

CHARAN INSURANCE PUBLIC COMPANY LIMITED  
AUDITOR'S REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017  
(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 March 31, 2017, the related statement of comprehensive income, statement of changes in shareholders' equity, and statement of cash flows for the three-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

May 12, 2017

CHARAN INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	<i>Note</i>	<i>(Unit : Baht)</i>	
		March 31, 2017 <i>(Unaudited but reviewed only)</i>	December 31, 2016 <i>(Audited)</i>
<b>ASSETS</b>			
Cash and cash equivalents	4	34,783,851.13	17,951,023.90
Premium due and uncollected	5	25,303,787.02	19,649,389.13
Accrued investment income		5,082,077.51	4,680,314.18
Reinsurance assets	6	33,512,284.77	37,573,873.49
Reinsurance receivables	7	11,712,224.46	10,589,309.80
Investment properties			
Investments in securities	8	629,685,782.60	638,984,205.03
Loans	9	12,016,057.46	12,472,922.28
Property held for sale - net		-	119,000.00
Property, plant and equipment	10	45,618,793.57	45,895,154.69
Intangible assets	11	162,056.70	176,949.85
Deferred tax assets	12	9,407,624.00	8,485,739.50
Other assets	13	7,175,420.09	7,135,968.75
<b>TOTAL ASSETS</b>		<b>814,459,959.31</b>	<b>803,713,850.60</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 MARCH 31, 2017

		<i>(Unit : Baht)</i>	
	<i>Note</i>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
		<i>(Unaudited but reviewed only)</i>	<i>(Audited)</i>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Insurance contract liabilities	<i>14</i>	140,548,506.61	139,375,047.10
Due to reinsurers	<i>15</i>	20,573,832.06	16,984,613.93
Income tax payables		1,385,035.20	669,207.08
Employee benefit obligations	<i>16</i>	13,025,323.00	12,841,384.00
Deferred tax liabilities	<i>12</i>	15,530,201.52	14,389,886.01
Others liabilities			
Unearned revenue		9,206,718.46	9,446,754.10
Others	<i>17</i>	15,866,252.34	16,097,586.38
<b>TOTAL LIABILITIES</b>		<u>216,135,869.19</u>	<u>209,804,478.60</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 MARCH 31, 2017

	<i>(Unit : Baht)</i>	
	March 31, 2017	December 31, 2016
	<i>(Unaudited but reviewed only)</i>	<i>(Audited)</i>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Shareholders' equity		
Share capital		
Registered capital		
12,000,000 ordinary shares of Baht 10.00 each	120,000,000.00	120,000,000.00
Issued and paid-up share capital		
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
Retained earnings		
Appropriated		
Statutory reserve	12,000,000.00	12,000,000.00
Unappropriated	146,203,284.04	146,349,827.98
Other components of equity	62,120,806.08	57,559,544.02
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>598,324,090.12</b>	<b>593,909,372.00</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>814,459,959.31</b>	<b>803,713,850.60</b>

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

CHARAN INSURANCE PUBLIC COMPANY LIMITED  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017  
(UNAUDITED / REVIEWED ONLY)

	<i>Note</i>	<i>2017</i>	<i>2016</i>
<i>(Unit : Baht)</i>			
Revenues			
Premium written		51,449,880.81	57,579,226.96
Less: Premium ceded		(11,041,272.42)	(18,439,027.79)
Net Premium written		40,408,608.39	39,140,199.17
Add/Less: Unearned premium reserves from prior period		(3,534,342.33)	5,070,678.56
Net Premiums earned	28	36,874,266.06	44,210,877.73
Fee and commission income	28	2,869,633.77	4,231,404.95
Income on investments - net	28	2,878,159.52	3,215,254.91
Other income		2,793,908.04	871,593.62
Total revenues		45,415,967.39	52,529,131.21
Expenses			
Gross benefits and claims		21,492,848.10	15,397,259.01
Less: claims recovered from reinsurers		(7,067,636.77)	(3,313,590.09)
Insurance claims and loss adjustment expenses	28	14,425,211.33	12,083,668.92
Commissions and brokerages	28	8,185,179.12	9,230,267.84
Other underwriting expenses	28	12,331,451.00	12,212,397.85
Operating expenses	18,28	10,640,377.97	10,759,007.94
Total expenses		45,582,219.42	44,285,342.55
Profit (Loss) before corporate income tax		(166,252.03)	8,243,788.66
Corporate income tax	12.2	19,708.09	(1,610,311.83)
Profit (Loss) for the period		(146,543.94)	6,633,476.83

