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***SRI AYUDHYA GENERAL INSURANCE  
PUBLIC COMPANY LIMITED***

***Interim Financial Statements***

***Three-month and nine-month periods ended  
September 30, 2015***

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS**

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**

We have reviewed the statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at September 30, 2015, and the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2015, changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Dr. Suphamit Techamontrikul  
Certified Public Accountant (Thailand)  
Registration No. 3356

**BANGKOK**  
November 6, 2015

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2015**

**Baht : '000**

	Notes	<b>“Unaudited”</b>	
		<b>As at September 30, 2015</b>	<b>As at December 31, 2014</b>
<b>ASSETS</b>			
Cash and cash equivalents		1,340,056	1,331,413
Accrued investment income		4,849	10,300
Premium due and uncollected - net	6	243,828	305,664
Reinsurance assets	7	1,315,066	1,426,547
Investments			
Investment in securities	8		
Available-for-sale securities		383,364	414,234
Held-to-maturity securities		1,911,825	1,407,806
General investment		20,841	1,161
Total investment in securities		<u>2,316,030</u>	<u>1,823,201</u>
Loans	9	712	1,327
Leasehold improvement and equipment - net	10	58,026	44,999
Intangible assets - net		86,295	88,237
Deferred tax assets	11	205,390	205,245
Deferred commission expenses		53,494	59,836
Other assets	12	68,365	65,812
<b>TOTAL ASSETS</b>		<u><u>5,692,111</u></u>	<u><u>5,362,581</u></u>

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2015**

**Baht : '000**

	<b>Notes</b>	<b>“Unaudited” As at September 30, 2015</b>	<b>As at December 31, 2014</b>
<b>LIABILITIES AND EQUITY</b>			
Income tax payable		22,479	6,152
Due to reinsurers	13	830,362	795,480
Insurance contract liabilities			
Loss reserves and outstanding claims	14	1,173,911	995,377
Premium reserve	15	1,502,085	1,451,942
Employee benefit obligations	16	62,643	56,375
Deferred tax liabilities	18	1,690	3,435
Premium written received in advance		295,081	334,883
Commission and brokerage payables		54,204	62,711
Accrued expenses		40,200	76,835
Other liabilities	19	52,392	55,875
<b>TOTAL LIABILITIES</b>		<u>4,035,047</u>	<u>3,839,065</u>
<b>EQUITY</b>			
Share capital			
Authorized share capital			
240,000,000 ordinary shares			
of Baht 10.00 each		<u>2,400,000</u>	<u>2,400,000</u>
Issued and paid-up share capital			
180,000,000 ordinary shares			
of Baht 10.00 each		1,800,000	1,800,000
Retained deficits			
Unappropriated		(149,697)	(290,223)
Other components of equity			
Changes in fair value of available-for-sale securities		6,761	13,739
<b>TOTAL EQUITY</b>		<u>1,657,064</u>	<u>1,523,516</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>5,692,111</u>	<u>5,362,581</u>

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

		<b>Baht: '000</b>	
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Net premium earned	20	477,512	450,854
Fee and commission income	20	86,809	88,643
Total revenues		564,321	539,497
<b>Expenses</b>			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	20	233,879	183,950
Commissions and brokerages expenses	20	116,916	114,300
Other underwriting expenses	20	105,889	92,478
Operating expenses	21	73,743	71,590
Total underwriting expenses		530,427	462,318
Profit on underwriting		33,894	77,179
Net investment income		13,462	13,780
Gain on investment in securities		8,791	-
Other income		1,296	737
<b>Income from operation</b>		<b>57,443</b>	<b>91,696</b>

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

		<b>Baht: '000</b>	
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
Contribution to the Office of Insurance Commission		2,108	2,032
Contribution to Non - life Guarantee Fund		2,108	2,032
Contribution to Road Victims Protection Fund		134	87
Income before income tax expense		53,093	87,545
Income tax expense	22	11,046	28,702
<b>Net income</b>		42,047	58,843
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Changes in fair value of available-for-sale securities		(11,682)	1,788
Income tax relating to items that will be reclassified subsequently		2,336	(358)
Other comprehensive income (loss) for the periods, net of income tax		(9,346)	1,430
<b>Total comprehensive income for the periods</b>		32,701	60,273
<b>Basic earnings per share</b>	23	<b>Baht</b> 0.23	0.33

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

		<b>Baht: '000</b>	
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>			
Net premium earned	20	1,405,957	1,396,272
Fee and commission income	20	261,576	258,599
Total revenues		1,667,533	1,654,871
<b>Expenses</b>			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	20	668,142	513,277
Commissions and brokerages expenses	20	350,169	333,902
Other underwriting expenses	20	299,780	272,767
Operating expenses	21	216,792	203,227
Total underwriting expenses		1,534,883	1,323,173
Profit on underwriting		132,650	331,698
Net investment income		41,678	44,810
Gain on investment in securities		8,791	4
Other income		4,217	1,276
<b>Income from operation</b>		<b>187,336</b>	<b>377,788</b>

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

		<b>Baht: '000</b>	
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
Contribution to the Office of Insurance Commission		6,394	6,182
Contribution to Non - life Guarantee Fund		5,894	5,682
Contribution to Road Victims Protection Fund		378	286
Income before income tax expense		174,670	365,638
Income tax expense	22	34,144	93,048
<b>Net income</b>		140,526	272,590
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Changes in fair value of available-for-sale securities		(8,723)	3,931
Income tax relating to items that will be reclassified subsequently		1,745	(786)
Other comprehensive income (loss) for the periods, net of income tax		(6,978)	3,145
<b>Total comprehensive income for the periods</b>		133,548	275,735
<b>Basic earnings per share</b>	23 <b>Baht</b>	0.78	1.51

See condensed notes to the financial statements



**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

	<b>Issued and paid-up share capital</b>	<b>Retained deficits Unappropriated</b>	<b>Other components of equity - Changes in fair value of available-for-sale securities</b>	<b>Baht: '000</b>
				<b>Total equity</b>
Beginning balance as at January 1, 2014	1,800,000	(651,517)	9,765	1,158,248
Comprehensive income	-	272,590	3,145	275,735
<b>Ending balance as at September 30, 2014</b>	<b>1,800,000</b>	<b>(378,927)</b>	<b>12,910</b>	<b>1,433,983</b>
Beginning balance as at January 1, 2015	1,800,000	(290,223)	13,739	1,523,516
Comprehensive income (loss)	-	140,526	(6,978)	133,548
<b>Ending balance as at September 30, 2015</b>	<b>1,800,000</b>	<b>(149,697)</b>	<b>6,761</b>	<b>1,657,064</b>

