

Thaivivat Insurance Public Company Limited and its subsidiary
Review report and interim financial statements
30 September 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 consolidated statements of financial position of Thaivivat Insurance Public Company Limited and its subsidiary as at 30 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, the consolidated statements of changes in equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Thaivivat Insurance Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 10 November 2017

Thaivivat Insurance Public Company Limited

Statements of financial position

As at 30 September 2017

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		30 September 2017	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
Assets				
Cash and cash equivalents	3	262,801,661	257,230,929	228,894,842
Premium receivables	4	509,492,243	508,745,894	373,438,176
Accrued investment income		8,298,703	6,927,963	6,811,253
Reinsurance assets	5	534,352,047	534,279,743	514,900,410
Reinsurance from receivables contracts	6	27,034,472	27,034,472	19,112,519
Investment assets				
Investments in securities	7	2,968,762,366	2,917,669,033	2,701,321,914
Loans	8	6,218,233	6,218,233	7,380,528
Investment in subsidiary	9	-	67,200,000	-
Property, buildings and equipment	10	284,216,116	284,216,116	288,055,820
Goodwill		19,200,000	-	-
Intangible assets - computer software		6,601,339	6,601,338	7,381,302
Deferred tax assets	11	76,153,370	76,153,370	80,927,799
Other assets	12	493,114,575	486,881,951	625,462,585
Total assets		5,196,245,125	5,179,159,042	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 30 September 2017

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		30 September 2017	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
Liabilities and equity				
Liabilities				
Insurance contract liabilities	13	2,725,483,434	2,724,498,660	2,576,140,340
Amounts due to reinsurers	14	624,056,319	624,002,399	480,104,794
Income tax payable		2,186,208	2,186,208	178,364
Employee benefit obligations		80,806,705	80,806,705	75,194,822
Other liabilities	15	581,338,961	581,141,742	617,492,072
Total liabilities		4,013,871,627	4,012,635,714	3,749,110,392
Owners' equity				
Share capital				
Registered				
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000
Issued and paid-up				
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000
Premium on share capital		163,800,007	163,800,007	163,800,007
Retained earnings				
Appropriated - statutory reserve		30,300,000	30,300,000	30,300,000
Unappropriated		537,318,838	537,423,719	514,867,659
Other components of equity				
Surplus on changes in value of available-for-sale investments				
	7.2	131,999,602	131,999,602	92,609,090
Exchange differences on translation of financial statements in foreign currency				
		(3,200,000)	-	-
Equity attributable to shareholders of the Company		1,163,218,447	1,166,523,328	1,104,576,756
Non-controlling interests of the subsidiary		19,155,051	-	-
Total owners' equity		1,182,373,498	1,166,523,328	1,104,576,756
Total liabilities and owners' equity		5,196,245,125	5,179,159,042	4,853,687,148
		-	-	-

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

Directors

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited**Statements of comprehensive income****For the three-month period ended 30 September 2017**

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2017	2017	2016
Profit or loss:				
Income				
Gross premium written		964,707,784	963,602,757	716,146,165
Less: Premium ceded to reinsurers		(288,428,457)	(288,354,595)	(148,278,083)
Net premium written		676,279,327	675,248,162	567,868,082
Add (less): Unearned premium reserves (increase)				
decrease from prior period		(45,350,671)	(44,464,322)	56,331,890
Net earned premium		630,928,656	630,783,840	624,199,972
Fee and commission income		57,284,471	57,264,528	57,648,394
Net investment income		17,135,438	15,764,376	20,443,025
Gain (loss) on investments		(1,745,779)	(1,745,779)	5,133,886
Gain (loss) on fair value adjustments		6,725,828	6,725,828	(10,545,663)
Other income		2,034,903	2,034,903	2,439,085
Total income		712,363,517	710,827,696	699,318,699
Expenses				
Claim and loss adjustment expenses		482,676,111	482,492,185	509,588,791
Less: Claim recovered from reinsurers		(99,420,907)	(99,420,461)	(83,029,811)
Commission and brokerage expenses		142,983,759	142,818,639	130,285,669
Other underwriting expenses		70,080,449	69,806,048	67,480,664
Operating expenses	16	93,893,112	92,830,462	84,275,261
Total expenses		690,212,524	688,526,873	708,600,574
Profit before income tax		22,150,993	22,300,823	(9,281,875)
Income tax expenses	11	(2,598,061)	(2,598,061)	(5,104,840)
Profit for the period		19,552,932	19,702,762	(14,386,715)

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 30 September 2017

(Unit: Baht)

	Consolidated		Separate financial statements
	financial statements		
Note	2017	2017	2016
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements in foreign currency (loss)	(2,560,000)	-	-
Gain on changes in value of available-for-sale investments	50,973,737	50,973,737	5,501,957
Income tax effect	(10,194,747)	(10,194,747)	(1,100,391)
Other comprehensive income for the period			
- net of income tax	38,218,990	40,778,990	4,401,566
Total comprehensive income for the period (loss)	57,771,922	60,481,752	(9,985,149)
Profit for the period attributable to:			
Equity holders of the Company (loss)	19,597,881	19,702,762	(14,386,715)
Non-controlling interests of the subsidiary (loss)	(44,949)		
	19,552,932		
Total comprehensive income for the period attributable to:			
Equity holders of the Company (loss)	58,776,871	60,481,752	(9,985,149)
Non-controlling interests of the subsidiary (loss)	(1,004,949)		
	57,771,922		
Earnings per share	17		
Basic earnings per share			
Profit attributable to equity holders of the Company (loss)	0.06	0.07	(0.05)

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

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited**Statements of comprehensive income****For the nine-month period ended 30 September 2017**

