

# **Muang Thai Life Assurance Public Company Limited**

Condensed interim financial statements  
for the three-month and nine-month periods ended  
30 September 2019  
and  
Independent auditor's review report



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## Independent auditor's report on review of interim financial information

### To the Board of Directors of Muang Thai Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position of Muang Thai Life Assurance Public Company Limited as at 30 September 2019; the statements of comprehensive income for three-month and nine-month periods ended 30 September 2019; the related statements of changes in equity and cash flows for the nine-month period ended 30 September 2019; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of Review*

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

#### *Conclusion*

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

*Chanchai S.*

(Chanchai Sakulkoedsin)  
Certified Public Accountant  
Registration No. 6827

KPMG Phoomchai Audit Ltd.  
Bangkok  
7 November 2019

**Muang Thai Life Assurance Public Company Limited**  
**Statement of financial position**

<b>Assets</b>	<i>Note</i>	30 September 2019 (Unaudited)	31 December 2018
		<i>(in thousand Baht)</i>	
Cash and cash equivalents	3, 13	2,322,299	2,162,342
Premiums due and uncollected	4	4,154,457	3,681,140
Accrued investment income		5,098,975	3,633,970
Reinsurers' share of insurance contract liabilities	8	956,444	754,634
Due from reinsurers		27,438	-
Derivative assets	5, 13	3,562,546	1,366,296
Investments assets			
Investments in securities	6, 13, 14	469,456,655	433,948,110
Loans	7	22,410,794	23,398,889
Investment properties		3,206,565	2,804,723
Investment in subsidiary	13	10,000	10,000
Investments in associates	13	280,292	214,836
Premises and equipment		3,930,368	3,857,048
Intangible assets		1,639,618	1,496,098
Deferred tax assets		1,092,115	1,947,935
Other assets		968,337	346,451
		<u>519,116,903</u>	<u>479,622,472</u>
<b>Total assets</b>		<b><u>519,116,903</u></b>	<b><u>479,622,472</u></b>

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

**Muang Thai Life Assurance Public Company Limited**  
**Statement of financial position**

<b>Liabilities and equity</b>	<i>Note</i>	30 September 2019 (Unaudited)	31 December 2018
		<i>(in thousand Baht)</i>	
<b>Liabilities</b>			
Insurance contract liabilities	8	436,521,295	410,747,873
Due to reinsurers		791,404	929,980
Derivative liabilities	5, 13	149,839	705,295
Income tax payable		698,727	1,140,066
Employee benefit obligations		1,014,086	1,055,960
Other liabilities	9, 13	13,034,043	6,972,794
<b>Total liabilities</b>		<b>452,209,394</b>	<b>421,551,968</b>
<b>Equity</b>			
Share capital			
Authorised share capital		1,000,000	1,000,000
Issued and paid-up share capital		1,000,000	1,000,000
Share premium		2,358,938	2,358,938
Retained earnings			
Appropriated			
Legal reserve		100,000	100,000
Other reserve		284,504	284,504
Unappropriated		54,042,184	50,107,270
Other components of equity			
Fair value changes on available-for-sale securities		9,121,883	4,219,792
<b>Total equity</b>		<b>66,907,509</b>	<b>58,070,504</b>
<b>Total liabilities and equity</b>		<b>519,116,903</b>	<b>479,622,472</b>

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

**Muang Thai Life Assurance Public Company Limited**  
**Statement of comprehensive income (Unaudited)**

		Three-month period ended	
		30 September	
	Note	2019	2018
		<i>(in thousand Baht)</i>	
<b>Revenues</b>			
Gross premiums written	13	20,024,160	19,482,498
Less premiums ceded		<u>(620,693)</u>	<u>(896,538)</u>
Net premiums written		19,403,467	18,585,960
Add (less) unearned premium reserves decrease (increase) from previous period		215,591	(36,303)
Add (less) reinsurers' share of unearned premium reserves increase (decrease) from previous period		<u>(101,096)</u>	<u>57,617</u>
Net premiums earned		19,517,962	18,607,274
Commission and brokerage income		16,107	20,717
Net investment income	13	4,848,518	4,534,881
Gain on investments		210,828	689,430
Loss on fair value changes	13	(31,821)	(70,670)
Other income	13	<u>14,852</u>	<u>13,065</u>
<b>Total revenues</b>		<b><u>24,576,446</u></b>	<b><u>23,794,697</u></b>
<b>Expenses</b>			
Long-term technical reserves increase from previous period		6,829,941	8,990,609
Benefit payments and insurance claims	13	11,902,256	9,252,963
Less benefit payments and insurance claims recovered from reinsurers		<u>(637,607)</u>	<u>(523,924)</u>
Net benefit payments and insurance claims		11,264,649	8,729,039
Commissions and brokerages	13	2,279,765	2,202,763
Other underwriting expenses		180,802	179,051
Operating expenses	13	<u>1,227,692</u>	<u>1,177,116</u>
<b>Total expenses</b>		<b><u>21,782,849</u></b>	<b><u>21,278,578</u></b>
<b>Profit before income tax</b>		<b><u>2,793,597</u></b>	<b><u>2,516,119</u></b>
Income tax		<u>527,894</u>	<u>512,042</u>
<b>Net profit</b>		<b><u>2,265,703</u></b>	<b><u>2,004,077</u></b>
<b>Other comprehensive income</b>			
<i>Components of other comprehensive income that will be reclassified subsequently to profit or loss</i>			
Net changes in fair value of available-for-sale securities		(943,069)	3,443,041
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		<u>188,614</u>	<u>(688,608)</u>
<b>Other comprehensive income for the period, net of income tax</b>		<b><u>(754,455)</u></b>	<b><u>2,754,433</u></b>
<b>Total comprehensive income for the period</b>		<b><u>1,511,248</u></b>	<b><u>4,758,510</u></b>
<b>Basic earnings per share (in Baht)</b>	10	<b><u>226.57</u></b>	<b><u>200.41</u></b>

