

CHARAN INSURANCE PUBLIC COMPANY LIMITED  
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016  
(UNAUDITED/REVIEWED ONLY)

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

**To The Shareholders of**

**CHARAN INSURANCE PUBLIC COMPANY LIMITED**

I have reviewed the accompanying statement of financial position of CHARAN INSURANCE PUBLIC COMPANY LIMITED as at June 30, 2016, the related statement of comprehensive income for the three-month and six-month period ended June 30, 2016, statement of changes in shareholders' equity, and statement of cash flows for the six-month period then ended and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information, in all material respects, in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of Review**

I conducted my reviews in accordance with Thai Standard on Review Engagements No. 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 on this reviewed interim financial information.

### **Conclusion**

Based on my reviews, 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 No. 34 Interim Financial Reporting.

D I A International Audit Co., Ltd.

(Miss. Somjintana Pholhirunrat)

C.P.A. (Thailand)

Registration No. 5599

August 10, 2016

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2016

		<i>(Unit : Baht)</i>		
	<i>Note</i>	June 30, 2016	December 31, 2015	January 1, 2015
		<i>(Unaudited but reviewed only)</i>	<i>(Audited) (Restated)</i>	
<b>ASSETS</b>				
Cash and cash equivalents	4	14,079,477.87	13,421,879.10	19,883,444.37
Premium due and uncollected	5	19,236,251.77	19,956,820.22	22,565,061.80
Accrued investment income		5,049,732.66	4,870,642.42	3,663,416.87
Reinsurance assets	6	36,820,680.00	32,225,670.42	33,694,724.75
Reinsurance receivables	7	7,829,717.68	10,191,295.64	21,777,775.73
Investment properties				
Investments in securities	8	632,983,169.93	639,924,454.94	629,227,954.16
Loans	9	13,520,122.84	12,321,661.22	11,117,170.98
Property held for sale - net		119,000.00	119,000.00	119,000.00
Property, plant and equipment	10	47,267,028.85	48,529,637.46	50,093,730.65
Intangible assets	11	207,314.87	237,349.85	204,888.40
Deferred tax assets	12	9,322,405.70	7,119,105.13	9,035,383.49
Other assets	13	9,094,164.38	9,181,862.48	8,999,294.00
TOTAL ASSETS		<u>795,529,066.55</u>	<u>798,099,378.88</u>	<u>810,381,845.20</u>

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2016

<i>(Unit : Baht)</i>				
	<i>Note</i>	June 30, 2016	December 31, 2015	January 1, 2015
		<i>(Unaudited but reviewed only)</i>	<i>(Audited) (Restated)</i>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Insurance contract liabilities	<i>14</i>	148,438,398.15	149,380,497.99	165,862,632.90
Due to reinsurers	<i>15</i>	16,224,952.47	16,258,761.97	16,071,149.32
Income tax payables		3,704,114.34	1,227,333.88	-
Employee benefit obligations	<i>16</i>	11,040,461.00	11,206,390.00	11,506,093.00
Deferred tax liabilities	<i>12</i>	14,015,758.99	12,404,015.99	15,452,035.83
Others liabilities				
Unearned revenue		8,074,248.20	7,323,858.01	6,980,593.27
Others	<i>17</i>	12,165,987.26	13,546,556.71	16,256,818.13
<b>TOTAL LIABILITIES</b>		<b>213,663,920.41</b>	<b>211,347,414.55</b>	<b>232,129,322.45</b>

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2016

	<i>(Unit : Baht)</i>		
	June 30, 2016	December 31, 2015	January 1, 2015
	<i>(Unaudited but reviewed only)</i>	<i>(Audited) (Restated)</i>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Shareholders' equity			
Share capital			
Registered capital			
6,000,000 ordinary shares of Baht 10.00 each			60,000,000.00
12,000,000 ordinary shares of Baht 10.00 each	120,000,000.00	120,000,000.00	
Issued and paid-up share capital			
6,000,000 ordinary shares of Baht 10.00 each			60,000,000.00
12,000,000 ordinary shares of Baht 10.00 each	120,000,000.00	120,000,000.00	
Premium on share capital	258,000,000.00	258,000,000.00	258,000,000.00
Retained earnings			
Appropriated			
Statutory reserve	12,000,000.00	12,000,000.00	6,000,000.00
Unappropriated	135,802,110.20	147,135,900.38	192,444,379.42
Other components of equity	56,063,035.94	49,616,063.95	61,808,143.33
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>581,865,146.14</b>	<b>586,751,964.33</b>	<b>578,252,522.75</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>795,529,066.55</b>	<b>798,099,378.88</b>	<b>810,381,845.20</b>

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30,2016

(UNAUDITED/REVIEWED ONLY)

(Unit : Baht)

	Note	FOR THE THREE-MONTH PERIOD ENDED JUNE 30,		FOR THE SIX-MONTH PERIOD ENDED JUNE 30,	
		2016	2015 (Restated)	2016	2015 (Restated)
<b>Revenues</b>					
Premium written		53,935,160.90	64,759,750.50	111,514,387.86	138,633,095.32
Less: Premium ceded		(15,063,343.42)	(14,542,908.94)	(33,502,371.21)	(32,228,592.76)
Net Premium written		38,871,817.48	50,216,841.56	78,012,016.65	106,404,502.56
Add/Less: Unearned premium reserves from prior period		1,983,495.61	2,652,258.57	7,054,174.17	(1,131,571.24)
Net Premiums earned	29	40,855,313.09	52,869,100.13	85,066,190.82	105,272,931.32
Fee and commission income	29	3,656,043.02	3,372,076.99	7,887,447.97	7,279,841.21
Income on investments - net	29	7,877,917.52	8,523,391.37	11,093,172.43	11,703,867.50
Other income		3,002,785.24	4,893,404.15	3,874,378.86	8,363,428.29
<b>Total revenues</b>		<b>55,392,058.87</b>	<b>69,657,972.64</b>	<b>107,921,190.08</b>	<b>132,620,068.32</b>
<b>Expenses</b>					
Gross benefits and claims		15,879,165.70	13,723,388.41	31,276,424.71	22,913,943.87
Less: claims recovered from reinsurers		(1,458,931.62)	(2,269,475.91)	(4,772,521.71)	(4,405,161.35)
Insurance claims and loss adjustment expenses	29	14,420,234.08	11,453,912.50	26,503,903.00	18,508,782.52
Commissions and brokerages	29	8,897,484.58	10,411,358.74	18,127,752.42	21,479,688.12
Other underwriting expenses	29	13,751,000.36	20,305,050.61	25,963,398.21	39,405,928.64
Operating expenses	18,29	11,981,822.43	14,425,818.25	22,740,830.37	25,368,853.23
<b>Total expenses</b>		<b>49,050,541.45</b>	<b>56,596,140.10</b>	<b>93,335,884.00</b>	<b>104,763,252.51</b>
Profit (Loss) before corporate income tax		6,341,517.42	13,061,832.54	14,585,306.08	27,856,815.81
Corporate income tax	12.2	(308,784.43)	(1,583,632.16)	(1,919,096.26)	(4,551,382.81)
Profit (Loss) for the period		6,032,732.99	11,478,200.38	12,666,209.82	23,305,433.00
<b>Other comprehensive income (expenses)</b>					
Items that will be reclassified subsequently to profit or loss		(3,087,803.26)	1,519,242.08	8,058,714.99	318,582.64
Fair value changes on available-for-sale investments	12.3	617,560.65	(303,848.42)	(1,611,743.00)	(63,716.53)
Income tax relating to component of other comprehensive income		(2,470,242.61)	1,215,393.66	6,446,971.99	254,866.11
Fair value changes on available-for-sale investments - net of tax		(2,470,242.61)	1,215,393.66	6,446,971.99	254,866.11
<b>Other comprehensive income (expenses) for the period, net of tax</b>		<b>3,562,490.38</b>	<b>12,693,594.04</b>	<b>19,113,181.81</b>	<b>23,560,299.11</b>
<b>Total comprehensive income (expenses) for the period</b>					
<b>Basic Earnings per share</b>					
Net profit (loss)		0.50	0.96	1.06	1.94
Number of ordinary shares		12,000,000	12,000,000	12,000,000	12,000,000

Notes to the financial statements are an integral part of these financial statements.

