

Thaivivat Insurance Public Company Limited  
Review report and interim financial statements  
31 March 2015

## **Independent Auditor's Report on Review of Interim financial Information**

To the Shareholders of Thaivivat Insurance Public Company Limited

I have reviewed the accompanying financial position of Thaivivat Insurance Public Company Limited as at 31 March 2015, the related 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 financial statements. 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: 11 May 2015

**Thaivivat Insurance Public Company Limited**

**Statements of financial position**

**As at 31 March 2015**

		(Unit: Baht)	
	Note	31 March 2015	31 December 2014
		(Unaudited but Reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	3	196,883,839	143,697,595
Accrued investment income		28,264,696	19,954,062
Premium receivables	4	338,133,127	339,564,052
Reinsurance assets	5	461,661,009	443,233,352
Investment assets			
Investments in securities			
Trading securities	6	251,244,181	189,449,408
Available-for-sale investments	6	1,045,398,479	932,478,457
Held-to-maturity investments	6	1,299,511,428	1,329,481,667
Other investments	6	3,720,650	3,720,650
Loans	7	9,223,527	10,970,820
Property, buildings and equipment	8	250,346,951	241,402,337
Intangible assets - computer software		7,911,951	9,181,275
Deferred tax assets	9	52,680,571	47,695,847
Receivable from sale of investments		-	139,972,688
Other assets	10	488,524,094	479,045,560
<b>Total assets</b>		<b>4,433,504,503</b>	<b>4,329,847,770</b>

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

**Thaivivat Insurance Public Company Limited**  
**Statements of financial position (Continued)**  
**As at 31 March 2015**

		(Unit: Baht)	
	Note	31 March 2015	31 December 2014
		(Unaudited but Reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Income tax payable		16,934,069	4,050,996
Due to reinsurers	11	333,787,230	353,761,808
Insurance contract liabilities			
Loss reserves and outstanding claims	12	948,148,557	842,491,575
Premium reserves	13	1,457,296,774	1,462,720,593
Employee benefit obligations	14	82,730,724	135,800,906
Other liabilities	15	443,891,641	429,719,633
<b>Total liabilities</b>		<b>3,282,788,995</b>	<b>3,228,545,511</b>
<b>Equity</b>			
Share capital			
Registered			
151,500,000 ordinary shares of Baht 1 each		151,500,000	151,500,000
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
Retained earnings			
Appropriated - statutory reserve		20,000,000	20,000,000
Unappropriated		691,974,121	651,497,298
Other components of equity			
- surplus on changes in value of investments	6	123,441,380	114,504,954
<b>Total equity</b>		<b>1,150,715,508</b>	<b>1,101,302,259</b>
<b>Total liabilities and equity</b>		<b>4,433,504,503</b>	<b>4,329,847,770</b>
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The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

**Thaivivat Insurance Public Company Limited**

**Statements of comprehensive income**

**For the three-month period ended 31 March 2015**

		(Unit: Baht)	
	Note	2015	2014
<b>Profit or loss:</b>			
<b>Income</b>			
Net earned premium		561,334,248	522,952,270
Fee and commission income		52,641,419	54,090,279
<b>Total income</b>		<u>613,975,667</u>	<u>577,042,549</u>
<b>Expenses</b>			
Underwriting			
Claim expenses			
Claim and loss adjustment expenses		376,200,371	383,766,021
Commission and brokerage expenses		129,771,623	134,620,820
Other underwriting expenses		37,491,292	30,905,971
Contribution to Road Accident Victims			
Protection Company Limited		2,792,188	3,195,147
Operating expenses	16	71,438,763	74,362,829
<b>Total underwriting expenses</b>		<u>617,694,237</u>	<u>626,850,788</u>
<b>Loss from underwriting</b>		(3,718,570)	(49,808,239)
Net investment income		24,495,106	21,196,666
Gain on investments		9,662,684	14,435,166
Fair value gain on investments		18,728,887	32,011,592
Other income		3,397,936	3,475,871
<b>Profit from operations</b>		<u>52,566,043</u>	<u>21,311,056</u>
Contribution to the Office of Insurance Commission		(2,227,862)	(2,308,894)
Contribution to the General Insurance Fund		(1,856,552)	(1,924,078)
Contribution to the Victims Compensation Fund		(227,934)	(260,828)
<b>Profit before income tax expenses</b>		<u>48,253,695</u>	<u>16,817,256</u>
Less: Income tax expenses	9	(7,776,872)	(1,662,064)
<b>Profit for the period</b>		<u>40,476,823</u>	<u>15,155,192</u>

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

(Unaudited but reviewed)