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

**Muang Thai Life Assurance Public Company Limited**  
**Statement of comprehensive income (Unaudited)**

		Nine-month period ended	
		30 September	
	Note	2019	2018
		<i>(in thousand Baht)</i>	
<b>Revenues</b>			
Gross premiums written	13	62,719,892	70,084,701
Less premiums ceded		<u>(2,501,332)</u>	<u>(1,986,263)</u>
Net premiums written		60,218,560	68,098,438
Less unearned premium reserves increase			
from previous period		(336,768)	(494,355)
Add reinsurers' share of unearned premium reserves			
increase from previous period		<u>132,364</u>	<u>213,948</u>
Net premiums earned		60,014,156	67,818,031
Commission and brokerage income		39,068	47,965
Net investment income	13	14,208,114	13,006,417
Gain on investments		849,267	1,335,298
Gain (loss) on fair value changes	13	(58,258)	22,119
Other income	13	<u>60,456</u>	<u>43,718</u>
<b>Total revenues</b>		<b><u>75,112,803</u></b>	<b><u>82,273,548</u></b>
<b>Expenses</b>			
Long-term technical reserves increase from previous period		25,184,070	34,867,393
Benefit payments and insurance claims	13	32,435,735	28,552,164
Less benefit payments and insurance claims			
recovered from reinsurers		<u>(1,616,226)</u>	<u>(1,201,920)</u>
Net benefit payments and insurance claims		30,819,509	27,350,244
Commissions and brokerages	13	6,616,417	6,557,239
Other underwriting expenses		494,252	536,422
Operating expenses	13	<u>3,679,571</u>	<u>3,769,803</u>
<b>Total expenses</b>		<b><u>66,793,819</u></b>	<b><u>73,081,101</u></b>
<b>Profit before income tax</b>		<b>8,318,984</b>	<b>9,192,447</b>
Income tax		<u>1,566,070</u>	<u>1,785,493</u>
<b>Net profit</b>		<b><u>6,752,914</u></b>	<b><u>7,406,954</u></b>
<b>Other comprehensive income</b>			
<i>Components of other comprehensive income that will be reclassified subsequently to profit or loss</i>			
Net changes in fair value of available-for-sale securities		6,127,614	292,334
Income tax relating to components of other comprehensive income			
that will be reclassified to profit or loss		<u>(1,225,523)</u>	<u>(58,467)</u>
<b>Other comprehensive income for the period, net of income tax</b>		<b><u>4,902,091</u></b>	<b><u>233,867</u></b>
<b>Total comprehensive income for the period</b>		<b><u>11,655,005</u></b>	<b><u>7,640,821</u></b>
<b>Basic earnings per share (in Baht)</b>	10	<b><u>675.29</u></b>	<b><u>740.70</u></b>

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

**Muang Thai Life Assurance Public Company Limited**  
**Statement of changes in equity (Unaudited)**

	Note	Retained earnings				Unappropriated securities	Total equity	Other components of equity
		Issued and paid-up share capital	Share premium	Legal reserve	Other reserve			
<b>Nine-month period ended 30 September 2018</b>								
Balance at 1 January 2018		1,000,000	2,358,938	100,000	284,504	42,610,329	7,989,187	54,342,958
<b>Transaction with shareholders, recorded directly in equity</b>								
<i>Distributions to shareholders</i>								
Dividends to shareholders of the Company	11	-	-	-	-	(1,891,000)	-	(1,891,000)
<i>Total distributions to shareholders</i>		-	-	-	-	(1,891,000)	-	(1,891,000)
<b>Comprehensive income for the period</b>								
Net profit		-	-	-	-	7,406,954	-	7,406,954
<b>Other comprehensive income</b>								
Net changes in fair value of available-for-sale securities, net of tax		-	-	-	-	-	233,867	233,867
<b>Total comprehensive income for the period</b>		-	-	-	-	7,406,954	233,867	7,640,821
<b>Balance at 30 September 2018</b>		<b>1,000,000</b>	<b>2,358,938</b>	<b>100,000</b>	<b>284,504</b>	<b>48,126,283</b>	<b>8,223,054</b>	<b>60,092,779</b>