CHARAN INSURANCE PUBLIC COMPANY LIMITED  
STATEMENTS OF COMPREHENSIVE INCOME (CONT.)  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017  
(UNAUDITED / REVIEWED ONLY)

		<i>(Unit : Baht)</i>	
	<i>Note</i>	<i>2017</i>	<i>2016</i>
Other comprehensive income (expenses)			
<u>Items that will be reclassified subsequently to profit or loss</u>			
Fair value changes on available-for-sale investments		5,701,577.57	11,146,518.25
Income tax relating to component of other comprehensive income	<i>12.3</i>	(1,140,315.51)	(2,229,303.65)
Fair value changes on available-for-sale investments - net of tax		4,561,262.06	8,917,214.60
Other comprehensive income (expenses) for the period, net of tax		4,561,262.06	8,917,214.60
Total comprehensive income (expenses) for the period		4,414,718.12	15,550,691.43
Basic Earnings per share			
Net profit (loss)		-0.01	0.55
Number of ordinary shares		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 PERIODS ENDED MARCH 31, 2017

(UNAUDITED / REVIEWED ONLY)

	<i>(Unit : Baht)</i>	
	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net direct premium written	42,197,168.07	44,144,497.00
Cash paid for reinsurance	(4,729,448.72)	(6,481,523.29)
Interest income	2,476,396.19	3,429,325.14
Dividend	0.00	18,750.00
Other income	2,784,108.04	871,593.62
Losses incurred of direct insurance	(12,839,847.20)	(14,231,373.62)
Commissions and brokerages	(4,449,101.20)	(4,624,378.65)
Other underwriting expenses	(12,331,451.00)	(12,212,397.85)
Operating expenses	(11,275,347.48)	(9,829,677.81)
Corporate income tax	(210,499.33)	(241,639.54)
Investments in securities	15,000,000.00	0.00
Collateralized loans	456,864.82	(1,322,757.64)
Deposits at financial institutions	0.00	30,000,000.00
<b>NET CASH PROVIDED BY (USE IN) OPERATING ACTIVITIES</b>	<u>17,078,842.19</u>	<u>29,520,417.36</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<u>Cash flows provided by</u>		
Property held for sale - net	128,800.00	0.00
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>128,800.00</u>	<u>0.00</u>

*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 PERIODS ENDED MARCH 31, 2017

(UNAUDITED / REVIEWED ONLY)

	<i>(Unit : Baht)</i>	
	<u>2017</u>	<u>2016</u>
<u>Cash flows used in</u>		
Property, plant and equipment	(374,814.96)	(105,259.68)
NET CASH USED IN INVESTING ACTIVITIES	(374,814.96)	(105,259.68)
NET CASH USED IN INVESTING ACTIVITIES	(246,014.96)	(105,259.68)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,832,827.23	29,415,157.68
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	17,951,023.90	13,421,879.10
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	<u>34,783,851.13</u>	<u>42,837,036.78</u>

*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 THREE-MONTH PERIODS ENDED MARCH 31, 2017  
(UNAUDITED / REVIEWED ONLY)

