

THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	<u>Note</u>	<u>2006</u>	<u>2005</u> (Restated)
<b>ASSETS</b>			
Investments in securities			
Bonds		41,923,877	40,124,207
Notes		50,000,000	20,000,000
Stocks		150,106,865	235,331,649
Debentures		24,589,291	43,925,346
Units trusts		481,385,703	498,433,244
Total investments in securities - net	5, 25	748,005,736	837,814,446
Loans			
Mortgage loans		19,109,566	14,232,758
Other loans		1,202,565	1,080,835
Total loans - net	6	20,312,131	15,313,593
Other investment		12,671,053	11,842,105
Cash and deposits at financial institutions	8	420,711,912	307,387,649
Premises and equipment - net	9	223,968,878	212,892,411
Due from reinsurers		3,098,175	10,869,143
Premium due and uncollected - net	10	328,456,421	350,560,466
Accrued investment income		6,609,739	7,029,107
Other assets			
Receivable - sale of securities		16,206,531	-
Intangible asset - net	11	4,544,372	6,980,999
Prepaid income tax		5,652,288	-
Prepaid commission		8,738,691	5,356,690
Others		14,829,563	7,758,843
Total other assets		49,971,445	20,096,532
<b>TOTAL ASSETS</b>		<b>1,813,805,490</b>	<b>1,773,805,452</b>

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

THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED

BALANCE SHEETS (Continued)

AS AT 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	<u>Note</u>	<u>2006</u>	<u>2005</u> (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Unearned premium reserve	12	556,578,260	561,644,334
Loss reserve and outstanding claims		382,445,966	346,470,062
Amount withheld on reinsurance treaties		26,400,761	13,005,901
Due to reinsurers	7	31,015,224	41,408,017
Bank overdrafts	13	-	2,023,572
Other liabilities			
Corporate income tax payable		-	288,856
Accrued commission		63,802,055	61,038,892
Premium received in advance		38,458,612	23,598,525
Accrued operating expenses		47,525,141	57,086,193
Others		21,445,820	17,713,695
Total other liabilities		171,231,628	159,726,161
<b>Total liabilities</b>		<u>1,167,671,839</u>	<u>1,124,278,047</u>
<b>Shareholders' equity</b>			
Share capital	14		
Registered			
151,500,000 ordinary shares of Baht 1 each		<u>151,500,000</u>	<u>151,500,000</u>
Issued and paid-up			
151,500,000 ordinary shares of Baht 1 each		151,500,000	151,500,000
Premium on share capital		163,800,007	163,800,007
Surplus on revaluation of investments	5	(4,400,696)	13,732,055
Retained earnings			
Appropriated - statutory reserve	15	20,000,000	20,000,000
Unappropriated		<u>315,234,340</u>	<u>300,495,343</u>
<b>Total shareholders' equity</b>		<u>646,133,651</u>	<u>649,527,405</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,813,805,490</u>	<u>1,773,805,452</u>
		0	0

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

THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

	(Unit: Baht)	
	<u>2006</u>	<u>2005</u>
<b>Cash flows from (used in) operating activities</b>		
Direct premium written	1,284,068,543	1,125,849,160
Cash paid to reinsurance	(72,745,040)	(58,608,367)
Losses incurred on direct insurance	(667,906,832)	(611,650,107)
Loss adjustment expenses on direct insurance	(13,997,031)	(11,315,709)
Commissions and brokerages on direct insurance	(226,509,848)	(202,769,361)
Other underwriting expenses	(9,386,844)	-
Net investment income	55,274,186	42,729,094
Other income	3,242,364	3,781,688
Operating expenses	(249,197,222)	(173,185,459)
Corporate income tax	(7,093,791)	(30,921,219)
Net cash from operating activities	<u>95,748,485</u>	<u>83,909,720</u>
<b>Cash flows from (used in) investing activities</b>		
<u>Cash flows from</u>		
Investments in securities	1,901,451,675	623,314,850
Loans	15,362,814	7,335,445
Deposits at financial institutions	21,527,557	3,220,026
Premises and equipment	1,485,698	27
Total cash from investing activities	<u>1,939,827,744</u>	<u>633,870,348</u>
<u>Cash flows used in</u>		
Investments in securities	(1,819,871,924)	(651,779,083)
Loans	(22,961,570)	(7,515,282)
Other investment	-	(10,385,600)
Deposits at financial institutions	(81,002,765)	(18,007,797)
Premises and equipment	(33,142,344)	(11,314,619)
Total cash used in investing activities	<u>(1,956,978,603)</u>	<u>(699,002,381)</u>
Net cash used in investing activities	<u>(17,150,859)</u>	<u>(65,132,033)</u>

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

THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	<u>2006</u>	<u>2005</u>
<b>Cash flows from (used in) financing activities</b>		
Increase in share capital	-	11
Decrease in bank overdrafts	(2,023,572)	(3,072,489)
Dividend paid	(22,725,000)	(27,396,254)
Net cash used in financing activities	<u>(24,748,572)</u>	<u>(30,468,732)</u>
Net increase (decrease) in cash and cash equivalents	53,849,054	(11,691,045)
Cash and cash equivalents at beginning of year	<u>146,486,687</u>	<u>158,177,732</u>
Cash and cash equivalents at end of year (Note 21)	<u><u>200,335,741</u></u>	<u><u>146,486,687</u></u>

**Supplemental cash flows information: -**

Non-cash item consist of: -

Deficit on revaluation of investments	(18,132,751)	(5,400,638)
Share dividend (Note 14)	-	24,249,996