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

	Notes	2015	2014
<b>Baht: '000</b>			
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>OPERATING ACTIVITIES</b>			
Direct premium received		2,376,441	2,296,782
Cash paid from reinsurance		(48,672)	(209,330)
Losses incurred from direct insurance		(862,258)	(1,069,693)
Loss adjustment expenses from direct insurance		(67,827)	(65,360)
Commissions and brokerages from direct insurance		(347,618)	(333,736)
Other underwriting expenses		(304,897)	(299,000)
Interest income		44,474	50,970
Dividend income		866	35
Other income		2,549	932
Operating expenses		(220,085)	(198,970)
Income tax received (paid)		(17,962)	4,008
Net cash provided by operating activities	5.3	555,011	176,638
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>INVESTING ACTIVITIES</b>			
<b>CASH FLOWS PROVIDED BY</b>			
Investment in securities		3,605,520	2,470,004
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		3,079	559,043
Loans		693	1,039
Leasehold improvement and equipment		3,964	447
Cash provided by investing activities		3,613,256	3,030,533

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

		<b>Baht: '000</b>	
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>  INVESTING ACTIVITIES (CONTINUED)</b>			
<b>CASH FLOWS USED IN</b>			
Investment in securities		(4,114,204)	(3,495,731)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		(7,067)	(657,531)
Loans		(78)	(52)
Leasehold improvement and equipment		(29,873)	(18,068)
Intangible assets		(8,402)	(2,962)
Cash used in investing activities		(4,159,624)	(4,174,344)
Net cash used in investing activities		(546,368)	(1,143,811)
Net increase (decrease) in cash and cash equivalents		8,643	(967,173)
Cash and cash equivalents as at January 1,		1,331,413	1,592,292
<b>Cash and cash equivalents as at September 30,</b>	5.2	<b>1,340,056</b>	<b>625,119</b>

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015**  
**“UNAUDITED”**

**1. GENERAL INFORMATION AND OPERATION OF THE COMPANY**

Sri Ayudhya General Insurance Public Company Limited (“the Company”) is a limited company incorporated in Thailand on September 21, 1982. The main business is non-life insurance which the Company was awarded its license to operate all classes of non-life insurance on September 24, 1982. On October 3, 2011, the Company was registered to be Public Company Limited with the Ministry of Commerce and has been already approved by the Office of Insurance Commission. The Company’s office was registered at Ploenchit Tower, 18<sup>th</sup> floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The major shareholder company is Sri Ayudhya Capital Public Company Limited which was incorporated in Thailand, holding 99.99% of its share capital.

The Company has extensive transactions and relationships with the parent company and related parties. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such related parties.

**2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS**

- 2.1 These interim financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2014) “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business No. 2 B.E. 2553 dated May 27, 2010. The Company presents the condensed notes to interim financial statements.
- 2.2 The statement of financial position as at December 31, 2014, presented herein for comparison, has been derived from the financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations are presented in the three-month and nine-month periods ended September 30, 2015 are not necessarily an indication nor anticipation of the operating results for the full year.

- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRSs, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and nine-month periods ended September 30, 2015 should be read in conjunction with the audited financial statements for the year ended December 31, 2014.
- 2.5 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2015 onwards, as follow:

**Thai Accounting Standards (“TAS”)**

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible assets
TAS 40 (Revised 2014)	Investment Property

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

**Thai Accounting Standards Interpretations (“TSIC”)**

TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2014)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2014)	Service Concession Arrangements
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Above TFRSs have no material impact on these financial statements, except TFRS 13 which has resulted in more extensive disclosures (see Note 30).

2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2016 onwards, as follow:

**Thai Accounting Standards (“TAS”)**

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 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
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 Ventures

**Thai Accounting Standards (“TAS”) (continued)**

TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings Per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 40 (Revised 2015)	Investment Property

**Thai Financial Reporting Standards (“TFRS”)**

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 Assets
TFRS 8 (Revised 2015)	Operating Segments
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities

**Thai Accounting Standards Interpretations (“TSI”)**

TSI 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSI 15 (Revised 2015)	Operating Leases - Incentives
TSI 25 (Revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSI 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSI 29 (Revised 2015)	Disclosure - Service Concession Arrangements
TSI 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSI 32 (Revised 2015)	Intangible Assets - Web Site Costs

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRI 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRI 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRI 12 (Revised 2015)	Service Concession Arrangements
TFRI 13 (Revised 2015)	Customer Loyalty Programmes
TFRI 14 (Revised 2015)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRI 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRI 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRI 18 (Revised 2015)	Transfers of Assets from Customers
TFRI 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine

The Company’s management will adopt the above TASs, TFRSs, TSIs, and TFRIs relevant to the Company in the preparation of Company’s financial statements when they become effective. The Company’s management has assessed the effects of these TASs, TFRSs, TSIs, and TFRIs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied, with the exception of Thai Financial Reporting Standard No.4 (Revised 2015) “Insurance Contracts” which the Company’s management is in the process of assessing the impact.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2014, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2. Accounting policies which significantly changed are as follows:

#### Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2014), leasing transactions that are within the scope of TAS 17 (Revised 2014), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in TAS 2 (Revised 2014) or value in use in TAS 36 (Revised 2014).

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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



#### 4. IMPACT FROM SEVERE FLOODING IN THAILAND

From the severe flooding in Thailand by the end of 2011, the Company's management has continued to monitor the development of the flood losses. As at September 30, 2015 and December 31, 2014, the Company recorded loss reserves from claims of flooding and recorded loss refundable from reinsurance as follows:

	<b>As at September 30, 2015</b>	<b>Baht: million As at December 31, 2014</b>
Loss reserves (see Note 14)	315.37	390.88
<u>Less Loss refundable from reinsurance (see Note 7)</u>	<u>(205.49)</u>	<u>(255.91)</u>
Loss reserves - net	<u>109.88</u>	<u>134.97</u>

For the three-month and nine-month periods ended September 30, 2015 and 2014, the Company had insurance claims from the flooding which paid to the insured by net of loss refundable from reinsurance, and reversed net insurance claims arising from loss incurred and loss refundable from such situation, as part of insurance claims and loss adjustment expenses in the statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2015 and 2014 as follows:

	<b>Baht: million</b>			
	<b>For the three-month periods ended September 30,</b>		<b>For the nine-month periods ended September 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net insurance claims paid (received)	20.43	95.16	(3.49)	234.10
Net insurance claims decreased (see Note 20)	5.14	22.93	14.50	178.00

In 2014, the Company has additional loss refundable from reinsurers from the flooding amounting to Baht 245.87 million with certain business obligations. For the three-month and nine-month periods ended September 30, 2015 and 2014, the Company recorded such loss refundable from reinsurers as follow:

	<b>Baht: million</b>			
	<b>For the three-month periods ended September 30,</b>		<b>For the nine-month periods ended September 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Loss refundable from reinsurers (see Note 20)	4.97	4.97	14.91	141.50

The remaining loss refundable from reinsurers will be recognized as specified in business obligations aforementioned.