*(Unit : Baht)*

	Share capital Issued and fully paid	Premium on share capital	Retained earnings		Other component of equity	Total
			Statutory reserve	Unappropriated	Fair value	
					changes on available for sale investments	
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
Profit (Loss) for the period	-	-	-	6,633,476.83	-	6,633,476.83
Other comprehensive income (expenses) for the period, net of tax	-	-	-	-	8,917,214.60	8,917,214.60
Balance as at March 31, 2016	120,000,000.00	258,000,000.00	12,000,000.00	153,769,377.21	58,533,278.55	602,302,655.76
Balance as at December 31, 2016	120,000,000.00	258,000,000.00	12,000,000.00	146,349,827.98	57,559,544.02	593,909,372.00
Profit (Loss) for the period	-	-	-	(146,543.94)	-	(146,543.94)
Other comprehensive income (expenses) for the period, net of tax	-	-	-	-	4,561,262.06	4,561,262.06
Balance as at March 31, 2017	120,000,000.00	258,000,000.00	12,000,000.00	146,203,284.04	62,120,806.08	598,324,090.12

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

CHARAN INSURANCE PUBLIC COMPANY LIMITED  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017  
(UNAUDITED / REVIEWED ONLY)

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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, Samsenok, 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 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 statements 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 2016 Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of non-life insurance companies B.E. 2559 dated 4 March 2016.

The interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2016.

An English version of the interim financial statements has been prepared from the interim financial statements 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 statement shall prevail.

The accounting policies used in the preparation of the interim financial statement are consistent with those used in the annual financial statements for the year ended December 31, 2016.

## 2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

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

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.

### 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 March 31, 2017, 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	Total
<b>(Unit : Baht)</b>				
<b>Assets</b>				
Investment in securities - Available-for-sale				
Government and state enterprise securities	99,832,284.55	-	-	99,832,284.55
Equity securities				
Private enterprise debt securities				
Equity securities	147,982,438.05	-	-	147,982,438.05
<b>Total assets</b>	<b>247,814,722.60</b>	<b>-</b>	<b>-</b>	<b>247,814,722.60</b>

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

As at December 31, 2016, 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	95,356,479.80	-	-	95,356,479.80
Private enterprise debt securities				
Equity securities	146,756,665.23	-	-	146,756,665.23
<b>Total assets</b>	<b>242,113,145.03</b>	<b>-</b>	<b>-</b>	<b>242,113,145.03</b>

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

### 4. CASH AND CASH EQUIVALENTS

	(Unit : Baht)	
	March 31, 2017	December 31, 2016
Cash	1,116,965.46	1,194,477.84
Deposits at banks with no fixed maturity date	33,666,885.67	16,756,546.06
Cash and cash equivalents	34,783,851.13	17,951,023.90

### 5. PREMIUM DUE AND UNCOLLECTED

As at March 31, 2017 and December 31, 2016, 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)					
	March 31, 2017			December 31, 2016		
	Due from insured	Due from agents and brokers	Total	Due from insured	Due from agents and brokers	Total
Not yet due	912,105.80	18,420,773.60	19,332,879.40	1,396,954.63	14,104,652.79	15,501,607.42
Not over 30 days	-	3,733,293.32	3,733,293.32	19,238.43	3,161,074.75	3,180,313.18
Over 31 days to 60 days	-	1,465,177.16	1,465,177.16	-	351,049.77	351,049.77
Over 61 days to 90 days	-	772,437.14	772,437.14	-	616,418.76	616,418.76
Over 90 days	-	1,171,354.75	1,171,354.75	-	1,377,603.37	1,377,603.37
Total premium receivables	912,105.80	25,563,035.97	26,475,141.77	1,416,193.06	19,610,799.44	21,026,992.50
Less: Allowance for doubtful accounts	-	(1,171,354.75)	(1,171,354.75)	-	(1,377,603.37)	(1,377,603.37)
Total premium due and uncollected, net	912,105.80	24,391,681.22	25,303,787.02	1,416,193.06	18,233,196.07	19,649,389.13

6. REINSURANCE ASSETS

As at March 31, 2017 and December 31, 2016, the Company has reinsurance assets as below:

	(Unit : Baht)	
	March 31, 2017	December 31, 2016
<u>Insurance recovered from reinsurers</u>		
Loss reserves	6,502,772.40	6,794,101.37
Unearned premium reserves (UPR)	27,009,512.37	30,779,772.12
Total	<u>33,512,284.77</u>	<u>37,573,873.49</u>