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2017	2017	2016
Profit or loss:				
Income				
Gross premium written		2,602,064,292	2,600,959,265	2,294,986,851
Less: Premium ceded to reinsurers		(650,247,553)	(650,173,691)	(510,078,629)
Net premium written		1,951,816,739	1,950,785,574	1,784,908,222
Add (less): Unearned premium reserves (increase)				
decrease from prior period		(117,996,962)	(117,110,613)	59,562,315
Net earned premium		1,833,819,777	1,833,674,961	1,844,470,537
Fee and commission income		162,886,556	162,866,613	171,504,257
Net investment income		48,283,923	46,912,861	50,008,204
Gain on investments		36,684	36,684	16,023,259
Gain on fair value adjustments		12,452,224	12,452,224	3,961,494
Other income		3,855,047	3,855,047	7,394,806
Total income		2,061,334,211	2,059,798,390	2,093,362,557
Expenses				
Claim and loss adjustment expenses		1,409,003,571	1,408,819,645	1,476,284,510
Less: Claim recovered from reinsurers		(281,457,963)	(281,457,517)	(239,948,651)
Commission and brokerage expenses		427,441,865	427,276,745	410,785,411
Other underwriting expenses		179,053,872	178,779,471	180,026,116
Operating expenses	16	287,390,676	286,328,026	252,060,674
Total expenses		2,021,432,021	2,019,746,370	2,079,208,060
Profit before income tax		39,902,190	40,052,020	14,154,497
Income tax expenses	11	(2,346,000)	(2,346,000)	(6,276,975)
Profit for the period		37,556,190	37,706,020	7,877,522

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 nine-month period ended 30 September 2017

(Unit: Baht)

	Note	Consolidated		2016
		financial statements	Separate financial statements	
Other comprehensive income:				
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods				
Exchange differences on translation of				
financial statements in foreign currency (loss)		(4,160,000)	-	-
Gain on changes in value of available-for-sale investments		49,238,140	49,238,140	29,569,338
Income tax effect		(9,847,628)	(9,847,628)	(5,913,868)
Other comprehensive income for the period				
- net of income tax		35,230,512	39,390,512	23,655,470
Total comprehensive income for the period		72,786,702	77,096,532	31,532,992
Profit for the period attributable to:				
Equity holders of the Company		37,601,139	37,706,020	7,877,522
Non-controlling interests of the subsidiary (loss)		(44,949)		
		37,556,190		
Total comprehensive income for the period				
attributable to:				
Equity holders of the Company		73,791,651	77,096,532	31,532,992
Non-controlling interests of the subsidiary (loss)		(1,004,949)		
		72,786,702		
Earnings per share	17			
Basic earnings per share				
Profit attributable to equity holders of the Company		0.12	0.12	0.03

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 nine-month period ended 30 September 2017**

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Cash flows from (used in) operating activities			
Direct premium written	2,436,517,799	2,436,159,121	2,401,426,881
Cash paid for reinsurance	(117,930,767)	(117,930,767)	(75,722,605)
Interest income	19,152,032	19,151,710	16,733,739
Dividend income	28,295,550	28,295,550	35,639,174
Other investment income	2,081,290	2,081,290	2,311,900
Other income	1,985,126	1,985,127	5,143,035
Claim incurred on direct insurance	(1,250,463,373)	(1,250,463,373)	(1,295,168,891)
Commission and brokerage on direct insurance	(427,757,274)	(427,757,274)	(430,727,430)
Other underwriting expenses	(107,465,717)	(107,465,717)	(120,048,395)
Operating expenses	(426,021,969)	(418,293,135)	(402,705,647)
Income tax	(5,761,920)	(5,790,620)	(5,165,387)
Investments in securities	(118,833,503)	(118,833,503)	(380,042,890)
Loans	3,132,506	3,132,506	1,304,631
Deposits at financial institutions	49,456,760	79,216,760	160,361,307
Net cash from operating activities	86,386,540	123,487,675	(86,660,578)
Cash flows from (used in) investing activities			
Investments in subsidiary	(22,394,540)	(67,200,000)	-
Property, buildings and equipment	(12,801,628)	(12,801,628)	(25,549,643)
Net cash used in investing activities	(35,196,168)	(80,001,628)	(25,549,643)
Cash flows from (used in) financial activities			
Dividend paid	(15,149,960)	(15,149,960)	(15,149,990)
Net cash used in financial activities	(15,149,960)	(15,149,960)	(15,149,990)
Decrease in translation adjustments	(2,133,593)	-	-
Net increase (decrease) in cash and cash equivalents	33,906,819	28,336,087	(127,360,211)
Cash and cash equivalents at the beginning of period	228,894,842	228,894,842	326,834,483
Cash and cash equivalents at the end of period	262,801,661	257,230,929	199,474,272

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 nine-month period ended 30 September 2017**

(Unit: Baht)

Consolidated financial statements

	Equity attributable to equity holders of the Company								
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total owners' equity
			Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency			
Balance as at 1 January 2017	303,000,000	163,800,007	30,300,000	514,867,659	92,609,090	-	1,104,576,756	-	1,104,576,756
Profit for the period	-	-	-	37,601,139	-	-	37,601,139	(44,949)	37,556,190
Other comprehensive income for the period (loss)	-	-	-	-	39,390,512	(3,200,000)	36,190,512	(960,000)	35,230,512
Total comprehensive income for the period (loss)	-	-	-	37,601,139	39,390,512	(3,200,000)	73,791,651	(1,004,949)	72,786,702
Increase in non-controlling interest from investment in the subsidiary	-	-	-	-	-	-	-	20,160,000	20,160,000
Dividend paid during the period (Note 18)	-	-	-	(15,149,960)	-	-	(15,149,960)	-	(15,149,960)
Balance as at 30 September 2017	303,000,000	163,800,007	30,300,000	537,318,838	131,999,602	(3,200,000)	1,163,218,447	19,155,051	1,182,373,498

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

(Unaudited but reviewed)

Thaivivat Insurance Public Company Limited

Statements of changes in equity (continued)

For the nine-month period ended 30 September 2017

(Unit: Baht)