The Company's management has reviewed and estimated such loss reserves and loss recovery from the amount appraised by an independent appraiser or by the Company's appraiser, based on situation, received supporting documents and experience of the Company's management. However, there may be an uncertainty resulted from using various assumptions in estimation of such loss reserves and loss recovery.

## 5. ADDITIONAL INFORMATION FOR CASH FLOWS

### 5.1 Non-cash items

5.1.1 Leasehold improvement and equipment for the nine-month periods ended September 30, 2015 and 2014 consisted of the following:

	<b>2015</b>	<b>Baht: '000 2014</b>
Other payable - fixed assets as at January 1,	897	1,813
<u>Add</u> Purchases of fixed assets	29,214	16,870
<u>Less</u> Cash paid for purchase of fixed assets	<u>(29,873)</u>	<u>(18,068)</u>
Other payable - fixed assets as at September 30,	<u>238</u>	<u>615</u>

5.1.2 Intangible assets for the nine-month periods ended September 30, 2015 and 2014 consisted of the following:

	<b>2015</b>	<b>Baht: '000 2014</b>
Other payable - intangible assets as at January 1,	-	279
<u>Add</u> Purchases of intangible assets	8,402	2,895
<u>Less</u> Cash paid for purchase of intangible assets	<u>(8,402)</u>	<u>(2,962)</u>
Other payable - intangible assets as at September 30,	<u>-</u>	<u>212</u>

- 5.2 Cash and cash equivalents as at September 30, 2015 and 2014, consisted of the following:

	2015	Baht: '000 2014
Cash	265	265
Cheque on hands	9,483	6,911
Deposits at bank - call deposits	480,721	617,943
Deposits at bank - time deposits	412,174	407,883
Government securities - treasury bills	2,349,238	1,497,652
	<u>3,251,881</u>	<u>2,530,654</u>
<u>Less</u> Deposits at bank with maturity over 3 months	(153,072)	(150,000)
Deposits at bank used as collateral	(259,102)	(257,883)
Government securities - treasury bills used as collateral	<u>(1,499,651)</u>	<u>(1,497,652)</u>
Cash and cash equivalents	<u>1,340,056</u>	<u>625,119</u>

- 5.3 Cash flows provided by (used in) operating activities

Items to reconcile net profit to net cash flows provided by (used in) operating activities for the nine-month periods ended September 30, 2015 and 2014 were as follows:

	2015	Baht: '000 2014
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Profit before income tax	174,670	365,638
Items to reconcile net profit to net cash flows:		
Depreciation	14,078	13,778
Amortization	10,344	13,033
Gain on sale of fixed assets	(1,855)	(309)
Employee benefit expenses	6,268	4,749
Unearned premium reserve increase (decrease) from prior periods	34,111	(47,783)
Amortization of bonds premium	3,711	4,344
Amortization of debentures premium	-	(44)
Amortization of bonds discount	8	8
Amortization of treasury bills discount	(5,508)	(3,122)
Gain on sale of investment in available-for-sale securities - unit trust	(8,791)	(4)
Allowance for doubtful accounts (reverse)	<u>(5,935)</u>	<u>4</u>
Profit from operations before changes in operating assets and liabilities	221,101	350,292

	2015	Baht: '000 2014
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES (CONTINUED)</b>		
Operating assets (increase) decrease (continued)		
Accrued investment income	5,451	5,007
Premium due and uncollected	61,836	(2,975)
Reinsurance assets	133,448	381,035
Deferred commissions expenses	6,342	(7,515)
Other assets	19,147	(4,942)
Operating liabilities increase (decrease)		
Due to reinsurers	34,882	316,240
Loss reserves and outstanding claims	178,534	(856,024)
Premium written received in advance	(39,802)	25,548
Commissions and brokerages payables	(8,507)	2,447
Accrued expenses	(36,635)	(3,249)
Other liabilities	(2,824)	(33,234)
Cash provided by operating activities	572,973	172,630
Income tax received (paid)	(17,962)	4,008
Net cash provided by operating activities	<u>555,011</u>	<u>176,638</u>

## 6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at September 30, 2015 and December 31, 2014 consisted of the following:

	As at September 30, 2015				As at December 31, 2014			
	Insured	Agent and Broker	Inward	Total	Insured	Agent and Broker	Inward	Total
Within credit terms	9,933	173,513	1,355	184,801	12,550	221,502	1,866	235,918
Less than 30 days	306	24,029	1,691	26,026	478	34,701	837	36,016
31 - 60 days	428	18,016	1,118	19,562	387	12,890	1,742	15,019
61 - 90 days	1	7,641	632	8,274	1,521	4,252	1,579	7,352
91 days - 1 year	1,089	8,703	3,700	13,492	90	13,704	3,202	16,996
Over 1 year	-	294	955	1,249	-	476	3,463	3,939
Total premium due and uncollected	11,757	232,196	9,451	253,404	15,026	287,525	12,689	315,240
Less Allowance for doubtful accounts	-	(9,576)	-	(9,576)	-	(9,576)	-	(9,576)
Premium due and uncollected - net	<u>11,757</u>	<u>222,620</u>	<u>9,451</u>	<u>243,828</u>	<u>15,026</u>	<u>277,949</u>	<u>12,689</u>	<u>305,664</u>

7. REINSURANCE ASSETS

Reinsurance assets as at September 30, 2015 and December 31, 2014 consisted of the following:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Due from reinsurers	96,268	387,823
Unearned reinsurance premium reserve	562,287	546,255
Insurance reserve refundable from reinsurers	656,511	498,404
	<u>1,315,066</u>	<u>1,432,482</u>
<u>Less Allowance for doubtful accounts</u>	<u>-</u>	<u>(5,935)</u>
Total reinsurance assets	<u>1,315,066</u>	<u>1,426,547</u>

Insurance reserve refundable from reinsurers - net as at September 30, 2015 and December 31, 2014 included an expected loss refundable from reinsurers caused by suffering losses from flooding in Thailand amounting to Baht 205.49 million and Baht 255.91 million, respectively (see Note 4).