7. REINSURANCE RECEIVABLES

As at March 31, 2017 and December 31, 2016, the Company has reinsurance receivables as below:

	(Unit : Baht)	
	March 31, 2017	December 31, 2016
Amounts due from reinsurers	11,712,224.46	10,589,309.80
Total	<u>11,712,224.46</u>	<u>10,589,309.80</u>

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

	(Unit : Baht)	
	March 31, 2017	December 31, 2016
Within credit terms	11,507,958.90	10,451,727.30
Not over 12 months	204,265.56	137,582.50
Total	<u>11,712,224.46</u>	<u>10,589,309.80</u>

8. INVESTMENT IN SECURITIES

8.1. Classified by type of investments

	(Unit: Baht)			
	31 March 2017		31 December 2016	
	Cost /		Cost /	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Available-for-sale investments</b>				
Equity securities	170,163,715.00	247,814,722.60	170,163,715.00	242,113,145.03
Total	170,163,715.00	247,814,722.60	170,163,715.00	242,113,145.03
Unrealized gain (loss)	77,651,007.60	-	71,949,430.03	-
Available-for-sale investments - net	247,814,722.60	247,814,722.60	242,113,145.03	242,113,145.03
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	16,600,000.00		16,600,000.00	
Private sector debt securities	153,000,000.00		168,000,000.00	
Deposits at financial institutions which matured over 3 months	211,930,000.00		211,930,000.00	
Held-to-maturity investments - net	381,530,000.00		396,530,000.00	
<b>General investments</b>				
Equity securities	341,060.00		341,060.00	
General investments - net	341,060.00		341,060.00	
Investments in securities - net	629,685,782.60		638,984,205.03	

8. INVESTMENT IN SECURITIES (Cont.)

8.2 Period to maturity

(Unit : Baht)

	31 March 2017			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investments</b>				
Government and state enterprise securities	-	11,600,000.00	5,000,000.00	16,600,000.00
Private sector debt securities	5,000,000.00	88,000,000.00	60,000,000.00	153,000,000.00
Deposits at financial institutions which matured over 3 months	211,930,000.00	-	-	211,930,000.00
<b>Total available-for-sale investments</b>	<b>216,930,000.00</b>	<b>99,600,000.00</b>	<b>65,000,000.00</b>	<b>381,530,000.00</b>

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	31 December 2016			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investments</b>				
Government and state enterprise securities	-	11,600,000.00	5,000,000.00	16,600,000.00
Private sector debt securities	20,000,000.00	88,000,000.00	60,000,000.00	168,000,000.00
Deposits at financial institutions which matured over 3 months	211,930,000.00	-	-	211,930,000.00
<b>Total available-for-sale investments</b>	<b>231,930,000.00</b>	<b>99,600,000.00</b>	<b>65,000,000.00</b>	<b>396,530,000.00</b>

As at March 31, 2017 and December 31, 2016, the Company pledged bank deposit Baht 64.93 million as collateral as stated in note 26.



9. LOANS

As at March 31, 2017 and December 31, 2016, loans and accrued interest aged by principal and accrued interest are as follows:

(Unit : Baht)						
March 31, 2017						
	Mortgage loans		Others		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Not yet due	11,130,501.88	-	885,555.58	-	12,016,057.46	-
Total	11,130,501.88	-	885,555.58	-	12,016,057.46	-
December 31, 2016						
	Mortgage loans		Others		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Not yet due	11,551,614.54	-	921,307.74	-	12,472,922.28	-
Total	11,551,614.54	-	921,307.74	-	12,472,922.28	-

10.1 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.

10.2 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.

