

Thaivivat Insurance Public Company Limited
Review report and interim financial statements
31 March 2017

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 2017, 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: 15 May 2017

Thaivivat Insurance Public Company Limited**Statements of financial position****As at 31 March 2017**

		(Unit: Baht)	
	Note	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	3	251,144,345	228,894,842
Premium receivables	4	344,345,944	373,438,176
Accrued investment income		8,884,565	6,811,253
Reinsurance assets	5	457,143,916	514,900,410
Reinsurance from receivables contracts	6	24,518,897	19,112,519
Investment assets			
Investments in securities	7	2,748,564,920	2,701,321,914
Loans	8	6,301,243	7,380,528
Property, buildings and equipment	9	284,889,613	288,055,820
Intangible assets - computer software		7,389,617	7,381,302
Deferred tax assets	10	86,047,327	80,927,799
Other assets	11	602,173,503	625,462,585
Total assets		4,821,403,890	4,853,687,148

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 2017

		(Unit: Baht)	
	Note	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)
Liabilities and equity			
Liabilities			
Insurance contract liabilities	12	2,559,577,737	2,576,140,340
Due to reinsurers	13	477,842,693	480,104,794
Income tax payable		6,416,067	178,364
Employee benefit obligations		77,065,450	75,194,822
Other liabilities	14	572,936,740	617,492,072
Total liabilities		3,693,838,687	3,749,110,392
Equity			
Share capital			
Registered			
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000
Issued and paid-up			
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000
Premium on share capital		163,800,007	163,800,007
Retained earnings			
Appropriated - statutory reserve		30,300,000	30,300,000
Unappropriated		530,951,083	514,867,659
Other components of equity - surplus on changes			
in value of available-for-sale investments	7.2	99,514,113	92,609,090
Total equity		1,127,565,203	1,104,576,756
Total liabilities and equity		4,821,403,890	4,853,687,148
		-	-

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 2017

		(Unit: Baht)	
	Note	2017	2016
Profit or loss:			
Income			
Gross premium written		837,348,565	785,745,344
Less: Premium ceded to reinsurers		(181,420,572)	(157,444,647)
Net premium written		655,927,993	628,300,697
Less: Unearned premium reserves increase from prior period		(58,156,198)	(22,007,338)
Net earned premium		597,771,795	606,293,359
Fee and commission income		49,162,905	56,755,153
Investment income		14,549,919	12,325,395
Gain (loss) on investments		7,619,230	(2,263,071)
Gain (loss) on fair value adjustment of investments		(10,288,790)	17,604,842
Other income		1,166,097	2,493,023
Total income		659,981,156	693,208,701
Expenses			
Claims and loss adjustment expenses		454,237,637	519,508,734
Less: Claim recovery from reinsurers		(89,928,052)	(88,467,770)
Commission and brokerage expenses		139,997,217	139,012,156
Other underwriting expenses		47,921,931	49,890,901
Operating expenses	15	90,090,275	74,014,064
Total expenses		642,319,008	693,958,085
Profit (loss) before income tax		17,662,148	(749,384)
Income tax revenue (expenses)	10	(1,578,724)	1,355,892
Profit for the period		16,083,424	606,508

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 2017

		(Unit: Baht)	
	Note	2017	2016
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Gain on changes in value of available-for-sale investments		8,631,279	33,756,945
Add: Income tax effect		(1,726,256)	(6,751,389)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>6,905,023</u>	<u>27,005,556</u>
Other comprehensive income for the period		<u>6,905,023</u>	<u>27,005,556</u>
Total comprehensive income for the period		<u><u>22,988,447</u></u>	<u><u>27,612,064</u></u>
Earnings per share	16		
Basic earnings per share		<u>0.05</u>	<u>0.002</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 2017

