	-	60,311,448	-	-	60,311,448	(340,207)	59,971,241
Other comprehensive income for the period (loss)	-	-	-	-	33,059,648	(1,421,635)	31,638,013	(403,558)	31,234,455
Total comprehensive income for the period (loss)	-	-	-	60,311,448	33,059,648	(1,421,635)	91,949,461	(743,765)	91,205,696
Balance as at 31 March 2019	303,000,000	163,800,007	30,300,000	681,570,039	157,692,372	(7,918,976)	1,328,443,442	15,413,300	1,343,856,742
	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of changes in equity (continued)

For the three-month period ended 31 March 2019

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity - surplus on changes in value of available-for-sale investments	Total
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2018	303,000,000	163,800,007	30,300,000	529,707,855	144,151,377	1,170,959,239
Profit for the period	-	-	-	50,950,498	-	50,950,498
Other comprehensive income for the period	-	-	-	-	3,205,226	3,205,226
Total comprehensive income for the period	-	-	-	50,950,498	3,205,226	54,155,724
Balance as at 31 March 2018	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>580,658,353</u>	<u>147,356,603</u>	<u>1,225,114,963</u>
Balance as at 1 January 2019	303,000,000	163,800,007	30,300,000	626,021,433	124,632,724	1,247,754,164
Profit for the period	-	-	-	61,105,263	-	61,105,263
Other comprehensive income for the period	-	-	-	-	33,059,648	33,059,648
Total comprehensive income for the period	-	-	-	61,105,263	33,059,648	94,164,911
Balance as at 31 March 2019	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>687,126,696</u>	<u>157,692,372</u>	<u>1,341,919,075</u>
	-	-	-	-	-	-

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

Thaivivat Insurance Public Company Limited and its subsidiary
Notes to interim financial statements
For the three-month period ended 31 March 2019

1. General information

Thaivivat Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in non-life insurance. The registered office of the Company is at 71 Thaivivat Insurance Building, Dindaeng Road, Samsen Nai, Phayathai, Bangkok.

2. Basis for preparation of the financial statements

2.1 Basis for the preparation of the interim financial statements

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

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

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

2.2 Basis for interim consolidation financial statements

- (a) The consolidated financial statements include the financial statements of Thaivivat Insurance Public Company Limited (“the Company”) and the following subsidiary (“the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 March 2019	31 December 2018
			Percent	Percent
Laovivat Insurance Co., Ltd.	Non-life insurance	Lao PDR	70.0	70.0

- (b) The consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018.

2.3 New financial reporting standards

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

During the period, the Company and its subsidiary have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal period 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 and its subsidiary's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 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 recognised 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 the Company's and its subsidiary's financial statements.

TFRS 4 (revised 2018) Insurance contracts

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

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

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

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

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

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

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

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

TFRS 16 Leases

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

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 management of the Company and its subsidiary is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

2.4 Significant accounting policies

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

3. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Cash on hand	352,959	1,181,029	330,188	1,146,293
Deposits at banks with no fixed maturity date	320,163,382	225,614,923	317,260,762	223,202,772
Deposits at banks and certificate of deposit				
with fixed maturity date	2,925,538	2,970,976	2,925,538	2,970,976
Cash and cash equivalents	323,441,879	229,766,928	320,516,488	227,320,041

As at 31 March 2019, saving deposits and fixed deposits carried interest between 0.25% and 1.25 % per annum (Separate financial statements: between 0.25% and 0.80% per annum) (31 December 2018: between 0.25% and 1.25% per annum for the consolidated financial statements and between 0.25% and 0.80% per annum for the separate financial statements).

4. Premium receivables

The balances as at 31 March 2019 and 31 December 2018 of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Not yet due	379,580,426	455,916,978	379,532,559	455,853,757
Not over 30 days	65,524,006	37,631,916	65,426,188	37,618,964
Over 30 days to 60 days	28,720,295	15,270,332	28,683,902	15,236,970
Over 60 days to 90 days	4,320,243	4,753,443	4,295,934	4,729,304
Over 90 days	11,931,037	11,548,869	11,931,037	11,548,869
Total premium receivables	490,076,007	525,121,538	489,869,620	524,987,864
Less: Allowance for doubtful accounts	(5,835,672)	(1,844,020)	(5,835,672)	(1,844,020)
Total premium receivables, net	484,240,335	523,277,518	484,033,948	523,143,844

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company takes legal actions with such agents and brokers on a case by case basis.

