

Thaivivat Insurance Public Company Limited and its subsidiary  
Review report and interim financial statements  
30 June 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 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, the consolidated statements of changes in equity and cash flows for the six-month period then ended, as well as the condensed notes to the 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: 11 August 2017

**Thaivivat Insurance Public Company Limited**

**Statements of financial position**

**As at 30 June 2017**

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		30 June 2017	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>				
Cash and cash equivalents	3	315,678,463	271,939,800	228,894,842
Premium receivables	4	366,138,461	366,138,461	373,438,176
Accrued investment income		7,167,849	7,167,849	6,811,253
Reinsurance assets	5	430,357,877	430,357,877	514,900,410
Reinsurance from receivables contracts	6	24,201,100	24,201,100	19,112,519
Investment assets				
Investments in securities	7	2,809,788,290	2,787,921,623	2,701,321,914
Loans	8	6,191,053	6,191,053	7,380,528
Investment in subsidiary	9	-	67,200,000	-
Property, buildings and equipment	10	281,865,835	281,865,835	288,055,820
Goodwill	9	19,680,000	-	-
Intangible assets - computer software		6,941,191	6,941,191	7,381,302
Deferred tax assets	11	84,718,986	84,718,986	80,927,799
Other assets	12	502,813,973	502,813,973	625,462,585
<b>Total assets</b>		<b>4,855,543,078</b>	<b>4,837,457,748</b>	<b>4,853,687,148</b>

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

**Thaivivat Insurance Public Company Limited**

**Statements of financial position (Continued)**

**As at 30 June 2017**

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		30 June 2017	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	13	2,546,296,953	2,546,296,953	2,576,140,340
Due to reinsurers	14	496,684,393	496,684,393	480,104,794
Income tax payable		102,368	102,368	178,364
Employee benefit obligations		78,936,078	78,936,078	75,194,822
Other liabilities	15	609,401,710	609,396,380	617,492,072
<b>Total liabilities</b>		<b>3,731,421,502</b>	<b>3,731,416,172</b>	<b>3,749,110,392</b>
<b>Owners' equity</b>				
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		517,720,957	517,720,957	514,867,659
Other components of equity				
Surplus on changes in value of available-for-sale investments				
	7.2	91,220,612	91,220,612	92,609,090
Exchange differences on translation of financial statements in foreign currency				
		(1,600,000)	-	-
<b>Equity attributable to shareholders of the Company</b>		<b>1,104,441,576</b>	<b>1,106,041,576</b>	<b>1,104,576,756</b>
Non-controlling interests of the subsidiary		19,680,000	-	-
<b>Total owners' equity</b>		<b>1,124,121,576</b>	<b>1,106,041,576</b>	<b>1,104,576,756</b>
<b>Total liabilities and owners' equity</b>		<b>4,855,543,078</b>	<b>4,837,457,748</b>	<b>4,853,687,148</b>
		-	-	-

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 June 2017**

(Unit: Baht)

	Note	Consolidated		
		financial statements	Separate financial statements	
		2017	2017	2016
<b>Profit or loss:</b>				
<b>Income</b>				
Gross premium written		800,007,943	800,007,943	793,095,342
Less: Premium ceded to reinsurers		(180,398,524)	(180,398,524)	(204,355,899)
Net premium written		619,609,419	619,609,419	588,739,443
Add (less): Unearned premium reserves (increase)				
decrease from prior period		(14,490,093)	(14,490,093)	25,237,763
Net earned premium		605,119,326	605,119,326	613,977,206
Fee and commission income		56,439,180	56,439,180	57,100,710
Net investment income		16,598,566	16,598,566	17,239,784
Gain (loss) on investments		(5,836,767)	(5,836,767)	13,152,444
Fair value gain (loss) on investments		16,015,186	16,015,186	(3,097,685)
Other income		654,047	654,047	2,462,698
<b>Total income</b>		<b>688,989,538</b>	<b>688,989,538</b>	<b>700,835,157</b>
<b>Expenses</b>				
Claim and loss adjustment expenses		472,089,823	472,089,823	447,186,985
Less: Claim recovered from reinsurers		(92,109,004)	(92,109,004)	(68,451,070)
Commission and brokerage expenses		144,460,889	144,460,889	141,487,586
Other underwriting expenses		61,051,492	61,051,492	62,654,551
Operating expenses	16	103,407,289	103,407,289	93,771,349
<b>Total expenses</b>		<b>688,900,489</b>	<b>688,900,489</b>	<b>676,649,401</b>
<b>Profit before income tax</b>		<b>89,049</b>	<b>89,049</b>	<b>24,185,756</b>
Income tax revenue (expenses)	11	1,830,785	1,830,785	(2,528,027)
<b>Profit for the period</b>		<b>1,919,834</b>	<b>1,919,834</b>	<b>21,657,729</b>

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 June 2017**

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
Note	2017	2017	2016
<b>Other comprehensive income:</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements in foreign currency	(1,600,000)	-	-
Loss on changes in value of available-for-sale investments	(10,366,876)	(10,366,876)	(9,689,564)
Income tax effect	2,073,375	2,073,375	1,937,913
<b>Other comprehensive income for the period</b>			
<b>- net of income tax (loss)</b>	<u>(9,893,501)</u>	<u>(8,293,501)</u>	<u>(7,751,651)</u>
<b>Total comprehensive income for the period (loss)</b>	<u>(7,973,667)</u>	<u>(6,373,667)</u>	<u>13,906,078</u>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company	1,919,834	1,919,834	21,657,729
Non-controlling interests of the subsidiary	-	-	-
	<u>1,919,834</u>		
<b>Total comprehensive income (loss) for the period</b> <b>attributable to:</b>			
Equity holders of the Company	(7,973,667)	(6,373,667)	13,906,078
Non-controlling interests of the subsidiary	-	-	-
	<u>(7,973,667)</u>		
<b>Earnings per share</b>	17		
Basic earnings per share			
Profit attributable to equity holders of the Company	<u>0.01</u>	<u>0.01</u>	<u>0.07</u>