	Separate financial statements					Total
	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	
			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	-	-	-	7,877,522	-	7,877,522
Other comprehensive income for the period	-	-	-	-	23,655,470	23,655,470
Total comprehensive income for the period	-	-	-	7,877,522	23,655,470	31,532,992
Dividend paid during the period (Note 18)	-	-	-	(15,149,990)	-	(15,149,990)
Balance as at 30 September 2016	303,000,000	163,800,007	30,300,000	490,926,034	123,128,945	1,111,154,986
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	-	-	-	37,706,020	-	37,706,020
Other comprehensive income for the period	-	-	-	-	39,390,512	39,390,512
Total comprehensive income for the period	-	-	-	37,706,020	39,390,512	77,096,532
Dividend paid during the period (Note 18)	-	-	-	(15,149,960)	-	(15,149,960)
Balance as at 30 September 2017	303,000,000	163,800,007	30,300,000	537,423,719	131,999,602	1,166,523,328

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

Thaivivat Insurance Public Company Limited and its subsidiary

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 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 Basis for interim consolidation financial statements

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 September 2016	31 December 2015
			Percent	Percent
Laovivat Insurance Co., Ltd.	Non-life insurance	Lao PDR	70.0	-

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 1.4 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 and recorded as advance payment for share subscription. On 31 May 2017, the Company made payment to purchase 1.4 million ordinary shares of subsidiary amounting to Baht 67.2 million, accounted for 70% of shareholding. The subsidiary is therefore fully consolidated, being the date on 31 May 2017 which the Company obtained control.

- b) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.
- c) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- d) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 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 is 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's financial statements. However, one standard that directly relevant to the Company involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard does not have any significant impact on the Company's financial statements because the management has decided to continue accounting for investments in subsidiary under the cost method in the separate financial statements.

2.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016, except for the new accounting policy relating to investment in subsidiary.

Investment in subsidiary in separate financial statements is presented under the cost method.

3. Cash and cash equivalents

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Cash on hand	1,029,381	1,018,716	7,160,496
Deposits at banks with no fixed maturity date	255,502,901	252,822,834	218,435,457
Deposits at banks and certificate of deposit with fixed maturity date	6,269,379	3,389,379	3,298,889
Cash and cash equivalents	262,801,661	257,230,929	228,894,842

As at 30 September 2017, saving deposits and fixed deposits carried interest between 0.25% and 0.75% per annum (31 December 2016: between 0.25% and 0.75% per annum).

4. Premium receivables

The balances as at 30 September 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)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Not yet due	282,787,990	282,787,990	313,609,226
Not over 30 days	26,864,340	26,257,336	32,536,083
Over 30 days to 60 days	173,285,930	173,146,586	11,116,255
Over 60 days to 90 days	4,425,168	4,425,168	5,116,527
Over 90 days	25,693,682	25,693,681	14,169,291
Total premium receivables	513,057,110	512,310,761	376,547,382
Less: Allowance for doubtful accounts	(3,564,867)	(3,564,867)	(3,109,206)
Total premium receivables, net	509,492,243	508,745,894	373,438,176

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.

(Unaudited but reviewed)

5. Reinsurance assets

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Insurance reserves refundable from reinsurers			
Claim reserves and outstanding claims	140,357,404	140,356,957	116,933,537
Unearned premium reserves	393,994,643	393,922,786	397,966,873
Reinsurance assets	<u>534,352,047</u>	<u>534,279,743</u>	<u>514,900,410</u>

6. Receivables from reinsurance contracts

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Amounts due from reinsurers	<u>27,034,472</u>	<u>27,034,472</u>	<u>19,112,519</u>
Receivables from reinsurance contracts	<u>27,034,472</u>	<u>27,034,472</u>	<u>19,112,519</u>

As at 30 September 2017 and 31 December 2016, the balances of amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Not yet due	9,882,472	9,882,472	10,246,384
Not over 1 year	16,812,036	16,812,036	8,526,171
Over 1 year to 2 years	339,964	339,964	339,964
Total amounts due from reinsurers	<u>27,034,472</u>	<u>27,034,472</u>	<u>19,112,519</u>

7. Investments in securities

7.1 Classified by type of investments

As at 30 September 2017 and 31 December 2016, investments in securities classified by type of investments are as follows:

(Unit: Baht)

	Consolidated financial statements	
	30 September 2017	
	Cost/ Amortised cost	Fair value
Trading investments		
Equity securities	309,789,636	304,808,543
Warrants	-	791,321
Total	309,789,636	305,599,864
Less: Unrealised loss	(4,189,772)	-
Trading investments, net	305,599,864	305,599,864
Available-for-sale investments		
Government and state enterprise debt securities	100,000,000	102,011,524
Private debt securities	485,233,786	491,811,150
Equity securities	71,929,168	153,863,870
Unit trusts	1,262,769,814	1,337,245,726
Total	1,919,932,768	2,084,932,270
Add: Unrealised gain	164,999,502	-
Less: Allowance for impairment	(176,283)	(176,283)
Available-for-sale investments, net	2,084,755,987	2,084,755,987
Held-to-maturity investments		
Government and state enterprise debt securities	417,593,651	
Private debt securities	841,000	
Deposits at financial institutions which amounts maturing in over 3 months	157,092,214	
Total	575,526,865	
Less: Allowance for impairment	(841,000)	
Held-to-maturity investments, net	574,685,865	
Other investments		
Equity securities	3,720,650	
Other investments, net	3,720,650	
Total investments in securities	2,968,762,366	