5. Reinsurance assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Insurance reserves refundable from reinsurers				
Claim reserves and outstanding claims	99,093,401	96,097,494	99,093,401	96,097,494
Unearned premium reserves	296,884,315	312,353,609	296,884,315	312,353,609
Reinsurance assets	<u>395,977,716</u>	<u>408,451,103</u>	<u>395,977,716</u>	<u>408,451,103</u>

6. Receivables from reinsurance contracts

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Amounts deposited on reinsurance	-	-	64,604	14,470
Amounts due from reinsurers	<u>209,241,843</u>	<u>215,132,383</u>	<u>210,705,467</u>	<u>215,923,108</u>
Receivables from reinsurance contracts	<u>209,241,843</u>	<u>215,132,383</u>	<u>210,770,071</u>	<u>215,937,578</u>

As at 31 March 2019 and 31 December 2018, the balances of amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Not yet due	28,054,650	180,351,097	28,727,549	180,386,028
Not over 1 year	180,969,755	34,563,848	181,760,480	35,319,642
Over 1 year to 2 years	<u>217,438</u>	<u>217,438</u>	<u>217,438</u>	<u>217,438</u>
Total amounts due from reinsurers	<u>209,241,843</u>	<u>215,132,383</u>	<u>210,705,467</u>	<u>215,923,108</u>

7. Investments in securities

7.1 Classified by type of investments

As at 31 March 2019 and 31 December 2018, investments in securities classified by type of investments are as follows:

(Unit: Baht)

	Consolidated financial statements			
	31 March 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	234,089,652	229,590,842	257,794,575	231,340,421
Total	234,089,652	229,590,842	257,794,575	231,340,421
Less: Unrealised loss	(4,498,810)		(26,454,154)	
Trading investments, net	229,590,842		231,340,421	
Available-for-sale investments				
Government and state enterprise securities	80,017,485	80,554,240	90,018,592	90,276,442
Private debt securities	390,093,940	393,307,102	430,093,940	434,087,501
Equity securities	50,505,830	114,541,807	50,506,668	112,038,147
Unit trusts	1,609,911,465	1,731,544,996	1,510,394,265	1,593,141,045
Total	2,130,528,720	2,319,948,145	2,081,013,465	2,229,543,135
Add: Unrealised gain	197,115,465		155,790,905	
Less: Allowance for impairment	(7,696,040)		(7,261,235)	
Available-for-sale investments, net	2,319,948,145		2,229,543,135	
Held-to-maturity investments				
Government and state enterprise securities	729,280,449		595,635,371	
Private debt securities	841,000		841,000	
Deposits at financial institutions which amounts maturing in over 3 months	110,840,179		202,053,934	
Total	840,961,628		798,530,305	
Less: Allowance for impairment	(841,000)		(841,000)	
Held-to-maturity investments, net	840,120,628		797,689,305	
Other investments				
Equity securities	3,720,650		3,720,650	
Other investments, net	3,720,650		3,720,650	
Total investments in securities	3,393,380,265		3,262,293,511	

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements			
	31 March 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	234,089,652	229,590,842	257,794,575	231,340,421
Total	234,089,652	229,590,842	257,794,575	231,340,421
Less: Unrealised loss	(4,498,810)		(26,454,154)	
Trading investments, net	229,590,842		231,340,421	
Available-for-sale investments				
Government and state enterprise securities	80,017,485	80,554,240	90,018,592	90,276,442
Private debt securities	390,093,940	393,307,102	430,093,940	434,087,501
Equity securities	50,505,830	114,541,807	50,506,668	112,038,147
Unit trusts	1,609,911,465	1,731,544,996	1,510,394,265	1,593,141,045
Total	2,130,528,720	2,319,948,145	2,081,013,465	2,229,543,135
Add: Unrealised gain	197,115,465		155,790,905	
Less: Allowance for impairment	(7,696,040)		(7,261,235)	
Available-for-sale investments, net	2,319,948,145		2,229,543,135	
Held-to-maturity investments				
Government and state enterprise securities	729,280,449		595,635,371	
Private debt securities	841,000		841,000	
Deposits at financial institutions which amounts maturing in over 3 months	66,242,846		156,251,267	
Total	796,364,295		752,727,638	
Less: Allowance for impairment	(841,000)		(841,000)	
Held-to-maturity investments, net	795,523,295		751,886,638	
Other investments				
Equity securities	3,720,650		3,720,650	
Other investments, net	3,720,650		3,720,650	
Total investments in securities	3,348,782,932		3,216,490,844	

7.2 Other components of equity - surplus on changes in value of available-for-sale investments

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the	For the	For the	For the
	three-month	year ended	three-month	year ended
	period ended	period ended	period ended	period ended
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Balance - beginning of the period	155,790,905	180,189,221	155,790,905	180,189,221
Changes during the period				
Gain (loss) on revaluation during the period	41,927,235	(37,760,082)	41,927,235	(37,760,082)
Loss transferred to be recognised in				
profit or loss	434,805	7,084,952	434,805	7,084,952
Loss (gain) on sales recognised in profit or				
loss during the period	(1,037,480)	6,276,814	(1,037,480)	6,276,814
Balance - end of the period	197,115,465	155,790,905	197,115,465	155,790,905
Less: Income tax	(39,423,093)	(31,158,181)	(39,423,093)	(31,158,181)
Balance - end of the period, net of				
income tax	157,692,372	124,632,724	157,692,372	124,632,724

7.3 Investments subject to restriction

As at 31 March 2019 and 31 December 2018, the Company had pledged the following assets as collateral.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Government debt securities which pledged for				
Guarantee electricity use	1,004,418	1,010,155	1,004,418	1,010,155
Deposit at bank which pledged for				
Bail bond in cases where insured drivers				
have been charged with criminal offense	3,353,844	3,353,844	3,353,844	3,353,844
Bank overdraft	3,218,369	3,218,369	3,218,369	3,218,369
Letter of bank guarantee	5,262,806	5,262,806	5,262,806	5,262,806
Total	12,839,437	12,845,174	12,839,437	12,845,174

Furthermore, the Company placed part of its investments in securities with the Registrar as described in Note 21 to the interim financial statements.