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 six-month period ended 30 June 2017**

(Unit: Baht)

	Consolidated			
	Note	financial statements 2017	Separate financial statements 2017	2016
<b>Profit or loss:</b>				
<b>Income</b>				
Gross premium written		1,637,356,508	1,637,356,508	1,578,840,686
Less: Premium ceded to reinsurers		(361,819,096)	(361,819,096)	(361,800,546)
Net premium written		1,275,537,412	1,275,537,412	1,217,040,140
Add (less): Unearned premium reserves (increase)				
decrease from prior period		(72,646,291)	(72,646,291)	3,230,425
Net earned premium		1,202,891,121	1,202,891,121	1,220,270,565
Fee and commission income		105,602,085	105,602,085	113,855,863
Net investment income		31,148,485	31,148,485	29,565,179
Gain on investments		1,782,463	1,782,463	10,889,373
Fair value gain on investments		5,726,396	5,726,396	14,507,157
Other income		1,820,144	1,820,144	4,955,721
<b>Total income</b>		<b>1,348,970,694</b>	<b>1,348,970,694</b>	<b>1,394,043,858</b>
<b>Expenses</b>				
Claim and loss adjustment expenses		926,327,460	926,327,460	966,695,719
Less: Claim recovered from reinsurers		(182,037,056)	(182,037,056)	(156,918,840)
Commission and brokerage expenses		284,458,106	284,458,106	280,499,742
Other underwriting expenses		108,973,423	108,973,423	112,545,452
Operating expenses	16	193,497,564	193,497,564	167,785,413
<b>Total expenses</b>		<b>1,331,219,497</b>	<b>1,331,219,497</b>	<b>1,370,607,486</b>
<b>Profit before income tax</b>		<b>17,751,197</b>	<b>17,751,197</b>	<b>23,436,372</b>
Income tax revenue (expenses)	11	252,061	252,061	(1,172,135)
<b>Profit for the period</b>		<b>18,003,258</b>	<b>18,003,258</b>	<b>22,264,237</b>

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 six-month period ended 30 June 2017**

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
Note	2017	2017	2016
<b>Other comprehensive income:</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of financial statements in foreign currency	(1,600,000)	-	-
Gain (loss) on changes in value of available-for-sale investments	(1,735,597)	(1,735,597)	24,067,381
Income tax effect	347,119	347,119	(4,813,476)
<b>Other comprehensive income for the period</b>			
<b>- net of income tax (loss)</b>	<b>(2,988,478)</b>	<b>(1,388,478)</b>	<b>19,253,905</b>
<b>Total comprehensive income for the period</b>	<b>15,014,780</b>	<b>16,614,780</b>	<b>41,518,142</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company	18,003,258	18,003,258	22,264,237
Non-controlling interests of the subsidiary	-	-	-
	<b>18,003,258</b>		
<b>Total comprehensive income for the period</b>			
<b>attributable to:</b>			
Equity holders of the Company	15,014,780	16,614,780	41,518,142
Non-controlling interests of the subsidiaries	-	-	-
	<b>15,014,780</b>		
<b>Earnings per share</b>	17		
Basic earnings per share			
Profit attributable to equity holders of the Company	0.06	0.06	0.07

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 six-month period ended 30 June 2017**

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
<b>Cash flows from (used in) operating activities</b>			
Direct premium written	1,626,220,878	1,626,220,878	1,618,516,056
Cash paid for reinsurance	(80,782,584)	(80,782,584)	(40,121,281)
Interest income	12,180,146	12,180,146	10,941,061
Dividend income	19,366,715	19,366,715	20,442,791
Other investment income	1,388,900	1,388,900	1,612,130
Other income	538,764	538,764	3,451,391
Claim incurred on direct insurance	(835,720,340)	(835,720,340)	(821,670,605)
Loss adjustment expenses on direct insurance	(14,882,355)	(14,882,355)	(14,884,005)
Commission and brokerage on direct insurance	(286,032,128)	(286,032,128)	(291,618,872)
Other underwriting expenses	(61,049,183)	(61,049,183)	(73,416,205)
Operating expenses	(293,002,049)	(293,002,049)	(264,095,895)
Income tax	(3,833,253)	(3,833,253)	(3,702,798)
Investments in securities	2,547,855	2,547,855	(354,184,893)
Investments in subsidiary	(22,394,540)	(67,200,000)	-
Loans	3,159,686	3,159,686	1,318,140
Deposits at financial institutions	40,075,649	40,075,649	100,503,016
<b>Net cash from (used in) operating activities</b>	<b>107,782,161</b>	<b>62,976,701</b>	<b>(106,909,969)</b>
<b>Cash flows from (used in) investing activities</b>			
Property, buildings and equipment	(4,781,783)	(4,781,783)	(11,377,903)
<b>Net cash used in investing activities</b>	<b>(4,781,783)</b>	<b>(4,781,783)</b>	<b>(11,377,903)</b>
<b>Cash flows from (used in) financial activities</b>			
Dividend paid	(15,149,960)	(15,149,960)	(15,149,990)
<b>Net cash used in financial activities</b>	<b>(15,149,960)</b>	<b>(15,149,960)</b>	<b>(15,149,990)</b>
<b>Decrease in translation adjustments</b>	<b>(1,066,797)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>87,850,418</b>	<b>43,044,958</b>	<b>(133,437,862)</b>
Cash and cash equivalents at beginning of period	228,894,842	228,894,842	326,834,483
<b>Cash and cash equivalents at end of period</b>	<b>315,678,463</b>	<b>271,939,800</b>	<b>193,396,621</b>