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30,2016

(UNAUDITED / REVIEWED ONLY)

	<i>(Unit : Baht)</i>	
	<i>June 30, 2016</i>	<i>June 30, 2015</i>
		<i>(Restated)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net direct premium written	95,808,318.22	122,100,102.12
Cash paid for reinsurance	(14,461,103.33)	(15,764,243.27)
Interest income	6,380,438.19	6,094,003.63
Dividend	4,778,980.47	5,316,838.51
Other income	3,808,960.30	8,363,427.29
Losses incurred of direct insurance	(24,808,579.13)	(11,568,155.19)
Commissions and brokerages	(10,346,639.11)	(13,551,296.77)
Other underwriting expenses	(25,963,398.21)	(39,405,928.64)
Operating expenses	(22,513,374.22)	(30,483,978.58)
Corporate income tax	(1,645,616.37)	(499,119.33)
<b>NET CASH PROVIDED BY (USE IN) OPERATING ACTIVITIES</b>	<b>11,037,986.81</b>	<b>30,601,649.77</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Cash flows provided by</u>		
Collateralized loans	1,401,538.38	1,272,581.10
Deposits at financial institutions	33,000,000.00	90,000,000.00
Equipment	65,420.56	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>34,466,958.94</b>	<b>91,272,581.10</b>

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30,2016

(UNAUDITED / REVIEWED ONLY)

	<i>(Unit : Baht)</i>	
	<i>June 30, 2016</i>	<i>June 30, 2015</i>
		<i>(Restated)</i>
<u>Cash flows used in</u>		
Collateralized loans	-2,600,000.00	-1,120,000.00
Investments in securities	(18,000,000.00)	(70,000,000.00)
Equipment	(247,346.98)	(245,752.33)
Intangible assets	-	(169,500.00)
NET CASH USED IN INVESTING ACTIVITIES	(20,847,346.98)	(71,535,252.33)
NET CASH USED IN INVESTING ACTIVITIES	13,619,611.96	19,737,328.77
NET CASH USED IN FINANCING ACTIVITIES		
Dividend	(24,000,000.00)	(15,000,000.00)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	657,598.77	35,338,978.54
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	13,421,879.10	19,883,444.37
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	14,079,477.87	55,222,422.91

*Notes to the financial statements are an integral part of these financial statements.*



CHARAN INSURANCE PUBLIC COMPANY LIMITED  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30,2016  
(UNAUDITED / REVIEWED ONLY)

*(Unit : Baht)*

	<u>Note</u>	Retained earnings			Other component of	Total	
		Share capital Issued and fully paid	Premium on share capital	Statutory reserve	Unappropriated		Fair value
							changes on available for sale investments
Balance as at December 31, 2014		60,000,000.00	258,000,000.00	6,000,000.00	192,444,379.42	61,808,143.33	578,252,522.75
Stock dividend/Registered capital increase		-	-	-	23,305,433.00	254,866.11	23,560,299.11
Cash dividend		60,000,000.00	-	-	(60,000,000.00)	-	0.00
Appropriated to statutory reserve	30	-	-	-	(15,000,000.00)	-	(15,000,000.00)
Comprehensive income for the six-month period		-	-	1,200,000.00	(1,200,000.00)	-	0.00
Balance as at June 30, 2015		<u>120,000,000.00</u>	<u>258,000,000.00</u>	<u>7,200,000.00</u>	<u>139,549,812.42</u>	<u>62,063,009.44</u>	<u>586,812,821.86</u>
Balance as at December 31, 2015		120,000,000.00	258,000,000.00	12,000,000.00	147,135,900.38	49,616,063.95	586,751,964.33
Dividend	30	-	-	-	(24,000,000.00)	-	(24,000,000.00)
Comprehensive income (loss) for the three-month period		-	-	-	12,666,209.82	6,446,971.99	19,113,181.81
Balance as at June 30, 2016		<u>120,000,000.00</u>	<u>258,000,000.00</u>	<u>12,000,000.00</u>	<u>135,802,110.20</u>	<u>56,063,035.94</u>	<u>581,865,146.14</u>

*Notes to the financial statements are an integral part of these financial statements.*

CHARAN INSURANCE PUBLIC COMPANY LIMITED

CONDENSED NOTES TO FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2016

(UNAUDITED / REVIEWED ONLY)

1. GENERAL INFORMATION

CHARAN INSURANCE PUBLIC COMPANY LIMITED (“the Company”) was incorporated as a public limited company on March 15, 1994, Registration No. BorMorJor. 0107537000807. The Company has its registered head office at 408/1 Ratchadapisak Road, Samsennok, Huaykwang, Bangkok. The Company’s principal activity is the provision of non - life insurance.

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

These interim financial information are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547. In addition, the interim financial information presentation are based on the formats of interim financial information attached in an Office of Insurance Commission’s Notification “Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for non-life insurance company B.E.2559” dated on 4 March 2016 (‘OIC Notification’). The notes to the interim financial information are prepared in a condensed format according to Thai Accounting Standard 34 “Interim Financial Reporting” and additional notes are presented as required by the aforementioned OIC notification.

The interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2015.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

### 2.2 BASIS OF PREPARATION (Cont.)

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended December 31, 2015, except as retrospectively reclassified the financial statements, presented herein for comparison, to conform to the presentation in current period in accordance with the Notification of the Office of Insurance Commission regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Non-Life Insurance Companies B.E. 2559”, dated March 4, 2016, as if the reclassifications had always been prepared in note 31.

### 2.3 ACCOUNTING STANDARDS AND FINANCIAL REPORTING STANDARDS ADOPTION DURING THE PERIOD

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations committee and financial reporting interpretations committee, which are effective for the financial statements beginning on or after January 1, 2016 as follows:

#### **Conceptual Framework for Financial Reporting (Bound volume 2015)**

##### **Accounting Standards:**

##### **Contents**

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

2.2 ACCOUNTING STANDARDS AND FINANCIAL REPORTING STANDARDS ADOPTION DURING THE PERIOD (Cont.)

**Accounting Standards:**

**Contents**

TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Venture
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

**Financial Reporting Standards:**

TFRS 2 (Revised 2015)	Share-Based Payments
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

**Accounting Standard Interpretations:**

TSIC 10 (Revised 2015)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases—Incentives
TSIC 25 (Revised 2015)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

2.2 ACCOUNTING STANDARDS AND FINANCIAL REPORTING STANDARDS ADOPTION DURING THE PERIOD (Cont.)

<b><u>Accounting Standard Interpretations:</u></b>	<b><u>Contents</u></b>
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (Revised 2015)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets—Web Site Costs

**Financial Reporting Standard Interpretations:**

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmers
TFRIC 14 (Revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non – cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

**Guideline on Accounting**

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

The above Accounting Standards, Financial Reporting Standards, Accounting Standard Interpretations and Financial Reporting Standard Interpretations have no material impact to these financial statements, except for Financial Reporting Standard No. 4 (revised 2015) Insurance Contracts as follows.

## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

### 2.2 ACCOUNTING STANDARDS AND FINANCIAL REPORTING STANDARDS ADOPTION DURING THE PERIOD (Cont.)

IFRS 4 (revised 2015) applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. The standard exempts an insurer temporarily from some requirements of other standards, including the requirement to consider the Framework in selecting accounting policies for insurance contracts. However, the standard (a) prohibits provision for possible claims under contracts that are not in existence at the end of the reporting year; (b) requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets; (c) requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expired; and (d) to present insurance liabilities without offsetting them against related reinsurance assets.

Initial adoption of this standard has had no significant impact on the Company's financial statements, since the Company's management has already considered and reviewed the classification of insurance contracts (including reinsurance contracts) and reinsurance contracts held by the Company and concluded that all of its insurance contracts meet the definition of insurance contracts under this standard. Furthermore, the stipulations on recording of claim reserves, liability adequacy testing for recognised insurance liabilities, impairment testing for reinsurance assets and recording insurance contract liabilities have no impact on the Company since it had already implemented these before this standard became effective.

### 2.3 FINANCIAL REPORTING STANDARDS ARE ENACTED IN THE ROYAL GAZETTE BUT HAVE NOT BECOME EFFECTIVE.

The Federation of Accounting Professions has promulgated the accounting guidance for offsetting of financial assets and financial liabilities which will become effective for the financial statements for accounting period beginning on or after January 1, 2017 onwards.

The Management has assessed that the above financial reporting standard has no materially impacts on the financial statements in the period in which it is initially applied.

### 3. FAIR VALUE MEASUREMENT

The Company use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available. The Company used an appropriate measurement such as the present value determination of cash flows etc.

*Fair value hierarchy*

In applying the above-mentioned valuation techniques, the Company endeavour to use relevant observable inputs as much as possible. The different levels have been defined as follows:

- Level 1            quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2            inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly.
- Level 3            unobservable inputs for assets or liabilities.

As at June 30, 2016, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	Level 1	Level 2	Level 3	(Unit : Baht)
	Total			Total
<b>Assets</b>				
Investment in securities - Available-for-sale				
Government and state enterprise securities	91,811,845.65	-	-	91,811,845.65
Equity securities				
Private enterprise debt securities				
Equity securities	148,963,664.28	-	-	148,963,664.28
<b>Total assets</b>	<b>240,775,509.93</b>	<b>-</b>	<b>-</b>	<b>240,775,509.93</b>

### 3. FAIR VALUE MEASUREMENT (Cont.)

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

	(Unit : Baht)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investment in securities - Available-for-sale				
Government and state enterprise securities				
Equity securities	74,683,554.90	-	-	74,683,554.90
Private enterprise debt securities				
Equity securities	158,033,240.04	-	-	158,033,240.04
<b>Total assets</b>	<b>232,716,794.94</b>	<b>-</b>	<b>-</b>	<b>232,716,794.94</b>

During the current period, there were no transfers within the fair value hierarchy.

### 4. CASH AND CASH EQUIVALENTS

	(Unit : Baht)	
	June 30, 2016	December 31, 2015
Cash	1,221,716.86	1,234,480.79
Deposits at banks with no fixed maturity date	12,857,761.01	12,187,398.31
Cash and cash equivalents	14,079,477.87	13,421,879.10

### 5. PREMIUM DUE AND UNCOLLECTED

As at June 30, 2016 and December 31, 2015, the Company has balances of premium due and uncollected which classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit : Baht)					
	June 30, 2016			December 31, 2015		
	Due from insured	Due from agents and brokers	Total	Due from insured	Due from agents and brokers	Total
Not yet due	381,649.17	16,601,047.34	16,982,696.51	244,397.79	17,236,991.93	17,481,389.72
Not over 30 days	565.17	334,323.16	334,888.33	29,190.95	287,396.07	316,587.02
Over 31 days to 60 days	1,081.05	990,306.25	991,387.30	642.21	411,260.78	411,902.99
Over 61 days to 90 days	20,870.46	906,409.17	927,279.63	463.00	1,746,477.49	1,746,940.49
Over 90 days	-	1,348,315.19	1,348,315.19	-	1,063,301.87	1,063,301.87
Total premium receivables	404,165.85	20,180,401.11	20,584,566.96	274,693.95	20,745,428.14	21,020,122.09
Less: Allowance for doubtful accounts	-	(1,348,315.19)	(1,348,315.19)	-	(1,063,301.87)	(1,063,301.87)
Total premium due and uncollected, net	404,165.85	18,832,085.92	19,236,251.77	274,693.95	19,682,126.27	19,956,820.22



6. REINSURANCE ASSETS

As at June 30, 2016 and December 31, 2015, the Company has reinsurance assets as below:

	(Unit : Baht)	
	June 30, 2016	December 31, 2015
<u>Insurance recovered from reinsurers</u>		
Loss reserves	5,606,833.58	3,906,646.85
Unearned premium reserves (UPR)	31,213,846.42	28,319,023.57
Total	<u>36,820,680.00</u>	<u>32,225,670.42</u>

7. REINSURANCE RECEIVABLES

As at June 30, 2016 and December 31, 2015, the Company has reinsurance receivables as below:

	(Unit : Baht)	
	June 30, 2016	December 31, 2015
Amounts due from reinsurers	7,829,717.68	10,191,295.64
Total	<u>7,829,717.68</u>	<u>10,191,295.64</u>

As at June 30, 2016 and December 31, 2015, balances of amounts due from reinsurers are classified by aging as follows:

	(Unit : Baht)	
	June 30, 2016	December 31, 2015
Within credit terms	7,828,095.80	10,031,978.57
Not over 12 months	1,621.88	159,317.07
Total	<u>7,829,717.68</u>	<u>10,191,295.64</u>

8. INVESTMENT IN SECURITIES

As at June 30, 2016 and December 31, 2015, the Company has investments in securities as below:

	(Unit : Baht)			
	June 30, 2016		December 31, 2015	
	Cost / Amortized cost	Fair value	Cost / Amortized cost	Fair value
<b>Available-for-sale investments</b>				
<i>Government and state enterprise securities</i>				
Equity securities	41,030,711.00	91,811,845.65	41,030,711.00	74,683,554.90
<i>Private enterprise debt securities</i>				
Equity securities	129,666,004.00	148,963,664.28	129,666,004.00	158,033,240.04
Add (Less) Unrealized gain (loss) on changes in fair value	70,078,794.93	-	62,020,079.94	-
<b>Total available-for-sale investments</b>	<u>240,775,509.93</u>	<u>240,775,509.93</u>	<u>232,716,794.94</u>	<u>232,716,794.94</u>
<b>Held-to-maturity investments</b>				
<i>Government and state enterprise securities</i>				
Saving lotteries	1,600,000.00		1,600,000.00	
Bond	15,000,000.00		15,000,000.00	
Debenture-convertible debenture	20,000,000.00		20,000,000.00	
<i>Private enterprise debt securities</i>				
Debenture-convertible debenture	123,000,000.00		115,000,000.00	
Deposits at commercial banks	222,266,600.00		255,266,600.00	
Promissory note	10,000,000.00		-	
<b>Total held-to-maturity investments</b>	<u>391,866,600.00</u>		<u>406,866,600.00</u>	
<b>General investment</b>				
Non-marketable equity securities – local	341,060.00		341,060.00	
<b>Total general investment</b>	<u>341,060.00</u>		<u>341,060.00</u>	
<b>Total Investments in securities, net</b>	<u>632,983,169.93</u>		<u>639,924,454.94</u>	