8. Loans

As at 31 March 2019 and 31 December 2018, loans and accrued interest are provided to employees in accordance with employee's benefits plan. The balances are aged by principal and interest receivables as follows:

(Unit: Baht)

Consolidated and separate financial statements							
31 March 2019							
Outstanding period	Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	
Not yet due	5,058,122	-	785,796	-	5,843,918	-	5,843,918
Overdue							
Over 12 months	600,873	152,939	-	-	600,873	152,939	753,812
Total	5,658,995	152,939	785,796	-	6,444,791	152,939	6,597,730
Less: Allowance for doubtful accounts	(600,873)	(152,939)	-	-	(600,873)	(152,939)	(753,812)
Loans, net	5,058,122	-	785,796	-	5,843,918	-	5,843,918

(Unit: Baht)

Consolidated and separate financial statements							
31 December 2018							
Outstanding period	Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	
Not yet due	5,573,075	-	1,595,015	-	7,168,090	-	7,168,090
Overdue							
Over 12 months	600,873	152,939	-	-	600,873	152,939	753,812
Total	6,173,948	152,939	1,595,015	-	7,768,963	152,939	7,921,902
Less: Allowance for doubtful accounts	(600,873)	(152,939)	-	-	(600,873)	(152,939)	(753,812)
Loans, net	5,573,075	-	1,595,015	-	7,168,090	-	7,168,090

9. Investment in subsidiary**9.1** Detail of investment in subsidiary as presented in separate financial statements is as follow:

Company's name	Paid up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018
	Baht	Baht	%	%	Baht	Baht
Laovivat Insurance Co., Ltd.	67,200,000	67,200,000	70.0	70.0	67,200,000	67,200,000

On 31 May 2017, the Company acquired ordinary shares of Laovivat Insurance Co., Ltd., total 1.4 million ordinary shares for total amounting to Baht 67.2 million, accounted for 70 percent of its registered capital and was considered as investment in subsidiary. That company is principally engaged in non-life insurance.

9.2 Summarised financial information about subsidiary that based on amounts before inter-company elimination

(a) Summarised financial position

	(Unit: Baht)	
	As at	
	31 March 2019	31 December 2018
Assets	58,236,561	58,948,236
Liabilities	6,858,897	5,091,354
Net book value	51,377,664	53,856,882

(b) Summarised comprehensive income

	(Unit: Baht)	
	For the three-months periods ended	
	31 March 2019	31 March 2018
Revenue	1,525,711	1,210,430
Loss for the period	(1,134,022)	(1,771,497)
Other comprehensive income	-	-
Total comprehensive income (loss)	(1,134,022)	(1,771,497)

10. Property, buildings and equipment

Movement of property, buildings and equipment for the three-month period ended 31 March 2019 is summarised below:

(Unit: Baht)

	Consolidated financial statements						
	Land	Buildings	Fixtures	Office equipment	Vehicles	Work in process	Total
Net book value as at							
1 January 2019	211,950,180	56,468,533	12,262,664	17,991,340	12,716,418	5,834,108	317,223,243
Acquisitions during period - at cost	-	-	253,600	1,516,605	-	6,226,795	7,997,000
Transferred in (out)	-	5,160,000	-	212,590	328,923	(5,701,513)	-
Disposals during period - net book value	-	-	-	(13)	-	-	(13)
Depreciation for the period	-	(986,300)	(1,571,098)	(2,019,974)	(1,458,805)	-	(6,036,177)
Exchange differences on translation of financial statements in foreign currency	-	-	(47,424)	(44,318)	(22,480)	-	(114,222)
Net book value as at 31 March 2019	211,950,180	60,642,233	10,897,742	17,656,230	11,564,056	6,359,390	319,069,831

(Unit: Baht)

	Separate financial statements						
	Land	Buildings	Fixtures	Office equipment	Vehicles	Work in process	Total
Net book value as at							
1 January 2019	211,950,180	56,468,533	10,460,548	16,307,265	11,862,163	5,834,108	312,882,797
Acquisitions during period - at cost	-	-	253,600	1,516,605	-	6,226,795	7,997,000
Transferred in (out)	-	5,160,000	-	212,590	328,923	(5,701,513)	-
Disposals during period - net book value	-	-	-	(13)	-	-	(13)
Depreciation for the period	-	(986,300)	(989,460)	(1,912,957)	(1,405,309)	-	(5,294,026)
Net book value as at 31 March 2019	211,950,180	60,642,233	9,724,688	16,123,490	10,785,777	6,359,390	315,585,758