10.3 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 three-month period ended March 31, 2017 are presented as follows:

(Unit : Baht)					
	Land	Building	Vehicle	Fixture and office equipment	Total
Net book value					
As at December 31, 2016	41,549,000.00	2,312,861.66	688,451.42	1,344,841.61	45,895,154.69
Cost increasing during the period	-	-	-	374,814.96	374,814.96
Net book value disposal during the period	-	-	-	-	-
Depreciation	-	(471,745.32)	(44,161.54)	(135,269.22)	(651,176.08)
As at March 31, 2017	41,549,000.00	1,841,116.34	644,289.88	1,584,387.35	45,618,793.57

11. INTANGIBLE ASSETS

Changing of intangible assets for the three-month period ended March 31, 2017 are presented as follows:

	(Unit : Baht)
	<u>Computer program</u>
Net book value as at December 31, 2016	176,949.85
Amortized for the period	<u>(14,893.15)</u>
Net book value as at March 31, 2017	<u><u>162,056.70</u></u>

12. DEFERED TAX

12.1 As at March 31, 2017 and December 31, 2016, the component of deferred tax assets and liabilities consist of following items.

	(Unit: Baht)	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
<b>Deferred tax assets</b>		
Premium reserve	1,517,615.76	912,220.03
Loss reserves and outstanding claims	2,723,836.90	2,401,067.43
Loss reserves incurred but not reported (IBNR)	2,326,835.79	2,328,654.57
Allowance for doubtful accounts	234,270.95	275,520.67
Employee benefit obligation	2,605,064.60	2,568,276.80
Total	<u>9,407,624.00</u>	<u>8,485,739.50</u>
<b>Deferred tax liabilities</b>		
Unrealized gain from investment valuation – Available for sale	15,530,201.52	14,389,886.01
Total	<u>15,530,201.52</u>	<u>14,389,886.01</u>
Deferred tax assets (liabilities) - net	<u><u>(6,122,577.52)</u></u>	<u><u>(5,904,146.51)</u></u>

12. DEFERED TAX (Cont.)

12.2 The income tax expenses for the three-month period ended March 31, 2017 and 2016, comprise as follows:-

	(Unit : Baht)	
	For the three-month period ended	
	March 31, 2017	March 31, 2016
<b>Current income tax:</b>		
Current income tax charge for the period	902,176.41	2,264,821.39
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(921,884.50)	(654,509.56)
<b>Income tax expenses reported in statements of income</b>	<b>(19,708.09)</b>	<b>1,610,311.83</b>

12.3 As at March 31, 2017 and 2016, 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	
	March 31, 2017	March 31, 2016
Deferred tax relating to:		
Difference from investment measurement-for-sale securities	(1,140,315.51)	(2,229,303.65)

13. OTHER ASSTES

	(Unit: Baht)	
	March 31, 2017	December 31, 2016
Prepaid long-term commission	1,939,701.93	1,998,018.84
Loss recovery from counter parties	1,205,150.15	1,355,079.01
Other Receivables	1,944,322.46	1,447,045.73
Others	2,086,245.55	2,335,825.17
<b>Total</b>	<b>7,175,420.09</b>	<b>7,135,968.75</b>

14. INSURANCE CONTRACT LIABILITIES

	March 31, 2017		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	25,773,251.44	(4,974,383.24)	20,798,868.20
- Incurred but not reported claim reserves	13,162,568.11	(1,528,389.16)	11,634,178.95
Premium liabilities - Unearned premium reserves	101,612,687.06	(27,009,512.37)	74,603,174.69
<b>Total</b>	<b>140,548,506.61</b>	<b>(33,512,284.77)</b>	<b>107,036,221.84</b>

	December 31, 2016		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves and outstanding claims			
- Incurred and agreed claim reserves	23,819,660.55	(4,730,592.14)	19,089,068.41
- Incurred but not reported claim reserves	13,706,782.07	(2,063,509.23)	11,643,272.84
Premium liabilities - Unearned premium reserves	101,848,604.48	(30,779,772.12)	71,068,832.36
<b>Total</b>	<b>139,375,047.10</b>	<b>(37,573,873.49)</b>	<b>101,801,173.61</b>

Loss reserves and outstanding claims

	(Unit: Baht)	
	For the three-month period ended March 31, 2017	For the year ended December 31, 2016
Beginning balances	37,526,442.62	37,305,930.64
Claims incurred for the periods	21,979,504.16	55,814,915.81
Changes in claim reserves in previous period/year	(157,857.89)	6,799,562.18
Changes in assumption and loss reserve and outstanding claims	(544,213.96)	2,203,851.14
Claims paid during the periods	(19,868,055.38)	(64,597,817.15)
<b>Ending balances</b>	<b>38,935,819.55</b>	<b>37,526,442.62</b>

As at 31 March 2017, the Company had loss reserves and outstanding claims under reinsurance contracts of Baht 5.45 million (31 December 2016: Baht 5.43 million).