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 six-month period ended 30 June 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			
<b>Balance as at 1 January 2017</b>	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	-	-	-	18,003,258	-	-	18,003,258	-	18,003,258
Other comprehensive income for the period (loss)	-	-	-	-	(1,388,478)	(1,600,000)	(2,988,478)	-	(2,988,478)
Total comprehensive income for the period (loss)	-	-	-	18,003,258	(1,388,478)	(1,600,000)	15,014,780	-	15,014,780
Increase in non-controlling interest from investment in the subsidiary	-	-	-	-	-	-	-	19,680,000	19,680,000
Dividend paid during the period (Note 18)	-	-	-	(15,149,960)	-	-	(15,149,960)	-	(15,149,960)
<b>Balance as at 30 June 2017</b>	<b>303,000,000</b>	<b>163,800,007</b>	<b>30,300,000</b>	<b>517,720,957</b>	<b>91,220,612</b>	<b>(1,600,000)</b>	<b>1,104,441,576</b>	<b>19,680,000</b>	<b>1,124,121,576</b>

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 six-month period ended 30 June 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		
<b>Balance as at 1 January 2016</b>	303,000,000	163,800,007	30,300,000	498,198,502	99,473,475	1,094,771,984
Profit for the period	-	-	-	22,264,237	-	22,264,237
Other comprehensive income for the period	-	-	-	-	19,253,905	19,253,905
Total comprehensive income for the period	-	-	-	22,264,237	19,253,905	41,518,142
Dividend paid during the period (Note 18)	-	-	-	(15,149,990)	-	(15,149,990)
<b>Balance as at 30 June 2016</b>	303,000,000	163,800,007	30,300,000	505,312,749	118,727,380	1,121,140,136
<b>Balance as at 1 January 2017</b>	303,000,000	163,800,007	30,300,000	514,867,659	92,609,090	1,104,576,756
Profit for the period	-	-	-	18,003,258	-	18,003,258
Other comprehensive income for the period (loss)	-	-	-	-	(1,388,478)	(1,388,478)
Total comprehensive income for the period (loss)	-	-	-	18,003,258	(1,388,478)	16,614,780
Dividend paid during the period (Note 18)	-	-	-	(15,149,960)	-	(15,149,960)
<b>Balance as at 30 June 2017</b>	303,000,000	163,800,007	30,300,000	517,720,957	91,220,612	1,106,041,576

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 six-month periods ended 30 June 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 June 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, account for 70% of shareholding. The subsidiary is therefore fully consolidated, being the date on 31 May 2017 which the Company obtains 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.
- (c) 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 June 2017	30 June 2017	31 December 2016
Cash on hand	3,315,146	3,315,146	7,160,496
Deposits at banks with no fixed maturity date	308,936,321	265,197,658	218,435,457
Deposits at banks and certificate of deposit with fixed maturity date	3,426,996	3,426,996	3,298,889
Cash and cash equivalents	315,678,463	271,939,800	228,894,842

As at 30 June 2017, saving deposits and fixed deposits carried interest between 0.25% and 0.75% per annum (31 December 2016: between 0.25% and 1.50% per annum).

**4. Premium receivables**

The balances as at 30 June 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 and separate	
	financial statements	Separate financial statements
	30 June 2017	31 December 2016
Not yet due	280,009,088	313,609,226
Not over 30 days	49,793,328	32,536,083
Over 30 days to 60 days	21,756,468	11,116,255
Over 60 days to 90 days	3,990,038	5,116,527
Over 90 days	13,600,967	14,169,291
Total premium receivables	369,149,889	376,547,382
Less: Allowance for doubtful accounts	(3,011,428)	(3,109,206)
Total premium receivables, net	366,138,461	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.

**5. Reinsurance assets**

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	30 June 2017	31 December 2016
Insurance reserves refundable from reinsurers		
Claim reserves and outstanding claims	118,921,265	116,933,537
Unearned premium reserves	311,436,612	397,966,873
Reinsurance assets	<u>430,357,877</u>	<u>514,900,410</u>

**6. Receivables from reinsurance contracts**

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	30 June 2017	31 December 2016
Amounts due from reinsurers	24,201,100	19,112,519
Receivables from reinsurance contracts	<u>24,201,100</u>	<u>19,112,519</u>

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

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	30 June 2017	31 December 2016
Not yet due	9,566,520	10,246,384
Not over 1 year	14,294,616	8,526,171
Over 1 year to 2 years	339,964	339,964
Total amounts due from reinsurers	<u>24,201,100</u>	<u>19,112,519</u>