8. INVESTMENT IN SECURITIES (Cont.)

Investments in debt securities as at June 30, 2016 and December 31, 2015 have maturity as follows:

	(Unit : Baht)							
	June 30, 2016				December 31, 2015			
	Period to maturity				Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total	Within 1 year	1 - 5 years	Over 5 years	Total
<u>Available-for-sale investments</u>								
Government and state enterprise securities :-								
Saving Lottery	-	1,600,000.00	-	1,600,000.00	-	1,600,000.00	-	1,600,000.00
Bond	-	10,000,000.00	5,000,000.00	15,000,000.00	-	10,000,000.00	5,000,000.00	15,000,000.00
Debenture-convertible debenture	-	-	20,000,000.00	20,000,000.00	-	-	20,000,000.00	20,000,000.00
Private enterprise debt securities :-								
Promissory note	10,000,000.00	-	-	10,000,000.00	-	-	-	-
Debenture-convertible debenture	8,000,000.00	75,000,000.00	40,000,000.00	123,000,000.00	-	65,000,000.00	50,000,000.00	115,000,000.00
Deposits at commercial banks	222,266,600.00	-	-	222,266,600.00	196,266,600.00	59,000,000.00	-	255,266,600.00
Total available-for-sale investments	<u>240,266,600.00</u>	<u>86,600,000.00</u>	<u>65,000,000.00</u>	<u>391,866,600.00</u>	<u>196,266,600.00</u>	<u>135,600,000.00</u>	<u>75,000,000.00</u>	<u>406,866,600.00</u>

As at June 30, 2016 and December 31, 2015, the Company pledged bank deposit Baht 64.93 million as collateral as stated in note 27.

9. LOANS

As at June 30, 2016 and December 31, 2015, loans and accrued interest aged by principal and accrued interest are as follows:

(Unit : Baht)						
June 30, 2016						
	Mortgage loans		Others		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Not yet due	12,313,944.80	-	1,206,178.04	-	13,520,122.84	-
Total	12,313,944.80	-	1,206,178.04	-	13,520,122.84	-
December 31, 2015						
	Mortgage loans		Others		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Not yet due	11,456,265.83	-	865,395.39	-	12,321,661.22	-
Total	11,456,265.83	-	865,395.39	-	12,321,661.22	-

9.1 The collateralized loans are loan facilities provided to employees as part of the credit welfare project for house with interest rate MLR – 1.5% to MOR - 2.0% per annum.

9.2 The collateralized loans are personal loans provided to employees as part of the benefit program with interest rate at MLR - 1.5% per annum to MOR per annum.

9.3 The collateralized loans are loan facilities provided to other person at interest rate MOR-1.5% per annum.

10. PROPERTY, PLANT AND EQUIPMENT

Changing of property, plant and equipment for the six-month period ended June 30, 2016 are presented as follows:

(Unit : Baht)					
	Land	Building	Vehicle	Fixture and office equipment	Total
Net book value					
As at December 31, 2015	41,549,000.00	4,620,777.74	867,553.02	1,492,306.70	48,529,637.46
Cost increasing during the period	-	-	-	247,346.98	247,346.98
Net book value disposal during the period	-	-	(2.00)	-	(2.00)
Depreciation	-	(1,147,652.75)	(89,060.46)	(273,240.38)	(1,509,953.59)
As at June 30, 2016	41,549,000.00	3,473,124.99	778,490.56	1,466,413.30	47,267,028.85

11. INTANGIBLE ASSETS

Changing of intangible assets for the six-month period ended June 30, 2016 are presented as follows:

	<u>(Unit : Baht)</u>
	<u>Computer</u>
	<u>program</u>
Net book value as at December 31, 2015	237,349.85
Amortized for the period	<u>(30,034.98)</u>
Net book value as at June 30, 2016	<u><u>207,314.87</u></u>

12. DEFERED TAX

12.1 As at June 30, 2016 and December 31, 2015, the component of deferred tax assets and liabilities consist of following items.

	<u>(Unit: Baht)</u>	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
<b>Deferred tax assets</b>		
Premium reserve	1,248,852.28	388,288.24
Loss reserves and outstanding claims	1,840,423.60	2,034,804.70
Loss reserves incurred but not reported (IBNR)	3,644,774.58	2,268,450.82
Allowance for doubtful accounts	269,663.04	212,660.37
Employee benefit obligation	2,318,692.20	2,214,901.00
Total	<u>9,322,405.70</u>	<u>7,119,105.13</u>
<b>Deferred tax liabilities</b>		
Unrealized gain from investment valuation – Available for sale	14,015,758.99	12,404,015.99
Total	<u>14,015,758.99</u>	<u>12,404,015.99</u>
Deferred tax assets (liabilities) - net	<u><u>(4,693,353.29)</u></u>	<u><u>(5,284,910.86)</u></u>

12. DEFERED TAX (Cont.)

12.2 The income tax expenses for the six-month period ended June 30, 2016 and 2015, comprise as follows:-

	(Unit : Baht)			
	For the three-month period ended		For the six-month period ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Income tax for the year calculated from				
taxable profit	1,831,198.44	1,705,458.49	4,096,019.83	3,760,042.06
Deferred tax increase (decrease) - net	(1,522,414.01)	(121,826.33)	(2,176,923.57)	791,340.75
Income tax for the period calculated from				
accounting profit	<u>308,784.43</u>	<u>1,583,632.16</u>	<u>1,919,096.26</u>	<u>4,551,382.81</u>

12.3 As at June 30, 2016 and 2015, the amount of income tax relating to the each component of comprehensive income are presented as follows:

	(Unit : Baht)			
	For the three-month period ended		For the six-month period ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Deferred tax relating to:				
(Surplus) Deficit from available-for-				
sale securities	617,560.65	(303,848.42)	(1,611,743.00)	(63,716.53)

13. OTHER ASSTES

	(Unit: Baht)	
	June 30, 2016	December 31, 2015
Prepaid long-term commission	1,810,280.90	1,677,031.93
Loss recovery from counter parties	1,407,581.37	1,386,194.27
Other Receivables	3,432,152.83	2,974,843.45
Others	2,444,149.28	3,143,792.83
Total	<u>9,094,164.38</u>	<u>9,181,862.48</u>

14. INSURANCE CONTRACT LIABILITIES

	June 30, 2016		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	20,854,952.39	(4,162,476.76)	16,692,475.63
- Incurred but not reported claim reserves	19,668,229.73	(1,444,356.82)	18,223,872.91
Premium liabilities - Unearned premium reserves	107,915,216.03	(31,213,846.42)	76,701,369.61
<b>Total</b>	<b>148,438,398.15</b>	<b>(36,820,680.00)</b>	<b>111,617,718.15</b>

	December 31, 2015		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	25,802,999.71	(3,745,970.00)	22,057,029.71
- Incurred but not reported claim reserves	11,502,930.93	(160,676.85)	11,342,254.08
Premium liabilities - Unearned premium reserves	112,074,567.35	(28,319,023.57)	83,755,543.78
<b>Total</b>	<b>149,380,497.99</b>	<b>(32,225,670.42)</b>	<b>117,154,827.57</b>

Loss reserves and outstanding claims

	(Unit: Baht)	
	For the six-month period ended June 30, 2016	For the year ended December 31, 2015
Beginning balances	37,305,930.64	33,038,769.42
Claim incurred in this period/year	21,043,163.08	48,506,999.83
Changes in claim reserves in previous period/year	1,531,696.73	1,103,652.72
Changes in claim reserves assumptions	8,165,298.80	(31,206.89)
Claim paid in this period/year	(27,522,907.13)	(45,312,284.44)
<b>Ending balances</b>	<b>40,523,182.12</b>	<b>37,305,930.64</b>

As at June 30, 2016, the Company had loss reserves and outstanding claims under reinsurance contracts of Baht 5.26 million (31 December 2015: Baht 9.39 million).