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**Muang Thai Life Assurance Public Company Limited**  
**Statement of changes in equity (Unaudited)**

	Retained earnings				Other components of equity			Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Other reserve <i>(in thousand Baht)</i>	Unappropriated	Fair value changes on available-for-sale securities		
<b>Nine-month period ended 30 September 2019</b>								
Balance at 1 January 2019	1,000,000	2,358,938	100,000	284,504	50,107,270	4,219,792	58,070,504	
<b>Transaction with shareholders, recorded directly in equity</b>								
<i>Distributions to shareholders</i>								
Dividends to shareholders of the Company	-	-	-	-	(2,818,000)	-	(2,818,000)	
<i>Total distributions to shareholders</i>	-	-	-	-	(2,818,000)	-	(2,818,000)	
<b>Comprehensive income for the period</b>								
Net profit	-	-	-	-	6,752,914	-	6,752,914	
Other comprehensive income								
Net changes in fair value of available-for-sale securities, net of tax	-	-	-	-	-	4,902,091	4,902,091	
<b>Total comprehensive income for the period</b>	-	-	-	-	6,752,914	4,902,091	11,655,005	
Balance at 30 September 2019	<u>1,000,000</u>	<u>2,358,938</u>	<u>100,000</u>	<u>284,504</u>	<u>54,042,184</u>	<u>9,121,883</u>	<u>66,907,509</u>	

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



**Muang Thai Life Assurance Public Company Limited**  
**Statement of cash flows (Unaudited)**

	Nine-month period ended 30 September	
<i>Note</i>	2019	2018
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Gross premiums written	62,109,244	69,505,158
Cash paid to reinsurers	(1,081,498)	(782,257)
Interest received	11,615,459	10,288,545
Dividend received	1,590,630	1,404,393
Investment expenses	(638,010)	(581,706)
Other investment income	117,117	60,460
Other income	59,530	43,554
Benefit payments and insurance claims	(32,176,438)	(28,555,431)
Commissions and brokerages	(6,733,686)	(6,627,794)
Other underwriting expenses	(494,252)	(536,423)
Operating expenses	(3,424,397)	(3,667,838)
Income tax paid	(2,377,112)	(2,881,412)
Investments in securities	(26,026,192)	(33,993,941)
Loans	1,350,484	(1,534,580)
Investment properties	(455,228)	(54,389)
Deposits at financial institutions	167,840	10,874
<b>Net cash flows provided by operating activities</b>	<b><u>3,603,491</u></b>	<b><u>2,097,213</u></b>
<b><i>Cash flows from investing activities</i></b>		
Cash flows provided by		
Premises and equipment	1,626	1,375
<b>Cash flows provided by investing activities</b>	<b><u>1,626</u></b>	<b><u>1,375</u></b>
Cash flows used in		
Premises and equipment	(416,311)	(495,823)
Intangible assets	(210,849)	(233,753)
<b>Cash flows used in investing activities</b>	<b><u>(627,160)</u></b>	<b><u>(729,576)</u></b>
<b>Net cash flows used in investing activities</b>	<b><u>(625,534)</u></b>	<b><u>(728,201)</u></b>

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

**Muang Thai Life Assurance Public Company Limited**  
**Statement of cash flows (Unaudited)**

		Nine-month period ended 30 September	
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from financing activity</i></b>			
Dividend paid	11	<u>(2,818,000)</u>	<u>(1,891,000)</u>
<b>Net cash flows used in financing activity</b>		<b><u>(2,818,000)</u></b>	<b><u>(1,891,000)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>159,957</b>	<b>(521,988)</b>
Cash and cash equivalents at 1 January		<u>2,162,342</u>	<u>1,619,752</u>
<b>Cash and cash equivalents at 30 September</b>	3	<b><u>2,322,299</u></b>	<b><u>1,097,764</u></b>

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

**Muang Thai Life Assurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2019 (Unaudited)**

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**Muang Thai Life Assurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2019 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Company's authorised directors on 7 November 2019

**1 General information**

Muang Thai Life Assurance Public Company Limited, (the "Company"), is incorporated in Thailand and has its registered head office at 250 Ratchadaphisek Road, Huaykwang, Bangkok and has 172 branches as at 30 September 2019 (*31 December 2018: 173 branches*).

The ultimate parent company is Kasikornbank Public Company Limited and the intermediate parent company is Muang Thai Group Holding Company Limited (75% shareholding).

The principal business of the Company is the provision of life insurance business. Details of the Company's subsidiary and associate as at 30 September 2019 and 31 December 2018 are given in note 13.