11. Deferred tax assets/Income tax expenses**11.1 Deferred tax assets**

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

	(Unit: Baht)			
	Consolidated and separate financial statements		Change in deferred tax assets or liabilities that are recognised in profit or loss for the three-month periods ended 31 March	
	31 March 2019	31 December 2018	2019	2018
Deferred tax assets				
Allowance for doubtful accounts	9,637,799	7,466,841	2,170,958	(442,072)
Allowance for impairment of investment	1,503,951	1,416,990	86,961	-
Unearned premium reserves	72,727,557	69,418,456	3,309,101	4,765,761
Provision for claim incurred but not yet reported and outstanding claims	24,012,240	21,023,938	2,988,302	(15,380,306)
Loss on changes in value of trading securities	899,762	5,290,831	(4,391,069)	561,019
Post employee benefit obligations	24,575,345	18,243,141	6,332,204	429,577
Total	<u>133,356,654</u>	<u>122,860,197</u>		
Deferred tax liabilities				
Gain on changes in value of Trading securities	-	-	-	693,077
Available-for-sale securities	39,423,093	31,158,181	-	-
Total	<u>39,423,093</u>	<u>31,158,181</u>		
Deferred tax assets, net	<u>93,933,561</u>	<u>91,702,016</u>		
Changes in deferred tax assets or liabilities that are recognised in profit or loss			<u>10,496,457</u>	<u>(9,372,944)</u>

As at 31 March 2019, the subsidiary has temporary differences and unused tax losses totaling Baht 6.9 million (31 December 2018: Baht 6.9 million), on which deferred tax assets have not been recognised as the subsidiary believes that there is an uncertainty to utilise temporary differences and unused tax losses.

11.2 Income tax expenses

The income tax expenses for the three-month periods ended 31 March 2019 and 2018 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
For the three-month periods ended 31 March				
	2019	2018	2019	2018
Current income tax:				
Corporate income tax charge				
in accordance with Revenue Code	24,401,443	1,511,798	24,401,443	1,511,798
Deferred tax:				
Relating to origination and reversal of				
temporary differences	(10,496,457)	9,372,944	(10,496,457)	9,372,944
Income tax expense reported in the				
 statements of comprehensive income	<u>13,904,986</u>	<u>10,884,742</u>	<u>13,904,986</u>	<u>10,884,742</u>

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

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
For the three-month periods ended 31 March				
	2019	2018	2019	2018
Accounting profit before income tax				
expenses	73,876,227	60,063,743	75,010,249	61,835,240
Applicable corporate income tax rate	20%, 24%	20%, 24%	20%	20%
Income tax at the applicable tax rate	14,729,884	11,941,889	15,002,050	12,367,048
Effects of:				
Temporary differences and tax loss which				
are not recorded as deferred tax assets	31,327	219,276	-	-
Tax-exempted revenues	(1,029,220)	(2,259,717)	(1,029,220)	(2,259,717)
Additional expenses deductions allowed	(159,734)	(392,649)	(159,734)	(392,649)
Non-deductible expenses	332,729	1,375,943	91,890	1,170,060
Income tax expenses reported in the				
statements of comprehensive income	<u>13,904,986</u>	<u>10,884,742</u>	<u>13,904,986</u>	<u>10,884,742</u>

12. Other assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Claim receivables from litigants, net	307,176,093	280,274,872	307,176,093	280,274,872
Advance payment of ceded premium	122,715,003	121,831,584	122,715,003	121,830,971
Deposits on rice field insurance scheme	40,886,171	52,524,157	40,886,171	52,524,157
Prepaid commission expenses	46,470,907	43,750,964	46,470,907	43,750,857
Receivable from sale of investments	2,261,914	4,265,838	2,261,914	4,265,838
Cash equivalents which subject to restrictions	8,938,132	8,937,126	8,938,132	8,937,126
Others	37,956,425	42,363,310	38,534,216	42,810,018
Total other assets	566,404,645	553,947,851	566,982,436	554,393,839

As at 31 March 2019, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 8.9 million (31 December 2018: Baht 8.9 million) as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence.

13. Insurance contract liabilities

(Unit: Baht)

	Consolidated financial Statements		
	31 March 2019		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,177,343,018	97,779,378	1,079,563,640
- Provision for claim incurred but not reported	55,653,415	1,314,023	54,339,392
Premium reserves			
- Unearned premium reserves	1,991,714,701	296,884,315	1,694,830,386
Total	3,224,711,134	395,977,716	2,828,733,418

(Unaudited but reviewed)

(Unit: Baht)

Consolidated financial Statements			
31 December 2018			
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,113,404,910	90,627,224	1,022,777,686
- Provision for claim incurred but not reported	57,791,280	5,470,270	52,321,010
Premium reserves			
- Unearned premium reserves	1,964,524,257	312,353,609	1,652,170,648
Total	3,135,720,447	408,451,103	2,727,269,344

(Unit: Baht)

Separate financial Statements			
31 March 2019			
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,177,179,012	97,779,378	1,079,399,634
- Provision for claim incurred but not reported	55,065,270	1,314,023	53,751,247
Premium reserves			
- Unearned premium reserves	1,990,203,300	296,884,315	1,693,318,985
Total	3,222,447,582	395,977,716	2,826,469,866

(Unit: Baht)

Separate financial Statements			
31 December 2018			
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,113,241,027	90,627,224	1,022,613,803
- Provision for claim incurred but not reported	57,642,252	5,470,270	52,171,982
Premium reserves			
- Unearned premium reserves	1,963,044,364	312,353,609	1,650,690,755
Total	3,133,927,643	408,451,103	2,725,476,540