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

THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED

INCOME STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

	2006					2005
						(Restated)
	<u>Fire</u>	<u>Marine</u>	<u>Motor</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Total</u>
<b>Underwriting income</b>						
Premium written	189,973,823	7,890,685	962,380,921	133,188,364	1,293,433,793	1,285,338,335
Less: Premium ceded	(104,907,618)	(987,911)	(6,813,937)	(80,532,466)	(193,241,932)	(203,035,589)
Net premium written	85,066,205	6,902,774	955,566,984	52,655,898	1,100,191,861	1,082,302,746
Less: Unearned premium reserves increase (decrease) from previous year	8,696,510	(272,926)	4,478,838	(7,836,347)	5,066,075	(69,325,553)
<b>Earned premium written</b>	<u>93,762,715</u>	<u>6,629,848</u>	<u>960,045,822</u>	<u>44,819,551</u>	<u>1,105,257,936</u>	<u>1,012,977,193</u>
Underwriting expenses						
Losses incurred during the year	21,571,939	437,640	641,409,188	19,958,522	683,377,289	652,613,848
Loss adjustment expenses	15,130	180,436	11,767,485	886,775	12,849,826	10,652,904
Commissions and brokerages	9,083,091	894,295	165,065,933	2,988,401	178,031,720	164,431,907
Other underwriting expenses	1,764,373	-	2,397,232	5,225,238	9,386,843	5,657,789
Total underwriting expenses	<u>32,434,533</u>	<u>1,512,371</u>	<u>820,639,838</u>	<u>29,058,936</u>	<u>883,645,678</u>	<u>833,356,448</u>
<b>Income on underwriting</b>	<u>61,328,182</u>	<u>5,117,477</u>	<u>139,405,984</u>	<u>15,760,615</u>	<u>221,612,258</u>	<u>179,620,745</u>
Net investment income					54,854,819	45,533,062
Gain on investments in securities					10,732,739	57,826,883
Other income					3,242,364	3,781,688
					<u>68,829,922</u>	<u>107,141,633</u>
Operating expenses						
Personnel expenses					147,241,420	132,602,976
Premises and equipment expenses					54,057,160	50,781,474
Taxes and duties					1,240,090	2,833,645
Bad debt and doubtful accounts (Reversal)					8,257,579	5,074,990
Directors' remuneration (Note 18)					1,440,000	1,750,000
Other service fees					4,580,660	15,998,780
Other operating expenses						
Promotion expenses					14,418,299	19,385,482
Others					11,818,233	10,732,841
Total operating expenses					<u>243,053,441</u>	<u>239,160,188</u>
Other expenses						
Income tax of prior year and surcharges (Note 19)					(8,023,596)	(6,095,414)
Income before income tax					39,365,143	41,506,776
Corporate income tax (Note 19)					(1,901,146)	(17,834,524)
<b>Net income for the year</b>					<u>37,463,997</u>	<u>23,672,252</u>
<b>Basic earnings per share</b>						
Net income					<u>0.25</u>	<u>0.16</u>

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

THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit: Baht)

			Surplus (decrease)	Retained earnings		
	Issued and paid-up	Premium on	on revaluation	Statutory	Unappropriated	Total
	share capital	share capital	of investments	reserve		
<b>Balance as at 1 January 2005 - as previously reported</b>	126,250,000	163,800,000	19,132,693	20,000,000	322,622,245	651,804,938
Cumulative effect of the change in accounting policy for the unearned premium reserves (Note 3)	-	-	-	-	6,847,096	6,847,096
<b>Balance as at 1 January 2005 - as restated</b>	126,250,000	163,800,000	19,132,693	20,000,000	329,469,341	658,652,034
Decrease on revaluation of investments	-	-	(5,400,638)	-	-	(5,400,638)
Unrealised transactions in statements of earnings	-	-	(5,400,638)	-	-	(5,400,638)
Net income for the year	-	-	-	-	23,672,252	23,672,252
Share subscription	4	7	-	-	-	11
Share dividend	25,249,996	-	-	-	(25,249,996)	-
Dividend paid (Note 16)	-	-	-	-	(27,396,254)	(27,396,254)
<b>Balance as at 31 December 2005</b>	<u>151,500,000</u>	<u>163,800,007</u>	<u>13,732,055</u>	<u>20,000,000</u>	<u>300,495,343</u>	<u>649,527,405</u>
<b>Balance as at 1 January 2006 - as previously reported</b>	151,500,000	163,800,007	13,732,055	20,000,000	296,244,636	645,276,698
Prior year adjusted form change in accounting policy (Note 3)	-	-	-	-	4,250,707	4,250,707
<b>Balance as at 1 January 2006 - as restated</b>	151,500,000	163,800,007	13,732,055	20,000,000	300,495,343	649,527,405
Decrease on revaluation of investments	-	-	(18,132,751)	-	-	(18,132,751)
Unrealised transactions in statements of earnings	-	-	(18,132,751)	-	-	(18,132,751)
Net income for the year	-	-	-	-	37,463,997	37,463,997
Dividend paid (Note 16)	-	-	-	-	(22,725,000)	(22,725,000)
<b>Balance as at 31 December 2006</b>	<u>151,500,000</u>	<u>163,800,007</u>	<u>(4,400,696)</u>	<u>20,000,000</u>	<u>315,234,340</u>	<u>646,133,651</u>
	0	0	0	0	0	0
	0	0	0	0	0	0

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