**2 Basis of preparation of the interim financial statements**

**(a) Statement of compliance**

The condensed interim primary financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard ("TAS") No. 34 Interim Financial Reporting and guidelines promulgated by the Federation of Accounting Professions. In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding "Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting the Operations of Life Insurance Companies" B.E. 2559, dated 4 March 2016.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018, except that the Company has adopted all the new and revised TFRSs that are effective for annual periods after 1 January 2019. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation and financial performance or financial position of the Company.

For a number of new and revised TFRSs which are not yet effective for current period, the Company has not early adopted these standards in preparing these interim financial statements before the effective date. Those new and revised TFRSs that are relevant to the Company's operations are disclosed in note 17.

**(b) Functional and presentation currency**

The interim financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

**Muang Thai Life Assurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2019 (Unaudited)**

**(c) Exemption from consolidation**

The Company has not presented consolidated financial statements and financial statements in which equity method is applied in accordance with exemptions in TFRS 10 (revised 2018) Consolidated Financial Statements and TAS 28 (revised 2018) Investment in Associates and Joint Venture, respectively, which state that a parent need not present consolidated financial statements and financial statements in which equity method is applied if it meets all criteria. Management believes that the Company meets all the required criteria, therefore the Company has not presented consolidated financial statements and financial statements in which equity method is applied and presents only separate financial statements. The Company has informed all its common shareholders, and no objections were raised.

Kasikornbank Public Company Limited, which is the ultimate parent of the Company and incorporated in Thailand, has produced consolidated financial statements that are available for public use and comply with TFRSs. The registered head office of Kasikornbank Public Company Limited is at 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana District, Bangkok.

**(d) Judgements and estimates**

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

Judgements made in applying accounting policies that have significant effects on the amounts recognised in the financial statements include non-significant influence over a Real Estate Investment Trust and a Mutual Fund even though the Company holds 21 percent and 40 percent in their voting rights, respectively. The Trust and the Fund are structured entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls or has influence over the entities. In addition, the financial and operating policies of these entities are directed by means of their trust deeds and managed by their respective fund managers. Therefore, Management believes that the Company does not have significant influence over these entities. As of 30 September 2019, the Company has the investments in the unit trust and the fund amounting to Baht 2.9 billion (31 December 2018: Baht 1.6 billion).

**3 Cash and cash equivalents**

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Cash	80	124
Deposits at banks - call deposits	1,007,093	1,926,923
Highly liquid short - term investments	1,315,126	235,295
<b>Total</b>	<b><u>2,322,299</u></b>	<b><u>2,162,342</u></b>

As at 30 September 2019 and 31 December 2018, the currency denomination cash and cash equivalents was entirely in Baht.

**Muang Thai Life Assurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2019 (Unaudited)**

**4 Premiums due and uncollected**

As at 30 September 2019 and 31 December 2018, the balance of premiums due and uncollected were aged as follows:

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Within due	4,063,653	3,611,431
Overdue:		
Less than or equal to 30 days	54,955	31,429
31 - 60 days	21,030	23,936
61 - 90 days	4,887	9,949
91 days - 1 year	19,256	6,360
Over 1 year	823	1,588
Total	<u>4,164,604</u>	<u>3,684,693</u>
Less allowance for doubtful accounts	<u>(10,147)</u>	<u>(3,553)</u>
Net	<u><b>4,154,457</b></u>	<u><b>3,681,140</b></u>

**5 Derivatives**

Types of contract	Objectives	Notional amount	30 September 2019	
			Assets	Liabilities
			<i>(in thousand Baht)</i>	
Cross currency swap contract	To protect against exchange rate risk from investments in a foreign currency	45,080,024	3,520,607	149,839
Interest rate swap contract	To protect against interest rate risk	1,841,050	-	-
Bond forward contract	To protect against reinvestment risk	2,392,487	-	-
Index option contract	To protect against the risk of changes in fair value of an underlying index	867,500	41,939	-
<b>Total</b>		<u><b>50,181,061</b></u>	<u><b>3,562,546</b></u>	<u><b>149,839</b></u>

  

Types of contract	Objectives	Notional amount	31 December 2018	
			Assets	Liabilities
			<i>(in thousand Baht)</i>	
Cross currency swap contract	To protect against exchange rate risk from investments in a foreign currency	45,018,594	1,319,360	705,295
Interest rate swap contract	To protect against interest rate risk	1,841,050	-	-
Bond forward contract	To protect against reinvestment risk	2,329,033	-	-
Index option contract	To protect against the risk of changes in fair value of an underlying index	867,500	46,936	-
<b>Total</b>		<u><b>50,056,177</b></u>	<u><b>1,366,296</b></u>	<u><b>705,295</b></u>