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements			
	30 September 2017		31 December 2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	309,789,636	304,808,543	271,693,053	254,070,659
Warrants	-	791,321	-	980,398
Total	309,789,636	305,599,864	271,693,053	255,051,057
Less: Unrealised loss	(4,189,772)	-	(16,641,996)	-
Trading investments, net	305,599,864	305,599,864	255,051,057	255,051,057
Available-for-sale investments				
Government and state enterprise				
debt securities	100,000,000	102,011,524	10,000,000	10,394,582
Private debt securities	485,233,786	491,811,150	280,141,486	284,315,549
Equity securities	71,929,168	153,863,870	40,056,668	112,529,198
Unit trusts	1,262,769,814	1,337,245,726	1,521,399,310	1,560,119,497
Total	1,919,932,768	2,084,932,270	1,851,597,464	1,967,358,826
Add: Unrealised gain	164,999,502	-	115,761,362	-
Less: Allowance for impairment	(176,283)	(176,283)	(176,283)	(176,283)
Available-for-sale investments, net	2,084,755,987	2,084,755,987	1,967,182,543	1,967,182,543
Held-to-maturity investments				
Government and state enterprise				
debt securities	417,593,651		289,905,071	
Private debt securities	841,000		841,000	
Deposits at financial institutions				
which amounts maturing in over				
3 months	105,998,881		185,462,593	
Total	524,433,532		476,208,664	
Less: Allowance for impairment	(841,000)		(841,000)	
Held-to-maturity investments, net	523,592,532		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	2,917,669,033		2,701,321,914	

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

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the nine-month	For the nine-month	
	period ended	period ended	For the year ended
	30 September	30 September	31 December
	2017	2017	2016
Balance - beginning of the period	115,761,362	115,761,362	99,473,475
Changes during the period			
Gain on revaluation during the period	49,173,692	49,173,692	53,864,900
Loss (gain) on sales recognised in profit or loss during the period	64,448	64,448	(37,577,013)
Balance - end of the period	164,999,502	164,999,502	115,761,362
Less: Income tax	(32,999,900)	(32,999,900)	(23,152,272)
Balance - end of the period, net of income tax	131,999,602	131,999,602	92,609,090

7.3 Investments subject to restriction

As at 30 September 2017 and 31 December 2016, the Company had pledged the following assets as collateral.

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September	30 September	31 December
	2017	2017	2016
Government debt securities which pledged for			
Bail bond in cases where insured drivers have been charged with criminal offense	506,136	506,136	510,651
Guarantee electricity use	1,034,568	1,034,568	1,049,446
Deposit at bank which pledged for			
Bail bond in cases where insured drivers have been charged with criminal offense	3,132,932	3,132,932	5,853,382
Bank overdraft	3,000,000	3,000,000	3,000,000
Letter of bank guarantee	5,000,000	5,000,000	5,000,000
Total	12,673,636	12,673,636	15,413,479

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

8. Loans

As at 30 September 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:

(Unit: Baht)

Consolidated and separate financial statements							
30 September 2017							
Outstanding period	Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	3,797,391	-	2,420,842	-	6,218,233	-	6,218,233
Overdue							
Over 12 months	600,873	152,939	-	-	600,873	152,939	753,812
Total	4,398,264	152,939	2,420,842	-	6,819,106	152,939	6,972,045
Less: Allowance for doubtful accounts	(600,873)	(152,939)	-	-	(600,873)	(152,939)	(753,812)
Loans, net	3,797,391	-	2,420,842	-	6,218,233	-	6,218,233

(Unit: Baht)

Separate financial statements							
31 December 2016							
Outstanding period	Mortgage loans		Other loans		Total		
	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. Investment in subsidiary

Detail of investment in subsidiary as presented in separate financial statements is as follow:

Company's name	Paid up capital		Shareholding percentage		Cost	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2017	2016	2017	2016	2017	2016
	Thousand	Thousand	%	%	Thousand	Thousand
	Baht	Baht			Baht	Baht
Laovivat Insurance Co., Ltd.	67,200	-	70.0	-	67,200	-

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

Fair values of the assets acquired and the liabilities assumed on the acquisition date of Laovivat Insurance Co., Ltd. are presented below.

	(Unit: Baht)
Assets - Cash and cash equivalents	67,200,000
Liabilities	-
Net assets value	<u>67,200,000</u>
Cost of business combination	67,200,000
Value of net assets acquired by the Company	<u>47,520,000</u>
Cost of business acquisition higher than net assets value - Goodwill	<u><u>19,680,000</u></u>
Reconcile net cash	
Cash paid for acquisition of the subsidiary	67,200,000
Less: Cash and cash equivalents of the subsidiary	<u>(44,805,460)</u>
Net cash paid for acquisition of the subsidiary	<u><u>22,394,540</u></u>

10. Property, buildings and equipment

Movement of property, buildings and equipment for the nine-month period ended 30 September 2017 is summarised below:

(Unit: Baht)

	Consolidated and separate financial statements					Total
	Land	Buildings	Fixtures	Office equipment	Vehicles	
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	2,384,000	3,116,000	1,202,276	6,283,366	-	12,985,642
Disposals during period						
- net book value	-	-	(145)	(183,868)	(1)	(184,014)
Depreciation for the period	-	(2,489,542)	(3,218,727)	(4,902,326)	(6,030,737)	(16,641,332)
Net book value as at						
30 September 2017	<u>194,027,280</u>	<u>51,000,518</u>	<u>10,157,080</u>	<u>13,107,321</u>	<u>15,923,917</u>	<u>284,216,116</u>

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

As at 30 September 2017 and 31 December 2016, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Baht)

	Consolidated and separate financial statements		Separate financial statements	
	30 September 2017	31 December 2016	Changes in deferred tax assets or liabilities for the nine-month periods ended 30 September	
			2017	2016
Deferred tax assets				
Allowance for doubtful accounts	7,003,371	7,318,937	(315,566)	(2,752,703)
Unearned premium reserves	54,882,755	44,730,820	10,151,935	(13,510,455)
Provision for claim incurred but not yet reported and outstanding claims	30,267,849	33,691,739	(3,423,890)	9,590,948
Loss on changes in value of trading securities	837,954	3,328,400	(2,490,446)	(792,299)
Post employee benefit obligations	16,161,341	15,038,964	1,122,377	1,187,534
Total	<u>109,153,270</u>	<u>104,108,860</u>		
Deferred tax liabilities				
Gain on changes in value of available-for-sale securities	32,999,900	23,152,272		
Gain on exchange rate	-	28,789	(28,789)	-
Total	<u>32,999,900</u>	<u>23,181,061</u>		
Deferred tax assets, net	<u>76,153,370</u>	<u>80,927,799</u>		
Changes in deferred tax assets or liabilities that are recognised in profit or loss			<u>5,073,199</u>	<u>(6,276,975)</u>