14. INSURANCE CONTRACT LIABILITIES (Cont.)

Unearned premium reserve

	(Unit: Baht)	
	For the six-month period ended June 30, 2016	For the year ended December 31, 2015
Beginning balances	112,074,567.35	132,823,863.48
Premium written for the period	111,514,387.86	245,452,101.40
Premium earned for the current period	(115,673,739.18)	(266,201,397.53)
Ending balance	<u>107,915,216.03</u>	<u>112,074,567.35</u>

Unexpired risk reserve

	(Unit: Baht)	
	For the six-month period ended June 30, 2016	For the year ended December 31, 2015
Balance as at January 1	27,879,427.84	41,179,727.85
Estimated claims for the period	33,026,616.12	27,879,427.82
Expired risk during the period	(28,774,750.07)	(41,179,727.83)
Ending balance	<u>32,131,293.89</u>	<u>27,879,427.84</u>

As at June 30, 2016, the Company has not provided for unexpired risk reserve for the amount of Baht 32.13 million (December 31, 2015, Baht 27.88 million) since unexpired risk reserve is lower than unearned premium reserve.

15. DUE TO REINSURERS

	(Unit: Baht)	
	June 30, 2016	December 31, 2015
Premium ceded payables	8,327,489.06	8,181,052.14
Amount withheld on reinsurance	7,897,463.41	8,077,709.83
Total reinsurance payables	<u>16,224,952.47</u>	<u>16,258,761.97</u>



16. EMPLOYEE BENEFIT OBLIGATIONS

(หน่วย : บาท)

<u>Employee benefits expenses project as</u> <u>determined</u>	<u>For the three-month period ended</u>		<u>For the six-month period ended</u>	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Current service cost	121,185.50	122,998.25	242,371.00	245,996.50
Interest cost	72,350.00	96,561.25	144,700.00	193,122.50
Total Expenses	193,535.50	219,559.50	387,071.00	439,119.00

**As at June 30, 2016**

Defined benefit obligations at January 1, 2016	11,206,390.00
Current service cost	242,371.00
Interest cost	144,700.00
Less Benefits paid	(553,000.00)
Defined benefit obligations at June 30, 2016	11,040,461.00

Actuarial assumptions to use for calculation:-

Discount rate	2.59%
Salary rate increase	3.39%
Employees turnover (Depend on employee working period)	0.00% - 13.00%
Mortality rate	Thai mortality table 2008

17. OTHER LIABILITIES

	<u>(Unit: Baht)</u>	
	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Accrued expense	5,593,279.07	7,512,368.45
Accrued commission	3,129,383.70	3,102,469.39
Others	3,443,324.49	2,931,718.87
Total	12,165,987.26	13,546,556.71

18. OPERATING EXPENSES

	(Unit: Baht)			
	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2016	2015	2016	2015
Personal expenses which are not expenses for underwriting and claims	7,161,236.77	9,216,860.22	13,560,570.82	15,239,449.86
Premises and equipment expenses which is not expenses for underwriting	2,796,580.88	2,821,957.08	5,391,348.13	5,914,322.71
Taxes and duties	505,306.93	570,122.20	821,186.80	973,558.75
Bad debt and doubtful accounts	285,013.32	-	285,013.32	-
Other operating expenses	1,233,684.53	1,816,878.75	2,682,711.30	3,241,521.91
<b>Total operating expenses</b>	<u>11,981,822.43</u>	<u>14,425,818.25</u>	<u>22,740,830.37</u>	<u>25,368,853.23</u>

19. EMPLOYEE BENEFIT EXPENSE

	(Unit: Baht)			
	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2016	2015	2016	2015
<b>Management</b>				
Wages and salaries	4,050,915.00	5,991,725.00	6,932,030.00	8,678,450.00
Pension costs - defined contribution plans	41,118.00	40,275.00	82,236.00	80,550.00
Others	23,889.25	24,665.00	208,376.50	284,703.00
	<u>4,115,922.25</u>	<u>6,056,665.00</u>	<u>7,222,642.50</u>	<u>9,043,703.00</u>
<b>Other employees</b>				
Wages and salaries	4,905,048.00	5,022,720.00	9,987,762.00	10,005,390.00
Pension costs - defined contribution plans	85,471.99	97,240.86	179,409.99	195,970.00
Others	428,139.53	476,939.36	942,586.33	867,796.86
	<u>5,818,659.52</u>	<u>5,596,900.22</u>	<u>11,109,758.32</u>	<u>11,069,156.86</u>
<b>Total</b>	<u>9,534,581.77</u>	<u>11,653,565.22</u>	<u>18,332,400.82</u>	<u>20,112,859.86</u>

19. EMPLOYEE BENEFIT EXPENSE (Cont.)

	(Unit: Baht)			
	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2016	2015	2016	2015
<b>Employee benefit expenses has been allocated to:</b>				
Other underwriting expenses	1,627,395.00	1,648,500.00	3,279,930.00	3,297,000.00
Insurance claim and loss adjustments	745,950.00	788,205.00	1,491,900.00	1,576,410.00
Operating expenses	<u>7,161,236.77</u>	<u>9,216,860.22</u>	<u>13,560,570.82</u>	<u>15,239,449.86</u>
Total	<u><u>9,534,581.77</u></u>	<u><u>11,653,565.22</u></u>	<u><u>18,332,400.82</u></u>	<u><u>20,112,859.86</u></u>

20. BENEFITS PAID TO DIRECTORS AND KEY MANAGEMENT

Directors' remuneration is benefit paid to the Company's directors in accordance with the Section 90 of the Public Company Limited Act B.E. 1992 excluded salaries and related benefits to be paid to executive directors.

Benefit expenses paid to chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels consist of salaries, bonus, retirement benefit and meeting allowance.

Directors' remuneration and management benefit expenses for the three-month and six-month period ended June 30, 2016 and 2015 are presented as follows.

	(Unit: Baht)			
	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2016	2015	2016	2015
Short-term benefits	4,102,096.00	5,905,069.00	6,989,350.00	8,740,511.00
Long-term benefits	<u>63,826.25</u>	<u>151,596.00</u>	<u>233,292.50</u>	<u>303,192.00</u>
Total	<u><u>4,115,922.25</u></u>	<u><u>6,056,665.00</u></u>	<u><u>7,222,642.50</u></u>	<u><u>9,043,703.00</u></u>

## 21. FINANCIAL INSTRUMENTS

### 21.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise deposits at financial institutions, investments in securities and loans, premium due and uncollected, reinsurance assets, due to reinsurers. The financial risks associated with these financial instruments and risk management policy is described below.

