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

Financial Statements

Year ended December 31, 2015

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

We have audited the financial statements of Sri Ayudhya General Insurance Public Company Limited, which comprise the statement of financial position as at December 31, 2015, and the statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Sri Ayudhya General Insurance Public Company Limited as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



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

BANGKOK
February 18, 2016

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

BAHT

		As at December 31, 2015	As at December 31, 2014
	Notes		
ASSETS			
Cash and cash equivalents	4.2	991,034,467	1,331,413,276
Accrued investment income		11,053,534	10,300,074
Premium due and uncollected - net	5	293,825,093	305,664,100
Reinsurance assets	6	1,140,298,468	1,426,546,757
Investments			
Investments in securities	7		
Available-for-sale securities		497,064,810	414,234,407
Held-to-maturity securities		1,812,027,443	1,407,805,766
General investment		20,840,927	1,160,970
Total investments in securities		2,329,933,180	1,823,201,143
Loans	8	549,926	1,327,303
Leasehold improvement and equipment - net	9	63,913,878	44,999,054
Intangible assets - net	10	83,673,836	88,236,847
Deferred tax assets	11	180,254,822	205,244,689
Deferred commissions expenses		55,617,612	59,835,673
Other assets	12	69,111,099	65,811,972
TOTAL ASSETS		5,219,265,915	5,362,580,888

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2015

		BAHT	
		As at	As at
		December 31,	December 31,
		2015	2014
Notes			
LIABILITIES AND EQUITY			
	Income tax payable	16,924,645	6,151,921
13	Due to reinsurers	633,352,069	795,480,417
	Insurance contract liabilities		
14	Loss reserves and outstanding claims	792,809,452	995,377,458
15	Premium reserve	1,472,282,393	1,451,942,098
16	Employee benefit obligations	63,046,340	56,374,662
18	Deferred tax liabilities	1,479,434	3,434,753
	Premium written received in advance	305,256,265	334,883,105
	Commissions and brokerages payables	61,587,286	62,710,173
	Accrued expenses	58,894,750	76,835,127
19	Other liabilities	67,823,979	55,874,710
	TOTAL LIABILITIES	3,473,456,613	3,839,064,424
EQUITY			
	Share capital		
	Authorized share capital		
	240,000,000 ordinary shares		
	of Baht 10.00 each	2,400,000,000	2,400,000,000
	Issued and paid-up share capital		
	180,000,000 ordinary shares		
	of Baht 10.00 each	1,800,000,000	1,800,000,000
	Retained deficits		
	Unappropriated	(60,108,433)	(290,222,546)
	Other components of equity		
	Changes in fair value of available-for-sale securities	5,917,735	13,739,010
	TOTAL EQUITY	1,745,809,302	1,523,516,464
	TOTAL LIABILITIES AND EQUITY	5,219,265,915	5,362,580,888

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	2015	2014
BAHT			
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Revenues			
Net premium earned	21	1,872,675,769	1,821,693,495
Fee and commission income	21	388,280,716	370,221,695
Total revenues		2,260,956,485	2,191,915,190
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	21	852,818,512	689,132,488
Commissions and brokerages expenses	21	466,289,931	454,613,502
Other underwriting expenses	21	407,840,538	362,463,110
Operating expenses	22	301,054,639	280,072,070
Total underwriting expenses		2,028,003,620	1,786,281,170
Profit on underwriting		232,952,865	405,634,020
Net investment income		54,751,536	58,837,627
Gain on investment in securities	24	8,790,765	17,488
Other income		6,270,325	2,198,661
Income from operation		302,765,491	466,687,796

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

		BAHT	
	Notes	2015	2014
Contribution to the Office of Insurance Commission		8,277,476	8,135,400
Contribution to Non-life Guarantee Fund		7,777,476	7,635,400
Contribution to Road Victims Protection Fund		474,194	377,922
Income before income tax expense		286,236,345	450,539,074
Income tax expense	25	56,122,232	87,920,799
Net income		230,114,113	362,618,275
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Actuarial loss on defined employee benefit plans	16	-	(1,655,396)
Income tax relating to items that will not be reclassified subsequently		-	331,079
		-	(1,324,317)
Items that will be reclassified subsequently to profit or loss			
Changes in fair value of available-for-sale securities		(9,776,594)	4,967,015
Income tax relating to items that will be reclassified subsequently		1,955,319	(993,403)
		(7,821,275)	3,973,612
Other net comprehensive income (loss) for the years - net of income tax		(7,821,275)	2,649,295
Total comprehensive income for the years		222,292,838	365,267,570
Basic earnings per share	26 Baht	1.28	2.01

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

	BAHT			
	Issued and paid-up share capital	Unappropriated Retained earnings (deficits)	Other components of equity - Changes in fair value of available-for-sale securities	Total equity
Beginning balance as at January 1, 2014	1,800,000,000	(651,516,504)	9,765,398	1,158,248,894
Changing during the year				
Comprehensive income	-	361,293,958	3,973,612	365,267,570
Ending balance as at December 31, 2014	1,800,000,000	(290,222,546)	13,739,010	1,523,516,464
Beginning balance as at January 1, 2015	1,800,000,000	(290,222,546)	13,739,010	1,523,516,464
Changing during the year				
Comprehensive income (loss)	-	230,114,113	(7,821,275)	222,292,838
Ending balance as at December 31, 2015	1,800,000,000	(60,108,433)	5,917,735	1,745,809,302

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

BAHT

	Notes	2015	2014
CASH FLOWS PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Direct premium received		3,092,014,940	3,010,615,684
Cash paid to reinsurance		(447,222,720)	(103,661,281)
Losses incurred from direct insurance		(1,217,750,611)	(1,426,777,745)
Loss adjustment expenses from direct insurance		(89,924,072)	(91,198,690)
Commissions and brokerages from direct insurance		(457,452,526)	(443,486,291)
Other underwriting expenses		(408,883,518)	(385,974,226)
Interest income		50,683,305	57,911,493
Dividend income		865,603	35,567
Other income		3,862,604	1,830,962
Operating expenses		(296,906,225)	(256,032,152)
Income tax received (paid)		(20,359,641)	1,398,237
Net cash provided by operating activities	4.3	<u>208,927,139</u>	<u>364,661,558</u>
CASH FLOWS PROVIDED BY (USED IN)			
INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY			
Investment in securities			
Redemption of investment in available-for-sale securities - bonds		-	590,000,000
Redemption of investment in held-to-maturity securities - treasury bills with maturity over 3 months or used as collateral		5,100,000,000	3,400,000,000

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	2015	2014
BAHT			
CASH FLOWS PROVIDED BY (USED IN)			
INVESTING ACTIVITIES (CONTINUED)			
CASH FLOWS PROVIDED BY (CONTINUED)			
Investment in securities (Continued)			
Sale of investment in available-for-sale securities			
- unit trusts		12,939,032	4,397
Sale of general investment - ordinary shares		-	63,091
Deposits at bank with maturity over 3 months and deposits used as collateral		3,539,250	573,889,133
Loans		885,056	1,317,832
Leasehold improvement and equipment		5,670,089	474,014
Cash provided by investing activities		5,123,033,427	4,565,748,467
CASH FLOWS USED IN			
Investment in securities			
Purchase of investment in available-for-sale securities			
- bonds		(101,840,632)	(101,200,143)
Purchase of investment in held-to-maturity securities			
- treasury bills		(5,492,510,823)	(4,392,517,972)
Purchase of general investment - ordinary shares		(19,679,957)	-
Deposits at bank with maturity over 3 months and deposits used as collateral		(7,715,568)	(672,680,766)
Loans		(107,679)	(70,393)
Leasehold improvement and equipment		(40,970,525)	(20,765,683)
Intangible assets		(9,514,191)	(4,054,071)
Cash used in investing activities		(5,672,339,375)	(5,191,289,028)
Net cash used in investing activities		(549,305,948)	(625,540,561)
Net decrease in cash and cash equivalents		(340,378,809)	(260,879,003)
Cash and cash equivalents as at January 1,		1,331,413,276	1,592,292,279
Cash and cash equivalents as at December 31,	4.2	991,034,467	1,331,413,276

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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, 18th 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 OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with TFRSs and accounting practices generally accepted in Thailand.
- 2.2 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2014) “Presentation of Financial Statements” 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.
- 2.3 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 follows:

Thai Accounting Standards (“TASs”)

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 (“TFRSs”)

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 (“TSICs”)

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 (“TFRICs”)

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease

Thai Financial Reporting Standard Interpretations (“TFRICs”) (Continued)

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

Conceptual Framework for Financial Reporting (Revised 2014)

Above TFRSs have no material impact on these financial statements, except TAS 1 which has requirement to group presentation items presented in “Other comprehensive income”, TAS 19 and TFRS 13 which has resulted in more extensive disclosures (see Notes 16 and 35.4).