11.2 Income tax expenses

The income tax expenses for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the three-month period ended 30 September 2017	For the three-month period ended 30 September 2017	For the three-month period ended 30 September 2016
Current income tax:			
Corporate income tax charge			
in accordance with Revenue Code	4,227,192	4,227,192	(2,173,853)
Deferred tax:			
Relating to origination and reversal of temporary differences	(1,629,131)	(1,629,131)	7,278,693
Income tax expenses reported in the statements of comprehensive income	2,598,061	2,598,061	5,104,840

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the nine-month period ended 30 September 2017	For the nine-month period ended 30 September 2017	For the nine-month period ended 30 September 2016
Current income tax:			
Corporate income tax charge			
in accordance with Revenue Code	7,419,199	7,419,199	-
Deferred tax:			
Relating to origination and reversal of temporary differences	(5,073,199)	(5,073,199)	6,276,975
Income tax expenses reported in the statements of comprehensive income	2,346,000	2,346,000	6,276,975

(Unaudited but reviewed)

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the three-month and the nine-month periods ended 30 September 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the three-month period ended 30 September 2017	For the three-month period ended 30 September 2017	For the three-month period ended 30 September 2016
Accounting profit before income tax expenses (loss)	22,150,993	22,300,823	(9,281,875)
Applicable corporate income tax rate	20%	20%	20%
Income tax at the applicable tax rate (loss)	4,460,165	4,460,165	(1,856,375)
Tax loss for the period that were not recognised as deferred tax assets	-	-	8,908,044
Tax effect of:			
Exempted income	(1,467,926)	(1,467,926)	(2,049,191)
Non-deductible expenses	(394,178)	(394,178)	102,362
Income tax expenses reported in the statements of comprehensive income	2,598,061	2,598,061	5,104,840

(Unit: Baht)

	Consolidated		Consolidated
	financial statements	Separate financial statements	financial statements
	For the nine-month period ended 30 September 2017	For the nine-month period ended 30 September 2017	For the nine-month period ended 30 September 2016
Accounting profit before income tax expenses	39,902,190	40,052,020	14,154,497
Applicable corporate income tax rate	20%	20%	20%
Income tax at the applicable tax rate	8,010,404	8,010,404	2,830,899
Tax loss for the period that were not recognised as deferred tax assets	-	-	8,908,044
Tax effect of:			
Exempted income	(4,907,467)	(4,907,467)	(5,814,540)
Non-deductible expenses	(756,937)	(756,937)	352,572
Income tax expenses reported in the statements of comprehensive income	2,346,000	2,346,000	6,276,975

12. Other assets

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Claim receivables from litigants, net	201,182,998	201,182,998	200,624,755
Advance payment of ceded premium	133,844,269	133,844,269	144,163,026
Deposits on rice field insurance scheme	53,600,131	53,600,131	129,694,643
Prepaid commission expenses	48,481,690	48,481,690	54,318,385
Receivable from sale of investments	-	-	49,517,705
Cash equivalents which subject to restrictions	8,270,000	8,270,000	8,023,048
Others	47,735,487	41,502,863	39,121,023
Total other assets	493,114,575	486,881,951	625,462,585

As at 30 September 2017, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 8.3 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.

13. Insurance contract liabilities

(Unit: Baht)

	Consolidated financial statements		
	30 September 2017		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,014,191,014	129,292,736	884,898,278
- Provision for claim incurred but not reported	21,186,009	11,064,668	10,121,341
Premium reserves			
- Unearned premium reserves	1,690,106,411	393,994,643	1,296,111,768
Total	2,725,483,434	534,352,047	2,191,131,387

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements		
	30 September 2017		
	Insurance contract	Liabilities	
	liabilities	on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,014,191,014	129,292,736	884,898,278
- Provision for claim incurred but not reported	21,159,442	11,064,221	10,095,221
Premium reserves			
- Unearned premium reserves	1,689,148,204	393,922,786	1,295,225,418
Total	<u>2,724,498,660</u>	<u>534,279,743</u>	<u>2,190,218,917</u>

(Unit: Baht)

	Separate financial statements		
	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	<u>2,576,140,340</u>	<u>514,900,410</u>	<u>2,061,239,930</u>

13.1 Claim reserves and outstanding claims

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the nine-month period ended	For the nine-month period ended	For the year ended
	30 September 2017	30 September 2017	31 December 2016
Balance - beginning of the period	1,000,058,660	1,000,058,660	907,610,011
Claim incurred and loss adjustment expenses for the period	1,412,230,465	1,412,230,465	1,998,972,004
Changes in claim reserves and assumptions	8,855,204	8,828,637	11,783,472
Claim and loss adjustment expenses paid during the period	(1,385,767,306)	(1,385,767,306)	(1,918,306,827)
Balance - end of the period	1,035,377,023	1,035,350,456	1,000,058,660

As at 30 September 2017, the Company has claim reserves and outstanding claims under reinsurance contracts of Baht 0.7 million (31 December 2016: Baht 0.6 million).