13.1 Claim reserves and outstanding claims

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the	For the	For the	For the
	three-month	year ended	three-month	year ended
	period ended	31 December	period ended	31 December
	31 March 2019	2018	31 March 2019	2018
Balance - beginning of the period	1,171,196,190	1,168,300,191	1,170,883,279	1,168,209,890
Claim incurred and loss adjustment expenses for the period	586,001,649	2,316,553,386	585,887,623	2,314,553,270
Changes in claim reserves and assumptions	31,131,670	(100,201,660)	30,997,678	(100,276,223)
Claim and loss adjustment expenses paid during the period	(555,299,974)	(2,213,449,855)	(555,524,298)	(2,211,603,658)
Exchange differences on translation of financial statements in foreign currency	(33,102)	(5,872)	-	-
Balance - end of the period	<u>1,232,996,433</u>	<u>1,171,196,190</u>	<u>1,232,244,282</u>	<u>1,170,883,279</u>

As at 31 March 2019, the Company and its subsidiary have claim reserves and outstanding claims under reinsurance contracts of Baht 0.1 million (Separate financial statement: Baht 0.1 million) (31 December 2018: Baht 0.1 million for consolidated and separate financial statements).

(Unaudited but reviewed)

13.2 Unearned premium reserves

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the	For the	For the	For the
	three-month	year ended	three-month	year ended
	period ended	31 December	period ended	31 December
	31 March 2019	2018	31 March 2019	2018
Balance - beginning of the period	1,964,524,257	1,657,141,941	1,963,044,364	1,656,112,917
Premium written for the period	1,043,820,898	4,155,144,164	1,043,019,847	4,152,256,441
Premium earned for the current period	(1,016,554,086)	(3,847,735,462)	(1,015,860,911)	(3,845,324,994)
Exchange differences on translation of financial statements in foreign currency	(76,368)	(26,386)	-	-
Balance - end of the period	<u>1,991,714,701</u>	<u>1,964,524,257</u>	<u>1,990,203,300</u>	<u>1,963,044,364</u>

14. Due to reinsurers

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Outward premium payable	445,812,950	451,416,068	445,812,950	451,416,068
Amounts withheld on reinsurances	<u>71,058,306</u>	<u>55,146,722</u>	<u>71,058,306</u>	<u>55,146,722</u>
Total due to reinsurers	<u>516,871,256</u>	<u>506,562,790</u>	<u>516,871,256</u>	<u>506,562,790</u>

15. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, for the periods ended 31 March 2018 and 31 December 2018 was as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month period ended 31 March 2019	For the year ended 31 December 2018	For the three-month period ended 31 March 2019	For the year ended 31 December 2018
Provision for employee benefits at beginning of the period	91,215,706	87,820,420	91,215,706	87,820,420
Current service cost	1,961,524	5,956,929	1,961,524	5,956,929
Interest cost	900,113	2,634,613	900,113	2,634,613
Past service cost	28,799,381	-	28,799,381	-
Actuarial loss (gain) arising from				
Experience adjustments	-	(2,691,256)	-	(2,691,256)
Benefits paid during the period	-	(2,505,000)	-	(2,505,000)
Provision for employee benefits at end of the period	<u>122,876,724</u>	<u>91,215,706</u>	<u>122,876,724</u>	<u>91,215,706</u>

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. The Company's management expected that the new Labour Protection Act will be announced in the Royal Gazette and be effective in 2019. The Company's management, therefore determines to revise employee benefit plan to comply with the new law in current quarter. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 28.8 million. The Company has reflected the effect of the change by recognising past services costs as expenses in the income statement in this period.

However, on 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was already announced in the Royal Gazette which is effective from 5 May 2019.

16. Other liabilities

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Premium received in advance	246,625,868	231,196,335	246,625,868	231,195,568
Accrued commissions	89,632,492	100,587,016	89,476,466	100,428,354
Accrued operating expenses	65,833,236	94,386,499	65,201,407	93,887,087
Payables on purchase of investments	711,281	24,452	711,281	24,452
Commission received in advance	58,442,489	57,645,337	58,442,489	57,645,220
Other payable	68,651,845	72,147,519	68,691,081	72,169,777
Others	56,640,313	91,884,730	56,570,199	91,853,092
Total other liabilities	586,537,524	647,871,888	585,718,791	647,203,550

17. Operating expenses

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March			
	2019	2018	2019	2018
Personal expenses which are not expenses for underwriting and claims	24,441,059	20,874,116	24,295,918	20,837,523
Property and equipment expenses which are not expenses for underwriting	20,423,518	20,267,710	19,412,993	19,209,879
Taxes and duties	694,587	1,415,180	693,968	1,415,180
Bad debts and doubtful accounts (reversal)	6,252,703	(1,620,641)	6,252,703	(1,620,641)
Support services expenses	44,774,963	46,254,497	44,773,171	46,254,497
Advertising and promotion expenses	5,444,484	6,209,551	5,433,384	5,635,819
Other operating expenses	7,400,204	6,730,732	7,002,329	6,063,376
Total operating expenses	109,431,518	100,131,145	107,864,466	97,795,633

18. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Group (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