	(Unit: Baht)	
	2017	2016
Cash flows from (used in) operating activities		
Direct premium written	864,287,567	844,827,527
Cash received (paid) for reinsurance	(51,695,830)	3,546,214
Interest income	6,489,220	8,584,114
Dividend income	6,916,639	7,361,485
Other investment income	622,240	852,440
Other income	477,107	1,676,185
Claim incurred on direct insurance	(433,570,836)	(434,403,270)
Loss adjustment expenses on direct insurance	(7,826,927)	(7,135,681)
Commission and brokerage on direct insurance	(147,621,339)	(152,698,035)
Other underwriting expenses	(25,880,523)	(31,866,708)
Operating expenses	(192,918,273)	(154,832,700)
Income tax	(1,779,565)	(1,968,562)
Investments in securities	(26,002,423)	(309,505,903)
Loans	3,049,495	1,410,689
Deposits at financial institutions	29,990,427	100,165,547
Net cash from (used in) operating activities	24,536,979	(123,986,658)
Cash flows from (used in) investing activities		
Cash paid for purchases of property, buildings and equipment	(2,407,074)	(10,720,654)
Proceed from disposals of equipment	119,598	71,943
Net cash used in investing activities	(2,287,476)	(10,648,711)
Net increase (decrease) in cash and cash equivalents	22,249,503	(134,635,369)
Cash and cash equivalents at beginning of period	228,894,842	326,834,483
Cash and cash equivalents at end of period	251,144,345	192,199,114

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 2017

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity - surplus on changes in value of available-for-sale investments	Total
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2016	303,000,000	163,800,007	30,300,000	498,198,502	99,473,475	1,094,771,984
Profit for the period	-	-	-	606,508	-	606,508
Other comprehensive income for the period	-	-	-	-	27,005,556	27,005,556
Total comprehensive income for the period	-	-	-	606,508	27,005,556	27,612,064
Balance as at 31 March 2016	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>498,805,010</u>	<u>126,479,031</u>	<u>1,122,384,048</u>
Balance as at 1 January 2017	303,000,000	163,800,007	30,300,000	514,867,659	92,609,090	1,104,576,756
Profit for the period	-	-	-	16,083,424	-	16,083,424
Other comprehensive income for the period	-	-	-	-	6,905,023	6,905,023
Total comprehensive income for the period	-	-	-	16,083,424	6,905,023	22,988,447
Balance as at 31 March 2017	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>530,951,083</u>	<u>99,514,113</u>	<u>1,127,565,203</u>
	-	-	-	-	-	-

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 period ended 31 March 2017

1. General information

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

2. Basis for preparation of the financial statements

2.1 Basis for the preparation of the interim financial statements

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

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

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

2.2 New financial reporting standards

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal year beginning on or after 1 January 2017. 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 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 2016.

3. Cash and cash equivalents

	(Unit: Baht)	
	31 March 2017	31 December 2016
Cash on hand	1,366,616	7,160,496
Deposits at banks with no fixed maturity date	246,474,040	218,435,457
Deposits at banks and certificate of deposit with fixed maturity date	3,303,689	3,298,889
Cash and cash equivalents	<u>251,144,345</u>	<u>228,894,842</u>

As at 31 March 2017, saving deposits and fixed deposits carried interest between 0.13% and 0.75% per annum (31 December 2016: between 0.25% and 0.75% per annum).

4. Premium receivables

The balances as at 31 March 2017 and 31 December 2016 of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)	
	31 March 2017	31 December 2016
Not yet due	291,948,548	313,609,226
Not over 30 days	25,529,676	32,536,083
Over 30 days to 60 days	9,647,064	11,116,255
Over 60 days to 90 days	3,448,012	5,116,527
Over 90 days	17,250,921	14,169,291
Total premium receivables	<u>347,824,221</u>	<u>376,547,382</u>
Less: Allowance for doubtful accounts	<u>(3,478,277)</u>	<u>(3,109,206)</u>
Total premium receivables, net	<u><u>344,345,944</u></u>	<u><u>373,438,176</u></u>

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 2017	31 December 2016
Insurance reserves refundable from reinsurers		
Claim reserves and outstanding claims	110,087,210	116,933,537
Unearned premium reserves	347,056,706	397,966,873
Reinsurance assets	<u><u>457,143,916</u></u>	<u><u>514,900,410</u></u>

6. Receivables from reinsurance contracts

	(Unit: Baht)	
	31 March 2017	31 December 2016
Amounts due from reinsurers	24,518,897	19,112,519
Receivables from reinsurance contracts	24,518,897	19,112,519

As at 31 March 2017 and 31 December 2016, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	31 March 2017	31 December 2016
Not yet due	13,720,364	10,246,384
Not over 1 year	10,458,569	8,526,171
Over 1 year to 2 years	339,964	339,964
Total amounts due from reinsurers	24,518,897	19,112,519