13.2 Unearned premium reserves

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the nine-month period ended	For the nine-month period ended	For the year ended
	30 September 2017	30 September 2017	31 December 2016
Balance - beginning of the period	1,576,081,680	1,576,081,680	1,574,100,477
Premium written for the period	2,602,064,292	2,600,959,265	3,229,683,365
Premium earned for the current period	(2,488,039,561)	(2,487,892,741)	(3,227,702,162)
Balance - end of the period	1,690,106,411	1,689,148,204	1,576,081,680

14. Amounts due to reinsurers

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Outward premium payable	342,267,879	342,267,879	376,343,664
Amounts withheld on reinsurances	281,788,440	281,734,520	103,761,130
Total amounts due to reinsurers	624,056,319	624,002,399	480,104,794

15. Other liabilities

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	30 September 2017	30 September 2017	31 December 2016
Premium received in advance	257,330,977	257,330,977	286,207,495
Accrued commissions	76,316,375	76,151,255	82,497,015
Accrued operating expenses	45,127,584	45,127,584	52,788,086
Payables on purchase of investments	9,891,719	9,891,719	11,322,460
Commission received in advance	61,906,593	61,906,593	65,891,436
Other payable	56,234,667	56,234,667	36,888,846
Others	74,531,046	74,498,947	81,896,734
Total other liabilities	581,338,961	581,141,742	617,492,072

16. Operating expenses

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the three-month period ended 30 September	For the three-month period ended 30 September	For the three-month period ended 30 September
	2017	2017	2016
Personal expenses which are not expenses for underwriting and claims	20,420,822	20,020,022	21,150,439
Property and equipment expenses which are not expenses for underwriting	20,821,627	20,736,867	20,567,371
Taxes and duties	242,729	242,729	197,488
Bad debts and doubtful accounts	553,440	553,440	370,926
Support services expenses	38,443,365	38,443,365	23,044,786
Advertising and promotion expenses	5,833,323	5,833,323	11,213,945
Other operating expenses	7,577,806	7,000,716	7,730,306
Total operating expenses	93,893,112	92,830,462	84,275,261

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the nine-month period ended 30 September	For the nine-month period ended 30 September	For the nine-month period ended 30 September
	2017	2017	2016
Personal expenses which are not expenses for underwriting and claims	61,637,414	61,236,614	58,636,428
Property and equipment expenses which are not expenses for underwriting	60,351,910	60,267,150	57,766,407
Taxes and duties	1,269,075	1,269,075	1,213,394
Reversal of bad debts and doubtful accounts	(2,514,456)	(2,514,456)	(5,299,316)
Support services expenses	113,018,953	113,018,953	84,593,480
Advertising and promotion expenses	29,015,870	29,015,870	32,184,323
Other operating expenses	24,611,910	24,034,820	22,965,958
Total operating expenses	287,390,676	286,328,026	252,060,674

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.

18. Dividend paid

Dividend declared during the periods consists of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 8 April 2017	15.15	0.05
Final dividends for 2015	Annual General Meeting of the shareholders on 8 April 2016	15.15	0.05

19. Related party transactions

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

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements	
	For the three-month period ended 30 September 2017	For the three-month period ended 30 September 2016	Pricing policies
Thai Reinsurance Plc.			
Premium ceded	77,769,027	34,828,588	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	7,782,705	15,030,760	As stated in the agreement upon normal commercial terms for business operations
Claims refunded	10,549,415	5,583,114	As occurred upon portion in the agreement
Reinsurance premium written	9,243	10,174	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	3,067	3,435	As stated in the agreement upon normal commercial terms for business operations
Claim expenses	49,352	67,167	As stated in the agreement upon normal commercial terms for business operations
Dividend income	146,666	366,952	As declared

(Unaudited but reviewed)

(Unit: Baht)

	Consolidated and separate financial statements		Pricing policies
	Separate financial statements		
	For the three-month period ended 30 September		
	2017	2016	
Road Accident Victims Protection Co., Ltd.			
Contribution expenses	2,508,991	2,429,282	At 12.25% of premium written received from insurers under the Protection for Motor Vehicle Accident Victims Act B.E. 2535
Other income	1,441,690	-	As stated in the agreement upon normal commercial terms for business operations
T.I.I. Co., Ltd.			
Dividend income	13,680	-	As declared

(Unit: Baht)

	Consolidated and separate financial statements		Pricing policies
	Separate financial statements		
	For the nine-month period ended 30 September		
	2017	2016	
Thai Reinsurance Plc.			
Premium ceded	118,102,231	108,731,433	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	18,821,784	46,675,287	As stated in the agreement upon normal commercial terms for business operations
Claims refunded	25,342,327	14,264,348	As occurred upon portion in the agreement
Reinsurance premium written	27,567	32,441	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	16,598	8,299	As stated in the agreement upon normal commercial terms for business operations
Claim expenses	431,003	136,940	As stated in the agreement upon normal commercial terms for business operations
Dividend income	183,476	366,952	As declared

(Unaudited but reviewed)

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements	
	For the nine-month period ended 30 September 2017	For the nine-month period ended 30 September 2016	Pricing policies
Road Accident Victims Protection Co., Ltd.			
Contribution expenses	7,721,005	7,897,710	At 12.25% of premium written received from insurers under the Protection for Motor Vehicle Accident Victims Act B.E. 2535
Other income	4,440,840	3,158,685	As stated in the agreement upon normal commercial terms for business operations
T.I.I. Co., Ltd.			
Dividend income	20,250	20,250	As declared
Paiboonwattana Co., Ltd.			
Other income	41,040	27,360	As stated in the agreement upon normal commercial terms for business operations

As at 30 September 2017 and 31 December 2016, the Company had the following significant balances of assets and liabilities with its related parties:

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	30 September 2017	31 December 2016
Thai Reinsurance Plc.		
Receivables from reinsurance contracts	11,442,421	9,793,193
Investments in equity securities	6,825,311	7,632,605
Amounts due to reinsurers	101,428,372	82,466,736
Road Accident Victims Protection Co., Ltd.		
Investments in equity securities	3,518,150	3,518,150
Other assets	1,459,585	-
Other liabilities	2,508,991	2,432,167
T.I.I. Co., Ltd.		
Investments in equity securities	202,500	202,500
Vichitbhan Palmoil Plc.		
Investments in equity securities	103,000	147,000

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2017 and 2016, the Company had employee benefit expenses to their directors and management as below.

(Unit: Million Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the three-month period ended 30 September	For the three-month period ended 30 September
	2017	2016
Short-term employee benefits	22.0	20.5
Post employee benefits	1.5	1.4
Total	23.5	21.9

(Unit: Million Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the nine-month period ended 30 September	For the nine-month period ended 30 September
	2017	2016
Short-term employee benefits	64.4	51.9
Post employee benefits	4.5	4.2
Total	68.9	56.1

20. Segment information

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

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

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

The subsidiary company is principally engaged in non-life insurance. However, since the subsidiary just started the operation this year, the segment information is therefore presented in the combined basis.