## 7. Investments in securities

### 7.1 Classified by type of investments

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

	(Unit: Baht)	
	Consolidated financial statements	
	30 June 2017	
	Cost/ Amortised cost	Fair value
<b>Trading investments</b>		
Equity securities	286,255,050	274,457,092
Warrants	-	882,358
Total	286,255,050	275,339,450
Less: Unrealised loss	(10,915,600)	-
<b>Trading investments, net</b>	275,339,450	275,339,450
<b>Available-for-sale investments</b>		
Government and state enterprise debt securities	100,025,663	101,326,868
Private debt securities	240,122,091	244,907,991
Equity securities	71,929,168	142,846,345
Unit trusts	1,295,845,111	1,332,866,594
Total	1,707,922,033	1,821,947,798
Add: Unrealised gain	114,025,765	-
Less: Allowance for impairment	(176,283)	(176,283)
<b>Available-for-sale investments, net</b>	1,821,771,515	1,821,771,515
<b>Held-to-maturity investments</b>		
Government and state enterprise debt securities	441,150,016	
Private debt securities	100,841,000	
Deposits at financial institutions which amounts maturing in over 3 months	167,806,659	
Total	709,797,675	
Less: Allowance for impairment	(841,000)	
<b>Held-to-maturity investments, net</b>	708,956,675	
<b>Other investments</b>		
Equity securities	3,720,650	
<b>Other investments, net</b>	3,720,650	
<b>Total investments in securities</b>	2,809,788,290	

(Unaudited but reviewed)

(Unit: Baht)

	Separate financial statements			
	30 June 2017		31 December 2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments</b>				
Equity securities	286,255,050	274,457,092	271,693,053	254,070,659
Warrants	-	882,358	-	980,398
Total	286,255,050	275,339,450	271,693,053	255,051,057
Less: Unrealised loss	(10,915,600)	-	(16,641,996)	-
<b>Trading investments, net</b>	<b>275,339,450</b>	<b>275,339,450</b>	<b>255,051,057</b>	<b>255,051,057</b>
<b>Available-for-sale investments</b>				
Government and state enterprise				
debt securities	100,025,663	101,326,868	10,000,000	10,394,582
Private debt securities	240,122,091	244,907,991	280,141,486	284,315,549
Equity securities	71,929,168	142,846,345	40,056,668	112,529,198
Unit trusts	1,295,845,111	1,332,866,594	1,521,399,310	1,560,119,497
Total	1,707,922,033	1,821,947,798	1,851,597,464	1,967,358,826
Add: Unrealised gain	114,025,765	-	115,761,362	-
Less: Allowance for impairment	(176,283)	(176,283)	(176,283)	(176,283)
<b>Available-for-sale investments, net</b>	<b>1,821,771,515</b>	<b>1,821,771,515</b>	<b>1,967,182,543</b>	<b>1,967,182,543</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise				
debt securities	441,150,016		289,905,071	
Private debt securities	100,841,000		841,000	
Deposits at financial institutions				
which amounts maturing in over				
3 months	145,939,992		185,462,593	
Total	687,931,008		476,208,664	
Less: Allowance for impairment	(841,000)		(841,000)	
<b>Held-to-maturity investments, net</b>	<b>687,090,008</b>		<b>475,367,664</b>	
<b>Other investments</b>				
Equity securities	3,720,650		3,720,650	
<b>Other investments, net</b>	<b>3,720,650</b>		<b>3,720,650</b>	
<b>Total investments in securities</b>	<b>2,787,921,623</b>		<b>2,701,321,914</b>	

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

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the six-month period ended 30 June 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	742,384	53,864,900
Gain on sales recognised in profit or loss during the period	(2,477,981)	(37,577,013)
Balance - end of the period	114,025,765	115,761,362
Less: Income tax	(22,805,153)	(23,152,272)
Balance - end of the period, net of income tax	<u>91,220,612</u>	<u>92,609,090</u>

## 7.3 Investments subject to restriction

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

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	30 June 2017	31 December 2016
Government debt securities which pledged for		
Bail bond in cases where insured drivers have been charged with criminal offense	507,657	510,651
Guarantee electricity use	1,039,592	1,049,446
Deposit at bank which pledged for		
Bail bond in cases where insured drivers have been charged with criminal offense	5,651,977	5,853,382
Bank overdraft	3,000,000	3,000,000
Bank guarantee	5,000,000	5,000,000
Total	<u>15,199,226</u>	<u>15,413,479</u>

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 June 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 June 2017							
Outstanding period	Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	4,040,727	-	2,150,326	-	6,191,053	-	6,191,053
Overdue							
Over 12 months	600,873	152,939	-	-	600,873	152,939	753,812
Total	4,641,600	152,939	2,150,326	-	6,791,926	152,939	6,944,865
Less: Allowance for doubtful accounts	(600,873)	(152,939)	-	-	(600,873)	(152,939)	(753,812)
Loans, net	4,040,727	-	2,150,326	-	6,191,053	-	6,191,053

(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 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	Thousand Baht	Thousand Baht	%	%	Thousand Baht	Thousand 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, account for 70 percent of its registered capital which is considered as investment in subsidiary. That company is principally engaged in non-life insurance. As at 30 June 2017, the subsidiary has not started its operation.