#### Credit risk

Concentrations of the credit risk with respect to premiums due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand. The maximum exposure to credit risk is the book value of assets after deduction of allowance for doubtful debts as presented in the statements of financial position.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate and the Company's cash flows will affect due to changes in market interest rate.

(Unit: Baht)

	Book value as at June 30, 2016			
	Floating interest rate	Fixed interest rate	Non interest rate	Total
Deposits at financial institutions	7,901,465.23	-	4,956,295.78	12,857,761.01
Fixed deposits over 3 months	-	222,266,600.00	-	222,266,600.00
Promissory note	-	10,000,000.00	-	10,000,000.00
Debentures	-	143,000,000.00	-	143,000,000.00
Bonds	-	15,000,000.00	-	15,000,000.00
Savings lottery	-	1,600,000.00	-	1,600,000.00
Loans	13,520,122.84	-	-	13,520,122.84
Total	21,421,588.07	391,866,600.00	4,956,295.78	418,244,483.85

21. FINANCIAL INSTRUMENTS (Count.)

	Book value as at December 31, 2015			
	Floating interest rate	Fixed interest rate	Non interest rate	Total
Deposits at financial institutions	2,880,125.42	-	9,307,272.89	12,187,398.31
Fixed deposits over 3 months	-	255,266,600.00	-	255,266,600.00
Debentures	-	135,000,000.00	-	135,000,000.00
Bonds	-	15,000,000.00	-	15,000,000.00
Savings lottery	-	1,600,000.00	-	1,600,000.00
Loans	12,321,661.22	-	-	12,321,661.22
Total	15,201,786.64	406,866,600.00	9,307,272.89	431,375,659.53

The financial assets that carry fixed interest rates further classified based on the maturity date, or the re-pricing date (whichever is practical) as follows :-

	Book value as at June 30, 2016				(Unit: Baht)
	Within 1 year	Over 1 to 5 years	Over 5 years	Total	Interest average
	( % per annum)				
Investments in securities - net					
- Fixed deposits over 3 months	222,266,600.00	-	-	222,266,600.00	0.75-2.70
- Promissory note	10,000,000.00	-	-	10,000,000.00	3.40
- Debentures	8,000,000.00	65,000,000.00	70,000,000.00	143,000,000.00	2.15-4.95
- Bond	-	10,000,000.00	5,000,000.00	15,000,000.00	4.32-5.00
- Saving lotteries	-	1,600,000.00	-	1,600,000.00	0.00-2.00
Total	240,266,600.00	76,600,000.00	75,000,000.00	391,866,600.00	

21. FINANCIAL INSTRUMENTS (Count.)

(Unit: Baht)

	Book value as at December 31, 2015				Interest average (% per annum)
	Within 1 year	Over 1 to 5 years	Over 5 years	Total	
	Investments in securities - net				
-Fixed deposits over 3 months	196,266,600.00	59,000,000.00	-	255,266,600.00	1.10-3.20
- Debentures	-	65,000,000.00	70,000,000.00	135,000,000.00	2.85-4.95
- Bond	-	10,000,000.00	5,000,000.00	15,000,000.00	4.32-5.00
- Saving lotteries	-	1,600,000.00	-	1,600,000.00	0.00-2.00
<b>Total</b>	<b>196,266,600.00</b>	<b>135,600,000.00</b>	<b>75,000,000.00</b>	<b>406,866,600.00</b>	

Foreign currency risk

The Company considers itself no significant foreign currency risk relating to receipts of insurance premiums and reinsurance with foreign insurance companies in foreign currencies which the Company does not buy any monetary instruments contract to prevent the foreign currency risk. However, Our management believes that the Company has not affect from the this mentioned risk as significant, due to the reinsurance traditional will be use the same foreign currencies as quote with the Insured.

21.2 Fair value

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Methodology of fair value measurement depends upon characteristics of the financial instruments. For the financial instruments which are regarded as traded in an active market, fair value has been determined by the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique.

The following methods and assumptions were used by the Company in estimating the fair values of financial instruments:-

21. FINANCIAL INSTRUMENTS (Count.)

Investments in securities

- The fair value of listed securities is based on their quoted market prices.
- The fair value of other investment cannot be properly calculated, and therefore no disclosure is made.
- The fair values of deposits at financial institutions, bonds, debentures and notes with maturity periods of less than 90 days are based on their carrying value. For those with maturity periods longer than 90 days, fair values are estimated using a discounted cash flow method based on the current interest rate and the remaining period to maturity.

Collateralized loans

- For floating interest rate loans with no significant credit risk, fair value is based on carrying value. The fair value of fixed interest rate loans is estimated using a discounted cash flow method based on the current interest rate.

22. CAPITAL FUND MANAGEMENT

The primary objectives of the Company's capital fund management are to ensure that it has an appropriate financial structure, presences the ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the Office of Insurance Commission (OIC).

23. ASSETS PLEDGED WITH REGISTRAR

As at June 30, 2016 and December 31, 2015, the Company pledged bank deposit in the amount of Baht 14 million as collateral with the registrar in accordance with the Section 19 of Insurance Act B.E.2535.

24. ASSETS RESERVE PLEDGED WITH REGISTRAR

As at June 30, 2016 and December 31, 2015, bank deposit amount of Baht 30.00 million are used as collateral against premium reserve with the registrar

25. PROVIDENT FUND

The Company and its employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. (1987). The fund is contributed to by the Company and its employees at the equal monthly rate of 3 percent of the employees' basic salary, based on the length of employment and will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Management Company Limited. For the six-month period ended June 30, 2016 and 2015 the Company contributed to Fund approximately Baht 0.26 million and 0.28 million, respectively.

26. LEGAL RESERVE

Under the Section 116 of the Public Companies Act B.E. 2535 (1992), the Company is required to set aside a legal reserve at least 5% of annual net profit until the cumulative reserve reaches an amount of 10% of the authorized share capital. Such legal reserve is not available for dividend distribution.

27. RESTRICTED ASSETS WITH COMMITMENT

As at June 30, 2016 and December 31, 2015, the Company pledged bank deposit of Baht 64.93 million as collaterals follows:

	(Unit: Baht)	
	June 30, 2016	December 31, 2015
Bank deposit as collateral for :		
Bank overdraft	20,000,000.00	20,000,000.00
Assets pledged with registrar	14,000,000.00	14,000,000.00
Assets reserve pledged with registrar	30,000,000.00	30,000,000.00
Credit card usage	500,000.00	500,000.00
Electricity usage	430,000.00	430,000.00
Total	<u>64,930,000.00</u>	<u>64,930,000.00</u>

28. CONTINGENT LIABILITIES AND COMMITMENT

**Litigation**

28.1. As at June 30, 2016 and December 31, 2015, the Company was sued from act as insurer with the prosecution value of Baht 2.49 million and 2.72 million, respectively. However, the Company's contingent liabilities from prosecution cases in the value not more than the policy custody amount of Baht 2.68 million and 2.52 million, respectively. Those prosecution cases have been incompletely considered and the Company expects to win the mostly cases. Nevertheless, the Company recorded the provision for contingent loss amount of Baht 0.55 million and 0.25 million respectively in the financial statements.

**Guarantees**

28.2. As at June 30, 2016 and December 31, 2015, the Company has the unused letter of guarantee issued by bank in the name of the Company for the amount of Baht 0.93 million relating to guarantee for electricity usage.