2.4 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 accounting period beginning on or after January 1, 2016 onwards as follows:

Thai Accounting Standards (“TASs”)

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rate
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
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture

Thai Financial Reporting Standards (“TFRSs”)

TFRS 2 (Revised 2015)	Share - Based Payment
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 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSICs”)

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases - Incentives
TSIC 25 (Revised 2015)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
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Thai Financial Reporting Standard Interpretations (“TFRICs”)

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TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

Conceptual Framework for Financial Reporting (Revised 2015)

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 assessed the impact from adoption of TFRS 4 which has resulted to reclassify and more extensive disclosures in notes to the financial statements.

- 2.5 The preparation of financial statements in conformity with TFRSs also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in measurement of the Elements of Financial Statement except as disclosed in the accounting policies below:

3.1 Recognition of revenues and expenses

Premium written

For insurance policies with coverage period for one year, premium income is recognized on the date the insurance policy is issued after deducting premium ceded and premium cancelled and refunded. For long-term insurance policies which coverage periods is longer than one year, related revenues and expenses are recorded as unearned and prepaid items which recognized as income and expenses over the coverage annual.

Reinsurance premium

Reinsurance premium income is recognized when the Company receives the reinsurance application or statement of accounts from the ceding company. Reinsurance profit commissions are recognized when the Company receives the statement of accounts from the reinsurers.

Commissions and brokerages income

Commissions and brokerages income are recognized as income on an accrual basis.

Interest and dividends income

Interest income is recognized as income on an accrual basis. Dividends income are recognized as income on the declaration date.

Commissions and brokerages and other expenses

Commissions and brokerages and other expenses are recognized as expenses on an accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and all types of deposits with banks including investment in securities-notes with original maturity within 3 months.

In the statement of cash flows, deposits at banks used as collateral or having original terms to maturity over 3 months are not included in cash and cash equivalents but are presented in investing activities.

3.3 Premium due and uncollected

Premium due and uncollected are stated at the net realizable value. The Company records allowance for doubtful accounts for the estimated collection losses on premium due and uncollected. Such estimated losses are based on the Company's collection experience and the analysis of aging of each premium due and uncollected.

3.4 Reinsurance assets

Reinsurance assets are stated at net realizable value. The Company records allowance for doubtful accounts for the estimated collection losses on reinsurance assets. Such estimated losses are based on the Company's collection experience and the analysis of aging of each reinsurance assets.

3.5 Investment in securities

Securities classified as available-for-sale are stated at fair value. Gain or loss on the change in fair value is recognized as other components of equity.

Securities classified as general investments are stated at cost.

Debt securities classified as held-to-maturity are stated at amortized cost.

In case of impairment in value of investment has occurred, the resultant loss for all classification of investments is recognized in the statement of profit or loss and other comprehensive income.

Premiums and discounts on debt securities are amortized and accreted to income as adjustments to interest income by using the effective interest rate method.

The costs of securities sold are determined by the weighted average method.

Fair value of marketable securities are based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. Fair value of debt instruments is determined based on the price quoted by the Thai Bond Market Association. Fair value of unit trusts is determined from their net asset value.

3.6 Leasehold improvement and equipment

Leasehold improvement and equipment are stated at cost, net of accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Leasehold improvement	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

3.7 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortization and impairment losses (if any).

Amortization is charged to the statement of profit or loss and other comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computer software	5 years
Bancassurance agreement	10 years

3.8 Unearned premium reserve

Unearned premium reserve is set aside in compliance with the basis as specified in the Notification of the Office of Insurance Commission as follows:

Fire, Marine (Hull), Motor and Miscellaneous	- Monthly average basis (the one- twenty fourth basis)
Transportation (Cargo), travelling accident with coverage periods of not over six-months	- 100% of premiums as from the effective date of the inforce policies over the insurance coverage period

3.9 Loss reserve and outstanding claims

Loss reserve and outstanding claims have been provided upon receipt of claim advices from the insured and recorded at the amount appraised by an independent appraiser or by the Company's appraiser. In addition, the Company records a provision for losses incurred but not yet reported (IBNR) which assessed by certified actuary.

3.10 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange prevailing at the transaction dates. Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into Baht at the reference exchange rates established by the Bank of Thailand at that date. Gains and losses on exchange arising on settlements and translation are recognized as income or expense when incurred.

3.11 Employee benefit

3.11.1 Provident fund

The Company has a provident fund which is contributory by the employee and the Company matching the individuals' contributions. The provident fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987). The Company's contribution to the Fund is recorded as expense for the year.

3.11.2 Employee benefit obligations

The Company provides for employee benefit obligations, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an actuary using the projected unit credit cost method. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other factor. Actuarial gains or losses will be recognized in the statement of profit or loss and other comprehensive income in the period to which they are related. The costs associated with providing these benefits are charged to the statement of profit or loss and other comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

3.12 Long-term leases

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of profit or loss and other comprehensive income over the lease term.

3.13 Income tax expense

Income tax expense is based on the taxable profit multiplied by the tax rate that has been enacted at the statement of financial position date and adjusted by the effect of deferred income tax accounting.

Deferred income tax is provided on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, using the tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3.14 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted average ordinary shares outstanding at the end of the year. In the case of a capital increase, the number of shares is equal to the weighted average according to the time of the subscription received for the increase in paid-up share capital. As at December 31, 2015 and 2014, the Company does not have any common share equivalents outstanding which would have had a dilutive effect on earnings per share.

3.15 Use of accounting estimates

The preparation of financial statements in conformity with TFRSs and practices generally accepted accounting in Thailand also requires the Company's management to exercise judgment in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3.16 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. ADDITIONAL INFORMATION FOR CASH FLOWS

4.1 Non-cash items

4.1.1 Leasehold improvement and equipment for the years ended December 31, 2015 and 2014 consisted of the following:

	2015	2014
	Baht	Baht
Other payable - fixed assets as at January 1,	897,439	1,813,295
<u>Add</u> Purchases of fixed assets	40,873,767	19,849,827
<u>Less</u> Cash paid for purchase of fixed assets	<u>(40,970,525)</u>	<u>(20,765,683)</u>
Other payable - fixed assets as at December 31,	<u>800,681</u>	<u>897,439</u>

4.1.2 Intangible assets for the years ended December 31, 2015 and 2014 consisted of the following:

	2015	2014
	Baht	Baht
Other payable - intangible assets as at January 1,	-	278,735
<u>Add</u> Purchases of intangible assets	9,514,191	3,775,336
<u>Less</u> Cash paid for purchase of intangible assets	<u>(9,514,191)</u>	<u>(4,054,071)</u>
Other payable - intangible assets as at December 31,	<u>-</u>	<u>-</u>