**Thaivivat Insurance Public Company Limited**

**Statements of comprehensive income (continued)**

**For the three-month period ended 31 March 2015**

		(Unit: Baht)	
	Note	2015	2014
<b>Other comprehensive income:</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Gain on changes in values of available-for-sale investments		11,170,533	12,073,820
Less: Income tax effect		(2,234,107)	(2,414,764)
<b>Other comprehensive income for the period</b>			
<b>- net of income tax</b>		<u>8,936,426</u>	<u>9,659,056</u>
<b>Total comprehensive income for the period</b>		<u><u>49,413,249</u></u>	<u><u>24,814,248</u></u>
<b>Earnings per share</b>			
Basic earnings per share	17	<u><u>0.13</u></u>	<u><u>0.05</u></u>

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

(Unaudited but reviewed)

**Thaivivat Insurance Public Company Limited**

**Statements of cash flows**

**For the three-month period ended 31 March 2015**

	(Unit: Baht)	
	2015	2014
<b>Cash flows from operating activities</b>		
Direct premium written	750,143,803	808,088,888
Cash paid for reinsurance	(43,191,500)	(58,914,662)
Loss incurred on direct insurance	(367,022,721)	(394,834,206)
Loss adjustment expenses on direct insurance	(7,326,977)	(7,319,757)
Commission and brokerage on direct insurance	(133,574,230)	(142,837,141)
Other underwriting expenses	(17,680,959)	(11,021,535)
Interest income	7,895,875	7,773,144
Dividend income	8,249,045	8,509,922
Other investment income	1,201,040	1,190,530
Other income	2,236,446	2,191,431
Operating expenses	(164,489,231)	(160,662,212)
Income tax	(2,488,596)	(2,744,164)
<b>Net cash from operating activities</b>	<b>33,951,995</b>	<b>49,420,238</b>
<b>Cash flows from investing activities</b>		
Cash flows from		
Investments in securities	374,757,460	389,662,785
Loans	2,672,293	2,011,091
Other Investments	-	14,780,896
Deposits at financial institutions	220,833,367	170,000,000
Property, buildings and equipment	790,987	3
Net cash from investing activities	599,054,107	576,454,775
Cash flows used in		
Investments in securities	(228,028,057)	(332,180,519)
Loans	(925,000)	(375,000)
Deposits at financial institutions	(335,022,906)	(330,200,000)
Property, buildings and equipment	(15,843,895)	(15,930,977)
Net cash used in investing activities	(679,619,858)	(678,686,496)
<b>Net cash from (used in) investing activities</b>	<b>19,234,249</b>	<b>(102,231,721)</b>

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

(Unaudited but reviewed)

**Thaivivat Insurance Public Company Limited**

**Statements of cash flows (continued)**

**For the three-month period ended 31 March 2015**

	(Unit: Baht)	
	2015	2014
<b>Net increase (decrease) in cash and cash equivalents</b>	53,186,244	(52,811,483)
Cash and cash equivalents at beginning of period	143,697,595	237,827,679
<b>Cash and cash equivalents at end of period</b>	<u>196,883,839</u>	<u>185,016,196</u>

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



(Unaudited but reviewed)

**Thaivivat Insurance Public Company Limited**

**Statements of changes in equity**

**For the three-month period ended 31 March 2015**

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity - surplus on changes in value of investments	Total
			Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2014</b>	151,500,000	163,800,007	20,000,000	521,009,786	65,253,710	921,563,503
Profit for the period	-	-	-	15,155,192	-	15,155,192
Other comprehensive income for the period	-	-	-	-	9,659,056	9,659,056
Total comprehensive income for the period	-	-	-	15,155,192	9,659,056	24,814,248
<b>Balance as at 31 March 2014</b>	151,500,000	163,800,007	20,000,000	536,164,978	74,912,766	946,377,751
<b>Balance as at 1 January 2015</b>	151,500,000	163,800,007	20,000,000	651,497,298	114,504,954	1,101,302,259
Profit for the period	-	-	-	40,476,823	-	40,476,823
Other comprehensive income for the period	-	-	-	-	8,936,426	8,936,426
Total comprehensive income for the period	-	-	-	40,476,823	8,936,426	49,413,249
<b>Balance as at 31 March 2015</b>	151,500,000	163,800,007	20,000,000	691,974,121	123,441,380	1,150,715,508

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

## **Thaivivat Insurance Public Company Limited**

### **Notes to interim financial statements**

#### **For the three-month periods ended 31 March 2015**

#### **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 the non-life insurance. The registered office of the Company is at 71 Thaivivat Insurance Building, Dindaeng Road, Samsen Nai, Phayathai, Bangkok.

#### **2. Basis for the preparation**

##### **2.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) “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 the presentation of the financial statements has been made in accordance with the Declaration of the Insurance Commission dated 27 May 2010.

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

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

##### **2.2 New financial reporting standards**

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal year beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, the standards that directly related to the Company are summarised below:

**TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gain and loss immediately in other comprehensive income while the existing standard allows the entity to recognise such gain and loss immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company has changed the recognition of actuarial gain and loss in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income. However, this change does not have any impact on this quarter financial statements and also prior period due to there are no actuarial gain and loss.

**TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

**2.3 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 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 2.2 to the interim financial statements.

**3. Cash and cash equivalents**

	(Unit: Baht)	
	31 March 2015	31 December 2014
Cash on hand	2,076,844	4,191,526
Deposits at banks with no fixed maturity date	142,104,232	127,657,086
Deposits at banks with fixed maturity date	1,268,702,112	1,103,658,793
Bills of exchange	-	10,000,000
Total cash and deposits at financial institutions	1,412,883,188	1,245,507,405
Less: Deposits at banks which amounts maturing in over 3 months	(1,195,968,578)	(1,080,691,778)
Deposits at banks which subject to restrictions	(20,030,771)	(21,118,032)
Cash and cash equivalents	<u>196,883,839</u>	<u>143,697,595</u>

As at 31 March 2015, saving deposits, fixed deposits and bills of exchange carried interest between 0.75% and 2.55% per annum (31 December 2014: between 0.75% and 3.50% per annum).

#### 4. Premium receivables

The balances as at 31 March 2015 and 31 December 2014 of premium receivables are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	31 March 2015			Total
	Due from insured	Due from agents and brokers	Due from reinsurers	
Not yet due	957,154	276,136,340	-	277,093,494
Not over 30 days	256,715	28,595,804	11,753	28,864,272
Over 30 days to 59 days	63,912	18,354,009	51,163	18,469,084
Over 60 days to 89 days	-	2,597,889	105,378	2,703,267
Over 90 days to 1 year	-	10,959,977	-	10,959,977
Over 1 year	60,720	2,539,855	43,033	2,643,608
Total premium receivables	1,338,501	339,183,874	211,327	340,733,702
Less: Allowance for doubtful accounts	(60,720)	(2,539,855)	-	(2,600,575)
Total premium receivables, net	1,277,781	336,644,019	211,327	338,133,127

(Unit: Baht)

	31 December 2014			Total
	Due from insured	Due from agents and brokers	Due from reinsurers	
Not yet due	3,587,368	284,756,371	105,378	288,449,117
Not over 30 days	199,286	32,859,645	-	33,058,931
Over 30 days to 59 days	56,688	10,261,662	8,946	10,327,296
Over 60 days to 89 days	568	2,733,701	-	2,734,269
Over 90 days to 1 year	68,145	4,883,261	-	4,951,406
Over 1 year	60,802	2,513,201	43,033	2,617,036
Total premium receivables	3,972,857	338,007,841	157,357	342,138,055
Less: Allowance for doubtful accounts	(60,802)	(2,513,201)	-	(2,574,003)
Total premium receivables, net	3,912,055	335,494,640	157,357	339,564,052

(Unaudited but reviewed)

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)	
	31 March 2015	31 December 2014
Amounts due from reinsurers	12,456,866	37,919,284
Insurance reserve refundable from reinsurers	449,204,143	405,314,068
Reinsurance assets	<u>461,661,009</u>	<u>443,233,352</u>

As at 31 March 2015 and 31 December 2014, the balance of amounts due from reinsurance are classified by aging as follows:

	(Unit: Baht)	
	31 March 2015	31 December 2014
Not yet due	3,929,805	4,052,946
Not over 1 year	7,732,847	33,072,124
Over 1 year to 2 years	794,214	794,214
Total amounts due from reinsurers	<u>12,456,866</u>	<u>37,919,284</u>

**6. Investments in securities****6.1 Classified by type of investments**

(Unit: Baht)

	31 March 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments</b>				
Equity securities	241,694,638	251,130,922	198,628,751	189,274,126
Warrants	-	113,259	-	175,282
Total	241,694,638	251,244,181	198,628,751	189,449,408
Less: Unrealised gain (loss)	9,549,543	-	(9,179,343)	-
<b>Trading investments, net</b>	<u>251,244,181</u>	<u>251,244,181</u>	<u>189,449,408</u>	<u>189,449,408</u>
<b>Available-for-sale investments</b>				
State enterprise debt securities	10,000,000	10,311,144	10,000,000	10,278,149
Private debt securities	95,093,940	99,491,573	85,093,940	88,718,089
Equity securities	55,475,876	176,663,946	55,475,876	169,476,924
Unit trusts	730,703,221	759,108,099	638,953,732	664,181,578
Total	891,273,037	1,045,574,762	789,523,548	932,654,740
Add: Unrealised gain	154,301,725	-	143,131,192	-
Less: Allowance for impairment	(176,283)	(176,283)	(176,283)	(176,283)
<b>Available-for-sale investments, net</b>	<u>1,045,398,479</u>	<u>1,045,398,479</u>	<u>932,478,457</u>	<u>932,478,457</u>
<b>Held-to-maturity investments</b>				
Government and state enterprise debt securities	91,755,098		236,748,243	
Private debt securities	841,000		841,000	
Deposits at financial institutions which amounts maturing in over 3 months	1,207,756,330		1,092,733,424	
Total	1,300,352,428		1,330,322,667	
Less: Allowance for impairment	(841,000)		(841,000)	
<b>Held-to-maturity investments, net</b>	<u>1,299,511,428</u>		<u>1,329,481,667</u>	
<b>Other investments</b>				
Equity securities	4,025,455		4,025,455	
Less: Allowance for impairment	(304,805)		(304,805)	
<b>Other investments, net</b>	<u>3,720,650</u>		<u>3,720,650</u>	