19. Related party transactions

During the periods, the Company had significant business transactions (related by way of common directors and shareholding) with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the three-month periods ended 31 March				
	2019	2018	2019	2018	
<u>Transactions with subsidiary</u>					
Laovivat Insurance Co., Ltd.					
(eliminated from the consolidated financial statements)					
Reinsurance premium written	-	-	903	376	Reinsurance rates depending on type of insurance and reinsurance contract
Commission expenses	-	-	180	75	As stated in the agreement
Claim expenses	-	-	(61)	77	As actually incurred, in proportions per agreement
Other expenses	-	-	1	-	As stated in the agreement
<u>Transactions with related parties</u>					
Thai Reinsurance Plc.					
Premium ceded	24,083	21,067	24,083	21,067	Reinsurance rates depending on type of insurance and reinsurance contract
Commission income	2,983	6,306	2,983	6,306	As stated in the agreement
Claims refunded	28,713	14,174	28,713	14,174	As actually incurred, in proportions per agreement
Reinsurance premium written	7	14	7	14	Reinsurance rates depending on type of insurance and reinsurance contract
Commission expenses	3	5	3	5	As stated in the agreement
Claim expenses	51	-	51	-	As actually incurred, in proportions per agreement
Road Accident Victims Protection Co., Ltd.					
Contribution expenses	2,914	2,873	2,914	2,873	12.25% of premium written received from insurers under the Public Protection of Traffic Injury Act B.E. 2535
Paiboonwattana Co., Ltd.					
Other income	-	14	-	14	As stated in the agreement

(Unaudited but reviewed)

As at 31 March 2019 and 31 December 2018, the Company had the following significant balances of assets and liabilities with its related parties:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Transactions with subsidiary</u>				
Laovivat Insurance Co., Ltd.				
Receivables from reinsurance contracts	-	-	1,528,228	805,195
Insurance contract liabilities	-	-	1,402,601	980,591
Advances payment	-	-	844,426	844,426
Other liabilities	-	-	1,354	-
<u>Transactions with related parties</u>				
Thai Reinsurance Plc.				
Receivables from reinsurance contracts	97,508,811	90,310,962	97,508,811	90,310,962
Investments in equity securities	2,752,142	3,155,789	2,752,142	3,155,789
Amount due to reinsurers	111,990,556	116,886,105	111,990,556	116,886,105
Road Accident Victims Protection Co., Ltd.				
Investments in equity securities	3,518,150	3,518,150	3,518,150	3,518,150
Other assets	-	2,026,620	-	2,026,620
Other liabilities	2,914,484	3,268,907	2,914,484	3,268,907
T.I.I. Co., Ltd.				
Investments in equity securities	202,500	202,500	202,500	202,500
Vichitbhan Palmoil Plc.				
Investments in equity securities	49,000	40,000	49,000	40,000

Directors and management's remuneration

During the three-month periods ended 31 March 2019 and 2018, the Company had employee benefit expenses to their directors and management as below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March			
	2019	2018	2019	2018
Short-term employee benefits	21,270,702	20,963,279	21,270,702	20,963,279
Post employee benefits	12,458,512	1,655,933	12,458,512	1,655,933
Total	33,729,214	22,619,212	33,729,214	22,619,212

20. Segment information

The Company is principally engaged in the provision of all types of non-life insurance products and for the purpose of underwriting and operation management, the Company has divided into business units that correspond to the types of insurance product offered i.e. Fire, Marine and transportation, Motor and Miscellaneous. The operating segment information presented below is consistent with the internal reports that the Company's Chief Operating Decision Maker (who is granted authority by the Board of Directors) regularly receives and reviews for use in making decisions about the allocation of the resources to the segment and assess its performance. The Chairman of the Executive Board has been identified as Chief Operating Decision Maker, with decisions passing through the Board of Directors.

Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

(Unaudited but reviewed)

Segment revenue and profit information of the Company and its subsidiary for the three-month periods ended 31 March 2019 and 2018 are as follows:

(Unit: Baht)