Segment revenue and profit information for the three-month and nine-month periods ended 30 September 2017 and 2016 are as follows:

(Unit: Baht)

Consolidated financial statements							
For the three-month period ended 30 September 2017							
Total of the Company							
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiary	Total
Underwriting income							
Gross premium written	40,243,613	1,979,253	644,176,617	277,203,274	963,602,757	1,105,027	964,707,784
Less: Premium ceded to reinsurers	(27,863,425)	(696,461)	(69,519,902)	(190,274,807)	(288,354,595)	(73,862)	(288,428,457)
Net premium written	12,380,188	1,282,792	574,656,715	86,928,467	675,248,162	1,031,165	676,279,327
Add (less): Unearned premium reserves (increase) decrease from prior period	530,007	885,964	(39,496,922)	(6,383,371)	(44,464,322)	(886,349)	(45,350,671)
Net earned premium	12,910,195	2,168,756	535,159,793	80,545,096	630,783,840	144,816	630,928,656
Fee and commission income	13,649,045	128,484	22,277,466	21,209,533	57,264,528	19,943	57,284,471
Total underwriting income	26,559,240	2,297,240	557,437,259	101,754,629	688,048,368	164,759	688,213,127
Underwriting expenses							
Claim and loss adjustment expenses	1,715,195	(468,172)	337,675,813	44,148,888	383,071,724	183,480	383,255,204
Commission and brokerage expenses	8,850,964	253,547	114,026,428	19,687,700	142,818,639	165,120	142,983,759
Other underwriting expenses	1,223,950	68,388	58,844,869	9,668,841	69,806,048	274,401	70,080,449
Total underwriting expenses before operating expenses	11,790,109	(146,237)	510,547,110	73,505,429	595,696,411	623,001	596,319,412
Profit (loss) from underwriting before operating expenses	14,769,131	2,443,477	46,890,149	28,249,200	92,351,957	(458,242)	91,893,715
Operating expenses					(92,830,462)	(1,062,650)	(93,893,112)
Loss from underwriting					(478,505)	(1,520,892)	(1,999,397)
Net investment income					15,764,376	1,371,062	17,135,438
Loss from investments					(1,745,779)	-	(1,745,779)
Gain on fair value adjustments					6,725,828	-	6,725,828
Other income					2,034,903	-	2,034,903
Profit (loss) before income tax expenses					22,300,823	(149,830)	22,150,993
Income tax expenses					(2,598,061)	-	(2,598,061)
Profit (loss) for the period					19,702,762	(149,830)	19,552,932

(Unaudited but reviewed)

(Unit: Baht)

Consolidated financial statements							
For the nine-month period ended 30 September 2017							
Total of the Company							
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiary	Total
Underwriting income							
Gross premium written	118,762,490	9,835,010	1,875,495,948	596,865,814	2,600,959,265	1,105,027	2,602,064,292
Less: Premium ceded to reinsurers	(81,253,764)	(3,177,993)	(203,490,543)	(362,251,391)	(650,173,691)	(73,862)	(650,247,553)
Net premium written	37,508,729	6,657,017	1,672,005,405	234,614,423	1,950,785,574	1,031,165	1,951,816,739
Add (less): Unearned premium reserves (increase) decrease from prior period	719,590	564,749	(124,623,078)	6,228,126	(117,110,613)	(886,349)	(117,996,962)
Net earned premium	38,228,319	7,221,766	1,547,382,327	240,842,549	1,833,674,961	144,816	1,833,819,777
Fee and commission income	39,599,239	544,565	69,305,983	53,416,826	162,866,613	19,943	162,886,556
Total underwriting income	<u>77,827,558</u>	<u>7,766,331</u>	<u>1,616,688,310</u>	<u>294,259,375</u>	<u>1,996,541,574</u>	<u>164,759</u>	<u>1,996,706,333</u>
Underwriting expenses							
Claim and loss adjustment expenses	3,865,548	715,370	1,002,462,730	120,318,480	1,127,362,128	183,480	1,127,545,608
Commission and brokerage expenses	26,560,792	1,194,388	332,150,603	67,370,962	427,276,745	165,120	427,441,865
Other underwriting expenses	3,988,688	440,608	144,156,295	30,193,880	178,779,471	274,401	179,053,872
Total underwriting expenses before operating expenses	<u>34,415,028</u>	<u>2,350,366</u>	<u>1,478,769,628</u>	<u>217,883,322</u>	<u>1,733,418,344</u>	<u>623,001</u>	<u>1,734,041,345</u>
Profit (loss) from underwriting before operating expenses	<u>43,412,530</u>	<u>5,415,965</u>	<u>137,918,682</u>	<u>76,376,053</u>	263,123,230	(458,242)	262,664,988
Operating expenses					(286,328,026)	(1,062,650)	(287,390,676)
Loss from underwriting					(23,204,796)	(1,520,892)	(24,725,688)
Net investment income					46,912,861	1,371,062	48,283,923
Gain on investments					36,684	-	36,684
Gain on fair value adjustments					12,452,224	-	12,452,224
Other income					3,855,047	-	3,855,047
Profit (loss) before income tax expenses					40,052,020	(149,830)	39,902,190
Income tax expenses					(2,346,000)	-	(2,346,000)
Profit (loss) for the period					<u>37,706,020</u>	<u>(149,830)</u>	<u>37,556,190</u>

(Unaudited but reviewed)

(Unit: Baht)