## 29. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company's operations involve the single business segment of non-life insurance, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned business segment and geographical area. And for the purposes of administration. The Company reported operating segments. Divided into categories of products include fire insurance, marine and transport insurance, personal accident insurance and miscellaneous insurance as segment income and profit of the Company for the three-month and six-month period ended June 30, 2016 and 2015 are as follows.

29. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

	For the three-month period ended June 30, 2016					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<u>Underwriting income</u>						
Premium written	16,735,843.81	2,684,470.31	27,163,636.69	194,176.64	7,157,033.45	53,935,160.90
Less: Premium ceded	5,558,442.83	1,323,283.00	1,352,917.99	32,564.40	6,796,135.20	15,063,343.42
Net premium written	11,177,400.98	1,361,187.31	25,810,718.70	161,612.24	360,898.25	38,871,817.48
Add/Less: Unearned premium reserves	(314,753.18)	179,284.60	1,675,495.64	348,953.18	94,515.37	1,983,495.61
Earned premium written	10,862,647.80	1,540,471.91	27,486,214.34	510,565.42	455,413.62	40,855,313.09
Fee and commissions income	1,658,501.19	500,272.32	241,111.53	14,659.04	1,241,498.94	3,656,043.02
Total underwriting income	12,521,148.99	2,040,744.23	27,727,325.87	525,224.46	1,696,912.56	44,511,356.11
<u>Underwriting expenses</u>						
Claims and losses adjustment	(658,742.81)	148,106.56	14,103,778.86	85,569.49	741,521.98	14,420,234.08
Commissions and brokerages	3,658,608.40	377,412.53	3,575,808.33	48,962.21	1,236,693.11	8,897,484.58
Other underwriting expenses	941,174.16	608,581.91	11,847,910.33	485.91	352,848.05	13,751,000.36
Total underwriting expenses before operating expenses	3,941,039.75	1,134,101.00	29,527,497.52	135,017.61	2,331,063.14	37,068,719.02
Operating expenses						11,981,822.43
Gain on underwriting						(4,539,185.34)
Net investment income						7,877,917.52
Gains on investments						-
Other income						3,002,785.24
Profit before income tax expenses						6,341,517.42
Income tax expenses						(308,784.43)
Profit for the period						6,032,732.99

29. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

	For the three-month period ended June 30, 2015					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<u>Underwriting income</u>						
Premium written	16,175,138.08	2,638,246.02	38,489,539.13	664,181.52	6,792,645.75	64,759,750.50
Less: Premium ceded	5,400,655.53	1,193,482.00	1,840,807.76	28,765.55	6,079,198.10	14,542,908.94
Net premium written	10,774,482.55	1,444,764.02	36,648,731.37	635,415.97	713,447.65	50,216,841.56
Add/Less: Unearned premium reserves	(667,735.46)	242,359.26	3,929,563.60	(409,691.13)	(442,237.70)	2,652,258.57
Earned premium written	10,106,747.09	1,687,123.28	40,578,294.97	225,724.84	271,209.95	52,869,100.13
Fee and commissions income	1,514,663.60	418,933.32	310,597.63	11,210.41	1,116,672.03	3,372,076.99
Total underwriting income	11,621,410.69	2,106,056.60	40,888,892.60	236,935.25	1,387,881.98	56,241,177.12
<u>Underwriting expenses</u>						
Claims and losses adjustment	544,445.13	256,402.88	10,558,882.80	55,768.63	38,413.06	11,453,912.50
Commissions and brokerages	3,559,295.56	404,725.19	5,023,878.56	205,029.72	1,218,429.71	10,411,358.74
Other underwriting expenses	896,295.92	595,043.93	18,519,317.25	1,321.93	293,071.58	20,305,050.61
Total underwriting expenses before operating expenses	5,000,036.61	1,256,172.00	34,102,078.61	262,120.28	1,549,914.35	42,170,321.85
Operating expenses						14,425,818.25
Gain on underwriting						(354,962.98)
Net investment income						8,523,391.37
Gains on investments						-
Other income						4,893,404.15
Profit before income tax expenses						13,061,832.54
Income tax expenses						(1,583,632.16)
Profit for the period						11,478,200.38

29. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

	For the six-month period ended June 30, 2016					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<u>Underwriting income</u>						
Premium written	34,517,759.01	5,771,608.46	53,942,341.09	589,617.24	16,693,062.06	111,514,387.86
Less: Premium ceded	11,774,458.14	3,265,896.00	2,687,778.57	77,867.00	15,696,371.50	33,502,371.21
Net premium written	22,743,300.87	2,505,712.46	51,254,562.52	511,750.24	996,690.56	78,012,016.65
Add/Less: Unearned premium reserves	(1,112,090.89)	373,419.19	7,322,878.13	541,481.88	(71,514.14)	7,054,174.17
Earned premium written	21,631,209.98	2,879,131.65	58,577,440.65	1,053,232.12	925,176.42	85,066,190.82
Fee and commissions income	3,462,010.29	1,028,408.99	478,579.28	28,071.01	2,890,378.40	7,887,447.97
Total underwriting income	25,093,220.27	3,907,540.64	59,056,019.93	1,081,303.13	3,815,554.82	92,953,638.79
<u>Underwriting expenses</u>						
Claims and losses adjustment	1,795,557.11	403,129.63	22,201,444.65	243,491.12	1,860,280.49	26,503,903.00
Commissions and brokerages	7,363,045.38	802,612.60	7,132,257.03	152,829.70	2,677,007.71	18,127,752.42
Other underwriting expenses	2,089,926.57	1,219,262.07	21,999,709.26	1,584.55	652,915.76	25,963,398.21
Total underwriting expenses before operating expenses	11,248,529.06	2,425,004.30	51,333,410.94	397,905.37	5,190,203.96	70,595,053.63
Operating expenses						22,740,830.37
Gain on underwriting						(382,245.21)
Net investment income						11,093,172.43
Gains on investments						-
Other income						3,874,378.86
Profit before income tax expenses						14,585,306.08
Income tax expenses						(1,919,096.26)
Profit for the period						12,666,209.82

29. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

	For the six-month period ended June 30, 2015					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<u>Underwriting income</u>						
Premium written	33,409,623.56	5,232,830.48	83,781,266.95	995,625.57	15,213,748.76	138,633,095.32
Less: Premium ceded	11,668,033.75	2,386,125.00	4,046,504.96	81,681.60	14,046,247.45	32,228,592.76
Net premium written	21,741,589.81	2,846,705.48	79,734,761.99	913,943.97	1,167,501.31	106,404,502.56
Add/Less: Unearned premium reserves	(1,589,237.81)	243,723.38	1,426,007.45	(526,150.08)	(685,914.18)	(1,131,571.24)
Earned premium written	20,152,352.00	3,090,428.86	81,160,769.44	387,793.89	481,587.13	105,272,931.32
Fee and commissions income	3,252,699.68	745,040.36	677,569.00	26,752.57	2,577,779.60	7,279,841.21
Total underwriting income	23,405,051.68	3,835,469.22	81,838,338.44	414,546.46	3,059,366.73	112,552,772.53
<u>Underwriting expenses</u>						
Claims and losses adjustment	1,751,115.49	15,443.24	15,967,943.94	80,174.79	694,105.06	18,508,782.52
Commissions and brokerages	7,161,609.99	763,076.03	10,860,094.51	271,345.99	2,423,561.60	21,479,688.12
Other underwriting expenses	1,930,125.20	1,189,810.62	35,719,217.66	2,909.71	563,865.45	39,405,928.64
Total underwriting expenses before operating expenses	10,842,850.68	1,968,329.89	62,547,256.11	354,430.49	3,681,532.11	79,394,399.28
Operating expenses						25,368,853.23
Gain on underwriting						7,789,520.02
Net investment income						11,703,867.50
Gains on investments						-
Other income						8,363,428.29
Profit before income tax expenses						27,856,815.81
Income tax expenses						(4,551,382.81)
Profit for the period						23,305,433.00