4.2 Cash and cash equivalents as at December 31, 2015 and 2014 consisted of the following:

	2015	2014
	Baht	Baht
Cash	265,000	265,000
Cheque on hand	4,884,216	7,815,240
Deposits at bank - at call	285,997,189	523,621,466
Deposits at bank - time deposits	412,362,960	408,186,642
Government securities - treasury bills	<u>2,099,552,545</u>	<u>1,799,330,694</u>
	2,803,061,910	2,739,219,042
<u>Less</u> Government securities - treasury bills used as collateral (see Note 7)	(1,399,664,483)	(999,619,124)
Deposits at bank with maturity over 3 months (see Note 7)	(153,072,221)	(150,000,000)
Deposits at bank used as collateral (see Note 7)	<u>(259,290,739)</u>	<u>(258,186,642)</u>
Cash and cash equivalents	<u><u>991,034,467</u></u>	<u><u>1,331,413,276</u></u>

4.3 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 years ended December 31, 2015 and 2014 were as follows:

	2015	2014
	Baht	Baht
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIE		
Profit before income tax	286,236,345	450,539,074
Items to reconcile net profit to net cash flows:		
Depreciation	18,897,102	18,607,659
Amortization	14,077,202	16,589,651
Gain on sale of assets	(2,608,248)	(322,699)
Employee benefit expenses	6,671,678	6,534,184
Unearned premium reserve increase (decrease) from prior years	25,654,985	(4,492,214)
Amortization of bonds premium	5,074,156	5,654,037
Amortization of bonds discount	-	(43,977)
Amortization of debentures premium	11,212	10,626
Amortization of treasury bills discount	(7,534,536)	(7,101,152)
Gain on sale of investment in available-for-sale securities - unit trusts	(8,790,765)	(4,397)
Gain on sale of general investment - ordinary shares	-	(13,091)
Bad debt and allowance for doubtful accounts (reverse)	<u>(10,532,430)</u>	<u>(15,965,161)</u>
Profit from operations before changes in operating assets and liabilities	327,156,701	469,992,540

	2015 Baht	2014 Baht
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES (CONTINUED)		
Operating assets (increase) decrease		
Accrued investment income	(753,460)	589,902
Premium due and uncollected	16,521,705	(50,585,971)
Reinsurance assets	286,868,298	974,137,866
Deferred commission expense	4,218,061	(5,439,802)
Other assets	(3,384,094)	(25,707,963)
Operating liabilities increase (decrease)		
Due to reinsurers	(162,128,348)	172,971,271
Loss reserves and outstanding claims	(202,568,006)	(1,181,222,336)
Premium written received in advance	(29,626,840)	4,023,104
Commission and brokerage payables	(1,122,887)	9,834,032
Accrued expense	(17,940,377)	20,585,977
Other liabilities	12,046,027	(25,915,299)
Cash provided by operating activities	229,286,780	363,263,321
Income tax received (paid)	(20,359,641)	1,398,237
Net cash provided by operating activities	<u>208,927,139</u>	<u>364,661,558</u>

5. PREMIUM DUE AND UNCOLLECTED - NET

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

	As at December 31, 2015				As at December 31, 2014			
	Agent and		Inward Baht	Total Baht	Agent and		Inward Baht	Total Baht
	Insured Baht	Broker Baht			Insured Baht	Broker Baht		
Within credit terms	12,783,155	216,431,576	443,164	229,657,895	12,549,636	221,502,225	1,866,433	235,918,294
Less than 30 days	1,135,494	34,009,194	770,643	35,915,331	478,137	34,701,471	836,864	36,016,472
31 - 60 days	248,621	8,564,309	1,471,918	10,284,848	386,621	12,889,913	1,741,713	15,018,247
61 - 90 days	1,259,598	5,111,100	1,149,470	7,520,168	1,521,135	4,252,014	1,578,931	7,352,080
91 days - 1 year	-	11,992,584	2,686,535	14,679,119	89,817	13,703,689	3,202,406	16,995,912
Over 1 year	-	364,032	297,257	661,289	-	476,413	3,462,937	3,939,350
Total premium due and uncollected	15,426,868	276,472,795	6,818,987	298,718,650	15,025,346	287,525,725	12,689,284	315,240,355
Less Allowance for doubtful accounts	-	(4,893,557)	-	(4,893,557)	-	(9,576,255)	-	(9,576,255)
Premium due and uncollected - net	<u>15,426,868</u>	<u>271,579,238</u>	<u>6,818,987</u>	<u>293,825,093</u>	<u>15,025,346</u>	<u>277,949,470</u>	<u>12,689,284</u>	<u>305,664,100</u>

6. REINSURANCE ASSETS

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

	2015 Baht	2014 Baht
Deposit on reinsurance	129	194
Due from reinsurers	186,296,071	387,822,725
Unearned reinsurance premium reserve	540,939,707	546,254,397
Insurance reserve refundable from reinsurers	413,062,561	498,404,140
	<u>1,140,298,468</u>	<u>1,432,481,456</u>
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(5,934,699)</u>
Total reinsurance assets	<u>1,140,298,468</u>	<u>1,426,546,757</u>

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

	2015 Baht	2014 Baht
Within credit terms	181,191,355	360,676,153
Not over 12 months	3,776,648	24,897,404
Over 1 year to 2 years	551,046	507,411
Over 2 years	777,022	1,741,757
Total due from reinsurers	<u>186,296,071</u>	<u>387,822,725</u>

7. INVESTMENTS IN SECURITIES

Investments in securities as at December 31, 2015 consisted of the following:

	Cost/Amortized cost	Unrealized gains	Unrealized losses	Fair value	Percentage of investment per total assets
	Baht	Baht	Baht	Baht	
Available-for-sale securities					
Government and state enterprise securities					
Thai government bonds	259,508,731	7,227,216	-	266,735,947	5.11
State enterprise bonds	201,773,005	15,168	(15,507)	201,772,666	3.86
Debentures	3,009,172	83,757	-	3,092,929	0.06
Total	<u>464,290,908</u>	<u>7,326,141</u>	<u>(15,507)</u>	<u>471,601,542</u>	<u>9.03</u>
Private enterprises securities					
Unit trusts	25,376,733	86,535	-	25,463,268	0.49
Total	<u>25,376,733</u>	<u>86,535</u>	<u>-</u>	<u>25,463,268</u>	<u>0.49</u>
Total available-for-sale securities	<u>489,667,641</u>	<u>7,412,676</u>	<u>(15,507)</u>	<u>497,064,810</u>	<u>9.52</u>

	Cost/ Amortized cost Baht	Percentage of investment per total assets
Held-to-maturity securities		
Government securities used as collateral		
Treasury bills used as collateral (see Note 4.2)	1,399,664,483	26.82
Total	<u>1,399,664,483</u>	<u>26.82</u>
Deposits at financial institution with maturity over 3 months		
Deposits at bank with maturity over 3 months (see Note 4.2)	153,072,221	2.93
Deposits at bank used as collateral (see Note 4.2)	<u>259,290,739</u>	<u>4.97</u>
Total	<u>412,362,960</u>	<u>7.90</u>
Total held-to-maturity securities	<u><u>1,812,027,443</u></u>	<u><u>34.72</u></u>
General investment		
Equity securities	<u>20,840,927</u>	<u>0.40</u>
Total general investment	<u><u>20,840,927</u></u>	<u><u>0.40</u></u>

Debt securities classified by the remaining maturity as at December 31, 2015 were as follows:

	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities				
Thai government bonds	101,160,024	158,348,707	-	259,508,731
State enterprise bonds	100,023,781	101,749,224	-	201,773,005
Debentures	3,009,172	-	-	3,009,172
<u>Add Unrealized gains</u>	<u>1,116,514</u>	<u>6,194,120</u>	<u>-</u>	<u>7,310,634</u>
Total	<u>205,309,491</u>	<u>266,292,051</u>	<u>-</u>	<u>471,601,542</u>
Total available-for-sale debt securities	<u>205,309,491</u>	<u>266,292,051</u>	<u>-</u>	<u>471,601,542</u>
Held-to-maturity debt securities				
Government securities used as collateral				
Treasury bills used as collateral	1,399,664,483	-	-	1,399,664,483
Deposits at financial institution with maturity over 3 months				
Deposits at bank with maturity over 3 months	153,072,221	-	-	153,072,221
Deposits at bank used as collateral	<u>245,290,739</u>	<u>14,000,000</u>	<u>-</u>	<u>259,290,739</u>
Total held-to-maturity debt securities	<u>1,798,027,443</u>	<u>14,000,000</u>	<u>-</u>	<u>1,812,027,443</u>
Total debt securities - net	<u><u>2,003,336,934</u></u>	<u><u>280,292,051</u></u>	<u><u>-</u></u>	<u><u>2,283,628,985</u></u>