Separate financial statements					
For the three-month period ended 30 September 2016					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	40,727,173	5,238,693	553,840,183	116,340,116	716,146,165
Less: Premium ceded to reinsurers	(30,032,740)	(2,642,596)	(78,068,894)	(37,533,853)	(148,278,083)
Net premium written	10,694,433	2,596,097	475,771,289	78,806,263	567,868,082
Add (less): Unearned premium reserves (increase) decrease from prior period	1,679,754	26,071	57,803,472	(3,177,407)	56,331,890
Net earned premium	12,374,187	2,622,168	533,574,761	75,628,856	624,199,972
Fee and commission income	13,732,409	483,976	32,474,836	10,957,173	57,648,394
Total underwriting income	26,106,596	3,106,144	566,049,597	86,586,029	681,848,366
Underwriting expenses					
Claim and loss adjustment expenses	2,227,497	628,352	387,538,849	36,164,282	426,558,980
Commission and brokerage expenses	9,532,303	515,241	98,026,788	22,211,337	130,285,669
Other underwriting expenses	1,618,607	349,471	59,499,154	6,013,432	67,480,664
Total underwriting expenses before operating expenses	13,378,407	1,493,064	545,064,791	64,389,051	624,325,313
Profit from underwriting before operating expenses	12,728,189	1,613,080	20,984,806	22,196,978	57,523,053
Operating expenses					(84,275,261)
Loss from underwriting					(26,752,208)
Net investment income					20,443,025
Gain on investments					5,133,886
Loss on fair value adjustments					(10,545,663)
Other income					2,439,085
Loss before income tax expenses					(9,281,875)
Income tax expenses					(5,104,840)
Loss for the period					(14,386,715)

(Unaudited but reviewed)

(Unit: Baht)

Separate financial statements					
For the nine-month period ended 30 September 2016					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	123,377,203	14,632,103	1,757,851,149	399,126,396	2,294,986,851
Less: Premium ceded to reinsurers	(91,007,137)	(5,545,135)	(246,474,532)	(167,051,825)	(510,078,629)
Net premium written	32,370,066	9,086,968	1,511,376,617	232,074,571	1,784,908,222
Add (less): Unearned premium reserves (increase) decrease from prior period	2,983,001	(477,238)	67,323,648	(10,267,096)	59,562,315
Net earned premium	35,353,067	8,609,730	1,578,700,265	221,807,475	1,844,470,537
Fee and commission income	40,091,043	739,249	86,838,817	43,835,148	171,504,257
Total underwriting income	75,444,110	9,348,979	1,665,539,082	265,642,623	2,015,974,794
Underwriting expenses					
Claim and loss adjustment expenses	7,377,487	5,179,951	1,112,397,834	111,380,587	1,236,335,859
Commission and brokerage expenses	28,288,536	1,340,993	311,079,372	70,076,510	410,785,411
Other underwriting expenses	4,274,115	724,509	155,445,248	19,582,244	180,026,116
Total underwriting expenses before operating expenses	39,940,138	7,245,453	1,578,922,454	201,039,341	1,827,147,386
Profit from underwriting before operating expenses	35,503,972	2,103,526	86,616,628	64,603,282	188,827,408
Operating expenses					(252,060,674)
Loss from underwriting					(63,233,266)
Net investment income					50,008,204
Gain on investments					16,023,259
Gain on fair value adjustments					3,961,494
Other income					7,394,806
Profit before income tax expenses					14,154,497
Income tax expenses					(6,276,975)
Profit for the period					7,877,522

For the nine-month periods ended 30 September 2017 and 2016, the Company has premium written from three major brokers in amounting of Baht 1,187.4 million and Baht 1,171.0 million, respectively.

(Unaudited but reviewed)

Segment assets and liabilities as at 30 September 2017 and 31 December 2016 are as follows:

(Unit: Baht)

Consolidated financial statements								
Total of the Company								
	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total	Total of subsidiary	Total
Assets								
As at 30 September 2017	184,197,047	2,714,680	636,211,607	604,919,551	3,751,116,157	5,179,159,042	17,086,083	5,196,245,125
Liabilities								
As at 30 September 2017	311,988,713	7,697,655	2,336,880,225	832,588,059	523,481,062	4,012,635,714	1,235,913	4,013,871,627

(Unit: Baht)

Separate financial statements						
	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total
Assets						
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 December 2016	345,131,532	8,693,610	2,240,548,494	816,994,503	337,742,253	3,749,110,392

21. Assets pledged and assets reserved with the Registrar

As at 30 September 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)

	Consolidated financial statements		Separate financial statements			
	30 September 2017		30 September 2017		31 December 2016	
	Amortised cost	Fair value	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged						
Fixed deposits	21.3	21.3	-	-	-	-
Government bonds	15.1	16.2	15.1	16.2	15.1	16.1
Total	36.4	37.5	15.1	16.2	15.1	16.1
Assets reserved						
Government bonds	128.3	131.6	128.3	131.6	150.3	150.4
Certificate of deposits	50.0	50.0	50.0	50.0	80.0	80.0
Private debt securities	130.0	135.7	130.0	135.7	50.0	53.5
Total	308.3	317.3	308.3	317.3	280.3	283.9
Total	344.7	354.8	323.4	333.5	295.4	300.0

22. Commitments and contingent liabilities

22.1 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 30 September 2017 and 31 December 2016, future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	Separate financial statements
	30 September 2017	31 December 2016
Payable:		
Within 1 year	0.8	0.8
Over 1 year and not over 5 years	1.5	2.0

22.2 Bank guarantees

As at 30 September 2017 and 31 December 2016, there were outstanding bank guarantees of Baht 1.2 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

22.3 Litigation

As at 30 September 2017, the Company has been sued as insurer for damages totaling approximately Baht 54.6 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 15.8 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).

23. Fair value of financial instruments

As at 30 September 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)

	Consolidated and separate financial statements			
	30 September 2017			
	Book value	Fair value		
	Level 1	Level 2	Total	
Held for trading investments				
Equity securities	304.8	304.8	-	304.8
Warrants	0.8	0.8	-	0.8
Available-for-sale investments				
Government and state enterprise				
debt securities	102.0	-	102.0	102.0
Private debt securities	491.8	-	491.8	491.8
Equity securities	153.7	153.7	-	153.7
Unit trusts	1,337.2	140.4	1,196.8	1,337.2

(Unit: Baht)

	Separate financial statements			
	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.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 November 2017.