Consolidate financial statements								
For the three-month period ended 31 March 2019								
Total of the Company								
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiary	Elimination	Total
Underwriting income								
Premium written	37,461,595	4,067,680	815,905,753	185,584,819	1,043,019,847	1,703,870	(902,819)	1,043,820,898
Less: Premium ceded	<u>(26,623,404)</u>	<u>(498,902)</u>	<u>(69,372,050)</u>	<u>(94,157,918)</u>	<u>(190,652,274)</u>	<u>(902,819)</u>	<u>902,819</u>	<u>(190,652,274)</u>
Net premium written	10,838,191	3,568,778	746,533,703	91,426,901	852,367,573	801,051	-	853,168,624
Add (Less): Unearned premium reserves (increase) decrease from prior period	<u>830,906</u>	<u>(1,271,889)</u>	<u>(17,455,078)</u>	<u>(24,732,169)</u>	<u>(42,628,230)</u>	<u>(155,905)</u>	<u>-</u>	<u>(42,784,135)</u>
Earned premium	11,669,097	2,296,889	729,078,625	66,694,732	809,739,343	645,146	-	810,384,489
Fee and commission income	<u>12,794,075</u>	<u>84,985</u>	<u>22,171,412</u>	<u>15,698,656</u>	<u>50,749,128</u>	<u>179,786</u>	<u>(179,786)</u>	<u>50,749,128</u>
Total underwriting income	<u>24,463,172</u>	<u>2,381,874</u>	<u>751,250,037</u>	<u>82,393,388</u>	<u>860,488,471</u>	<u>824,932</u>	<u>(179,786)</u>	<u>861,133,617</u>
Underwriting expenses								
Claim and loss adjustment expenses	2,080,977	(555)	431,599,903	43,889,120	477,569,445	787,194	-	478,356,639
Commission and brokerage expenses	8,268,559	525,913	140,179,327	23,814,814	172,788,613	264,188	(179,786)	172,873,015
Other underwriting expenses	<u>1,727,018</u>	<u>215,835</u>	<u>48,632,432</u>	<u>14,544,234</u>	<u>65,119,519</u>	<u>39,945</u>	<u>-</u>	<u>65,159,464</u>
Total underwriting expenses before operating expenses	<u>12,076,554</u>	<u>741,193</u>	<u>620,411,662</u>	<u>82,248,168</u>	<u>715,477,577</u>	<u>1,091,327</u>	<u>(179,786)</u>	<u>716,389,118</u>
Profit (loss) from underwriting before operating expenses	<u>12,386,618</u>	<u>1,640,681</u>	<u>130,838,375</u>	<u>145,220</u>	145,010,894	(266,395)	-	144,744,499
Operating expenses					<u>(107,864,466)</u>	<u>(1,568,406)</u>	<u>1,354</u>	<u>(109,431,518)</u>
Profit (loss) from underwriting					37,146,428	(1,834,801)	1,354	35,312,981
Investment income					13,642,523	698,325	-	14,340,848
Gain on investments					774,044	-	-	774,044
Gain on fair value adjustment of investments					21,955,344	-	-	21,955,344
Other income					<u>1,491,910</u>	<u>2,454</u>	<u>(1,354)</u>	<u>1,493,010</u>
Profit (loss) before income tax expenses					75,010,249	(1,134,022)	-	73,876,227
Income tax expenses					<u>(13,904,986)</u>	<u>-</u>	<u>-</u>	<u>(13,904,986)</u>
Profit (loss) for the period					<u>61,105,263</u>	<u>(1,134,022)</u>	<u>-</u>	<u>59,971,241</u>

(Unaudited but reviewed)

(Unit: Baht)

Consolidate financial statements								
For the three-month period ended 31 March 2018								
Total of the Company								
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiary	Elimination	Total
Underwriting income								
Premium written	38,500,352	3,566,351	782,003,735	123,095,636	947,166,074	1,088,058	(376,182)	947,877,950
Less: Premium ceded	(26,584,298)	(464,381)	(75,599,270)	(57,357,366)	(160,005,315)	(376,182)	376,182	(160,005,315)
Net premium written	11,916,054	3,101,970	706,404,465	65,738,270	787,160,759	711,876	-	787,872,635
Add (Less): Unearned premium reserves (increase) decrease from prior period	641,355	(1,311,048)	(111,686,872)	36,034,652	(76,321,913)	(264,685)	-	(76,586,598)
Earned premium	12,557,409	1,790,922	594,717,593	101,772,922	710,838,846	447,191	-	711,286,037
Fee and commission income	12,627,397	118,614	26,323,873	14,044,617	53,114,501	75,167	(75,167)	53,114,501
Total underwriting income	<u>25,184,806</u>	<u>1,909,536</u>	<u>621,041,466</u>	<u>115,817,539</u>	<u>763,953,347</u>	<u>522,358</u>	<u>(75,167)</u>	<u>764,400,538</u>
Underwriting expenses								
Claim and loss adjustment expenses	(1,359,140)	(15,190)	359,978,709	33,765,602	392,369,981	433,017	-	392,802,998
Commission and brokerage expenses	8,230,692	464,930	138,498,356	19,545,560	166,739,538	150,091	(75,167)	166,814,462
Other underwriting expenses	1,354,479	151,280	44,638,564	12,457,605	58,601,928	40,090	-	58,642,018
Total underwriting expenses before operating expenses	<u>8,226,031</u>	<u>601,020</u>	<u>543,115,629</u>	<u>65,768,767</u>	<u>617,711,447</u>	<u>623,198</u>	<u>(75,167)</u>	<u>618,259,478</u>
Profit (loss) from underwriting before operating expenses	<u>16,958,775</u>	<u>1,308,516</u>	<u>77,925,837</u>	<u>50,048,772</u>	146,241,900	(100,840)	-	146,141,060
Operating expenses					(97,795,633)	(2,358,730)	23,218	(100,131,145)
Profit (loss) from underwriting					48,446,267	(2,459,570)	23,218	46,009,915
Investment income					18,597,226	743,386	-	19,340,612
Loss on investments					(366,524)	-	-	(366,524)
Loss on fair value adjustment of investments					(6,270,475)	-	-	(6,270,475)
Other income (expenses)					1,428,746	(55,313)	(23,218)	1,350,215
Profit (loss) before income tax expenses					61,835,240	(1,771,497)	-	60,063,743
Income tax expenses					(10,884,742)	-	-	(10,884,742)
Profit (loss) for the period					<u>50,950,498</u>	<u>(1,771,497)</u>	<u>-</u>	<u>49,179,001</u>

For the three-month periods ended 31 March 2019 and 2018, the Company has premium written from three major brokers in amounting of Baht 486.3 million and Baht 492.4 million, respectively.