7. Investments in securities**7.1 Classified by type of investments**

As at 31 March 2017 and 31 December 2016, investments in securities classified by type of investments are as follows:

	(Unit: Baht)			
	31 March 2017		31 December 2016	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Trading investments				
Equity securities	293,514,261	265,568,063	271,693,053	254,070,659
Warrants	-	1,015,412	-	980,398
Total	293,514,261	266,583,475	271,693,053	255,051,057
Less: Unrealised loss	(26,930,786)	-	(16,641,996)	-
Trading investments, net	266,583,475	266,583,475	255,051,057	255,051,057

(Unaudited but reviewed)

(Unit: Baht)

	31 March 2017		31 December 2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
Government and state enterprise				
debt securities	70,026,975	70,547,317	10,000,000	10,394,582
Private debt securities	260,131,824	264,598,129	280,141,486	284,315,549
Equity securities	40,056,667	117,550,243	40,056,668	112,529,198
Unit trusts	1,418,168,066	1,460,080,484	1,521,399,310	1,560,119,497
Total	1,788,383,532	1,912,776,173	1,851,597,464	1,967,358,826
Add: Unrealised gain	124,392,641	-	115,761,362	-
Less: Allowance for impairment	(176,283)	(176,283)	(176,283)	(176,283)
Available-for-sale investments, net	1,912,599,890	1,912,599,890	1,967,182,543	1,967,182,543
Held-to-maturity investments				
Government and state enterprise				
debt securities	409,738,288		289,905,071	
Private debt securities	841,000		841,000	
Deposits at financial institutions				
which amounts maturing in over				
3 months	155,922,617		185,462,593	
Total	566,501,905		476,208,664	
Less: Allowance for impairment	(841,000)		(841,000)	
Held-to-maturity investments, net	565,660,905		475,367,664	
Other investments				
Equity securities	3,720,650		3,720,650	
Other investments, net	3,720,650		3,720,650	
Total investments in securities	2,748,564,920		2,701,321,914	

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

(Unit: Baht)

	For the three-month	
	period ended 31 March 2017	For the year ended 31 December 2016
Balance - beginning of the period	115,761,362	99,473,475
Changes during the period		
Gain on revaluation during the period	10,191,324	53,864,900
Gain on sales recognised in profit or loss during the period	(1,560,045)	(37,577,013)
Balance - end of the period	124,392,641	115,761,362
Less: Income tax	(24,878,528)	(23,152,272)
Balance - end of the period, net of income tax	<u>99,514,113</u>	<u>92,609,090</u>

7.3 Investments subject to restriction

As at 31 March 2017 and 31 December 2016, the Company had pledged the following assets as collateral.

(Unit: Baht)

	31 March 2017	31 December 2016
Pledged as bail bond in cases where insured drivers have been charged with criminal offense	1,553,708	1,560,097
Deposit at bank which pledged for		
Bank overdraft	3,000,000	3,000,000
Bank guarantee	10,646,595	10,853,382
Total	<u>15,200,303</u>	<u>15,413,479</u>

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

8. Loans

As at 31 March 2017 and 31 December 2016, loans and accrued interest are provided to employees in accordance with employee's benefits plan. The balances are aged by principal and interest receivables as follows:

		31 March 2017						(Unit: Baht)
		Mortgage loans		Other loans		Total		
Outstanding period		Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due		4,383,433	-	1,917,810	-	6,301,243	-	6,301,243
Overdue								
Over 12 months		600,873	152,939	-	-	600,873	152,939	753,812
Total		4,984,306	152,939	1,917,810	-	6,902,116	152,939	7,055,055
Less: Allowance for doubtful accounts		(600,873)	(152,939)	-	-	(600,873)	(152,939)	(753,812)
Loans, net		4,383,433	-	1,917,810	-	6,301,243	-	6,301,243

		31 December 2016						(Unit: Baht)
		Mortgage loans		Other loans		Total		
Outstanding period		Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due		4,796,596	-	2,583,932	-	7,380,528	-	7,380,528
Overdue								
Over 12 months		2,571,084	1,015,446	-	-	2,571,084	1,015,446	3,586,530
Total		7,367,680	1,015,446	2,583,932	-	9,951,612	1,015,446	10,967,058
Less: Allowance for doubtful accounts		(2,571,084)	(1,015,446)	-	-	(2,571,084)	(1,015,446)	(3,586,530)
Loans, net		4,796,596	-	2,583,932	-	7,380,528	-	7,380,528