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>19,680,000</u>
<b>Reconcile net cash</b>	
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>22,394,540</u>

## 10. Property, buildings and equipment

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

	(Unit: Baht)					
	Consolidated and separate financial statements					
	Land	Buildings	Fixtures	Office equipment	Vehicles	Total
<b>Net book value as at</b>						
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	-	-	1,154,391	3,811,389	-	4,965,780
Disposals during period						
- net book value	-	-	(145)	(183,851)	(1)	(183,997)
Depreciation for the period	-	(1,651,889)	(2,112,005)	(3,201,507)	(4,006,367)	(10,971,768)
<b>Net book value as at</b>						
30 June 2017	<u>191,643,280</u>	<u>48,722,171</u>	<u>11,215,917</u>	<u>12,336,180</u>	<u>17,948,287</u>	<u>281,865,835</u>

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

As at 30 June 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	Separate financial statements	
			Changes in deferred tax assets or liabilities for the six-month periods ended 30 June	
	30 June 2017	31 December 2016	2017	2016
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	6,811,832	7,318,937	(507,105)	(2,428,289)
Unearned premium reserves	54,580,297	44,730,820	9,849,477	(4,001,219)
Provision for claim incurred but not yet reported and outstanding claims	28,161,674	33,691,739	(5,530,065)	9,540,968
Loss on changes in value of trading securities	2,183,120	3,328,400	(1,145,280)	(2,901,432)
Post employee benefit obligations	15,787,216	15,038,964	748,252	791,690
Total	<u>107,524,139</u>	<u>104,108,860</u>		
<b>Deferred tax liabilities</b>				
Gain on changes in value of available-for-sale securities	22,805,153	23,152,272		
Gain on exchange rate	-	28,789	(28,789)	-
Total	<u>22,805,153</u>	<u>23,181,061</u>		
<b>Deferred tax assets, net</b>	<u>84,718,986</u>	<u>80,927,799</u>		
Changes in deferred tax assets or liabilities that are recognised in profit or loss			<u>3,444,068</u>	<u>1,001,718</u>

**11.2 Income tax expenses**

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

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	For the three-month period ended 30 June	For the three-month period ended 30 June
	2017	2016
<b>Current income tax:</b>		
Corporate income tax charge		
in accordance with Revenue Code	(5,232,501)	(1,214,189)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	3,401,716	3,742,216
<b>Income tax expenses (revenue) reported in the statements of comprehensive income</b>	<b>(1,830,785)</b>	<b>2,528,027</b>

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	For the six-month period ended 30 June	For the six-month period ended 30 June
	2017	2016
<b>Current income tax:</b>		
Corporate income tax charge		
in accordance with Revenue Code	3,192,007	2,173,853
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(3,444,068)	(1,001,718)
<b>Income tax expenses (revenue) reported in the statements of comprehensive income</b>	<b>(252,061)</b>	<b>1,172,135</b>

(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 six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the three-month period ended 30 June	For the three-month period ended 30 June
	2017	2016
Accounting profit before income tax expenses	89,049	24,185,756
Applicable corporate income tax rate	20%	20%
Income tax at the applicable tax rate	17,809	4,837,151
Effect of non-deductible expenses/income	(1,848,594)	(2,309,124)
Income tax expenses (revenue) reported in the statements of comprehensive income	(1,830,785)	2,528,027

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the six-month period ended 30 June	For the six-month period ended 30 June
	2017	2016
Accounting profit before income tax expenses	17,751,197	23,436,372
Applicable corporate income tax rate	20%	20%
Income tax at the applicable tax rate	3,550,239	4,687,274
Effect of non-deductible expenses/income	(3,802,300)	(3,515,139)
Income tax expenses (revenue) reported in the statements of comprehensive income	(252,061)	1,172,135



**12. Other assets**

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	30 June 2017	31 December 2016
Claim receivables from litigants, net	191,092,568	200,624,755
Advance payment of ceded premium	134,524,316	144,163,026
Deposits on rice field insurance scheme	80,054,483	129,694,643
Prepaid commission expenses	50,533,645	54,318,385
Receivable from sale of investments	-	49,517,705
Cash equivalents which subject to restrictions	7,470,000	8,023,048
Others	39,138,961	39,121,023
<b>Total other assets</b>	<b>502,813,973</b>	<b>625,462,585</b>

As at 30 June 2017, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 7.5 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 and separate financial statements		
	30 June 2017		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	963,051,493	107,178,268	855,873,225
- Provision for claim incurred but not reported	21,047,751	11,742,997	9,304,754
Premium reserves			
- Unearned premium reserves	1,562,197,709	311,436,612	1,250,761,097
<b>Total</b>	<b>2,546,296,953</b>	<b>430,357,877</b>	<b>2,115,939,076</b>

(Unaudited but reviewed)

(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	2,576,140,340	514,900,410	2,061,239,930

**13.1 Claim reserves and outstanding claims**

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the six-month period ended 30 June 2017	For the year ended 31 December 2016
	Balance - beginning of the period	1,000,058,660
Claim incurred and loss adjustment expenses for the period	905,073,355	1,998,972,004
Changes in claim reserves and assumptions	22,257,658	11,783,472
Claim and loss adjustment expenses paid during the period	(943,290,429)	(1,918,306,827)
Balance - end of the period	984,099,244	1,000,058,660

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

(Unaudited but reviewed)

**13.2 Unearned premium reserves**

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the six-month period ended 30 June 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	1,637,356,508	3,229,683,365
Premium earned for the current period	(1,651,240,479)	(3,227,702,162)
Balance - end of the period	1,562,197,709	1,576,081,680

**14. Due to reinsurers**

(Unit: Baht)

	Consolidated and separate financial statements	Separate financial statements
	30 June 2017	31 December 2016
Outward premium payable	240,530,624	376,343,664
Amounts withheld on reinsurances	256,153,769	103,761,130
Total due to reinsurers	496,684,393	480,104,794