29. FINANCIAL INFORMATION BY SEGMENT (Cont.)

The following table presents segment assets and liabilities of the Company's operating segments as at June 30, 2016 and December 31, 2015 are as follows:

	(Unit: Baht)						
	fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Unallocated assets	Total
<b><u>Assets</u></b>							
As at June 30, 2016	28,219,281.35	7,138,556.74	15,714,545.01	322,743.72	17,947,630.18	726,186,309.55	795,529,066.55
As at December 31, 2015	28,615,462.77	7,425,289.85	16,598,249.27	424,842.02	15,591,646.52	729,443,888.45	798,099,378.88
<b><u>Liabilities</u></b>							
As at June 30, 2016	62,771,724.50	10,396,729.93	81,408,548.53	899,724.26	20,517,386.04	37,669,807.15	213,663,920.41
As at December 31, 2015	62,147,343.69	10,192,794.05	84,800,354.76	1,459,585.88	17,611,163.84	35,136,172.33	211,347,414.55

30. DIVIDEND PAYMENT

According to of annual general shareholders' meeting of the year 2015 held on April 29, 2016, the company passed resolution to pay dividend to the shareholders from result of its operation of the year 2015 at the rate Baht 2.00 per share for 12 million shares total amount of Baht 24 million. The company already paid dividend on May 27, 2016

According to of annual general shareholders' meeting of the year 2014 held on April 29, 2015, the Company passed resolution to pay dividend from the operating result of the year 1992 till 2014, totally amounting to Baht 75 million as following details:

- Share dividend

The Company passed the resolution to pay the stock dividend in number of 6 million shares at par value Baht 10 each to the existing shareholders in the rate 1 dividend share per 1 common share, totally amounting to Baht 60 million or equivalent to Baht 10 per share.

- Dividend payment

The Company passed resolution to pay a cash dividend in amount of Baht 2.50 per share for 6 million shares, totally amounting to Baht 15 million.

The Company already paid such stock dividend and cash dividend on May 22, 2015.

31. RECLASSIFICATION

The Company reclassified the following transactions in the financial statements to conform on current period's classification in accordance with the Notification of the Office of Insurance Commission dated 4 March 2016, which become effective since 1 January 2016. The reclassification, which does not have any impact to previously reported profit or owner's equity, is summarised below.

	(Unit: Baht)		
	December 31, 2015		
	As previous reported	Reclassification	As reclassified
<b><u>Statements of financial position</u></b>			
<i>Assets :</i>			
Premium due and uncollected	20,912,427.62	(955,607.40)	19,956,820.22
Reinsurance assets	41,461,358.66	(9,235,688.24)	32,225,670.42
Reinsurance receivables	-	10,191,295.64	10,191,295.64
Investments in securities	-	639,924,454.94	639,924,454.94
Available for sales investments	232,716,794.94	(232,716,794.94)	-
Held-to-maturity investment	406,866,600.00	(406,866,600.00)	-
General investment	341,060.00	(341,060.00)	-
<i>Liabilities :</i>			
Insurance contract liabilities	-	(149,380,497.99)	(149,380,497.99)
Insurance contract liabilities – Loss reserves and outstanding claims	(37,305,930.64)	37,305,930.64	-
Insurance contract liabilities - Premium reserve	(112,074,567.35)	112,074,567.35	-
<b>Total</b>	<b><u>552,917,743.23</u></b>	<b><u>-</u></b>	<b><u>552,917,743.23</u></b>

31. RECLASSIFICATION (Cont.)

(Unit: Baht)

	January 1, 2015		
	As previous reported	Reclassification	As reclassified
<b><i>Statements of financial position</i></b>			
<i>Assets :</i>			
Premium due and uncollected	23,249,601.38	(684,539.58)	22,565,061.80
Reinsurance assets	54,787,960.90	(21,093,236.15)	33,694,724.75
Reinsurance receivables	-	21,777,775.73	21,777,775.73
Investments in securities	-	629,227,954.16	629,227,954.16
Available for sales investments	247,956,894.16	(247,956,894.16)	-
Held-to-maturity investment	380,930,000.00	(380,930,000.00)	-
General investment	341,060.00	(341,060.00)	-
<i>Liabilities :</i>			
Insurance contract liabilities	-	(165,862,632.90)	(165,862,632.90)
Insurance contract liabilities – Loss reserves and outstanding claims	(33,038,769.42)	33,038,769.42	-
Insurance contract liabilities - Premium reserve	(132,823,863.48)	132,823,863.48	-
<b>Total</b>	<b>541,402,883.54</b>	<b>-</b>	<b>541,402,883.54</b>



31. RECLASSIFICATION (Cont.)

(หน่วย: บาท)

	For the three-month period ended		
	June 30, 2015		
	As previous reported	Reclassification	As reclassified
<b><i>Statement of income</i></b>			
<i>Revenues :</i>			
Premium written	-	64,759,750.50	64,759,750.50
Premium ceded	-	(14,542,908.94)	(14,542,908.94)
Net Premium written	-	50,216,841.56	50,216,841.56
Unearned premium reserves from prior period	-	2,652,258.57	2,652,258.57
Earned premium written	52,869,100.13	-	52,869,100.13
<i>Expenses :</i>			
Gross benefits and claims	-	13,723,388.41	13,723,388.41
Claims recovered from reinsurers	-	(2,269,475.91)	(2,269,475.91)
Insurance claims and loss adjustment expenses	11,453,912.50	-	11,453,912.50
Other underwriting expenses	16,024,542.19	4,280,508.42	20,305,050.61
Contribution to Office of Insurance Commission	172,349.41	(172,349.41)	-
Contribution to Non-life guarantee fund	143,624.51	(143,624.51)	-
Contribution to Road victims protection fund	3,964,534.50	(3,964,534.50)	-

31. RECLASSIFICATION (Cont.)

	(หน่วย: บาท)		
	For the six-month period ended		
	June 30, 2015		
	As previous		
	reported	Reclassification	As reclassified
<b><i>Statement of income</i></b>			
<i>Revenues :</i>			
Premium written	-	138,633,095.32	138,633,095.32
Premium ceded	-	(32,228,592.76)	(32,228,592.76)
Net Premium written	-	106,404,502.56	106,404,502.56
Unearned premium reserves from prior period	-	(1,131,571.24)	(1,131,571.24)
Earned premium written	105,272,931.32	-	105,272,931.32
<i>Expenses :</i>			
Gross benefits and claims	-	22,913,943.87	22,913,943.87
Claims recovered from reinsurers	-	(4,405,161.35)	(4,405,161.35)
Insurance claims and loss adjustment expenses	18,508,782.52	-	18,508,782.52
Other underwriting expenses	29,884,673.31	9,521,255.33	39,405,928.64
Contribution to Office of Insurance Commission	360,804.38	(360,804.38)	-
Contribution to Non-life guarantee fund	307,808.09	(307,808.09)	-
Contribution to Road victims protection fund	8,852,642.86	(8,852,642.86)	-

32. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements have been approved to be issued by authorized directors on August 10, 2016.