9. Property, buildings and equipment

Movement of property, buildings and equipment for the three-month period ended 31 March 2017 is summarised below:

		(Unit: Baht)					
		Land	Buildings	Fixtures	Office equipment	Vehicles	Total
Net book value as at							
1 January 2017		191,643,280	50,374,060	12,173,676	11,910,149	21,954,655	288,055,820
Acquisitions during period							
- at cost		-	-	261,345	2,145,729	-	2,407,074
Disposals during period							
- net book value		-	-	(64)	(119,533)	(1)	(119,598)
Depreciation for the period		-	(823,341)	(1,035,584)	(1,601,719)	(1,993,039)	(5,453,683)
Net book value as at							
31 March 2017		191,643,280	49,550,719	11,399,373	12,334,626	19,961,615	284,889,613

10. Deferred tax assets/Income tax expenses**10.1 Deferred tax assets**

As at 31 March 2017 and 31 December 2016, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	Outstanding balance		Change in deferred tax assets or liabilities that are recognised in profit or loss for the three-month periods ended 31 March	
	31 March 2017	31 December 2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	6,890,471	7,318,937	(428,466)	(1,998,176)
Unearned premium reserves	54,151,877	44,730,820	9,421,057	1,284,124
Provision for claim incurred but not yet reported and outstanding claims	28,473,007	33,691,739	(5,218,732)	8,583,110
Loss on changes in value of trading securities	5,386,157	3,328,400	2,057,757	(3,520,969)
Post employee benefit obligations	15,413,090	15,038,964	374,126	395,845
Total	110,314,602	104,108,860		
Deferred tax liabilities				
Gain on changes in value of available-for-sale securities	24,878,528	23,152,272		
Gain (loss) on exchange rate	(611,253)	28,789	640,042	-
Total	24,267,275	23,181,061		
Deferred tax assets, net	86,047,327	80,927,799		
Changes in deferred tax assets or liabilities that are recognised in profit or loss			6,845,784	4,743,934

10.2 Income tax expenses

The income tax expenses for the three-month periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2017	2016
Current income tax:		
Corporate income tax charge in accordance with Revenue Code	8,424,508	3,388,042
Deferred tax:		
Relating to origination and reversal of temporary differences	(6,845,784)	(4,743,934)
Income tax expense (revenue) reported in the statements of comprehensive income	1,578,724	(1,355,892)

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the three-month periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2017	2016
Accounting profit (loss) before income tax expenses	17,662,148	(749,384)
Applicable corporate income tax rate	20%	20%
Income tax at the applicable tax rate	3,532,430	(149,877)
Effect of non-deductible expenses/income	(1,953,706)	(1,206,015)
Income tax expense (revenue) reported in the statements of comprehensive income	1,578,724	(1,355,892)

11. Other assets

	(Unit: Baht)	
	31 March 2017	31 December 2016
Claim receivables from litigants, net	205,618,556	200,624,755
Advance payment of ceded premium	141,286,305	144,163,026
Deposits on rice field insurance scheme	128,635,582	129,694,643
Prepaid commission expenses	53,774,007	54,318,385
Advance payment for share subscription	20,160,000	-
Receivable from sale of investments	2,257,962	49,517,705
Cash equivalents which subject to restrictions	7,572,597	8,023,048
Others	42,868,494	39,121,023
Total other assets	<u>602,173,503</u>	<u>625,462,585</u>

On 29 June 2016, the Company has entered into a share purchase agreement with shareholders of Laovivat Insurance Company Limited (“LVI”), a company incorporated and domiciled in Lao People’s Democratic Republic (“Lao PDR”), to purchase 1,400 million ordinary shares at a net price of LAK 16,000 million from the former shareholders, representing 70% of its registered capital. The investment has been approved by the OIC.

On 19 January 2017, the Company made payment of LAK 4,800 million. However, the purchase was not completed until 31 March 2017 because the counter party still did not completely meet the conditions specified in the share purchase agreement. Therefore, the Company recorded the first installment of Baht 20.16 million as advance payment for share subscription under other assets in the statement of financial position.