14. INSURANCE CONTRACT LIABILITIES (Cont.)

Unearned premium reserve

	(Unit: Baht)	
	For the three-month period ended March 31, 2017	For the year ended December 31, 2016
Beginning balances	101,848,604.48	112,074,567.35
Premium written for the period	51,449,880.81	211,449,183.58
Premium earned for the current period	(51,685,798.23)	(221,675,146.45)
Ending balance	<u>101,612,687.06</u>	<u>101,848,604.48</u>

Unexpired risk reserve

	(Unit: Baht)	
	For the three-month period ended March 31, 2017	For the year ended December 31, 2016
Balance as at January 1	29,553,385.41	27,879,427.84
Estimated claims for the period	14,921,830.28	56,817,389.28
Expired risk during the period	(14,997,655.81)	(55,143,431.71)
Ending balance	<u>29,477,559.88</u>	<u>29,553,385.41</u>

As at March 31, 2017, the Company has not provided for unexpired risk reserve for the amount of Baht 29.48 million (December 31, 2016, Baht 29.55 million) since unexpired risk reserve is lower than unearned premium reserve.

15. DUE TO REINSURERS

	(Unit: Baht)	
	March 31, 2017	December 31, 2016
Premium ceded payables	8,639,606.11	8,654,669.22
Amount withheld on reinsurance	11,934,225.95	8,329,944.71
Total reinsurance payables	<u>20,573,832.06</u>	<u>16,984,613.93</u>

16. EMPLOYEE BENEFIT OBLIGATIONS

For the three-month periods ended March 31, 2017 and 2016

Employee benefits expenses project as determined

(Unit: Baht)

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Current service cost	122,460.25	121,185.50
Interest cost	61,478.75	72,350.00
Total Expenses	<u>183,939.00</u>	<u>193,535.50</u>

**As at March 31, 2017**

Defined benefit obligations at January 1, 2017	12,841,384.00
Current service cost	122,460.25
Interest cost	61,478.75
Less Benefits paid	-
Defined benefit obligations at March 31, 2017	<u>13,025,323.00</u>

Actuarial assumptions to use for calculation:-

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	(Percentage)	(Percentage)
Discount rate	2.69	2.69
Salary rate increase	3.39	3.39

17. OTHER LIABILITIES

(Unit: Baht)

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Accrued expense	6,122,075.35	8,071,468.98
Accrued commission	4,031,441.97	3,223,314.73
Others	5,712,735.02	4,802,802.67
Total	<u>15,866,252.34</u>	<u>16,097,586.38</u>

18. OPERATING EXPENSES

	(Unit: Baht)	
	For the three-month period ended March 31, 2017	For the three-month period ended March 31, 2016
Personal expenses which are not expenses for underwriting and claims	6,398,570.75	6,399,334.05
Premises and equipment expenses which is not expenses for underwriting	2,552,000.76	2,594,767.25
Taxes and duties	352,205.04	315,879.87
Other operating expenses	1,337,601.42	1,449,026.77
<b>Total operating expenses</b>	<b>10,640,377.97</b>	<b>10,759,007.94</b>