Aging analyzes for due from reinsurers as at September 30, 2015 and December 31, 2014 were as follows:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Within credit terms	85,921	360,676
Within 12 months	9,233	24,897
Over 1 year to 2 years	179	508
Over 2 years	935	1,742
Total due from reinsurers	<u>96,268</u>	<u>387,823</u>

## 8. INVESTMENT IN SECURITIES

Investment in securities as at September 30, 2015 and December 31, 2014 consisted of the following:

	Baht: '000			
	As at September 30, 2015		As at December 31, 2014	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
<b>Available-for-sale securities</b>				
Government and state enterprise securities	363,817	372,268	367,535	375,759
Unit trusts	11,096	11,096	29,525	38,475
Total	374,913	383,364	397,060	414,234
<u>Add Unrealized gains</u>	8,451	-	17,174	-
<b>Total available-for-sale securities</b>	<u>383,364</u>	<u>383,364</u>	<u>414,234</u>	<u>414,234</u>
<b>Held-to-maturity securities</b>				
Deposits at bank with maturity over 3 months	153,072		150,000	
Deposits at bank used as collateral	259,102		258,187	
Government securities - Treasury bills used as collateral	1,499,651		999,619	
<b>Total held-to-maturity securities</b>	<u>1,911,825</u>		<u>1,407,806</u>	
<b>General investment</b>				
Equity securities	20,841		1,161	
<b>Total general investment</b>	<u>20,841</u>		<u>1,161</u>	
<b>Total investment in securities - net</b>	<u>2,316,030</u>		<u>1,823,201</u>	

Debt securities classified by the remaining maturity as at September 30, 2015 were as follows:

	Baht: '000			
	Maturities			Total
	Within 1 year	1 - 5 years	Over 5 years	
<b>Available-for-sale debt securities</b>				
Government and state enterprise securities	201,859	161,958	-	363,817
<u>Add Unrealized gains</u>	1,681	6,770	-	8,451
<b>Total available-for-sale debt securities</b>	<u>203,540</u>	<u>168,728</u>	<u>-</u>	<u>372,268</u>
<b>Held-to-maturity debt securities</b>				
Government and state enterprise securities	1,499,651	-	-	1,499,651
<b>Total held-to-maturity debt securities</b>	<u>1,499,651</u>	<u>-</u>	<u>-</u>	<u>1,499,651</u>
<b>Total debt securities - net</b>	<u>1,703,191</u>	<u>168,728</u>	<u>-</u>	<u>1,871,919</u>

Debt securities classified by the remaining maturity as at December 31, 2014 were as follows:

	Maturities			Baht: '000
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale debt securities</b>				
Government and state enterprise securities	-	367,535	-	367,535
Add Unrealized gains	-	8,224	-	8,224
<b>Total available-for-sale debt securities</b>	<b>-</b>	<b>375,759</b>	<b>-</b>	<b>375,759</b>
<b>Held-to-maturity debt securities</b>				
Government and state enterprise securities	999,619	-	-	999,619
<b>Total held-to-maturity debt securities</b>	<b>999,619</b>	<b>-</b>	<b>-</b>	<b>999,619</b>
<b>Total debt securities - net</b>	<b>999,619</b>	<b>375,759</b>	<b>-</b>	<b>1,375,378</b>

As at September 30, 2015 and December 31, 2014, certain of deposits at bank are pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 17).

As at September 30, 2015 and December 31, 2014, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 270.37 million and Baht 273.34 million, respectively (see Note 26).

As at September 30, 2015 and December 31, 2014, certain investment in securities are deposited with a bank as the Company's backup assets according to the Notification of the Office of Insurance Commission amounting to Baht 1,841.81 million and Baht 1,379.86 million, respectively (see Note 27).

## 9. LOANS

Loans of the Company were loans to employees with personal collateral in accordance with the welfare policy of the Company, consisted of the following:

Types of loans	Credit line of loans	Interest rate per year
General loans	Not exceed Baht 100,000 per person	3.85
Loans for residential from the flooding crisis	Not exceed Baht 100,000 per person	2.00





**11. DEFERRED TAX ASSETS**

Deferred tax assets as at September 30, 2015 and December 31, 2014 were as follows:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Deferred tax assets	<u>205,390</u>	<u>205,245</u>

Movements of deferred tax assets for the nine-month periods ended September 30, 2015 and 2014 consisted of tax effects from the following items:

	<b>As at January 1, 2015</b>	<b>Transactions recognized in profit or loss</b>	<b>Transaction recognized in other comprehensive income or loss</b>	<b>Baht: '000 As at September 30, 2015</b>
Allowance for doubtful accounts				
- Premium due and uncollected	1,915	-	-	1,915
Allowance for doubtful accounts				
- Other receivable	256	-	-	256
Unearned premium reserve	93,810	-	-	93,810
Loss reserve - net	84,410	2,584	-	86,994
Incurred but not reported claims	13,220	1,745	-	14,965
Employee benefit obligations	6,134	1,254	-	7,388
Premium ceded payable - Excess of loss	5,500	(5,438)	-	62
Total	<u>205,245</u>	<u>145</u>	<u>-</u>	<u>205,390</u>

	<b>As at January 1, 2014</b>	<b>Transactions recognized in profit or loss</b>	<b>Transaction recognized in other comprehensive income or loss</b>	<b>Baht: '000 As at September 30, 2014</b>
Allowance for doubtful accounts				
- Premium due and uncollected	1,915	-	-	1,915
Allowance for doubtful accounts				
- Other receivable	256	-	-	256
Unearned premium reserve	92,259	(7,107)	-	85,152
Loss reserve - net	160,520	(84,083)	-	76,437
Incurred but not reported claims	12,541	706	-	13,247
Employee benefit obligations	4,588	950	-	5,538
Premium ceded payable - Excess of loss	3,839	(3,514)	-	325
Total	<u>275,918</u>	<u>(93,048)</u>	<u>-</u>	<u>182,870</u>

## 12. OTHER ASSETS

Other assets as at September 30, 2015 and December 31, 2014 consisted of the following:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Other receivable	12,988	13,937
Receivable from sale of securities	21,700	-
Revenue Department receivable	2,832	4,803
Refundable withholding tax	1,656	1,656
Premium saving certificates used as collateral	13,600	25,000
Prepaid expenses	9,399	14,784
Others	6,190	5,632
Total other assets	<u>68,365</u>	<u>65,812</u>

## 13. DUE TO REINSURERS

Due to reinsurers as at September 30, 2015 and December 31, 2014 consisted of the following:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Premium ceded payables	100,316	66,433
Amount withheld on reinsurance	405,009	393,849
Other reinsurance payables	325,037	335,198
Total due to reinsurers	<u>830,362</u>	<u>795,480</u>

## 14. LOSS RESERVES AND OUTSTANDING CLAIMS

Loss reserves and outstanding claims as at September 30, 2015 and December 31, 2014 consisted of the following:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
As at January 1,	995,377	2,176,599
Loss incurred and loss adjustment expenses during the period/year		
- Incurred but not reported	8,726	3,395
- Incurred but not yet agreed	171,029	(1,185,993)
- Incurred and agreed	984,678	2,309,548
Loss paid and loss adjustment paid during the period/year	<u>(985,899)</u>	<u>(2,308,172)</u>
As at September 30, and December 31,	<u>1,173,911</u>	<u>995,377</u>

As at September 30, 2015 and December 31, 2014, the Company had loss reserves and outstanding claims under the reinsurance contracts of Baht 377.76 million and Baht 416.83 million, respectively.