As at 31 March 2017, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 7.6 million (31 December 2016: Baht 8.0 million) as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence.

12. Insurance contract liabilities

	(Unit: Baht)		
	31 March 2017		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	963,477,018	103,302,147	860,174,871
- Provision for claim incurred but not reported	12,773,009	6,785,063	5,987,946
Premium reserves			
- Unearned premium reserves	1,583,327,710	347,056,706	1,236,271,004
Total	2,559,577,737	457,143,916	2,102,433,821
			(Unit: Baht)
	31 December 2016		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	983,445,199	107,936,976	875,508,223
- Provision for claim incurred but not reported	16,613,461	8,996,561	7,616,900
Premium reserves			
- Unearned premium reserves	1,576,081,680	397,966,873	1,178,114,807
Total	2,576,140,340	514,900,410	2,061,239,930

12.1 Claim reserves and outstanding claims

	(Unit: Baht)	
	For the three-month period ended 31 March 2017	For the year ended 31 December 2016
Balance - beginning of the period	1,000,058,660	907,610,011
Claim incurred and loss adjustment expenses for the period	443,452,606	1,998,972,004
Changes in claim reserves and assumptions	19,562,717	11,783,472
Claim and loss adjustment expenses paid during the period	(486,823,956)	(1,918,306,827)
Balance - end of the period	<u>976,250,027</u>	<u>1,000,058,660</u>

As at 31 March 2017, the Company has claim reserves and outstanding claims under reinsurance contracts of Baht 0.7 million (31 December 2016: Baht 0.6 million).

12.2 Unearned premium reserves

	(Unit: Baht)	
	For the three-month period ended 31 March 2017	For the year ended 31 December 2016
Balance - beginning of the period	1,576,081,680	1,574,100,477
Premium written for the period	837,348,565	3,229,683,365
Premium earned for the current period	(830,102,535)	(3,227,702,162)
Balance - end of the period	<u>1,583,327,710</u>	<u>1,576,081,680</u>

13. Due to reinsurers

	(Unit: Baht)	
	31 March 2017	31 December 2016
Outward premium payable	392,874,195	376,343,664
Amounts withheld on reinsurances	84,968,498	103,761,130
Total due to reinsurers	<u>477,842,693</u>	<u>480,104,794</u>

14. Other liabilities

	(Unit: Baht)	
	31 March 2017	31 December 2016
Premium received in advance	284,432,183	286,207,495
Accrued commissions	74,325,516	82,497,015
Accrued operating expenses	34,392,940	52,788,086
Payables on purchase of investments	16,500,787	11,322,460
Commission received in advance	64,696,291	65,891,436
Other payable	40,038,071	36,888,846
Others	58,550,952	81,896,734
Total other liabilities	<u>572,936,740</u>	<u>617,492,072</u>

15. Operating expenses

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2017	2016
Personal expenses which are not expenses for underwriting and claims	20,384,762	18,685,850
Property and equipment expenses which are not expenses for underwriting	19,397,127	18,398,202
Taxes and duties	681,117	854,092
Reversal of bad debts and doubtful accounts	(2,463,646)	(5,808,586)
Support services expenses	34,326,975	27,360,231
Advertising and promotion expenses	9,305,214	6,899,706
Other operating expenses	8,458,726	7,624,569
Total operating expenses	<u>90,090,275</u>	<u>74,014,064</u>

16. 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.

17. 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 policy
	2017	2016	
Thai Reinsurance Plc.			
Premium ceded	19,975,641	37,147,449	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	5,459,693	15,030,854	As stated in the agreement upon normal commercial terms for business operations
Claim refunded	7,091,370	5,665,668	As occurred upon portion in the agreement
Reinsurance premium written	8,846	11,933	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	3,000	4,074	As stated in the agreement upon normal commercial terms for business operations
Claim expenses	338,683	77,471	As stated in the agreement upon normal commercial terms for business operations
Road Accident Victims Protection Co., Ltd.			
Contribution expenses	2,609,744	2,745,282	12.25% of premium written received from insurers under the Motor Vehicle Victims B.E. 2535
Other income	2,937,290	1,607,775	As stated in the agreement upon normal commercial terms for business operations
Paiboonwatana Co., Ltd.			
Other income	13,680	13,680	As stated in the agreement upon normal commercial terms for business operations

(Unaudited but reviewed)