**15. Other liabilities**

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	30 June 2017	30 June 2017	31 December 2016
Premium received in advance	267,740,458	267,740,458	286,207,495
Accrued commissions	77,112,784	77,112,784	82,497,015
Accrued operating expenses	53,121,664	53,121,664	52,788,086
Payables on purchase of investments	19,284,123	19,284,123	11,322,460
Commission received in advance	62,027,277	62,027,277	65,891,436
Other payable	56,380,937	56,375,607	36,888,846
Others	73,734,467	73,734,467	81,896,734
Total other liabilities	609,401,710	609,396,380	617,492,072

**16. Operating expenses**

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	For the three-month period ended 30 June	For the three-month period ended 30 June
	2017	2016
Personal expenses which are not expenses for underwriting and claims	20,831,831	18,800,139
Property and equipment expenses which are not expenses for underwriting	20,133,155	18,800,834
Taxes and duties	345,229	609,008
Bad debts and doubtful accounts (reversal)	(604,250)	138,343
Support services expenses	40,248,613	34,188,463
Advertising and promotion expenses	13,877,333	14,070,672
Other operating expenses	8,575,378	7,163,890
<b>Total operating expenses</b>	<b>103,407,289</b>	<b>93,771,349</b>

	(Unit: Baht)	
	Consolidated and separate financial statements	Separate financial statements
	For the six-month period ended 30 June	For the six-month period ended 30 June
	2017	2016
Personal expenses which are not expenses for underwriting and claims	41,216,592	37,485,989
Property and equipment expenses which are not expenses for underwriting	39,530,283	37,199,036
Taxes and duties	1,026,346	1,463,100
Reversal of bad debts and doubtful accounts	(3,067,896)	(5,670,242)
Support services expenses	74,575,588	61,548,694
Advertising and promotion expenses	23,182,547	20,970,378
Other operating expenses	17,034,104	14,788,458
<b>Total operating expenses</b>	<b>193,497,564</b>	<b>167,785,413</b>

**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 For the three-month period ended 30 June 2017	Separate financial statements For the three-month period ended 30 June 2016	Pricing policies
<b>Thai Reinsurance Plc.</b>			
Premium ceded	20,357,563	36,755,396	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	5,579,386	16,613,673	As stated in the agreement upon normal commercial terms for business operations
Claims refunded	7,701,543	3,023,263	As occurred upon portion in the agreement
Reinsurance premium written	9,477	10,334	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	10,531	790	As stated in the agreement upon normal commercial terms for business operations
Claim expenses	42,968	-	As stated in the agreement upon normal commercial terms for business operations
Dividend income	36,810	-	As declared

(Unaudited but reviewed)

(Unit: Baht)

	Consolidated and separate financial statements		Separate financial statements	Pricing policies
	For the three-month period ended 30 June		For the three-month period ended 30 June	
	2017		2016	
<b>Road Accident Victims Protection Co., Ltd.</b>				
Contribution expenses	2,602,270	2,723,146		At 12.25% of premium written received from insurers under the Protection for Motor Vehicle Accident Victims Act B.E. 2535
Other income	61,860	1,550,910		As stated in the agreement upon normal commercial terms for business operations
<b>T.I.I. Co., Ltd.</b>				
Dividend income	20,250	20,250		As declared
<b>Paiboonwattana Co., Ltd.</b>				
Other income	13,680	13,680		As stated in the agreement upon normal commercial terms for business operations

(Unit: Baht)

	Consolidated and separate financial statements		Separate financial statements	Pricing policies
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2017		2016	
<b>Thai Reinsurance Plc.</b>				
Premium ceded	40,333,204	73,902,845		Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	11,039,079	31,644,527		As stated in the agreement upon normal commercial terms for business operations
Claims refunded	14,792,912	8,681,234		As occurred upon portion in the agreement
Reinsurance premium written	18,324	22,267		Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	13,531	4,864		As stated in the agreement upon normal commercial terms for business operations
Claim expenses	381,651	69,773		As stated in the agreement upon normal commercial terms for business operations
Dividend income	36,810	-		As declared

(Unaudited but reviewed)

(Unit: Baht)

	Consolidated and separate financial statements		Pricing policies
	Separate financial statements		
	For the six-month period ended		
	30 June 2017	30 June 2016	
<b>Road Accident Victims Protection Co., Ltd.</b>			
Contribution expenses	5,212,014	5,468,428	At 12.25% of premium written received from insurers under the Protection for Motor Vehicle Accident Victims Act B.E. 2535
Other income	2,999,150	3,158,685	As stated in the agreement upon normal commercial terms for business operations
<b>T.I.I. Co., Ltd.</b>			
Dividend income	20,250	20,250	As declared
<b>Paiboonwattana Co., Ltd.</b>			
Other income	27,360	27,360	As stated in the agreement upon normal commercial terms for business operations

As at 30 June 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 June 2017	31 December 2016
<b>Thai Reinsurance Plc.</b>		
Receivables from reinsurance contracts	10,196,368	9,793,193
Investments in equity securities	6,531,749	7,632,605
Due to reinsurers	50,065,536	82,466,736
<b>Road Accident Victims Protection Co., Ltd.</b>		
Investments in equity securities	3,518,150	3,518,150
Other liabilities	2,602,270	2,432,167
<b>T.I.I. Co., Ltd.</b>		
Investments in equity securities	202,500	202,500
<b>Vichitbhan Palmoil Plc.</b>		
Investments in equity securities	126,000	147,000

**Directors and management's remuneration**

During the three-month and six-month periods ended 30 June 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 June	For the three-month period ended 30 June
	2017	2016
Short-term employee benefits	21.2	13.9
Post employee benefits	1.5	1.4
<b>Total</b>	<b>22.7</b>	<b>15.3</b>

(Unit: Million Baht)