Loss reserves and outstanding claims as at September 30, 2015 and December 31, 2014 in the financial statements included claim from suffering losses from flooding in Thailand amounting to Baht 315.37 million and Baht 390.88 million, respectively (see Note 4).

## 15. PREMIUM RESERVE

Premium reserve as at September 30, 2015 and December 31, 2014 consisted of the following:

### 15.1 Unearned premium reserve

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
As at January 1,	1,451,942	1,338,150
Premium written for the period/year	2,380,161	3,087,164
Earned premium for the period/year	<u>(2,330,018)</u>	<u>(2,973,372)</u>
As at September 30, and December 31,	<u>1,502,085</u>	<u>1,451,942</u>

### 15.2 Unexpired risk reserve

As at September 30, 2015 and December 31, 2014, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 817.43 million and Baht 743.24 million, respectively, is lower than the unearned premium reserve.

## 16. EMPLOYEE BENEFIT OBLIGATIONS

Movements in the present value of the employee benefit obligations as at September 30, 2015 and December 31, 2014 were as follows:

	As at September 30, 2015	Baht: '000 As at December 31, 2014
Present value of obligation at the beginning of the period/year	56,375	48,185
Current service cost of the period/year	4,810	5,131
Interest cost	1,458	1,985
Actuarial loss	-	1,656
Employee benefit obligations transferred from the parent company	-	913
Benefit paid during the period/year	-	(1,495)
Present value of obligation at the ending of the period/year	<u>62,643</u>	<u>56,375</u>

The expenses that were recorded in the statement of profit or loss and other comprehensive income for employee benefit obligations for the three-month and nine-month periods ended September 30, 2015 and 2014 consisted of the following:

	For the three-month periods ended September 30,		Baht: '000 For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Current service cost	1,670	1,288	4,810	4,502
Interest cost	486	496	1,458	1,489
Total employee benefit expenses	<u>2,156</u>	<u>1,784</u>	<u>6,268</u>	<u>5,991</u>

## 17. BANK OVERDRAFTS

As at September 30, 2015 and December 31, 2014 the Company had credit lines for bank overdrafts of Baht 20 million with interest rate at the fixed deposit rate plus 2% per annum. Such credit lines were guaranteed by fixed deposit of the Company of Baht 20 million (see Note 8).

**18. DEFERRED TAX LIABILITIES**

Deferred tax liabilities as at September 30, 2015 and December 31, 2014 were as follows:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Deferred tax liabilities	<u>1,690</u>	<u>3,435</u>

Movements of deferred tax liabilities for the nine-month periods ended September 30, 2015 and 2014 consisted of tax effects from the following items:

	<b>As at January 1, 2015</b>	<b>Transaction recognized in profit or loss</b>	<b>Transaction recognized in other comprehensive income or loss</b>	<b>Baht: '000 As at September 30, 2015</b>
Unrealized gain on the change in value of investment in available-for-sale securities	<u>3,435</u>	<u>-</u>	<u>(1,745)</u>	<u>1,690</u>
Total	<u>3,435</u>	<u>-</u>	<u>(1,745)</u>	<u>1,690</u>

	<b>As at January 1, 2014</b>	<b>Transaction recognized in profit or loss</b>	<b>Transaction recognized in other comprehensive income or loss</b>	<b>Baht: '000 As at September 30, 2014</b>
Unrealized gain on the change in value of investment in available-for-sale securities	<u>2,442</u>	<u>-</u>	<u>786</u>	<u>3,228</u>
Total	<u>2,442</u>	<u>-</u>	<u>786</u>	<u>3,228</u>

**19. OTHER LIABILITIES**

Other liabilities as at September 30, 2015 and December 31, 2014 consisted of the following:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Other payable - promotion expense	12,447	11,797
Amount received in advance - premium	17,010	15,138
Revenue Department payable	4,582	7,229
Undue output VAT	2,342	2,869
Others	<u>16,011</u>	<u>18,842</u>
Total other liabilities	<u>52,392</u>	<u>55,875</u>

**20. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE**

Underwriting information classified by type of insurance for the three-month and nine-month periods ended September 30, 2015 and 2014 was as follows:

	Baht: '000					
	For the three-month period ended September 30, 2015					
	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
<b>Underwriting income</b>						
Gross premiums written	149,655	90,945	263,252	103,597	242,333	849,782
<u>Less</u> Premiums ceded	41,764	62,336	93,444	8,378	142,964	348,886
Net premiums written	107,891	28,609	169,808	95,219	99,369	500,896
<u>(Add) Less</u> Unearned premium reserve	2,773	1,077	14,753	5,095	(314)	23,384
Net premium earned	105,118	27,532	155,055	90,124	99,683	477,512
Fee and commission income	9,605	16,364	32,247	1,842	26,751	86,809
Total underwriting income	<u>114,723</u>	<u>43,896</u>	<u>187,302</u>	<u>91,966</u>	<u>126,434</u>	<u>564,321</u>
<b>Underwriting expenses</b>						
Insurance claims and loss adjustment expenses (see Note 4)	27,429	18,312	102,341	55,719	30,078	233,879
Commissions and brokerages expenses	33,441	10,986	32,830	18,127	21,532	116,916
Other underwriting expenses	21,405	7,297	40,477	15,885	20,825	105,889
Total underwriting expenses	<u>82,275</u>	<u>36,595</u>	<u>175,648</u>	<u>89,731</u>	<u>72,435</u>	<u>456,684</u>

	Baht: '000					
	For the three-month period ended September 30, 2014					
	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
<b>Underwriting income</b>						
Gross premiums written	146,069	103,341	231,380	89,493	249,926	820,209
<u>Less</u> Premiums ceded	40,446	72,677	78,254	12,961	154,202	358,540
Net premiums written	105,623	30,664	153,126	76,532	95,724	461,669
<u>(Add) Less</u> Unearned premium reserve	11,181	2,854	(31,607)	19,015	9,372	10,815
Net premium earned	94,442	27,810	184,733	57,517	86,352	450,854
Fee and commission income	9,987	20,123	26,963	2,801	28,769	88,643
Total underwriting income	<u>104,429</u>	<u>47,933</u>	<u>211,696</u>	<u>60,318</u>	<u>115,121</u>	<u>539,497</u>
<b>Underwriting expenses</b>						
Insurance claims and loss adjustment expenses (see Note 4)	10,144	16,030	111,552	41,755	4,469	183,950
Commissions and brokerages expenses	32,482	12,603	32,293	15,184	21,738	114,300
Other underwriting expenses	13,059	7,925	32,803	17,828	20,863	92,478
Total underwriting expenses	<u>55,685</u>	<u>36,558</u>	<u>176,648</u>	<u>74,767</u>	<u>47,070</u>	<u>390,728</u>