**Muang Thai Life Assurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2019 (Unaudited)**

**6 Investments in securities**

	30 September 2019		31 December 2018	
	Cost/ amortised cost	Fair value <i>(in thousand Baht)</i>	Cost/ amortised cost	Fair value
<b>Trading securities</b>				
Equity securities	2,066,284	2,042,903	1,609,200	1,506,023
Less unrealised deficits from fair value changes on investments	(23,381)	-	(103,177)	-
<b>Total trading securities</b>	<b>2,042,903</b>	<b>2,042,903</b>	<b>1,506,023</b>	<b>1,506,023</b>
<b>Available-for-sale securities</b>				
Government and state enterprise securities	4,900,727	6,687,212	4,656,400	6,159,311
Private debt securities	8,166,083	8,511,427	8,606,881	8,705,495
Foreign debt securities	2,766,087	2,829,237	2,945,717	2,983,474
Equity securities	39,940,813	47,762,599	32,024,310	35,687,481
Foreign equity securities	16,650,094	17,956,197	12,935,066	12,900,574
Securities lending - equity securities	177,966	251,191	-	-
Total	72,601,770	83,997,863	61,168,374	66,436,335
Add unrealised surpluses from fair value changes on investments	11,396,093	-	5,267,961	-
<b>Total available-for-sale securities</b>	<b>83,997,863</b>	<b>83,997,863</b>	<b>66,436,335</b>	<b>66,436,335</b>
<b>Held-to-maturity securities</b>				
Government and state enterprise debt securities	237,637,489		228,794,659	
Private debt securities	102,304,431		92,075,080	
Foreign debt securities	37,080,571		38,562,344	
Deposits at financial institutions with original maturities more than 3 months and saving tickets	6,086,356		6,254,196	
Total	383,108,847		365,686,279	
Less allowance for impairment	(15,571)		(15,571)	
<b>Total held-to-maturity securities</b>	<b>383,093,276</b>		<b>365,670,708</b>	
<b>General investments</b>				
Equity securities	438,614		451,045	
Less allowance for impairment	(116,001)		(116,001)	
<b>Total general investments</b>	<b>322,613</b>		<b>335,044</b>	
<b>Total investments in securities</b>	<b>469,456,655</b>		<b>433,948,110</b>	

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**7 Loans**

As at 30 September 2019 and 31 December 2018, loans and accrued interest were classified by aging as follows:

Period	30 September 2019				Total				
	Policy loans		Others loans						
	Principal	Accrued interest*	Principal	Accrued interest*	Principal	Accrued interest*	Total		
			<i>(in thousand Baht)</i>						
Within due	19,518,062	628,946	2,634,800	3,598	251,196	29	22,404,058	632,573	23,036,631
Overdue :									
Less than 3 months	-	-	3,534	27	-	-	3,534	27	3,561
3 - 6 months	-	-	-	-	-	-	-	-	-
6 - 12 months	-	-	1,235	135	-	-	1,235	135	1,370
Over than 12 months	-	-	266,563	20,358	-	-	266,563	20,358	286,921
<b>Total</b>	<b>19,518,062</b>	<b>628,946</b>	<b>2,906,132</b>	<b>24,118</b>	<b>251,196</b>	<b>29</b>	<b>22,675,390</b>	<b>653,093</b>	<b>23,328,483</b>
Less allowance for doubtful accounts	-	-	(264,596)	(20,481)	-	-	(264,596)	(20,481)	(285,077)
<b>Net</b>	<b>19,518,062</b>	<b>628,946</b>	<b>2,641,536</b>	<b>3,637</b>	<b>251,196</b>	<b>29</b>	<b>22,410,794</b>	<b>632,612</b>	<b>23,043,406</b>



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Period	Policy loans		Mortgage loans		Others loans		Total		
	Principal	Accrued interest*	Principal	Accrued interest*	Principal	Accrued interest*	Principal	Accrued interest*	
Within due	17,794,161	571,705	2,723,758	4,574	2,785,568	812	23,303,487	577,091	23,880,578
Overdue :									
Less than 3 months	-	-	24,313	849	-	-	24,313	849	25,162
3 - 6 months	-	-	3,088	294	-	-	3,088	294	3,382
6 - 12 months	-	-	-	-	-	-	-	-	-
Over than 12 months	-	-	333,410	23,032	-	-	333,410	23,032	356,442
<b>Total</b>	<b>17,794,161</b>	<b>571,705</b>	<b>3,084,569</b>	<b>28,749</b>	<b>2,785,568</b>	<b>812</b>	<b>23,664,298</b>	<b>601,266</b>	<b>24,265,564</b>
Less allowance for doubtful accounts	-	-	(265,409)	(23,020)	-	-	(265,409)	(23,020)	(288,429)
<b>Net</b>	<b>17,794,161</b>	<b>571,705</b>	<b>2,819,160</b>	<b>5,729</b>	<b>2,785,568</b>	<b>812</b>	<b>23,398,889</b>	<b>578,246</b>	<b>23,977,135</b>

\* Presented as accrued investment income in the statement of financial position.