Investments in securities as at December 31, 2014 consisted of the following:

	Cost/Amortized cost	Unrealized gains	Unrealized losses	Fair value	Percentage of investment per total assets
	Baht	Baht	Baht	Baht	
Available-for-sale securities					
Government and state enterprise securities					
Thai government bonds	263,829,032	7,868,700	-	271,697,732	5.07
State enterprise bonds	100,686,228	208,470	-	100,894,698	1.88
Debentures	3,020,384	146,259	-	3,166,643	0.06
Total	367,535,644	8,223,429	-	375,759,073	7.01
Private enterprises securities					
Unit trusts	29,525,000	8,950,334	-	38,475,334	0.72
Total	29,525,000	8,950,334	-	38,475,334	0.72
Total available-for-sale securities	397,060,644	17,173,763	-	414,234,407	7.73

	Cost/ Amortized cost Baht	Percentage of investment per total assets
Held-to-maturity securities		
Government securities used as collateral		
Treasury bills used as collateral (see Note 4.2)	999,619,124	18.64
Total	999,619,124	18.64
Deposits at financial institution with maturity over 3 months		
Deposits at bank with maturity over 3 months (see Note 4.2)	150,000,000	2.80
Deposits at bank used as collateral (see Note 4.2)	258,186,642	4.81
Total	408,186,642	7.61
Total held-to-maturity securities	1,407,805,766	26.25
General investment		
Equity securities	1,160,970	0.02
Total general investment	1,160,970	0.02

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

	Maturities			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Available-for-sale debt securities				
Government and state enterprise securities				
Thai government bonds	-	263,829,032	-	263,829,032
State enterprise bonds	-	100,686,228	-	100,686,228
Debentures	-	3,020,384	-	3,020,384
<u>Add Unrealized gains</u>	-	8,223,429	-	8,223,429
Total	-	375,759,073	-	375,759,073
Total available-for-sale debt securities	-	375,759,073	-	375,759,073
Held-to-maturity debt securities				
Government securities used as collateral				
Treasury bills used as collateral	999,619,124	-	-	999,619,124
Deposits at financial institution with maturity over 3 months				
Deposits at bank with maturity over 3 months	150,000,000	-	-	150,000,000
Deposits at bank used as collateral	244,186,642	14,000,000	-	258,186,642
Total held-to-maturity debt securities	1,393,805,766	14,000,000	-	1,407,805,766
Total debt securities - net	1,393,805,766	389,759,073	-	1,783,564,839

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

As at December 31, 2015 and 2014, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 268.64 million and Baht 273.34 million, respectively (see Note 30).

As at December 31, 2015 and 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 1,862.76 million and Baht 1,379.86 million, respectively (see Note 31).

8. 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

9. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment - net as at December 31, 2015 and 2014 consisted of the following:

	Cost		Accumulated depreciation		As at		Ending balance of			
	As at January 1, 2015	Increase	Disposal / Write off	Transfer In (transfer out)	As at December 31, 2015	As at January 1, 2015	Depreciation	Write off	Beginning balance of leasehold improvement and equipment - net as at January 1, 2015	Ending balance of leasehold improvement and equipment - net as at December 31, 2015
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Leasehold improvement	27,691,406	3,096,499	(5,843,442)	15,222,237	40,166,700	(17,075,492)	(4,672,718)	5,843,425	10,615,914	24,261,915
Furniture, fixtures and office equipment	67,869,095	3,787,794	(7,095,670)	-	64,561,219	(48,015,083)	(7,482,053)	6,780,613	19,854,012	15,844,696
Vehicles	41,349,958	14,955,105	(14,985,034)	-	41,300,029	(26,820,830)	(6,742,331)	12,238,267	14,529,128	19,975,135
Leasehold improvement under installation	-	19,054,369	-	(15,222,237)	3,832,132	-	-	-	-	3,832,132
Total	136,910,459	40,873,767	(27,924,146)	-	149,860,080	(91,911,405)	(18,897,102)	24,862,305	44,999,054	63,913,878

	Cost		Accumulated depreciation		As at		Ending balance of		
	As at January 1, 2014	Increase	Disposal / Write off	As at December 31, 2014	As at January 1, 2014	Depreciation	Write off	Beginning balance of leasehold improvement and equipment - net as at January 1, 2014	Ending balance of leasehold improvement and equipment - net as at December 31, 2014
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Leasehold improvement	22,939,617	6,066,058	(1,314,269)	27,691,406	(15,299,535)	(2,981,972)	1,206,015	7,640,082	10,615,914
Furniture, fixtures and office equipment	60,244,084	10,492,769	(2,867,758)	67,869,095	(42,775,521)	(8,089,336)	2,849,774	17,468,563	19,854,012
Vehicles	39,324,843	3,291,000	(1,265,885)	41,349,958	(20,525,397)	(7,536,351)	1,240,918	18,799,446	14,529,128
Total	122,508,544	19,849,827	(5,447,912)	136,910,459	(78,600,453)	(18,607,659)	5,296,707	43,908,091	44,999,054

As at December 31, 2015 and 2014, certain leasehold improvement and equipment at cost of Baht 47.91 million and Baht 41.52 million, respectively, were fully depreciated but still in use.

10. INTANGIBLE ASSETS - NET

Intangible assets - net as at December 31, 2015 and 2014 consisted of the following:

	Cost		Transfer In		As at		Accumulated depreciation		Ending balance of	
	As at January 1, 2015	Increase	Write off	(transfer out)	December 31, 2015	As at January 1, 2015	Amortization	Write off	Beginning balance of intangible assets - net as at January 1, 2015	intangible assets - net as at December 31, 2015
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Purchase/Subsequently acquired										
Computer software	63,943,240	1,275,672	-	5,616,382	70,835,294	(57,097,469)	(4,085,415)	-	6,845,771	9,652,410
Computer software in process	22,973,336	8,238,519	-	(5,616,382)	25,595,473	-	-	-	22,973,336	25,595,473
Bancassurance agreement	100,000,000	-	-	-	100,000,000	(41,582,260)	(9,991,787)	-	58,417,740	48,425,953
Total	186,916,576	9,514,191	-	-	196,430,767	(98,679,729)	(14,077,202)	-	88,236,847	83,673,836

	Cost		Transfer In		As at		Accumulated depreciation		Ending balance of	
	As at January 1, 2014	Increase	Write off	(transfer out)	December 31, 2014	As at January 1, 2014	Amortization	Write off	Beginning balance of intangible assets - net as at January 1, 2014	intangible assets - net as at December 31, 2014
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Purchase/Subsequently acquired										
Computer software	64,137,524	684,750	(1,076,284)	197,250	63,943,240	(51,575,779)	(6,597,864)	1,076,174	12,561,745	6,845,771
Computer software in process	20,080,000	3,090,586	-	(197,250)	22,973,336	-	-	-	20,080,000	22,973,336
Bancassurance agreement	100,000,000	-	-	-	100,000,000	(31,590,473)	(9,991,787)	-	68,409,527	58,417,740
Total	184,217,524	3,775,336	(1,076,284)	-	186,916,576	(83,166,252)	(16,589,651)	1,076,174	101,051,272	88,236,847

As at December 31, 2015 and 2014, certain intangible assets at cost of Baht 48.01 million and Baht 44.55 million, respectively, were fully depreciated but still in use.