Baht: '000

For the nine-month period ended September 30, 2015

	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
<b>Underwriting income</b>						
Gross premiums written	468,186	276,612	743,889	295,314	596,160	2,380,161
<u>Less</u> Premiums ceded	<u>142,559</u>	<u>193,277</u>	<u>264,231</u>	<u>32,285</u>	<u>307,741</u>	<u>940,093</u>
Net premiums written	325,627	83,335	479,658	263,029	288,419	1,440,068
<u>Less</u> Unearned premium reserve	<u>3,903</u>	<u>553</u>	<u>22,971</u>	<u>5,866</u>	<u>818</u>	<u>34,111</u>
Net premium earned	321,724	82,782	456,687	257,163	287,601	1,405,957
Fee and commission income	37,112	52,411	91,106	7,869	73,078	261,576
Total underwriting income	<u>358,836</u>	<u>135,193</u>	<u>547,793</u>	<u>265,032</u>	<u>360,679</u>	<u>1,667,533</u>
<b>Underwriting expenses</b>						
Insurance claims and loss adjustment expenses (see Note 4)	95,072	33,660	291,843	144,408	103,159	668,142
Commissions and brokerages expenses	103,674	33,649	93,983	52,289	66,574	350,169
Other underwriting expenses	55,844	23,424	110,261	54,812	55,439	299,780
Total underwriting expenses	<u>254,590</u>	<u>90,733</u>	<u>496,087</u>	<u>251,509</u>	<u>225,172</u>	<u>1,318,091</u>

Baht: '000

For the nine-month period ended September 30, 2014

	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
<b>Underwriting income</b>						
Gross premiums written	452,761	290,498	696,327	258,905	600,293	2,298,784
<u>Less</u> Premiums ceded	<u>135,584</u>	<u>203,525</u>	<u>232,968</u>	<u>44,879</u>	<u>333,339</u>	<u>950,295</u>
Net premiums written	317,177	86,973	463,359	214,026	266,954	1,348,489
<u>(Add) Less</u> Unearned premium reserve	<u>45,762</u>	<u>2,838</u>	<u>(154,893)</u>	<u>45,108</u>	<u>13,402</u>	<u>(47,783)</u>
Net premium earned	271,415	84,135	618,252	168,918	253,552	1,396,272
Fee and commission income	37,582	59,355	80,270	9,071	72,321	258,599
Total underwriting income	<u>308,997</u>	<u>143,490</u>	<u>698,522</u>	<u>177,989</u>	<u>325,873</u>	<u>1,654,871</u>
<b>Underwriting expenses</b>						
Insurance claims and loss adjustment expenses (see Note 4)	39,355	29,578	415,550	115,007	(86,213)	513,277
Commissions and brokerages expenses	99,011	34,969	93,659	44,071	62,192	333,902
Other underwriting expenses	34,582	23,100	95,189	54,083	65,813	272,767
Total underwriting expenses	<u>172,948</u>	<u>87,647</u>	<u>604,398</u>	<u>213,161</u>	<u>41,792</u>	<u>1,119,946</u>

## 21. OPERATING EXPENSES

Operating expenses for the three-month and nine-month periods ended September 30, 2015 and 2014, consisted of the following:

	For the three-month		For the nine-month	
	periods ended September 30, 2015	2014	periods ended September 30, 2015	2014
				Baht: '000
Employee's expenses, excluded underwriting and loss adjustment expenses	24,719	26,653	72,998	65,768
Premises and equipment expense, excluded underwriting expenses	25,677	24,243	77,635	71,704
Taxes and duties	148	66	1,381	1,166
Allowance for doubtful accounts (reverse)	-	4	(5,935)	4
Directors' remuneration	994	987	4,973	4,949
Management fee (see Note 24)	9,348	7,928	28,275	17,962
Other operating expenses	12,857	11,709	37,465	41,674
Total operating expenses	<u>73,743</u>	<u>71,590</u>	<u>216,792</u>	<u>203,227</u>

## 22. INCOME TAX EXPENSE

Income tax expense for the three-month and nine-month periods ended September 30, 2015 and 2014, consisted of the following:

	For the three-month		For the nine-month	
	periods ended September 30, 2015	2014	periods ended September 30, 2015	2014
				Baht: '000
Income tax expense from taxable income per income tax return	815	-	34,289	-
Deferred tax expenses relating to the origination and reversal of temporary differences	10,231	28,702	(145)	93,048
Income tax expense per the statements of comprehensive income	<u>11,046</u>	<u>28,702</u>	<u>34,144</u>	<u>93,048</u>

The reconciliation between income tax expense and accounting income for the three-month and nine-month periods ended September 30, 2015 and 2014 was as follows:

	For the three-month		For the nine-month	
	periods ended September 30, 2015	2014	periods ended September 30, 2015	2014
				Baht: '000
Accounting income before tax	53,093	87,545	174,670	365,638
Income tax at 20%	10,619	17,509	34,934	73,128
Tax effect of non-deductible expenses (benefits)	427	11,193	(790)	19,920
Income tax expense per the statements of comprehensive income	<u>11,046</u>	<u>28,702</u>	<u>34,144</u>	<u>93,048</u>



### 23. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month and nine-month periods ended September 30, 2015 and 2014 were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Net profit (Baht : '000)	42,047	58,843	140,526	272,590
Number of share capital (shares)	180,000,000	180,000,000	180,000,000	180,000,000
Basic earnings per share (Baht)	0.23	0.33	0.78	1.51

### 24. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business. Transactions with the related parties are mainly as follows:

The relationships between the Company and its related parties are summarized below:

Companies	Relationship	Type of Business
Sri Ayudhya Capital Plc.	Parent company	Holding Company
Bank of Ayudhya Plc	Some common shareholders and directors	Banking
Krungsri Securities Plc.	Some common shareholders and directors	Finance
Krungsri Asset Management Co., Ltd.	Some common shareholders	Fund Management
Ayudhya Development Leasing Co., Ltd.	Some common shareholders	Hire-purchase and leasing
Siam City Cement Plc.	Some common shareholders and directors	Construction Materials
Bangkok Broadcasting & T V. Co., Ltd	Some common shareholders and directors	Television Business
Great Luck Equity Co., Ltd.	Some common shareholders	Advertising
Super Asset Co., Ltd.	Some common shareholders	Investment
BBTV Equity Co., Ltd	Some common shareholders	Office Space Rental
CKS Holding Co., Ltd.	Some common shareholders	Investments
Allianz Ayudhya Assurance Plc.	Some common shareholders and directors	Life Insurance
Grand Canal Land Plc	Some common shareholders	Advertising
Ayudhya Asset Management Co., Ltd.	Some common shareholders	Asset Management
Siam Realty and Service Co., Ltd.	Some common shareholders	Services
Ayudhya Capital Auto Lease Plc.	Some common shareholders	Hire-purchase and auto leasing
Krungsriayudhya Card Co., Ltd.	Some common shareholders	Services
Eastern Star Real Estate Plc.	Some common shareholders and directors	Property