## 6.2 Classified by remaining periods of debt securities

As at 31 March 2015 and 31 December 2014, investments in debt securities has period to maturity as follows:

	(Unit: Baht)				
	31 March 2015				
	Period to maturity				
	Overdue	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investments</b>					
State enterprise debt securities	-	-	10,000,000	-	10,000,000
Private debt securities	93,940	-	55,000,000	40,000,000	95,093,940
Total	93,940	-	65,000,000	40,000,000	105,093,940
Add: Unrealised gain	-	-	1,748,569	2,960,208	4,708,777
<b>Available-for-sale investments, net</b>	<b>93,940</b>	<b>-</b>	<b>66,748,569</b>	<b>42,960,208</b>	<b>109,802,717</b>
<b>Held-to-maturity investments</b>					
Government and state enterprise securities	150,000	30,001,555	46,443,067	15,160,476	91,755,098
Private debt securities	841,000	-	-	-	841,000
Deposits at financial institutions which amounts maturing in over 3 months	-	1,207,756,330	-	-	1,207,756,330
Total	991,000	1,237,757,885	46,443,067	15,160,476	1,300,352,428
Less: Allowance for impairment	(841,000)	-	-	-	(841,000)
<b>Held-to-maturity investments, net</b>	<b>150,000</b>	<b>1,237,757,885</b>	<b>46,443,067</b>	<b>15,160,476</b>	<b>1,299,511,428</b>
					(Unit: Baht)
	31 December 2014				
	Period to maturity				
	Overdue	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investments</b>					
State enterprise securities	-	-	10,000,000	-	10,000,000
Private debt securities	93,940	-	45,000,000	40,000,000	85,093,940
Total	93,940	-	55,000,000	40,000,000	95,093,940
Add : Unrealised gain	-	-	1,338,316	2,563,982	3,902,298
<b>Available-for-sale investments - net</b>	<b>93,940</b>	<b>-</b>	<b>56,338,316</b>	<b>42,563,982</b>	<b>98,996,238</b>
<b>Held-to-maturity investments</b>					
Government and state enterprise securities	-	175,107,169	46,475,367	15,165,707	236,748,243
Private debt securities	841,000	-	-	-	841,000
Deposit at financial institutions which amounts maturing in over 3 months	-	1,092,733,424	-	-	1,092,733,424
Total	841,000	1,267,840,593	46,475,367	15,165,707	1,330,322,667
Less: Allowance for impairment	(841,000)	-	-	-	(841,000)
<b>Held-to-maturity investments, net</b>	<b>-</b>	<b>1,267,840,593</b>	<b>46,475,367</b>	<b>15,165,707</b>	<b>1,329,481,667</b>

**6.3 Other component of equity - surplus on changes in value of investments**

(Unit: Baht)

	For the three-month	
	period ended	For the year ended
	31 March 2015	31 December 2014
Beginning balance	143,131,192	81,567,138
Gain on revaluation during the period	11,120,022	65,749,938
Loss (gain) on sales recognised in profit or loss during the period	50,511	(4,185,884)
Ending balance	154,301,725	143,131,192
Less: Income tax	(30,860,345)	(28,626,238)
Ending balance - net of income tax	123,441,380	114,504,954

**6.4 Investments subject to restriction**

As at 31 March 2015, the Company has pledged deposits at financial institutions which amount maturing in over 3 months totaling Baht 11.8 million (31 December 2014: Baht 12.0 million) as security against overdraft facilities granted by banks, as bail bond in cases where insured drivers have been charged with criminal offence, and as security against the issuance of bank guarantee on behalf of the Company.

As at 31 March 2015, the Company has pledged government and state enterprise securities totaling Baht 1.2 million (31 December 2014: Baht 1.5 million) in relation to obligations arising in the normal course of business of the Company.

Furthermore, the Company placed a part of its investments in securities with the Registrar as discussed in Note 19 and 20 to the interim financial statements.