11. DEFERRED TAX ASSETS

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

	2015	2014
	Baht	Baht
Deferred tax assets	<u>180,254,822</u>	<u>205,244,689</u>

Movements of deferred tax assets for the years ended December 31, 2015 and 2014 consisted of tax effects from the following items:

	As at	Transactions	Transaction	As at
	January 1,	recognized in	recognized in	December 31,
	2015	profit or loss	other	2015
	Baht	Baht	comprehensive	Baht
			income or loss	
			Baht	
Allowance for doubtful accounts				
- Premium due and uncollected	1,915,251	(936,540)	-	978,711
Allowance for doubtful accounts				
- Other receivable	256,500	-	-	256,500
Unearned premium reserve	93,809,945	-	-	93,809,945
Loss reserve - net	84,409,964	(24,594,052)	-	59,815,912
Incurred but not reported claims	13,219,563	1,723,266	-	14,942,829
Employee benefits obligation	6,133,937	1,580,519	-	7,714,456
Premium ceded payables - Excess of loss	5,499,529	(2,763,060)	-	2,736,469
Total	<u>205,244,689</u>	<u>(24,989,867)</u>	<u>-</u>	<u>180,254,822</u>

	As at	Transactions	Transaction	As at
	January 1,	recognized in	recognized in	December 31,
	2014	profit or loss	other	2014
	Baht	Baht	comprehensive	Baht
			income or loss	
			Baht	
Allowance for doubtful accounts				
- Premium due and uncollected	1,915,251	-	-	1,915,251
Allowance for doubtful accounts				
- Other receivable	256,500	-	-	256,500
Unearned premium reserve	92,259,341	1,550,604	-	93,809,945
Loss reserve - net	160,519,586	(76,109,622)	-	84,409,964
Incurred but not reported claims	12,540,574	678,989	-	13,219,563
Employee benefits obligation	4,587,935	1,214,923	331,079	6,133,937
Premium ceded payables - Excess of loss	3,838,821	1,660,708	-	5,499,529
Total	<u>275,918,008</u>	<u>(71,004,398)</u>	<u>331,079</u>	<u>205,244,689</u>

12. OTHER ASSETS

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

	2015 Baht	2014 Baht
Other receivable	8,837,637	13,937,154
Revenue Department receivable	22,518,275	4,803,046
Refundable withholding tax	1,656,457	1,656,457
Premium saving certificates used as collateral	13,250,000	25,000,000
Prepaid expenses	15,090,355	14,783,655
Others	7,758,375	5,631,660
Total other assets	<u>69,111,099</u>	<u>65,811,972</u>

13. DUE TO REINSURERS

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

	2015 Baht	2014 Baht
Premium ceded payables	58,369,337	66,433,127
Amount withheld on reinsurance	401,914,568	393,848,829
Other reinsurance payables	173,068,164	335,198,461
Total due to reinsurers	<u>633,352,069</u>	<u>795,480,417</u>

14. LOSS RESERVES AND OUTSTANDING CLAIMS

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

	2015 Baht	2014 Baht
As at January 1,	995,377,458	2,176,599,794
Loss incurred and loss adjustment expenses during the years		
- Incurred but not reported	8,616,331	3,394,947
- Incurred but not yet agreed	(208,311,837)	(1,185,993,321)
- Incurred and agreed	1,583,582,790	2,309,548,028
Loss paid and loss adjustment paid during the years	<u>(1,586,455,290)</u>	<u>(2,308,171,990)</u>
As at December 31,	<u>792,809,452</u>	<u>995,377,458</u>

As at December 31, 2015 and 2014, the Company had loss reserves and outstanding claims under the reinsurance contracts of Baht 152.85 million and Baht 416.83 million, respectively.

15. PREMIUM RESERVE

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

15.1 Unearned premium reserve

	2015	2014
	Baht	Baht
As at January 1,	1,451,942,098	1,338,149,536
Premium written for the years	3,137,849,154	3,087,164,695
Earned premium for the years	<u>(3,117,508,859)</u>	<u>(2,973,372,133)</u>
As at December 31,	<u>1,472,282,393</u>	<u>1,451,942,098</u>

15.2 Unexpired risk reserve

As at December 31, 2015 and 2014, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 743.54 million and Baht 743.24 million, respectively, is lower than the unearned premium reserve.

16. EMPLOYEE BENEFIT OBLIGATIONS

The Company calculated employee benefit obligations by an actuary using the projected unit credit cost method. The assumptions consisted of the following:

Discount rate (%)	3.59
Resignation rate (%) based on age group of employees	4, 9, 21
Salary increase (%)	6
Retirement age (years)	60

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

	2015	2014
	Baht	Baht
Present value of obligation at the beginning of the years	56,374,662	48,185,082
Current service cost of the years	6,399,958	5,130,807
Interest cost	1,944,720	1,985,208
Actuarial loss	-	1,655,396
Benefit paid during the years	(1,673,000)	(1,494,834)
Employee benefit obligation transferred from the parent company	-	913,003
Present value of obligation at the ending of the years	<u>63,046,340</u>	<u>56,374,662</u>

The expenses that were recorded in the statement of profit or loss and other comprehensive income for employee benefit obligations for the years ended December 31, 2015 and 2014 consisted of the following:

	2015 Baht	2014 Baht
Current service cost	6,399,958	5,130,807
Interest cost	<u>1,944,720</u>	<u>1,985,208</u>
Total employee benefit expenses (see Note 23)	<u>8,344,678</u>	<u>7,116,015</u>

For the year ended December 31, 2014, the Company recognized actuarial loss in the statement of profit or loss and other comprehensive income amounting to Baht 1.32 million (net of deferred tax amounting to Baht 0.33 million).

Significant actuarial assumptions - impact on increase (decrease) in defined benefit obligation

	2015 Baht	2014 Baht
Discount rate - 0.50% increase	(3,205,667)	(2,957,010)
Discount rate - 0.50% decrease	3,452,051	3,189,685
Salary incremental rates - 0.50% increase	3,329,592	3,076,329
Salary incremental rates - 0.50% decrease	(3,126,455)	(2,883,841)
Life expectancy - 1 year increase	523,030	475,629
Life expectancy - 1 year decrease	(518,061)	(471,001)

17. BANK OVERDRAFTS

As at December 31, 2015 and 2014, the Company had credit lines for bank overdrafts of Baht 20 million with interest rate of the fixed deposit rate of plus 2% per annum which were guaranteed by fixed deposit of the Company of Baht 20 million (see Note 7).

18. DEFERRED TAX LIABILITIES

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

	2015 Baht	2014 Baht
Deferred tax liabilities	<u>1,479,434</u>	<u>3,434,753</u>

Movements of deferred tax liabilities for the years ended December 31, 2015 and 2014 consisted of tax effects from the following items:

	As at January 1, 2015	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2015
	Baht	Baht	Baht	Baht
Unrealized gain on the change in value of investment in available-for-sale securities	3,434,753	-	(1,955,319)	1,479,434
Total	<u>3,434,753</u>	<u>-</u>	<u>(1,955,319)</u>	<u>1,479,434</u>

	As at January 1, 2014	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2014
	Baht	Baht	Baht	Baht
Unrealized gain on the change in value of investment in available-for-sale securities	2,441,350	-	993,403	3,434,753
Total	<u>2,441,350</u>	<u>-</u>	<u>993,403</u>	<u>3,434,753</u>

19. OTHER LIABILITIES

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

	2015 Baht	2014 Baht
Other payable - promotion expense	16,881,679	11,796,379
Amount received in advance - premium	20,527,439	15,137,896
Revenue Department payable	4,543,054	7,229,074
Undue output VAT	3,159,336	2,869,104
Others	22,712,471	18,842,257
Total other liabilities	<u>67,823,979</u>	<u>55,874,710</u>

20. STATUTORY RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company must allocate to a reserve fund from the annual net profit of the year, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the authorized capital. Such reserve fund is not available for distribution as dividend.

As at December 31, 2015 and 2014, the Company has not yet allocated such reserve fund.

21. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

Underwriting information classified by type of insurance for the years ended December 31, 2015 and 2014 was as follows:

	For the year ended December 31, 2015					Total Baht
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Other miscellaneous Baht	
Underwriting income						
Gross premiums written	624,983,678	366,889,646	1,002,642,850	365,507,959	777,825,021	3,137,849,154
<u>Less</u> Premiums ceded	<u>197,442,646</u>	<u>256,622,384</u>	<u>356,893,231</u>	<u>39,201,062</u>	<u>389,359,077</u>	<u>1,239,518,400</u>
Net premiums written	427,541,032	110,267,262	645,749,619	326,306,897	388,465,944	1,898,330,754
<u>(Add) Less</u> Unearned premium reserve	<u>5,647,737</u>	<u>(522,136)</u>	<u>31,031,846</u>	<u>(17,061,371)</u>	<u>6,558,909</u>	<u>25,654,985</u>
Net premium earned	421,893,295	110,789,398	614,717,773	343,368,268	381,907,035	1,872,675,769
Fee and commission income	60,747,015	68,449,746	136,811,410	9,068,594	113,203,951	388,280,716
Total underwriting income	<u>482,640,310</u>	<u>179,239,144</u>	<u>751,529,183</u>	<u>352,436,862</u>	<u>495,110,986</u>	<u>2,260,956,485</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses	103,835,498	43,227,647	385,160,061	200,878,674	119,716,632	852,818,512
Commissions and brokerages expenses	138,710,018	44,513,330	128,810,404	64,716,638	89,539,541	466,289,931
Other underwriting expenses	80,319,061	32,336,396	147,584,921	69,194,170	78,405,990	407,840,538
Total underwriting expenses	<u>322,864,577</u>	<u>120,077,373</u>	<u>661,555,386</u>	<u>334,789,482</u>	<u>287,662,163</u>	<u>1,726,948,981</u>
For the year ended December 31, 2014						
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Other miscellaneous Baht	Total Baht
Underwriting income						
Gross premiums written	607,013,518	390,202,784	928,511,633	370,482,087	790,954,673	3,087,164,695
<u>Less</u> Premiums ceded	<u>195,008,082</u>	<u>275,512,088</u>	<u>316,366,427</u>	<u>56,301,588</u>	<u>426,775,229</u>	<u>1,269,963,414</u>
Net premiums written	412,005,436	114,690,696	612,145,206	314,180,499	364,179,444	1,817,201,281
<u>(Add) Less</u> Unearned premium reserve	<u>51,227,855</u>	<u>593,672</u>	<u>(168,715,977)</u>	<u>79,776,929</u>	<u>32,625,307</u>	<u>(4,492,214)</u>
Net premium earned	360,777,581	114,097,024	780,861,183	234,403,570	331,554,137	1,821,693,495
Fee and commission income	60,930,871	76,730,710	121,137,857	10,179,044	101,243,213	370,221,695
Total underwriting income	<u>421,708,452</u>	<u>190,827,734</u>	<u>901,999,040</u>	<u>244,582,614</u>	<u>432,797,350</u>	<u>2,191,915,190</u>
Underwriting expenses						
Insurance claims and loss adjustment Expenses	41,573,756	41,419,504	531,294,663	156,207,086	(81,362,521)	689,132,488
Commissions and brokerages expenses	133,481,895	47,242,355	124,092,274	63,601,821	86,195,157	454,613,502
Other underwriting expenses	45,439,657	32,081,637	126,606,534	71,468,982	86,866,300	362,463,110
Total underwriting expenses	<u>220,495,308</u>	<u>120,743,496</u>	<u>781,993,471</u>	<u>291,277,889</u>	<u>91,698,936</u>	<u>1,506,209,100</u>

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 years ended December 31, 2015 and 2014 the Company recorded such loss refundable from reinsurers amounting to Baht 19.88 million and Baht 146.47 million, respectively. The remaining loss refundable from reinsurers will be recognized as specified in business obligations aforementioned.

22. OPERATING EXPENSES

Operating expenses for the years ended December 31, 2015 and 2014 consisted of the following:

	2015	2014
	Baht	Baht
Employee benefit expense, excluded underwriting and loss adjustment expenses	96,601,212	98,552,587
Premises and equipment expense, excluded underwriting expenses	104,818,185	95,763,551
Taxes and duties	1,206,348	1,257,968
Bad debt and allowance for doubtful accounts (reverse)	(10,532,430)	(15,965,161)
Directors' remuneration	5,968,028	5,908,027
Management fee (see Note 27)	37,688,377	25,620,826
Marketing and promotion expenses	17,572,650	17,271,939
Other operating expenses	47,732,269	51,662,333
Total operating expenses	<u>301,054,639</u>	<u>280,072,070</u>

23. EMPLOYEE EXPENSES

Employee expenses for the years ended December 31, 2015 and 2014 consisted of the following:

	2015	2014
	Baht	Baht
Salary and wage	168,041,955	149,992,102
Social fund expenses	3,716,190	3,666,616
Employee benefit expenses (see Note 16)	8,344,678	7,116,015
Provident fund (see Note 29)	10,078,140	8,853,491
Other benefits	54,785,779	80,099,761
Total employee expenses	<u>244,966,742</u>	<u>249,727,985</u>

24. GAIN ON INVESTMENT IN SECURITIES

Gain on investment in securities for the years ended December 31, 2015 and 2014 consisted of the following:

	2015 Baht	2014 Baht
Gain on sale of investment in available-for-sale securities - unit trusts	8,790,765	4,397
Gain on sale of general investment - ordinary shares	-	13,091
Total gain on investment in securities	<u>8,790,765</u>	<u>17,488</u>

25. INCOME TAX EXPENSE

Income tax expense for years ended December 31, 2015 and 2014 consisted of the following:

	2015 Baht	2014 Baht
Income tax expense from taxable income per income tax return	31,132,365	16,916,401
Deferred tax expenses relating to the origination and reversal of temporary differences	<u>24,989,867</u>	<u>71,004,398</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>56,122,232</u>	<u>87,920,799</u>

The reconciliation between income tax expense and accounting income for the years ended December 31, 2015 and 2014 was as follows:

	2015 Baht	2014 Baht
Accounting income before tax	<u>286,236,345</u>	<u>450,539,074</u>
Income tax at 20%	57,247,269	90,107,815
Tax effect of non-deductible expenses (benefits)	<u>(1,125,037)</u>	<u>(2,187,016)</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>56,122,232</u>	<u>87,920,799</u>

26. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2015 and 2014 were as follows:

	2015	2014
Net profit (Baht)	230,114,113	362,618,275
Number of share capital (shares)	180,000,000	180,000,000
Basic earnings per share (Baht)	<u>1.28</u>	<u>2.01</u>

27. 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 December 31,	
	2015	2014
	Baht	Baht
Deposits at financial institutions		
Bank of Ayudhya Plc.	479,081,464	706,754,831