	Consolidated and separate financial statements	Separate financial statements
	For the six-month period ended 30 June	For the six-month period ended 30 June
	2017	2016
Short-term employee benefits	42.4	31.4
Post employee benefits	3.0	2.8
<b>Total</b>	<b>45.4</b>	<b>34.2</b>

**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.

Segment revenue and profit information of the Company for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

	For the three-month period ended 30 June 2017				(Unit: Baht)
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	38,268,341	2,876,396	618,404,848	140,458,358	800,007,943
Less: Premium ceded to reinsurers	<u>(25,702,744)</u>	<u>(1,392,768)</u>	<u>(68,604,103)</u>	<u>(84,698,909)</u>	<u>(180,398,524)</u>
Net premium written	12,565,597	1,483,628	549,800,745	55,759,449	619,609,419
Add (less): Unearned premium reserves (increase) decrease from prior period	<u>(33,459)</u>	<u>852,369</u>	<u>(38,357,759)</u>	<u>23,048,756</u>	<u>(14,490,093)</u>
Net earned premium	12,532,138	2,335,997	511,442,986	78,808,205	605,119,326
Fee and commission income	<u>12,933,679</u>	<u>161,104</u>	<u>25,792,222</u>	<u>17,552,175</u>	<u>56,439,180</u>
<b>Total underwriting income</b>	<u>25,465,817</u>	<u>2,497,101</u>	<u>537,235,208</u>	<u>96,360,380</u>	<u>661,558,506</u>
<b>Underwriting expenses</b>					
Claim and loss adjustment expenses	3,069,984	667,550	336,645,559	39,597,726	379,980,819
Commission and brokerage expenses	8,865,479	367,355	109,566,990	25,661,065	144,460,889
Other underwriting expenses	<u>1,357,866</u>	<u>202,017</u>	<u>50,232,429</u>	<u>9,259,180</u>	<u>61,051,492</u>
<b>Total underwriting expenses before operating expenses</b>	<u>13,293,329</u>	<u>1,236,922</u>	<u>496,444,978</u>	<u>74,517,971</u>	<u>585,493,200</u>
<b>Profit from underwriting before operating expenses</b>	<u>12,172,488</u>	<u>1,260,179</u>	<u>40,790,230</u>	<u>21,842,409</u>	<u>76,065,306</u>
Operating expenses					<u>(103,407,289)</u>
<b>Loss from underwriting</b>					<u>(27,341,983)</u>
Net investment income					16,598,566
Loss from investments					<u>(5,836,767)</u>
Fair value gain on investments					16,015,186
Other income					<u>654,047</u>
<b>Profit before income tax expenses</b>					89,049
Income tax revenues					<u>1,830,785</u>
<b>Profit for the period</b>					<u>1,919,834</u>

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month period ended 30 June 2016				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	40,154,102	3,886,183	593,167,114	155,887,943	793,095,342
Less: Premium ceded to reinsurers	(30,608,409)	(1,867,923)	(83,290,701)	(88,588,866)	(204,355,899)
Net premium written	9,545,693	2,018,260	509,876,413	67,299,077	588,739,443
Add: Unearned premium reserves					
decrease from prior period	669,705	1,074,770	16,805,557	6,687,731	25,237,763
Net earned premium	10,215,398	3,093,030	526,681,970	73,986,808	613,977,206
Fee and commission income	12,847,938	195,864	26,650,555	17,406,353	57,100,710
<b>Total underwriting income</b>	<b>23,063,336</b>	<b>3,288,894</b>	<b>553,332,525</b>	<b>91,393,161</b>	<b>671,077,916</b>
<b>Underwriting expenses</b>					
Claim and loss adjustment expenses	8,776,725	1,728,486	338,538,886	29,691,818	378,735,915
Commission and brokerage expenses	8,756,706	361,820	104,877,777	27,491,283	141,487,586
Other underwriting expenses	1,267,800	151,649	53,620,624	7,614,478	62,654,551
<b>Total underwriting expenses</b>					
<b>    before operating expenses</b>	<b>18,801,231</b>	<b>2,241,955</b>	<b>497,037,287</b>	<b>64,797,579</b>	<b>582,878,052</b>
<b>Profit from underwriting before</b>					
<b>    operating expenses</b>	<b>4,262,105</b>	<b>1,046,939</b>	<b>56,295,238</b>	<b>26,595,582</b>	<b>88,199,864</b>
Operating expenses					(93,771,349)
<b>Loss from underwriting</b>					<b>(5,571,485)</b>
Net investment income					17,239,784
Gain on investments					13,152,444
Fair value loss on investments					(3,097,685)
Other income					2,462,698
<b>Profit before income tax expenses</b>					<b>24,185,756</b>
Income tax expenses					(2,528,027)
<b>Profit for the period</b>					<b>21,657,729</b>

(Unaudited but reviewed)

(Unit: Baht)