**7. Loans**

As at 31 March 2015 and 31 December 2014, the balances of loans and accrued interest are aged by principal and interest receivables as follows:

(Unit: Baht)

Outstanding period	31 March 2015						
	Mortgage loans		Other loans		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
Not yet due	7,931,720	-	1,291,807	-	9,223,527	-	9,223,527
Overdue							
Over 12 months	3,201,091	1,137,895	-	-	3,201,091	1,137,895	4,338,986
Total	11,132,811	1,137,895	1,291,807	-	12,424,618	1,137,895	13,562,513
Less: Allowance for doubtful accounts	(3,201,091)	(1,137,895)	-	-	(3,201,091)	(1,137,895)	(4,338,986)
Loans, net	7,931,720	-	1,291,807	-	9,223,527	-	9,223,527



(Unaudited but reviewed)

(Unit: Baht)

Outstanding period	31 December 2014						
	Mortgage loans		Other loans		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
Not yet due	8,281,179	-	2,689,641	-	10,970,820	-	10,970,820
Overdue							
Over 12 months	3,201,091	1,137,895	-	-	3,201,091	1,137,895	4,338,986
Total	11,482,270	1,137,895	2,689,641	-	14,171,911	1,137,895	15,309,806
Less: Allowance for doubtful accounts	(3,201,091)	(1,137,895)	-	-	(3,201,091)	(1,137,895)	(4,338,986)
Loans, net	8,281,179	-	2,689,641	-	10,970,820	-	10,970,820

**8. Property, buildings and equipment**

(Unit: Baht)

	Land	Buildings	Furniture	Office	Vehicles	Total
				equipment		
<b>Net book value as at</b>						
<b>1 January 2015</b>	162,665,780	36,077,712	9,489,655	12,350,809	20,818,381	241,402,337
Acquisitions during period - at cost	5,200,000	3,600,000	1,087,241	2,016,551	3,940,102	15,843,894
Disposals during period - net book value	-	-	-	(8,748)	(782,239)	(790,987)
Depreciation for the period	-	(719,661)	(891,137)	(2,049,982)	(2,447,513)	(6,108,293)
<b>Net book value as at</b>						
<b>31 March 2015</b>	167,865,780	38,958,051	9,685,759	12,308,630	21,528,731	250,346,951

**9. Deferred tax assets/Income tax expenses****9.1 Deferred tax assets**

The components of deferred tax assets and liabilities are as follows:

	(Unit: Baht)	
	31 March 2015	31 December 2014
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	11,605,173	11,499,491
Unearned premium reserves	51,169,519	44,245,172
Provision for loss incurred but not yet reported and outstanding claims	7,292,914	3,762,764
Loss on changes in value of investments classified as trading securities	-	1,835,869
Post employee benefit obligations	15,383,219	14,978,789
Total	85,450,825	76,322,085
<b>Deferred tax liabilities</b>		
Gain on changes in value of investment classified as trading securities	1,909,909	-
Gain on changes in value of investments classified as available-for-sale securities	30,860,345	28,626,238
Total	32,770,254	28,626,238
Deferred tax assets, net	52,680,571	47,695,847

## 9.2 Income tax expenses

The income tax expenses for the three-month periods ended 31 March 2015 and 2014 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2015	2014
<b>Current income tax:</b>		
Corporate income tax charge in accordance with Revenue Code	14,995,703	10,625,657
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(7,218,831)	(8,963,593)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>7,776,872</b>	<b>1,662,064</b>

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the three-month periods ended 31 March 2015 and 2014 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Accounting profit before income tax expenses	48,253,695	16,817,256
Applicable corporate income tax rate	20%	20%
Income tax at the applicable tax rate	9,650,739	3,363,451
Effect of non-deductible expenses/income	(1,873,867)	(1,701,387)
Income tax expenses reported in the statements of comprehensive income	<b>7,776,872</b>	<b>1,662,064</b>

**10. Other assets**

	(Unit: Baht)	
	31 March 2015	31 December 2014
Claim receivables from litigants, net	244,470,521	239,956,170
Advance payment of ceded premium	98,890,542	95,415,859
Prepaid commission expenses	42,531,686	41,372,903
Cash equivalents which subject to restrictions	8,243,019	9,076,386
Deposits on rice field insurance scheme	54,817,282	54,479,111
Others	39,571,044	38,745,131
Total other assets	<u>488,524,094</u>	<u>479,045,560</u>

As at 31 March 2015, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 8.2 million (31 December 2014: Baht 9.1 million) as bail bond in cases where insured drivers have been charged with criminal offence.

**11. Due to reinsurers**

	(Unit: Baht)	
	31 March 2015	31 December 2014
Outward premium payable	71,408,520	84,396,848
Amounts withheld on reinsurance	262,378,710	269,364,960
Total due to reinsurers	<u>333,787,230</u>	<u>353,761,808</u>

**12. Loss reserves and outstanding claims**

	(Unit: Baht)	
	For the three-month period ended	For the year ended
	31 March 2015	31 December 2014
Beginning balance	842,491,575	989,553,700
Claim and loss adjustment expenses for the period	515,209,741	1,777,058,965
Claim and loss adjustment expenses paid during the period	<u>(409,552,759)</u>	<u>(1,924,121,090)</u>
Ending balance	<u>948,148,557</u>	<u>842,491,575</u>

As at 31 March 2015, the Company has loss reserves and outstanding claims under reinsurance contracts of Baht 1.4 million (31 December 2014: Baht 1.7 million).