19. EMPLOYEE BENEFIT EXPENSE

	(Unit: Baht)	
	For the three-month period ended March 31, 2017	For the three-month period ended March 31, 2016
<b>Management</b>		
Wages and salaries	2,710,210.00	2,881,115.00
Pension costs - defined contribution plans	41,787.00	41,118.00
Others	207,825.15	459,687.25
	<b>2,959,822.15</b>	<b>3,381,920.25</b>
<b>Other employees</b>		
Wages and salaries	5,474,570.00	5,082,714.00
Pension costs - defined contribution plans	92,518.00	93,938.00
Others	461,770.60	239,246.80
	<b>6,028,858.60</b>	<b>5,415,898.80</b>
<b>Total</b>	<b>8,988,680.75</b>	<b>8,797,819.05</b>
<b>Employee benefit expenses has been allocated to:</b>		
Other underwriting expenses	1,698,615.00	1,652,535.00
Insurance claim and loss adjustments	891,495.00	745,950.00
Operating expenses	6,398,570.75	6,399,334.05
<b>Total</b>	<b>8,988,680.75</b>	<b>8,797,819.05</b>

## 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 period ended March 31, 2017 and 2016 are presented as follows.

	(Unit: Baht)	
	For the three-month period ended March 31, 2017	For the three-month period ended March 31, 2016
Short-term benefits	2,862,231.40	3,212,454.00
Long-term benefits	97,590.75	169,466.25
Total	<u>2,959,822.15</u>	<u>3,381,920.25</u>

## 21. 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).

## 22. ASSETS PLEDGED WITH REGISTRAR

As at March 31, 2017 and December 31, 2016, the Company pledged bank deposit in the amount of Baht 14.00 million as collateral with the registrar in accordance with the Section 19 of Insurance Act B.E.2535.

## 23. ASSETS RESERVE PLEDGED WITH REGISTRAR

As at March 31, 2017 and December 31, 2016, bank deposit amount of Baht 30.00 million are used as collateral against premium reserve with the registrar



24. 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 three-month period ended March 31, 2017 and 2016 the Company contributed to Fund approximately Baht 0.13 million and Baht 0.14 million respectively.

25. 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.

26. RESTRICTED ASSETS WITH COMMITMENT

As at March 31, 2017 and December 31, 2016, the Company pledged bank deposit of Baht 64.93 million as collaterals follows:

	(Unit: Baht)	
	March 31, 2017	December 31, 2016
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>

27. CONTINGENT LIABILITIES AND COMMITMENT

**Litigation**

27.1. As at March 31, 2017 and December 31, 2016, the Company was sued from act as insurer with the prosecution value of Baht 18.65 million. However, the Company's contingent liabilities from prosecution cases in the value not more than the policy custody amount of Baht 0.82 million. 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 0.63 million in the financial statements.

**Guarantees**

27.2. As at March 31, 2017 and December 31, 2016, 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.

**Operating lease commitments**

27.3. As at March 31, 2017 and December 31, 2016, the Company has commitments to pay under the rental and service agreement as follows:

	<i>(Unit : Baht)</i>	
	<u>March 31, 2016</u>	<u>December 31, 2016</u>
Due within 1 year	647,416.00	1,027,228.00
Total	<u>647,416.00</u>	<u>1,027,228.00</u>

28. 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 period ended March 31, 2017 and 2016 are as follows.

28. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

	For the three-month period ended March 31, 2017					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	12,430,832.76	2,215,901.72	28,553,878.67	292,126.86	7,957,140.80	51,449,880.81
Less: Premium ceded	3,299,885.86	1,111,031.70	1,390,768.39	43,469.22	5,196,117.25	11,041,272.42
Net premium written	9,130,946.90	1,104,870.02	27,163,110.28	248,657.64	2,761,023.55	40,408,608.39
Add/Less: Unearned premium reserves	1,638,620.76	(1,716.66)	(3,171,425.43)	136,672.82	(2,136,493.82)	(3,534,342.33)
Earned premium written	10,769,567.66	1,103,153.36	23,991,684.85	385,330.46	624,529.73	36,874,266.06
Fee and commissions income	997,890.72	327,127.91	243,688.20	13,945.80	1,286,981.14	2,869,633.77
Total underwriting income	11,767,458.38	1,430,281.27	24,235,373.05	399,276.26	1,911,510.87	39,743,899.83
<b>Underwriting expenses</b>						
Claims and losses adjustment	4,186,337.32	176,300.02	9,616,576.55	74,231.50	371,765.94	14,425,211.33
Commissions and brokerages	2,711,404.90	313,693.84	3,778,835.76	62,363.99	1,318,880.63	8,185,179.12
Other underwriting expenses	1,278,312.65	608,262.48	10,150,792.11	1,269.79	292,813.97	12,331,451.00
Total underwriting expenses before operating expenses	8,176,054.87	1,098,256.34	23,546,204.42	137,865.28	1,983,460.54	34,941,841.45
Operating expenses						10,640,377.97
Loss on underwriting						(5,838,319.59)
Net investment income						2,878,159.52
Gains on investments						-
Other income						2,793,908.04
Loss before corporate income tax						(166,252.03)
Income tax revenue						19,708.09
Loss for the period						(146,543.94)