The Company provided source of funds to structured entities which are not controlled by the Company and take the form of Real Estate Investment Trusts. The source of funds is a lending which is disbursed under normal business terms. These loans are managed in the same way as other loans and collateralised by assets of the structured entities. The outstanding loans to these structured entities, as of 30 September 2019, amounting to Baht 1,840.4 million (31 December 2018: Baht 1,841.4 million).

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8 Insurance contract liabilities	30 September 2019		31 December 2018	
	Insurance contract liabilities	Reinsurers' share of insurance contract liabilities	Insurance contract liabilities	Reinsurers' share of insurance contract liabilities
	<i>(in thousand Baht)</i>			
	Net	Net	Net	Net
Long-term technical reserves	431,161,770	431,161,770	405,977,700	405,977,700
Short-term technical reserves				
Loss reserves and outstanding claims				
- Case reserves	332,105	252,878	290,158	68,743
- Incurred but not reported	385,006	270,851	237,156	55,193
Total loss reserves and outstanding claims	717,111	523,729	527,314	123,936
Unearned premium reserves	3,332,502	2,569,440	2,995,734	630,698
Total short-term technical reserves	4,049,613	3,093,169	3,523,048	754,634
Unpaid policy benefits	903,309	903,309	863,083	-
Due to insured	406,603	406,603	384,042	-
<b>Total</b>	<b>436,521,295</b>	<b>435,564,851</b>	<b>410,747,873</b>	<b>409,993,239</b>

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	30 September 2019		31 December 2018	
	Insurance contract liabilities	Reinsurers' share of insurance contract liabilities	Insurance contract liabilities	Reinsurers' share of insurance contract liabilities
	Net	Net	Net	Net
	<i>(in thousand Baht)</i>			
<b>Long-term technical reserves</b>				
At 1 January 2019 / 2018	405,977,700	-	359,348,901	-
Reserves increase from new and inforce policies in the period / year	52,408,856	-	80,165,202	-
Reserves released for benefit payments, lapse and cancellation in the period / year	(27,224,786)	-	(33,536,403)	-
<b>At 30 September 2019 / 31 December 2018</b>	<b><u>431,161,770</u></b>	<b><u>431,161,770</u></b>	<b><u>405,977,700</u></b>	<b><u>405,977,700</u></b>
<b>Loss reserves and outstanding claims</b>				
At 1 January 2019 / 2018	527,314	123,936	472,292	97,635
Insurance claims during the period / year	4,687,713	1,220,042	4,963,510	1,158,831
Insurance claims paid during the period / year	(4,497,916)	(1,150,596)	(4,908,488)	(1,132,530)
<b>At 30 September 2019 / 31 December 2018</b>	<b><u>717,111</u></b>	<b><u>193,382</u></b>	<b><u>527,314</u></b>	<b><u>123,936</u></b>
<b>Unearned premium reserves</b>				
At 1 January 2019 / 2018	2,995,734	630,698	2,498,488	428,069
Premiums written during the period / year	7,448,636	1,638,465	8,717,392	1,648,364
Earned premiums in the period / year	(7,111,868)	(1,506,101)	(8,220,146)	(1,445,735)
<b>At 30 September 2019 / 31 December 2018</b>	<b><u>3,332,502</u></b>	<b><u>763,062</u></b>	<b><u>2,995,734</u></b>	<b><u>630,698</u></b>
				2,070,419
				7,069,028
				(6,774,411)
				<b><u>2,365,036</u></b>

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**9 Other liabilities**

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Accrued expenses	1,472,210	1,521,669
Accrued commission and brokerage expenses	609,395	611,349
Premiums received under underwriting process	436,268	198,717
Collateral for credit support annex contracts	8,853,000	3,841,000
Securities lending payable	233,253	-
Accounts payable for purchasing securities	891,263	140,519
Others	538,654	659,540
<b>Total</b>	<b><u>13,034,043</u></b>	<b><u>6,972,794</u></b>

**10 Basic earnings per share**

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2019 and 2018 were based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
Profit attributable to ordinary shareholders of the Company (basic) <i>(in thousand Baht)</i>	<u>2,265,703</u>	<u>2,004,077</u>	<u>6,752,914</u>	<u>7,406,954</u>
Number of ordinary shares outstanding <i>(in thousand shares)</i>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<b>Basic earnings per share <i>(in Baht)</i></b>	<b><u>226.57</u></b>	<b><u>200.41</u></b>	<b><u>675.29</u></b>	<b><u>740.70</u></b>

**11 Dividends**

- (a) At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders approved the appropriation of dividend of Baht 281.8 per share, amounting to Baht 2,818.0 million. The dividend was paid to shareholders in May 2019.
- (b) At the annual general meeting of the shareholders of the Company held on 26 April 2018, the shareholders approved the appropriation of dividend of Baht 189.1 per share, amounting to Baht 1,891.0 million. The dividend was paid to shareholders in May 2018.