**13. Premium reserves**

Premium reserves are the liability under insurance contracts, and are the higher of unearned premium reserve and unexpired risk reserve.

**13.1 Unearned premium reserve**

	(Unit: Baht)	
	For the three-month period ended 31 March 2015	For the year ended 31 December 2014
Beginning balance	1,462,720,593	1,416,400,738
Premium written for the period	742,595,373	3,049,691,014
Premium earned during the current period	(748,019,192)	(3,003,371,159)
Ending balance	<u>1,457,296,774</u>	<u>1,462,720,593</u>

**13.2 Unexpired risk reserve**

	(Unit: Baht)	
	For the three-month period ended 31 March 2015	For the year ended 31 December 2014
Beginning balance	995,881,124	928,663,043
Estimated claims for the period	422,306,730	1,706,058,464
Risk expired during the period	(418,057,955)	(1,638,840,383)
Ending balance	<u>1,000,129,899</u>	<u>995,881,124</u>

**14. Employee benefit obligation**

	(Unit: Baht)	
	31 March 2015	31 December 2014
Short-term employee benefit	5,814,629	60,906,962
Long-term employee benefit	76,916,095	74,893,944
Employee benefit obligations	<u>82,730,724</u>	<u>135,800,906</u>

**15. Other liabilities**

	(Unit: Baht)	
	31 March 2015	31 December 2014
Premium received in advance	226,097,761	220,033,029
Accrued commissions	68,406,640	71,085,973
Accrued operating expenses	31,717,458	45,297,747
Payables on purchase of investment	7,158,822	579,876
Commission received in advance	37,340,545	35,655,185
Others	73,170,415	57,067,823
Total other liabilities	<u>443,891,641</u>	<u>429,719,633</u>

**16. Operating expenses**

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Personal expenses which are not expenses for underwriting and claims	19,930,862	19,205,415
Property and equipment expenses which are not expenses for underwriting	19,046,773	20,133,822
Taxes and duties	1,223,195	734,402
Bad debts and doubtful accounts	26,572	49,690
Support services expenses	17,126,736	18,733,245
Advertising and promotion expenses	11,088,200	7,910,163
Other operating expenses	2,996,425	7,596,092
Total operating expenses	<u>71,438,763</u>	<u>74,362,829</u>

**17. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares as a result of the increase in share capital arising from the issue of stock dividend.

On 8 April 2015, the Annual General Meeting of shareholders for the year 2015 approved to pay a cash dividend of Baht 0.11 per share, and stock dividend of 151.5 million shares to the existing shareholders. For the purpose of calculating earnings per share, the Company therefore adjusted the number of ordinary shares used to calculate the earnings per share, as though it had issued the stock dividend at the beginning of the reporting periods.

	For the three-month periods ended	
	31 March	
	2015	2014
		(Restated)
Number of weighted average ordinary shares issued during the period (Shares)	151,500,000	151,500,000
Number of stock dividend in 2015 (Shares)	151,500,000	151,500,000
Total (Shares)	303,000,000	303,000,000
Profit for the period (Baht)	40,476,823	15,155,192
Earnings per share (Baht per share)	0.13	0.05

**18. 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: Baht)

	For the three-month periods ended 31 March		Pricing policies
	2015	2014	
<b>Thai Reinsurance Pcl.</b>			
Premium ceded	30,703,503	28,508,439	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	10,998,801	9,255,609	As stated in the agreement upon normal commercial terms for business operations
Claims refunded	4,122,033	7,114,056	As occurred upon portion in the agreement

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month periods ended 31 March		Pricing policies
	2015	2014	
<b>Thai Reinsurance Pcl.</b>			
Reinsurance premium written	-	46,757	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	-	16,025	As stated in the agreement upon normal commercial terms for business operations
Claim expenses	67,506	-	As stated in the agreement upon normal commercial terms for business operations
<b>Road Accident Victims Protection Co., Ltd.</b>			
Contribution expense	2,792,188	3,195,147	12.25% of premium written received from insurers under the Motor Vehicle Victims B.E. 2535
Other income	1,806,185	1,621,340	As stated in the agreement upon normal commercial terms for business operations
<b>Thaire Life Assurance Pcl.</b>			
Dividend income	-	39,202	As declared

As at 31 March 2015 and 31 December 2014, the Company had the following significant balances of assets and liabilities with its related parties:

	(Unit: Baht)	
	31 March 2015	31 December 2014
<b>Thai Reinsurance Pcl.</b>		
Investments in equity securities	11,557,442	12,778,299
Due to reinsurers	45,707,205	40,715,761
Due from reinsurers	11,753	-
<b>Road Accident Victims Protection Co., Ltd.</b>		
Investments in equity securities	3,518,150	3,518,150
Accrued contribution expenses	2,792,188	2,640,178
<b>T.I.I. Co., Ltd.</b>		
Investments in equity securities	202,500	202,500

**Directors and management's remuneration**

During the three-month periods ended 31 March 2015 and 2014, the Company had employee benefit expenses to their directors and management as below.