(Unaudited but reviewed)

Segment assets and liabilities of the Company as at 31 March 2019 and 31 December 2018 are as follows:

(Unit: Baht)

	Consolidated financial statements								
	Total of the Company						Total of subsidiary	Eliminations	Total
	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total			
Assets									
As at 31 March 2019	186,622,610	1,647,074	846,325,292	325,133,472	4,467,297,876	5,827,026,324	58,236,561	(53,216,609)	5,832,046,276
As at 31 December 2018	181,465,391	1,775,149	880,258,749	316,637,525	4,261,947,639	5,642,084,453	58,948,236	(51,590,212)	5,649,442,477
Liabilities									
As at 31 March 2019	296,954,673	5,533,225	3,063,310,328	717,283,380	402,025,643	4,485,107,249	6,858,897	(3,776,612)	4,488,189,534
As at 31 December 2018	291,048,762	4,239,989	2,996,146,024	702,859,505	400,036,009	4,394,330,289	5,091,354	(2,630,212)	4,396,791,431

21. Assets pledged and assets reserved with the Registrar

As at 31 March 2019 and 31 December 2018, the following assets have been pledged and reserved with the Registrar in accordance with the Non-life Insurance Act.

(Unit: Million Baht)

	Consolidated financial statements			
	31 March 2019		31 December 2018	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Fixed deposit	19.7	19.7	20.3	20.3
Government bonds	15.1	15.7	15.1	15.1
Total	34.8	35.4	35.4	35.4
Assets reserved				
Government bonds	276.2	277.4	216.6	217.7
State enterprise debt securities	80.0	80.5	80.0	80.2
Private debt securities	40.0	42.6	50.0	53.2
Total	396.2	400.5	346.6	351.1
Total	431.0	435.9	382.0	386.5

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	31 March 2019		31 December 2018	
	Amortised		Amortised	
	cost	Fair value	cost	Fair value
Asset pledged				
Government bonds	15.1	15.7	15.1	15.1
Total	15.1	15.7	15.1	15.1
Assets reserved				
Government bonds	276.2	277.4	216.6	217.7
State enterprise debt securities	80.0	80.5	80.0	80.2
Private debt securities	40.0	42.6	50.0	53.2
Total	396.2	400.5	346.6	351.1
Total	411.3	416.2	361.7	366.2

22. Commitments and contingent liabilities

22.1 Capital commitments

As at 31 March 2019, the Group has capital commitments of approximately Baht 6.8 million, relating to the construction of buildings and equipment (31 December 2018: Baht 2.9 million).

22.2 Operating lease commitments

The Company and its subsidiary has entered into several lease agreements of office building space. The terms of the agreements are generally between 3 years to 5 years. As at 31 March 2019 and 31 December 2018, future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Payable:				
Within 1 year	1.3	1.3	0.9	0.9
Over 1 year and not over 5 years	2.1	2.5	1.0	1.2

22.3 Bank guarantees

As at 31 March 2019, there were outstanding bank guarantees of Baht 1.9 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business (31 December 2018: Baht 1.9 million).

22.4 Litigation

As at 31 March 2019, the Company has been sued as insurer for damages totaling approximately Baht 65.7 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 32.3 million, with the recoverable portion from reinsurers amounting to Baht 2.3 million. The Company's management believes that such reserve is adequate (31 December 2018: Baht 48.1 million, Baht 17.1 million and Baht 1.9 million, respectively).

23. Fair value of financial instruments

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

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 March 2019			
	Book value	Fair value		
	Level 1	Level 2	Total	
Held for trading investments				
Equity securities	229.6	229.6	-	229.6
Available-for-sale investments				
Government and state enterprise debt securities	80.5	-	80.5	80.5
Private debt securities	393.3	-	393.3	393.3
Equity securities	114.5	114.5	-	114.5
Unit trusts	1,731.5	186.9	1,544.6	1,731.5

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2018			
	Book value	Fair value		Total
	Level 1	Level 2		
Held for trading investments				
Equity securities	231.3	231.3	-	231.3
Available-for-sale investments				
Government and state enterprise debt securities	90.3	-	90.3	90.3
Private debt securities	434.1	-	434.1	434.1
Equity securities	112.0	112.0	-	112.0
Unit trusts	1,593.1	170.0	1,423.1	1,593.1

The Company had valuation techniques for financial instruments as follows:

- Fair value of investments in debt securities has been calculated by using the yield rate as announced by the Thai Bond Market Association.
- Investments in marketable equity securities have been presented at fair value by using market price. Fair value of investments in non-listed unit trusts have been calculated by using the net asset value as announced by asset management company.

24. Events after the reporting period

On 29 April 2019, the Annual General Meeting of the Company's shareholders approved the payment of dividend from the operating results of 2018 at the rate of Baht 0.20 per share to the shareholders, or a total of Baht 60.60 million. Such dividend will be paid on 28 May 2019.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2019.