**12 Financial assets measured at fair value**

The recurring fair value measurement for financial assets as of 30 September 2019 and 31 December 2018 were as follows:

	30 September 2019			31 December 2018		
	Fair value			Fair value		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	<i>(in million Baht)</i>					
<b>Trading securities</b>						
Equity securities	<u>1,808</u>	<u>235</u>	<u>2,043</u>	<u>1,262</u>	<u>244</u>	<u>1,506</u>
<b>Total trading securities</b>	<b><u>1,808</u></b>	<b><u>235</u></b>	<b><u>2,043</u></b>	<b><u>1,262</u></b>	<b><u>244</u></b>	<b><u>1,506</u></b>

**Muang Thai Life Assurance Public Company Limited**  
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	30 September 2019			31 December 2018		
	Fair value			Fair value		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	<i>(in million Baht)</i>					
<b>Available-for-sale securities</b>						
Government and state enterprise securities	4,839	1,848	6,687	4,500	1,659	6,159
Private debt securities	-	8,511	8,511	-	8,706	8,706
Foreign debt securities	-	2,829	2,829	-	2,983	2,983
Equity securities	36,832	10,931	47,763	30,941	4,746	35,687
Foreign equity securities	9,420	8,536	17,956	6,883	6,018	12,901
Securities lending-equity securities	251	-	251	-	-	-
<b>Total available-for-sale securities</b>	<b>51,342</b>	<b>32,655</b>	<b>83,997</b>	<b>42,324</b>	<b>24,112</b>	<b>66,436</b>

The Company determines Level 2 fair values for marketable debt securities, by using the last bid price from Thai Bond Market Association or a reliable institution at the reporting date.

The Company determines Level 2 fair values for listed equity securities which are inactive in markets but they have trading transactions within 30 working days, by using the last bid price from Stock Exchanges of each country where securities are listed at reporting date. For non-listed unit trusts, fair value is calculated by using net asset value at reporting date. The Company does not adjust the last bid price or net asset value since the difference is not significant.

During the nine-month period ended 30 September 2019, due to changes in market conditions, there were transfer of financial assets measured at fair value of the Company from level 1 to level 2 amounting to Baht 403.9 million (2018: 449.2 million), and transfers from level 2 to level 1 amounting to Baht 249.6 million (2018: 868.7 million).

### 13 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with key management and related parties were as follows:

Name of entities/person	Country of incorporation/nationality	Nature of relationships
Key management personnel	Thai/ Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the Company
Kasikornbank Public Co., Ltd.	Thailand	Ultimate parent of company in Kasikornbank Group
Muang Thai Group Holding Co., Ltd.	Thailand	Parent company, having 75.00% shareholding in the Company
Ageas Insurance International N.V.	The Netherlands	Major shareholder
MT Insure Broker Co., Ltd.	Thailand	Subsidiary of the Company, and the Company has 99.99% shareholding

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<b>Name of entities/person</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Sovannaphum Life Assurance Public Limited Company	Cambodia	Associate of the Company, and the Company has 49.00% shareholding
ST-MuangThai Insurance Company Limited	Laos	Associate of the Company, and the Company has 22.50% shareholding, since 20 September 2019
Companies in Kasikornbank Group	Thailand	Subsidiaries and associates of the ultimate parent company
Other related parties	Thailand/ Foreigners	Some common directors or related parties of the Company hold their shares

Significant transactions for the three-month and nine-month periods ended 30 September 2019 and 2018 with related parties were as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Revenues from related parties</i></b>				
<b><i>(Including gains (losses) from cross currency swap contracts)</i></b>				
Parent	(5,286)	171,790	407,199	114,281
Subsidiary	66	118	215	142
Companies in Kasikornbank Group	12,523	16,383	118,556	107,877
Other related parties	4,378	8,242	32,372	40,992
Key management personnel	3,482	6,709	12,489	24,035
<b><i>Expenses with related parties</i></b>				
Parent	1,492,675	1,538,176	4,454,702	4,836,195
Subsidiary	(8)	(39)	(23)	(23)
Companies in Kasikornbank Group	140,318	16,276	290,888	158,213
Other related parties	42,559	69,423	134,997	166,229
Key management personnel	9,949	4,422	17,229	26,755
<b><i>Key management and director compensation</i></b>				
Short-term employee benefits and directors' remuneration	66,935	75,423	214,035	243,626
Post-employment benefit	4,392	3,192	17,720	9,576
<b>Total</b>	<b><u>71,327</u></b>	<b><u>78,615</u></b>	<b><u>231,755</u></b>	<b><u>253,202</u></b>

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Significant balances as at 30 September 2019 and 31 December 2018 with related parties were as follows:

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Deposits at bank	664,448	1,533,283
Derivative assets	412,541	191,231
Derivative liabilities	23,762	159,433
Other liabilities	1,927,606	1,406,869
<b>Subsidiary and associate</b>		
Investment in subsidiary	10,000	10,000
Investment in associate *	280,292	214,836
<b>Companies in Kasikornbank Group</b>		
Other liabilities	146,455	42,870
<b>Other related parties</b>		
Investments in securities - equity securities **	440,897	477,547
Investments in securities – debt securities	400,018	-

\* On 15 January 2018, the Company paid additional capital amounting to USD 1.5 million or Baht 47.0 million in respect of its existing shareholding of 49.0% to Sovannaphum Life Assurance Public Limited Company. The capital injection was within the limit of Baht 240.0 million approved by the Company's Board of Directors on 18 October 2012 and by the Office of Insurance Commission on 27 November 2012.

On 1 February 2019, the Company paid additional capital amounting to USD 0.5 million or Baht 15.4 million in respect of its shareholding of 49.0% to Sovannaphum Life Assurance Public Limited Company. The capital injection was within limit of Baht 240.0 million approved by the Company's Board of Directors on 18 October 2012 and by the Office of Insurance Commission on 27 November 2012.

On 20 September 2019, the Company paid additional capital amounting to KIP 10,463.6 million or Baht 36.1 million in respect of its new shareholding of 22.5% from 15% to ST-MuangThai Insurance. The capital injection was approved by the Company's Board of Directors on 29 March 2019 and by the Office of Insurance Commission on 26 June 2019. The increase in capital was registered on 20 September 2019.

\*\* On 26 June 2018, the Company paid additional capital amounting to VND 40.0 million or Baht 57.7 million in respect to its existing shareholding of 10.0% to MB Ageas Life Insurance. The capital injection was approved by the Company's Board of Directors on 25 May 2018 and by the Office of Insurance Commission on 20 June 2018. The increase in capital was registered on 28 September 2018.

**Commitments with related parties**

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b>(a) Operating lease commitments</b>		
Within one year	36,386	33,643
After one year but within five years	85,148	83,994
<b>Total</b>	<u>121,534</u>	<u>117,637</u>

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	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b>(b) Cross currency swap contracts commitments (in million)</b>		
- USD	165	208
- Euro	15	15

**14 Securities and assets pledged with registrar**

14.1 The Company has pledged investments in debt securities with the Registrar in accordance with Section 20 of the Life Assurance Act B.E. 2535 as follows:

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Government bonds	<u>19,529</u>	<u>19,520</u>

14.2 The Company has pledged investments in debt securities with the Registrar as life assurance policy reserve in accordance with Section 24 of the Life Assurance Act B.E. 2535 and amendment Act (No. 2) B.E. 2551 as follows:

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Government bonds	<u>103,734,062</u>	<u>95,578,383</u>

**15 Commitments with non-related parties**

	30 September 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<b>(a) Capital commitments</b>		
Contracted but not provided for:		
Building improvement furnitures, fixtures and office equipment	2,302,014	612,869
Equipment and computer systems	94,029	74,472
<b>Total</b>	<u>2,396,043</u>	<u>687,341</u>
<b>(b) Operating lease commitments and service agreement commitments</b>		
Within one year	57,814	23,999
After one year but within five years	79,460	20,651
<b>Total</b>	<u>137,274</u>	<u>44,650</u>
<b>(c) Cross currency swap contracts commitments (in million)</b>		
- USD	788	788
- Euro	263	233
- Thai Baht	632	632
- Yen	7,900	6,500



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**(d) Commitment from bond forward contracts**

As at 30 September 2019, the Company has commitments for bond forward contracts amounting to USD 18.3 million and Baht 1,830.2 million (31 December 2018: amounting to USD 18.3 million and Baht 1,733.0 million).

**(e) Commitment for letter of guarantee contracts**

As at 30 September 2019, the Company has infrastructure commitments for letter of guarantee contracts amounting to Baht 45.8 million (31 December 2018: Baht 6.0 million).

**16 Contingent liabilities**

As at 30 September 2019, the Company has been sued as insurer approximately for Baht 63.3 million (31 December 2018: Baht 78.1 million). Judgement is yet to be handed down in these cases; however, the Company expects the verdict to be favorable. Therefore, no provision for potential losses has been made in the financial statements.

**17 Financial Reporting Standards (TFRSs) and net adopted**

A number of new and revised TFRSs which are relevant to the Company's operations are expected to have significant impact on the Company's financial statements on the date of initial application. Those TFRSs become effective for annual financial reporting periods beginning on or after 1 January 2020; which are as follows:

<b>TFRSs</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments
Accounting Guideline for financial instruments and Disclosure for insurance company	

\* TFRSs - Financial instruments standards

**(a) TFRSs - Financial instruments standards**

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying financial instruments standards on the Company's financial statements.

**(b) TFRS 16 Leases**

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the Company's financial statements.