	(Unit: Baht)	
	2015	2014
Short-term employee benefits	16,440,647	16,323,467
Post-employment benefits	1,463,344	1,476,764
Total	<u>17,903,991</u>	<u>17,800,231</u>

**19. Assets pledged with the Registrar**

As at 31 March 2015 and 31 December 2014, the following assets have been pledged with the Registrar in accordance with the Non-life Insurance Act.

	(Unit: Million Baht)			
	31 March 2015		31 December 2014	
	Amortised cost	Fair value	Amortised cost	Fair value
Government bonds	15.2	16.1	15.2	16.0
Total	<u>15.2</u>	<u>16.1</u>	<u>15.2</u>	<u>16.0</u>

**20. Assets reserve with the Registrar**

As at 31 March 2015 and 31 December 2014, the following assets have been pledged as non-life insurance policy reserve with the Registrar in accordance with the Non-life Insurance Act.

	(Unit: Million Baht)			
	31 March 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Deposit at banks which amounts maturing in over 3 months	165.0	165.0	120.0	120.0
Certificate of deposits	130.0	130.0	30.0	30.0
Government bonds	-	-	145.1	145.3
Total	<u>295.0</u>	<u>295.0</u>	<u>295.1</u>	<u>295.3</u>



## 21. Commitments and contingent liabilities

### 21.1 Operating lease commitments

The Company has entered into several lease agreements of office building space. The terms of the agreements are 3 years. As at 31 March 2015 and 31 December 2014, future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

	(Unit: Million Baht)	
	31 March 2015	31 December 2014
Payable:		
Within 1 year	0.6	0.9
Over 1 year and not over 5 years	0.2	0.4

### 21.2 Bank guarantee

As at 31 March 2015, there were outstanding bank guarantees of Baht 0.8 million (31 December 2014: Baht 0.8 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

### 21.3 Litigation

As at 31 March 2015, the Company has been sued as insurer for damages totaling approximately Baht 153.2 million. 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 17.0 million, with the recoverable portion from reinsurers amounting to Baht 2.9 million. The Company's management believes that such reserve is adequate (31 December 2014: Baht 148.3 million, Baht 16.9 million and Baht 2.9 million, respectively).

## 22. Segment information

The one main reportable operating segment of the Company is principally engaged in the provision of non-life insurance. For management purposes, the Company is organized into business units based on its products. During the current period, there were no changes in the organisation structure of the reportable segment.

Segment revenue and profit information of the Company for the three-month periods ended 31 March 2015 and 2014 are as follows:

	For the three-month period ended 31 March 2015				(Unit: Baht)
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Premium written	45,179,308	5,156,418	572,721,208	119,538,439	742,595,373
Less: Premium ceded	(30,964,397)	(1,163,283)	(66,966,119)	(54,167,682)	(153,261,481)
Net premium written	14,214,911	3,993,135	505,755,089	65,370,757	589,333,892
Less: Unearned premium reserve	(136,728)	(1,791,604)	(23,707,160)	(2,364,152)	(27,999,644)
Net earned premium	14,078,183	2,201,531	482,047,929	63,006,605	561,334,248
Fee and commission income	15,447,226	66,064	24,334,178	12,793,951	52,641,419
<b>Total underwriting income</b>	<u>29,525,409</u>	<u>2,267,595</u>	<u>506,382,107</u>	<u>75,800,556</u>	<u>613,975,667</u>
<b>Underwriting expenses</b>					
Claim and loss adjustment expenses	26,923,774	(105,907)	313,920,329	35,462,175	376,200,371
Commission and brokerage expenses	10,055,328	458,244	101,213,529	18,044,522	129,771,623
Other underwriting expenses	1,380,438	156,938	30,186,296	5,767,620	37,491,292
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	2,792,188	-	2,792,188
<b>Total underwriting expenses before operating expenses</b>	<u>38,359,540</u>	<u>509,275</u>	<u>448,112,342</u>	<u>59,274,317</u>	<u>546,255,474</u>
<b>Profit (loss) from underwriting before operating expenses</b>	<u>(8,834,131)</u>	<u>1,758,320</u>	<u>58,269,765</u>	<u>16,526,239</u>	<u>67,720,193</u>
Operating expenses					(71,438,763)
<b>Loss from underwriting</b>					(3,718,570)
Net investment income					24,495,106
Gain on investments					9,662,684
Fair value gain on investments					18,728,887
Other income					3,397,936
<b>Profit from operation</b>					52,566,043
Contribution to the Office of Insurance Commission					(2,227,862)
Contribution to the General Insurance Fund					(1,856,552)
Contribution to the Victims Compensation Fund					(227,934)
<b>Profit before income tax expenses</b>					48,253,695
Income tax expenses					(7,776,872)
<b>Profit for the period</b>					<u>40,476,823</u>