As at 31 March 2017 and 31 December 2016, the Company had the following significant balances of assets and liabilities with its related parties:

	(Unit: Baht)	
	31 March 2017	31 December 2016
Thai Reinsurance Plc.		
Receivables from reinsurance contracts	14,407,347	9,793,193
Investments in equity securities	7,265,654	7,632,605
Due to reinsurers	64,754,668	82,466,736
Road Accident Victims Protection Co., Ltd.		
Investments in equity securities	3,518,150	3,518,150
Other assets	1,550,910	-
Other liabilities	2,609,744	2,432,167
T.I.I. Co., Ltd.		
Investments in equity securities	202,500	202,500
Vichitbhan Palmoil Plc.		
Investments in equity securities	134,000	147,000

Directors and management's remuneration

During the three-month periods ended 31 March 2017 and 2016, the Company had employee benefit expenses to their directors and management as below.

	(Unit: Baht)	
	2017	2016
Short-term employee benefits	21,194,537	17,499,031
Post-employment benefits	1,480,005	1,378,642
Total	22,674,542	18,877,673

18. Segment information

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

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

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

Segment revenue and profit information of the Company for the three-month periods ended 31 March 2017 and 2016 are as follows:

(Unit: Baht)

	For the three-month period ended 31 March 2017				Total
	Fire	Marine and transportation	Motor	Miscellaneous	
Underwriting income					
Gross premium written	40,250,539	4,979,361	612,914,483	179,204,182	837,348,565
Less: Premium ceded to reinsurers	(27,687,595)	(1,088,764)	(65,366,538)	(87,277,675)	(181,420,572)
Net premium written	12,562,944	3,890,597	547,547,945	91,926,507	655,927,993
Add (less): Unearned premium reserves (increase) decrease from prior period	223,042	(1,173,584)	(46,768,397)	(10,437,259)	(58,156,198)
Net earned premium	12,785,986	2,717,013	500,779,548	81,489,248	597,771,795
Fee and commission income	13,016,515	254,977	21,236,295	14,655,118	49,162,905
Total underwriting income	25,802,501	2,971,990	522,015,843	96,144,366	646,934,700
Underwriting expenses					
Claim and loss adjustment expenses	(919,631)	515,992	328,141,358	36,571,866	364,309,585
Commission and brokerage expenses	8,844,349	573,486	108,557,185	22,022,197	139,997,217
Other underwriting expenses	1,406,872	170,203	35,078,997	11,265,859	47,921,931
Total underwriting expenses before operating expenses	9,331,590	1,259,681	471,777,540	69,859,922	552,228,733
Profit from underwriting before operating expenses	16,470,911	1,712,309	50,238,303	26,284,444	94,705,967
Operating expenses					(90,090,275)
Profit from underwriting					4,615,692
Net investment income					14,549,919
Gain on investments					7,619,230
Fair value loss on investments					(10,288,790)
Other income					1,166,097
Profit before income tax expenses					17,662,148
Income tax expenses					(1,578,724)
Profit for the period					16,083,424

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month period ended 31 March 2016				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	42,495,928	5,507,227	610,843,852	126,898,337	785,745,344
Less: Premium ceded to reinsurers	(30,365,988)	(1,034,616)	(85,114,937)	(40,929,106)	(157,444,647)
Net premium written	12,129,940	4,472,611	525,728,915	85,969,231	628,300,697
Add (less): Unearned premium reserves (increase) decrease from prior period	633,542	(1,578,079)	(7,285,381)	(13,777,420)	(22,007,338)
Net earned premium	12,763,482	2,894,532	518,443,534	72,191,811	606,293,359
Fee and commission income	13,510,696	59,409	27,713,426	15,471,622	56,755,153
Total underwriting income	26,274,178	2,953,941	546,156,960	87,663,433	663,048,512
Underwriting expenses					
Claim and loss adjustment expenses	(3,626,735)	2,823,113	386,320,099	45,524,487	431,040,964
Commission and brokerage expenses	9,999,527	463,932	108,174,807	20,373,890	139,012,156
Other underwriting expenses	1,387,708	223,389	42,325,470	5,954,334	49,890,901
Total underwriting expenses before operating expenses	7,760,500	3,510,434	536,820,376	71,852,711	619,944,021
Profit (loss) from underwriting before operating expenses	18,513,678	(556,493)	9,336,584	15,810,722	43,104,491
Operating expenses					(74,014,064)
Loss from underwriting					(30,909,573)
Net investment income					12,325,395
Loss on investments					(2,263,071)
Fair value gain on investments					17,604,842
Other income					2,493,023
Loss before income tax expenses					(749,384)
Income tax expenses					1,355,892
Profit for the period					606,508

For the three-month periods ended 31 March 2017 and 2016, the Company has premium written from three major brokers in amounting of Baht 405.0 million and Baht 414.7 million, respectively.