Significant balances and transactions were as follows:

	As at September 30, 2015	Baht: '000 As at December 31, 2014
Deposits at bank		
Bank of Ayudhya Plc.	671,245	706,755
Premium due and uncollected		
Bank of Ayudhya Plc.	1,719	446
Krungsri Asset Management Co., Ltd.	29	-
Ayudhya Development Leasing Co., Ltd.	6	(7)
Siam City Cement Plc.	1,260	227
Bangkok Broadcasting & T.V. Co., Ltd.	144	383
CKS Holding Ltd.	-	90
Allianz Ayudhya Assurance Plc.	-	37
BBTV Equity Co., Ltd.	-	26
Grand Canal Land Plc.	-	312
Siam Realty and Services Co., Ltd.	651	70
Ayudhya Capital Auto Lease Plc.	128	-
Krungsriayudhya Card Co., Ltd.	823	233
Eastern Star Real Estate Plc.	713	40
	<u>5,473</u>	<u>1,857</u>
Accrued interest income		
Bank of Ayudhya Plc.	1,354	1,676
Rental and facilities deposits		
BBTV Equity Co., Ltd.	4,271	4,516
Premium written received in advance		
Bank of Ayudhya Plc.	11,915	13,404
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	16	12
Accrued expense - commission and brokerage		
Bank of Ayudhya Plc.	15,597	12,957
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	11,408	10,085
Accrued expense		
Sri Ayudhya Capital Plc.	12,498	13,848

	Baht: '000			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Premium written				
Bank of Ayudhya Plc.	2,612	2,440	18,398	23,022
Krungsri Securities Plc.	(2)	-	3	5
Krungsri Asset Management Co., Ltd.	40	42	1,303	1,305
Ayudhya Development Leasing Co., Ltd.	5	182	93	2,926
Siam City Cement Plc.	67,624	76,776	69,740	80,138
Bangkok Broadcasting & T.V. Co., Ltd.	2,870	2,974	9,688	8,853
Great Luck Equity Co., Ltd.	-	-	86	22
Super Assets Co., Ltd.	-	-	61	61
BBTV Equity Co., Ltd.	24	21	48	78
Allianz Ayudhya Assurance Plc.	1	-	501	608
Ayudhya Asset Management Co., Ltd.	-	-	452	755
Siam Realty and Services Co., Ltd.	724	771	1,447	1,049
Ayudhya Capital Auto Lease Plc.	(84)	32	148	32
Krungsriayudhya Card Co., Ltd.	766	-	766	156
Eastern Star Real Estate Plc.	745	-	851	-
	<u>75,325</u>	<u>83,238</u>	<u>103,585</u>	<u>119,010</u>

The Company used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

	Baht: '000			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Interest income				
Bank of Ayudhya Plc.	861	1,190	3,082	5,008

Interest was charged at the same interest rates as the bank has offered to other insurance companies.

	Baht: '000			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Other income				
Sri Ayudhya Capital Plc.	120	-	360	-

The Company enters into a management service agreement with the parent company for providing about services of personnel, internal audit and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the parent company.

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Commissions and brokerages				
Bank of Ayudhya Plc.	46,044	42,181	128,194	128,900
Other underwriting expenses				
Bank of Ayudhya Plc.	28,364	22,748	75,283	58,874

The Company paid commission and brokerage and other underwriting expenses as specified in the Bancassurance Agreement was made between the Company and such related bank. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Company has offered to other insurance broker companies.

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Custodian fee				
Bank of Ayudhya Plc.	49	47	128	134

Custodian fee was paid at the same rates and conditions as the related parties charged to other customers.

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Rental and service fees				
BBTV Equity Co., Ltd.	4,437	4,343	13,311	12,183
Management fee				
Sri Ayudhya Capital Plc. (see Note 21)	9,348	7,928	28,275	17,962

The Company has office rental, equipment rental and service agreements with related companies for a term of 3 years. Rental rates and conditions are the same as the related parties offer to other companies.

The Company enters into a management service agreement with the parent company for receiving managerial and administrative services of accounting. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

**25. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION**

During the three-month and nine-month periods ended September 30, 2015 and 2014, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	For the three-month periods		For the nine-month	
	ended September 30, 2015	2014	periods ended September 30, 2015	2014
	Baht	Baht	Baht	Baht
Directors and key management personnel's remuneration				
Short-term benefits	7,854	9,831	22,103	21,402
Post-employment benefits	319	(84)	958	1,326
Directors' remuneration	186	185	907	907
	<u>8,359</u>	<u>9,932</u>	<u>23,968</u>	<u>23,635</u>

Directors' remunerations for the years of 2015 and 2014 were approved by the ordinary shareholders' meeting of the Company held on April 9, 2015 and March 21, 2014, respectively.

**26. DEPOSITS WITH THE REGISTRAR**

As at September 30, 2015 and December 31, 2014, certain investment in securities of the Company were deposited with the Registrar (see Note 8) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2552" as follows:

	Baht: '000	
	As at September 30, 2015	As at December 31, 2014
Government and state enterprise securities	256,374	259,342
Deposits at banks	14,000	14,000
Total deposits with the Registrar	<u>270,374</u>	<u>273,342</u>

## 27. BACKUP ASSETS

As at September 30, 2015 and December 31, 2014, the Company has deposited certain investment in securities with bank used for the Company's backup assets (see Note 8) according to the Notification of the Office of Insurance Commission regarding "Asset allocation for liabilities and commitment of insurance contract and asset deposition at financial institution". The backup assets were as follows:

	<b>As at September 30, 2015</b>	<b>Baht: '000 As at December 31, 2014</b>
Government and state enterprise securities	115,894	116,417
Government securities - treasury bills	1,499,651	999,619
Unit trusts	-	38,475
Deposits at bank	225,102	224,187
Equity securities	1,161	1,161
Total backup assets	<u>1,841,808</u>	<u>1,379,859</u>

## 28. CONTINGENT LIABILITIES AND COMMITMENT

28.1 As at September 30, 2015 and December 31, 2014, lawsuits have been brought against the Company, as insurer, from which the Company estimated losses totaling Baht 127.26 million and Baht 12.23 million, respectively. The Company's management believes that such estimation is adequate to losses and does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts, that would be material to the Company's operating results.

28.2 As at September 30, 2015 and December 31, 2014, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 11.67 million and Baht 13.59 million, respectively.