(Unaudited but reviewed)

(Unit: Baht)

For the three-month period ended 31 March 2014					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Premium written	43,766,390	4,825,746	619,299,092	102,204,312	770,095,540
Less: Premium ceded	(30,866,166)	(804,657)	(82,557,681)	(49,977,927)	(164,206,431)
Net premium written	12,900,224	4,021,089	536,741,411	52,226,385	605,889,109
Less: Unearned premium reserve	(1,450,653)	(2,490,496)	(77,491,769)	(1,503,921)	(82,936,839)
Net earned premium	11,449,571	1,530,593	459,249,642	50,722,464	522,952,270
Fee and commission income	17,106,610	50,772	25,953,684	10,979,213	54,090,279
<b>Total underwriting income</b>	<b>28,556,181</b>	<b>1,581,365</b>	<b>485,203,326</b>	<b>61,701,677</b>	<b>577,042,549</b>
<b>Underwriting expenses</b>					
Claim and loss adjustment expenses	478,608	666,448	342,096,646	40,524,319	383,766,021
Commission and brokerage expenses	9,396,457	481,575	109,458,277	15,284,511	134,620,820
Other underwriting expenses	1,326,360	142,914	24,005,958	5,430,739	30,905,971
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	3,195,147	-	3,195,147
<b>Total underwriting expenses before operating expenses</b>	<b>11,201,425</b>	<b>1,290,937</b>	<b>478,756,028</b>	<b>61,239,569</b>	<b>552,487,959</b>
<b>Profit from underwriting before operating expenses</b>	<b>17,354,756</b>	<b>290,428</b>	<b>6,447,298</b>	<b>462,108</b>	<b>24,554,590</b>
Operating expenses					(74,362,829)
<b>Loss from underwriting</b>					<b>(49,808,239)</b>
Net investment income					21,196,666
Gain on investments					14,435,166
Fair value gain on investments					32,011,592
Other income					3,475,871
<b>Profit from operation</b>					<b>21,311,056</b>
Contribution to the Office of Insurance Commission					(2,308,894)
Contribution to the General Insurance Fund					(1,924,078)
Contribution to the Victims Compensation Fund					(260,828)
<b>Profit before income tax expenses</b>					<b>16,817,256</b>
Income tax expenses					(1,662,064)
<b>Profit for the period</b>					<b>15,155,192</b>

Segment assets and liabilities of the Company as at 31 March 2015 and 31 December 2014 are as follows;

(Unit: Baht)

	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total
<b>Assets</b>						
As at 31 March 2015	252,819,133	2,521,501	626,832,268	292,471,959	3,258,859,642	4,433,504,503
As at 31 December 2014	167,134,724	2,316,481	636,849,220	316,737,470	3,206,809,875	4,329,847,770
<b>Liabilities</b>						
As at 31 March 2015	379,810,675	10,001,268	2,067,946,732	562,866,077	262,164,243	3,282,788,995
As at 31 December 2014	279,064,516	8,280,143	2,051,007,292	581,974,234	308,219,326	3,228,545,511

### 23. Fair value of measurement

The Company uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

#### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 31 March 2015, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)		
	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>			
Held for trading investments			
Equity securities	251,131	-	251,131
Warrants	113	-	113
Available-for-sale investments			
Debt securities (state and private enterprise securities)	-	109,803	109,803
Equity securities	176,664	-	176,664
Unit trusts	132,546	626,562	759,108

#### Valuation techniques and inputs to Level 2 valuation

- a) The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association.
- b) The fair value of investments in unit trusts has been determined by using the net asset value as announced by asset management company.

## **24. Events after the reporting period**

On 8 April 2015, the Annual General Meeting of the Company's shareholders passed the resolution to approve the followings.

- a) Allocated Baht 10.3 million of the net profit for the year 2014 to the statutory reserve.
- b) Approved cash dividend and stock dividend payment amounting to approximately Baht 168.3 million, as detailed below.
  - Cash dividend will be paid at the rate of Baht 0.11 per share, totaling Baht 16.8 million.
  - Stock dividend will be paid at the ratio of 1 existing share per 1 stock dividend, totaling of the stock dividend payment at 151.5 million shares, at par value of Baht 1, totaling Baht 151.5 million or equivalent to Baht 1.0 per the stock dividend. The indivisible share remaining after the stock dividend payment will be allocated to the registered Thaivivat Insurance Provident Fund at the rate of Baht 1.0 per share

Payment is scheduled to be made on 7 May 2015

- c) Approved an increase of the Company's registered capital from Baht 151.5 million to Baht 303.0 million by newly issued the ordinary shares in amount of 151.5 million shares with the par value at Baht 1.0 per share to support the stock dividend payment. The Company registered the increase in the Company's registered capital with the Ministry of Commerce on 28 April 2015.

## **25. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2015.