	As at December 31,	
	2015	2014
	Baht	Baht
Premium due and uncollected		
Bank of Ayudhya Plc.	255,180	446,336
Ayudhya Development Leasing Co., Ltd.	-	(6,752)
Siam City Cement Plc.	2,426,843	226,418
Bangkok Broadcasting & T.V. Co., Ltd.	198,894	383,072
CKS Holding Ltd.	63,136	90,292
Allianz Ayudhya Assurance Plc.	18,193	36,629
BBTV Equity Co., Ltd.	-	25,592
Grand Canal Land Plc.	279,313	311,541
Siam Realty and Services Co., Ltd.	75,743	70,075
Krungsriayudhya Card Co., Ltd.	-	233,309
Eastern Star Real Estate Plc.	794,075	40,138
	<u>4,111,377</u>	<u>1,856,650</u>
Accrued interest income		
Bank of Ayudhya Plc.	1,588,334	1,675,896
Rental and facilities deposits		
BBTV Equity Co., Ltd.	4,415,833	4,515,833
Premium written received in advance		
Bank of Ayudhya Plc.	11,914,957	13,404,326
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	16,658	11,636
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	15,836,066	12,957,093
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	15,674,545	10,085,425
Accrued expense		
Sri Ayudhya Capital Plc.	12,744,860	13,848,224
	For the years ended	
	December 31,	
	2015	2014
	Baht	Baht
Premium written		
Bank of Ayudhya Plc.	18,798,639	23,382,639
Krungsri Securities Plc.	32,889	4,570
Krungsri Asset Management Co., Ltd.	1,303,348	1,304,694
Ayudhya Development Leasing Co., Ltd.	93,745	2,855,670
Siam City Cement Plc.	72,653,635	81,037,102
Bangkok Broadcasting & T.V. Co., Ltd.	11,133,917	10,982,550
Great Luck Equity Co., Ltd.	86,023	22,147
Super Assets Co., Ltd.	79,422	80,476
BBTV Equity Co., Ltd.	902,489	1,156,938
CKS Holding Ltd.	58,770	84,048
Allianz Ayudhya Assurance Plc.	539,248	642,222
Grand Canal Land Plc.	260,000	290,000
Ayudhya Asset Management Co., Ltd.	451,669	754,926
Siam Realty and Services Co., Ltd.	1,782,478	1,312,927

	For the years ended December 31,	
	2015	2014
	Baht	Baht
Premium written (Continued)		
Ayudhya Capital Auto Lease Plc.	147,592	32,192
Krungsriayudhya Card Co., Ltd.	766,458	373,558
Eastern Star Real Estate Plc.	1,693,314	452,032
	<u>110,783,636</u>	<u>124,768,691</u>

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

	For the years ended December 31,	
	2015	2014
	Baht	Baht
Interest income		
Bank of Ayudhya Plc.	3,942,837	6,690,215

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

	For the years ended December 31,	
	2015	2014
	Baht	Baht
Other income		
Sri Ayudhya Capital Plc.	480,000	-

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 years ended December 31,	
	2015	2014
	Baht	Baht
Commissions and brokerages		
Bank of Ayudhya Plc.	173,893,999	172,808,444
Other underwriting expenses		
Bank of Ayudhya Plc.	104,771,096	78,258,885

The Company paid commissions and brokerages and other underwriting expenses as specified in the Bancassurance Agreement 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 years ended	
	December 31,	
	2015	2014
	Baht	Baht
Custodian fees		
Bank of Ayudhya Plc.	180,199	163,430

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

	For the years ended	
	December 31,	
	2015	2014
	Baht	Baht
Rental and service fees		
BBTV Equity Co., Ltd.	17,748,213	16,448,949
Management fees		
Sri Ayudhya Capital Plc. (see Note 22)	37,688,377	25,620,826

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.

28. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During for the years ended December 31, 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 years ended	
	December 31,	
	2015	2014
	Baht	Baht
Directors and key management personnel's remuneration		
Short-term benefits	30,246,377	30,657,170
Post-employment benefits	1,277,213	2,591,642
Directors' remuneration	1,085,392	1,091,923
	<u>32,608,982</u>	<u>34,340,735</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.

29. PROVIDENT FUND

The Company has established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, employees must contribute their basic salaries, with the Company matching the individuals' contributions as follow;

Year of services	Percentage %
Less than 5 years	5
5 years and above	7

A registered provident fund manager has been appointed to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended December 31, 2015 and 2014, the Company's contributions recorded as expenses were Baht 10.08 million and Baht 8.85 million, respectively (see Note 23).

30. DEPOSITS WITH THE REGISTRAR

As at December 31, 2015 and 2014, certain investment in securities of the Company were deposited with the Registrar (see Note 7) in accordance with the Insurance Act and according to the announcement 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:

	2015 Baht	2014 Baht
Government and state enterprise securities	254,640,675	259,342,060
Deposits at banks	14,000,000	14,000,000
Total deposits with the Registrar	<u>268,640,675</u>	<u>273,342,060</u>

31. BACKUP ASSETS

As at December 31, 2015 and 2014, the Company has deposited certain investment in securities with bank used for the Company's backup assets (see Note 7) 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:

	2015 Baht	2014 Baht
Government and state enterprise securities	1,616,625,350	1,116,036,137
Private enterprises securities	-	38,475,334
Deposits at bank	225,290,739	224,186,642
Equity securities	20,840,927	1,160,970
Total backup assets	<u>1,862,757,016</u>	<u>1,379,859,083</u>

32. CONTRIBUTION TO NON-LIFE GUARANTEE FUND

The Company has accumulated funding amount which was paid into contribution to non-life guarantee fund as at December 31, 2015 and 2014 amounting to Baht 33.00 million and Baht 25.22 million, respectively.

33. CONTINGENT LIABILITIES AND COMMITMENT

33.1 As at December 31, 2015 and 2014, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 53.12 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.

33.2 As at December 31, 2015 and 2014, the Company had a capital commitment to pay computer program development expenses in amount of approximately Baht 11.84 million and Baht 13.59 million, respectively.

34. LONG-TERM LEASES AND SERVICE AGREEMENTS

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

Type of leases	Remaining periods		Total rental payments for the remaining periods Baht
	Within 1 year Baht	Over 1 year to 5 years Baht	
As at December 31, 2015			
Building			
- related company	5,324,717	3,294,710	8,619,427
- others	4,066,088	5,262,812	9,328,900
Service - related company	5,280,480	3,254,160	8,534,640
Equipment - related company	7,040,640	4,338,880	11,379,520
	<u>21,711,925</u>	<u>16,150,562</u>	<u>37,862,487</u>

Type of leases	Remaining periods		Total rental payments for the remaining periods Baht
	Within 1 year Baht	Over 1 year to 5 years Baht	
As at December 31, 2014			
Building			
- related company	5,324,717	8,619,427	13,944,144
- others	3,007,906	5,538,794	8,546,700
Service - related company	5,280,480	8,534,640	13,815,120
Equipment - related company	7,040,640	11,379,520	18,420,160
	<u>20,653,743</u>	<u>34,072,381</u>	<u>54,726,124</u>

For the years ended December 31, 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 years ended December 31,	
	2015 Baht	2014 Baht
Rental and service fees	25,681,847	25,725,897

35. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company does not speculate or engage in trading of any derivative financial instruments.

35.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 3.

35.2 Credit risk

Concentrations of the credit risk with respect to premium due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand.

The maximum exposure to credit risk is limited to the book value of such premium due and uncollected after deduction of allowance for doubtful debts as stated in the statements of financial position.

35.3 Interest rate risk

Interest rate risk refers to changes in interest rates will affect the interest income from investments. The Company's investments include both short-term and long-term investments that have floating rate and fixed rates. The Company manages the risk by considering the risk of investments together with the return on such investments.

As at December 31, 2015 and 2014, significant financial assets classified by type of interest rate are as follows:

	Balance as at December 31,			
	2015		2014	
	Variable interest rate Baht	Fixed interest rate Baht	Variable interest rate Baht	Fixed interest rate Baht
Cash and cash equivalents				
Saving accounts	215,990,735	-	451,391,357	-
Investment in securities				
Available-for-sale securities				
Government and state enterprise securities				
Thai government bonds	-	266,735,947	-	271,697,732
State enterprise bonds	-	201,772,666	-	100,894,698
Debentures	-	3,092,929	-	3,166,643
Held-to-maturity securities				
Treasury bills used as collateral	-	1,399,664,483	-	999,619,124
Deposits at bank with maturity over 3 months	153,072,221	-	150,000,000	-
Deposits at bank used as collateral	-	259,290,739	-	258,186,642
Total	<u>369,062,956</u>	<u>2,130,556,764</u>	<u>601,391,357</u>	<u>1,633,564,839</u>

The financial instruments carrying interest at fixed rates were classified below on the basis of the length of time from the statement of financial position date to the date specified for the fixing of a new rate or to the maturity date (whichever is sooner) as follows:

	As at December 31, 2015				
	Period specified for fixing new interest rate				Average interest rate %
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities					
Thai government bonds	102,177,613	164,558,334	-	266,735,947	3.46
State enterprise bonds	100,038,949	101,733,717	-	201,772,666	1.90
Debentures	3,092,929	-	-	3,092,929	5.39
Held-to-maturity securities					
Treasury bills used as collateral	1,399,664,483	-	-	1,399,664,483	1.46
Deposits at bank used as collateral	245,290,739	14,000,000	-	259,290,739	1.53
Total	<u>1,850,264,713</u>	<u>280,292,051</u>	<u>-</u>	<u>2,130,556,764</u>	

	As at December 31, 2014				Average interest rate %
	Period specified for fixing new interest rate				
	Within 1 year	1 - 5 years	Over 5 years	Total	
	Baht	Baht	Baht	Baht	
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities					
Thai government bonds	-	271,697,732	-	271,697,732	3.46
State enterprise bonds	-	100,894,698	-	100,894,698	2.28
Debentures	-	3,166,643	-	3,166,643	5.39
Held-to-maturity securities					
Treasury bills used as collateral	999,619,124	-	-	999,619,124	1.99
Deposits at bank used as collateral	244,186,642	14,000,000	-	258,186,642	2.06
Total	1,243,805,766	389,759,073	-	1,633,564,839	

35.4 Fair value measurements

Considerable judgment is necessarily required in estimation of fair value of financial assets or financial liabilities. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

35.4.1 Financial assets or financial liabilities measured at fair value

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

	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31,			
	2015 Baht	2014 Baht		
<u>Financial assets</u>				
Government and state enterprise securities				
Thai government bonds	266,735,947	271,697,732	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
State enterprise bonds	201,772,666	100,894,698	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
Debentures	3,092,929	3,166,643	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

	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31,			
	2015 Baht	2014 Baht		
<u>Financial assets (Continued)</u>				
Private enterprises securities				
Unit trusts	25,463,268	38,475,334	Level 2	The unit trust's net asset value of the last working day of the reporting period.

35.4.2 Financial assets or financial liabilities not measured at fair value

Cash and cash equivalents, Accrued investment income, Premium due and uncollected, Reinsurance assets, Loans and Due to reinsurers; the fair values approximate their carrying values due to the relatively short period to maturity.

The transactions disclosed in the following tables, are considered that the carrying amounts recognized in the financial statements are different from their fair values. Valuation technique is net present value of expected cash inflow as follow:

	Fair value hierarchy	As at December 31, 2015		As at December 31, 2014	
		Carrying amount	Fair value	Carrying amount	Fair value
		Baht	Baht	Baht	Baht
<u>Financial assets</u>					
Held-to-maturity securities	Level 2	1,812,027,443	1,812,446,316	1,407,805,766	1,408,156,286
General investment	Level 3	20,840,927	72,101,789	1,160,970	40,610,061

36. 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 years ended December 31, 2015 and 2014, there was 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 years ended December 31, 2015 and 2014 were as follows:

	For the year ended December 31, 2015				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
Underwriting income					
Gross premiums written	624,983,678	366,889,646	1,002,642,850	1,143,332,980	3,137,849,154
<u>Less</u> Premiums ceded	<u>197,442,646</u>	<u>256,622,384</u>	<u>365,893,231</u>	<u>428,560,139</u>	<u>1,239,518,400</u>
Net premiums written	427,541,032	110,267,262	645,749,619	714,772,841	1,898,330,754
<u>(Add) Less</u> Unearned premium reserve	<u>5,647,737</u>	<u>(522,136)</u>	<u>31,031,846</u>	<u>(10,502,462)</u>	<u>25,654,985</u>
Net premium earned	421,893,295	110,789,398	614,717,773	725,275,303	1,872,675,769
Fee and commission income	<u>60,747,015</u>	<u>68,449,746</u>	<u>136,811,410</u>	<u>122,272,545</u>	<u>388,280,716</u>
Total underwriting income	<u>482,640,310</u>	<u>179,239,144</u>	<u>751,529,183</u>	<u>847,547,848</u>	<u>2,260,956,485</u>
Underwriting expenses					
Insurance claims and loss adjustment expenses	103,835,498	43,227,647	385,160,061	320,595,306	852,818,512
Commissions and brokerages expenses	138,710,018	44,513,330	128,810,404	154,256,179	466,289,931
Other underwriting expenses	<u>80,319,061</u>	<u>32,336,396</u>	<u>147,584,921</u>	<u>147,600,160</u>	<u>407,840,538</u>
Total underwriting expenses	<u>322,864,577</u>	<u>120,077,373</u>	<u>661,555,386</u>	<u>622,451,645</u>	<u>1,726,948,981</u>
Profit on underwriting before operating expenses	<u>159,775,733</u>	<u>59,161,771</u>	<u>89,973,797</u>	<u>225,096,203</u>	<u>534,007,504</u>
Operating expenses					<u>301,054,639</u>
Profit on underwriting					<u>232,952,865</u>
	For the year ended December 31, 2014				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
Underwriting income					
Gross premiums written	607,013,518	390,202,784	928,511,633	1,161,436,760	3,087,164,695
<u>Less</u> Premiums ceded	<u>195,008,082</u>	<u>275,512,088</u>	<u>316,366,427</u>	<u>483,076,817</u>	<u>1,269,963,414</u>
Net premiums written	412,005,436	114,690,696	612,145,206	678,359,943	1,817,201,281
<u>(Add) Less</u> Unearned premium reserve	<u>51,227,855</u>	<u>593,672</u>	<u>(168,715,977)</u>	<u>112,402,236</u>	<u>(4,492,214)</u>
Net premium earned	360,777,581	114,097,024	780,861,183	565,957,707	1,821,693,495
Fee and commission income	<u>60,930,871</u>	<u>76,730,710</u>	<u>121,137,857</u>	<u>111,422,257</u>	<u>370,221,695</u>
Total underwriting income	<u>421,708,452</u>	<u>190,827,734</u>	<u>901,999,040</u>	<u>677,379,964</u>	<u>2,191,915,190</u>
Underwriting expenses					
Insurance claims and loss adjustment expenses	41,573,756	41,419,504	531,294,663	74,844,565	689,132,488
Commissions and brokerages expenses	133,481,895	47,242,355	124,092,274	149,796,978	454,613,502
Other underwriting expenses	<u>45,439,657</u>	<u>32,081,637</u>	<u>126,606,534</u>	<u>158,335,282</u>	<u>362,463,110</u>
Total underwriting expenses	<u>220,495,308</u>	<u>120,743,496</u>	<u>781,993,471</u>	<u>382,976,825</u>	<u>1,506,209,100</u>
Profit on underwriting before operating expenses	<u>201,213,144</u>	<u>70,084,238</u>	<u>120,005,569</u>	<u>294,403,139</u>	<u>685,706,090</u>
Operating expenses					<u>280,072,070</u>
Profit on underwriting					<u>405,634,020</u>

The assets and liabilities of the Company's operating segments as at December 31, 2015 and 2014 were presented as follows:

	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Unallocated Baht	Total Baht
Assets						
As at December 31, 2015	<u>365,062,104</u>	<u>302,517,945</u>	<u>322,721,458</u>	<u>499,439,666</u>	<u>3,729,524,742</u>	<u>5,219,265,915</u>
As at December 31, 2014	<u>459,724,095</u>	<u>427,756,537</u>	<u>263,880,602</u>	<u>640,685,296</u>	<u>3,570,534,358</u>	<u>5,362,580,888</u>
Liabilities						
As at December 31, 2015	<u>776,467,188</u>	<u>378,971,412</u>	<u>893,142,943</u>	<u>1,216,705,922</u>	<u>208,169,148</u>	<u>3,473,456,613</u>
As at December 31, 2014	<u>886,757,715</u>	<u>436,287,260</u>	<u>812,240,796</u>	<u>1,505,107,480</u>	<u>198,807,173</u>	<u>3,839,200,424</u>

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Company's authorized executive director on February 18, 2016.