## 29. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at September 30, 2015 and December 31, 2014 consisted of the following:

Type of lease	Remaining periods		Baht: '000
	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
<b>As at September 30, 2015</b>			
Building			
- related company	5,325	4,626	9,951
- others	2,775	6,765	9,540
Service - related company	5,280	4,574	9,854
Equipment - related company	7,041	6,099	13,140
	<u>20,421</u>	<u>22,064</u>	<u>42,485</u>
<b>As at December 31, 2014</b>			
Building			
- related company	5,325	8,619	13,944
- others	3,008	5,539	8,547
Service - related company	5,280	8,534	13,814
Equipment - related company	7,041	11,380	18,421
	<u>20,654</u>	<u>34,072</u>	<u>54,726</u>

For the three-month and nine-month periods ended September 30, 2015 and 2014, the Company recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follow:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2015	2014	2015	2014
Rental and service fees	6,521	6,079	19,186	17,770

## 30. FAIR VALUE MEASUREMENT

Certain financial assets of the Company were measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets were determined.

Financial assets	Fair value as at September 30, 2015 (Baht : '000)	Fair value hierarchy	Valuation techniques and key inputs
Government and state enterprise securities	372,268	Level 2	Discounted cash flow using yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Unit trusts	11,096	Level 2	The unit trust's net asset value of the last working day of the reporting period

### 31. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the Management of the company. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard.

The Company has four reportable segments, which represent the major products that the Company underwrites and consists of fire, marine, motor and miscellaneous.

The Company is only operated and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the three-month and nine-month periods ended September 30, 2015 and 2014, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

The reporting of underwriting information classified by type of insurance for the three-month and nine-month periods ended September 30, 2015 and 2014 were as follows:

	For the three-month period ended September 30, 2015				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premiums written	149,655	90,945	263,252	345,930	849,782
<u>Less</u> Premiums ceded	41,764	62,336	93,444	151,342	348,886
Net premiums written	107,891	28,609	169,808	194,588	500,896
<u>Less</u> Unearned premium reserve	2,773	1,077	14,753	4,781	23,384
Net premium earned	105,118	27,532	155,055	189,807	477,512
Fee and commission income	9,605	16,364	32,247	28,593	86,809
Total underwriting income	114,723	43,896	187,302	218,400	564,321
<b>Underwriting expenses</b>					
Insurance claims and loss adjustment expenses	27,429	18,312	102,341	85,797	233,879
Commissions and brokerages expenses	33,441	10,986	32,830	39,659	116,916
Other underwriting expenses	21,405	7,297	40,477	36,710	105,889
Total underwriting expenses	82,275	36,595	175,648	162,166	456,684
<b>Profit on underwriting before</b>					
<b>operating expenses</b>	32,448	7,301	11,654	56,234	107,637
<b>Operating expenses</b>					73,743
<b>Profit on underwriting</b>					33,894



	For the three-month period ended September 30, 2014				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premiums written	146,069	103,341	231,380	339,419	820,209
<u>Less</u> Premiums ceded	40,446	72,677	78,254	167,163	358,540
Net premiums written	105,623	30,664	153,126	172,256	461,669
<u>(Add) Less</u> Unearned premium reserve	11,181	2,854	(31,607)	28,387	10,815
Net premium earned	94,442	27,810	184,733	143,869	450,854
Fee and commission income	9,987	20,123	26,963	31,570	88,643
Total underwriting income	104,429	47,933	211,696	175,439	539,497
<b>Underwriting expenses</b>					
Insurance claims and loss adjustment expenses	10,144	16,030	111,552	46,224	183,950
Commissions and brokerages expenses	32,482	12,603	32,293	36,922	114,300
Other underwriting expenses	13,059	7,925	32,803	38,691	92,478
Total underwriting expenses	55,685	36,558	176,648	121,837	390,728
<b>Profit on underwriting before operating expenses</b>	48,744	11,375	35,048	53,602	148,769
<b>Operating expenses</b>					71,590
<b>Profit on underwriting</b>					77,179

	For the nine-month period ended September 30, 2015				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premiums written	468,186	276,612	743,889	891,474	2,380,161
<u>Less</u> Premiums ceded	142,559	193,277	264,231	340,026	940,093
Net premiums written	325,627	83,335	479,658	551,448	1,440,068
<u>Less</u> Unearned premium reserve	3,903	553	22,971	6,684	34,111
Net premium earned	321,724	82,782	456,687	544,764	1,405,957
Fee and commission income	37,112	52,411	91,106	80,947	261,576
Total underwriting income	358,836	135,193	547,793	625,711	1,667,533
<b>Underwriting expenses</b>					
Insurance claims and loss adjustment expenses	95,072	33,660	291,843	247,567	668,142
Commissions and brokerages expenses	103,674	33,649	93,983	118,863	350,169
Other underwriting expenses	55,844	23,424	110,261	110,251	299,780
Total underwriting expenses	254,590	90,733	496,087	476,681	1,318,091
<b>Profit on underwriting before operating expenses</b>	104,246	44,460	51,706	149,030	349,442
<b>Operating expenses</b>					216,792
<b>Profit on underwriting</b>					132,650

	For the nine-month period ended September 30, 2014				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premiums written	452,761	290,498	696,327	859,198	2,298,784
<u>Less</u> Premiums ceded	<u>135,584</u>	<u>203,525</u>	<u>232,968</u>	<u>378,218</u>	<u>950,295</u>
Net premiums written	317,177	86,973	463,359	480,980	1,348,489
<u>(Add) Less</u> Unearned premium reserve	<u>45,762</u>	<u>2,838</u>	<u>(154,893)</u>	<u>58,510</u>	<u>(47,783)</u>
Net premium earned	271,415	84,135	618,252	422,470	1,396,272
Fee and commission income	37,582	59,355	80,270	81,392	258,599
Total underwriting income	<u>308,997</u>	<u>143,490</u>	<u>698,522</u>	<u>503,862</u>	<u>1,654,871</u>
<b>Underwriting expenses</b>					
Insurance claims and loss adjustment expenses	39,355	29,578	415,550	28,794	513,277
Commissions and brokerages expenses	99,011	34,969	93,659	106,263	333,902
Other underwriting expenses	34,582	23,100	95,189	119,896	272,767
Total underwriting expenses	<u>172,948</u>	<u>87,647</u>	<u>604,398</u>	<u>254,953</u>	<u>1,119,946</u>
<b>Profit on underwriting before operating expenses</b>	<u>136,049</u>	<u>55,843</u>	<u>94,124</u>	<u>248,909</u>	<u>534,925</u>
Operating expenses					<u>203,227</u>
<b>Profit on underwriting</b>					<u>331,698</u>

### 32. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on November 6, 2015.