	For the six-month period ended 30 June 2017				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	78,518,880	7,855,757	1,231,319,331	319,662,540	1,637,356,508
Less: Premium ceded to reinsurers	(53,390,339)	(2,481,532)	(133,970,641)	(171,976,584)	(361,819,096)
Net premium written	25,128,541	5,374,225	1,097,348,690	147,685,956	1,275,537,412
Add (less): Unearned premium reserves (increase) decrease from prior period	189,583	(321,215)	(85,126,156)	12,611,497	(72,646,291)
Net earned premium	25,318,124	5,053,010	1,012,222,534	160,297,453	1,202,891,121
Fee and commission income	25,950,194	416,081	47,028,517	32,207,293	105,602,085
<b>Total underwriting income</b>	<b>51,268,318</b>	<b>5,469,091</b>	<b>1,059,251,051</b>	<b>192,504,746</b>	<b>1,308,493,206</b>
<b>Underwriting expenses</b>					
Claim and loss adjustment expenses	2,150,353	1,183,542	664,786,917	76,169,592	744,290,404
Commission and brokerage expenses	17,709,828	940,841	218,124,175	47,683,262	284,458,106
Other underwriting expenses	2,764,738	372,220	85,311,426	20,525,039	108,973,423
<b>Total underwriting expenses</b>					
<b>before operating expenses</b>	<b>22,624,919</b>	<b>2,496,603</b>	<b>968,222,518</b>	<b>144,377,893</b>	<b>1,137,721,933</b>
<b>Profit from underwriting</b>					
<b>before operating expenses</b>	<b>28,643,399</b>	<b>2,972,488</b>	<b>91,028,533</b>	<b>48,126,853</b>	<b>170,771,273</b>
Operating expenses					(193,497,564)
<b>Loss from underwriting</b>					<b>(22,726,291)</b>
Net investment income					31,148,485
Gain on investments					1,782,463
Fair value gain on investments					5,726,396
Other income					1,820,144
<b>Profit before income tax expenses</b>					<b>17,751,197</b>
Income tax revenues					252,061
<b>Profit for the period</b>					<b>18,003,258</b>

(Unaudited but reviewed)

(Unit: Baht)

	For the six-month period ended 30 June 2016				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	82,650,030	9,393,410	1,204,010,966	282,786,280	1,578,840,686
Less: Premium ceded to reinsurers	(60,974,397)	(2,902,539)	(168,405,638)	(129,517,972)	(361,800,546)
Net premium written	21,675,633	6,490,871	1,035,605,328	153,268,308	1,217,040,140
Add (less): Unearned premium reserves (increase) decrease from prior period	1,303,247	(503,309)	9,520,176	(7,089,689)	3,230,425
Net earned premium	22,978,880	5,987,562	1,045,125,504	146,178,619	1,220,270,565
Fee and commission income	26,358,634	255,273	54,363,981	32,877,975	113,855,863
<b>Total underwriting income</b>	<u>49,337,514</u>	<u>6,242,835</u>	<u>1,099,489,485</u>	<u>179,056,594</u>	<u>1,334,126,428</u>
<b>Underwriting expenses</b>					
Claim and loss adjustment expenses	5,149,990	4,551,599	724,858,985	75,216,305	809,776,879
Commission and brokerage expenses	18,756,233	825,752	213,052,584	47,865,173	280,499,742
Other underwriting expenses	2,655,508	375,038	95,946,094	13,568,812	112,545,452
<b>Total underwriting expenses</b>					
<b>before operating expenses</b>	<u>26,561,731</u>	<u>5,752,389</u>	<u>1,033,857,663</u>	<u>136,650,290</u>	<u>1,202,822,073</u>
<b>Profit from underwriting</b>					
<b>before operating expenses</b>	<u>22,775,783</u>	<u>490,446</u>	<u>65,631,822</u>	<u>42,406,304</u>	131,304,355
Operating expenses					(167,785,413)
<b>Loss from underwriting</b>					(36,481,058)
Net investment income					29,565,179
Gain on investments					10,889,373
Fair value gain on investments					14,507,157
Other income					4,955,721
<b>Profit before income tax expenses</b>					23,436,372
Income tax expenses					(1,172,135)
<b>Profit for the period</b>					<u>22,264,237</u>

For the six-month periods ended 30 June 2017 and 2016, the Company has premium written from three major brokers in amounting of Baht 799.4 million and Baht 792.1 million, respectively.

Segment assets and liabilities of the Company as at 30 June 2017 and 31 December 2016 are as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total
<b>Assets</b>						
As at 30 June 2017	187,783,727	3,013,753	613,312,171	369,997,502	3,663,350,595	4,837,457,748
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
<b>Liabilities</b>						
As at 30 June 2017	318,801,921	8,618,090	2,277,846,678	619,371,580	506,777,903	3,731,416,172
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 June 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 and separate		Separate	
	financial statements		financial statements	
	30 June 2017		31 December 2016	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Asset pledged</b>				
Government bonds	15.1	16.2	15.1	16.1
Total	15.1	16.2	15.1	16.1
<b>Assets reserved</b>				
Government bonds	128.6	129.8	150.3	150.4
Certificate of deposits	50.0	50.0	80.0	80.0
Private debt securities	130.0	134.6	50.0	53.5
Total	308.6	314.4	280.3	283.9
Total	323.7	330.6	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 June 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 June 2017	31 December 2016
Payable:		
Within 1 year	0.8	0.8
Over 1 year and not over 5 years	1.6	2.0

### 22.2 Bank guarantees

As at 30 June 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.

### 22.3 Litigation

As at 30 June 2017, the Company has been sued as insurer for damages totaling approximately Baht 49.3 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 15.4 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 June 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 June 2017			
	Book value	Fair value		
	Level 1	Level 2	Total	
Held for trading investments				
Equity securities	274.4	274.4	-	274.4
Warrants	0.9	0.9	-	0.9
Available-for-sale investments				
Government and state enterprise debt securities	101.3	-	101.3	101.3
Private debt securities	244.9	-	244.9	244.9
Equity securities	142.7	142.7	-	142.7
Unit trusts	1,332.9	125.9	1,207.0	1,332.9

(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 11 August 2017.