28. FINANCIAL INFORMATION BY SEGMENT (Cont.)

(Unit: Baht)

	For the three-month period ended March 31, 2016					
	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	17,781,915.20	3,087,138.15	26,778,704.40	395,440.60	9,536,028.61	57,579,226.96
Less: Premium ceded	6,216,015.31	1,942,613.00	1,334,860.58	45,302.60	8,900,236.20	18,439,027.79
Net premium written	11,565,899.89	1,144,525.15	25,433,843.82	350,138.00	635,792.31	39,140,199.17
Add/Less: Unearned premium reserves	(797,337.71)	194,134.59	5,647,382.49	192,528.70	(166,029.51)	5,070,678.56
Earned premium written	10,768,562.18	1,338,659.74	31,091,226.31	542,666.70	469,762.80	44,210,877.73
Fee and commissions income	1,803,509.10	528,136.67	237,467.75	13,411.97	1,648,879.46	4,231,404.95
Total underwriting income	12,572,071.28	1,866,796.41	31,328,694.06	556,078.67	2,118,642.26	48,442,282.68
<b>Underwriting expenses</b>						
Claims and losses adjustment	2,454,299.92	255,023.07	8,097,665.79	157,921.63	1,118,758.51	12,083,668.92
Commissions and brokerages	3,704,436.98	425,200.07	3,556,448.70	103,867.49	1,440,314.60	9,230,267.84
Other underwriting expenses	1,148,752.41	610,680.16	10,151,798.93	1,098.64	300,067.71	12,212,397.85
Total underwriting expenses before operating expenses	7,307,489.31	1,290,903.30	21,805,913.42	262,887.76	2,859,140.82	33,526,334.61
Operating expenses						10,759,007.94
Gain on underwriting						4,156,940.13
Net investment income						3,215,254.91
Gains on investments						-
Other income						871,593.62
Profit before income tax expenses						8,243,788.66
Income tax expenses						1,610,311.83
Profit for the period						6,633,476.83

28. FINANCIAL INFORMATION BY SEGMENT (Cont.)

The following table presents segment assets and liabilities of the Company's operating segments as at March 31, 2017 and December 31, 2016 are as follows:

	(Unit: Baht)						
	fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Unallocated assets	Total
<b>Assets</b>							
As at March 31, 2017	30,594,111.24	6,677,805.51	18,820,247.87	330,820.17	19,085,553.09	738,951,421.43	814,459,959.31
As at December 31, 2016	31,865,289.05	6,391,217.09	13,769,823.59	385,040.73	20,683,065.69	730,619,414.45	803,713,850.60
<b>Liabilities</b>							
As at March 31, 2017	64,736,076.11	9,154,397.86	74,202,378.47	1,095,706.14	25,242,756.30	41,704,554.31	216,135,869.19
As at December 31, 2016	64,663,735.35	8,490,062.11	69,541,817.35	1,232,656.81	25,178,126.58	40,698,080.40	209,804,478.60

29. EVENTS AFTER THE REPORTING PERIOD

According to the resolution of annual general shareholders' meeting for the year 2016 held on April 26, 2017, the meeting passed the resolution to pay dividend from the financial performance of year 2016 in amount of Baht 1.50 per share for 12 million shares, totaling in amount of Baht 18 million. The Company determined to pay dividend on May 26, 2017.

30. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements have been approved to be issued by authorized directors on May 12, 2017.