Segment assets and liabilities of the Company as at 31 March 2017 and 31 December 2016 are as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total
Assets						
As at 31 March 2017	196,249,581	2,616,585	636,682,412	368,043,807	3,617,811,505	4,821,403,890
As at 31 December 2016	213,157,101	2,636,008	659,399,356	413,729,990	3,564,764,693	4,853,687,148
Liabilities						
As at 31 March 2017	328,298,069	9,538,322	2,262,416,349	801,117,441	292,468,506	3,693,838,687
As at 31 December 2016	345,131,532	8,693,610	2,240,548,494	816,994,503	337,742,253	3,749,110,392

19. Assets pledged and assets reserved with the Registrar

As at 31 March 2017 and 31 December 2016, the following assets have been pledged and reserved with the Registrar in accordance with the Non-life Insurance Act.

(Unit: Million Baht)

	31 March 2017		31 December 2016	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Government bonds	15.1	16.1	15.1	16.1
Total	15.1	16.1	15.1	16.1
Assets reserved				
Government bonds	100.3	100.4	150.3	150.4
Certificate of deposits	130.0	130.0	80.0	80.0
Private debt securities	50.0	53.6	50.0	53.5
Total	280.3	284.0	280.3	283.9
Total	295.4	300.1	295.4	300.0

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 31 March 2017, the Company had capital commitments of LAK 11,200 million under the share purchase agreements, relating to investments in Laovivat Insurance Company Limited.

20.2 Operating lease commitments

The Company has entered into several lease agreements of office building space. The terms of the agreements are generally between 3 years to 5 years. As at 31 March 2017 and 31 December 2016, future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

	(Unit: Million Baht)	
	31 March 2017	31 December 2016
Payable:		
Within 1 year	0.8	0.8
Over 1 year and not over 5 years	1.8	2.0

20.3 Bank guarantees

As at 31 March 2017 and 31 December 2016, there were outstanding bank guarantees of Baht 0.4 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

20.4 Litigation

As at 31 March 2017, the Company has been sued as insurer for damages totaling approximately Baht 44.3 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 22.3 million, with the recoverable portion from reinsurers amounting to Baht 1.2 million. The Company's management believes that such reserve is adequate (31 December 2016: Baht 54.5 million, Baht 18.5 million and Baht 2.8 million, respectively).

21. Fair value of financial instruments

As at 31 March 2017 and 31 December 2016, the Company had the following financial assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	31 March 2017			
	Book value	Fair value		
		Level 1	Level 2	Total
Held for trading investments				
Equity securities	265.6	265.6	-	265.6
Warrants	1.0	1.0	-	1.0
Available-for-sale investments				
Government and state enterprise debt securities				
	70.5	-	70.5	70.5
Private debt securities	264.6	-	264.6	264.6
Equity securities	117.4	117.4	-	117.4
Unit trusts	1,460.1	134.8	1,325.3	1,460.1

(Unit: Baht)

	31 December 2016			
	Book value	Fair value		
		Level 1	Level 2	Total
Held for trading investments				
Equity securities	254.1	254.1	-	254.1
Warrants	1.0	1.0	-	1.0
Available-for-sale investments				
Government and state enterprise debt securities				
	10.4	-	10.4	10.4
Private debt securities	284.3	-	284.3	284.3
Equity securities	112.4	112.4	-	112.4
Unit trusts	1,560.1	140.9	1,419.2	1,560.1

The Company had valuation techniques for financial instruments as follows:

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

22. Events after the reporting period

On 10 April 2017, the Annual General Meeting of the Company's shareholders approved the payment of dividend from the operating results of 2016 at the rate of Baht 0.05 per share to the shareholders, or a total of Baht 15.2 million. Such dividend was paid on 9 May 2017.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 15 May 2017.