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

Interim Financial Statements

***Three-month and six-month periods ended
June 30, 2016***



บริษัท ดีลอยท์ ทูเช่ โทมัทสு ไชยยศ
สอบบัญชี จำกัด
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**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 June 30, 2016, and the related statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2016, changes in equity and cash flows for the six-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".

Emphasis of Matter

Without modifying our conclusion, as disclosed in Note 3 to the interim financial statements, from January 1, 2016, the Company has adopted Thai Financial Reporting Standard No. 4 (Revised 2015) “Insurance Contracts” and prepared the new presentation of the financial statements to comply with the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for the Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business B.E. 2559 dated March 4, 2016 which has become effective as from January 1, 2016. The interim financial statements for the three-month and six-month periods ended June 30, 2015 and the statements of financial position as at December 31, 2015 and January 1, 2015, presented herein for comparison, have been retrospectively reclassified, as if the classifications had always been prepared.



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

BANGKOK
August 11, 2016

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

Baht : '000

	Notes	“Unaudited”	“Restated”	
		As at June 30, 2016	As at December 31, 2015	As at January 1, 2015
ASSETS				
Cash and cash equivalents	6	1,420,018	991,034	1,331,413
Premium due and uncollected - net	7	225,715	287,006	292,975
Accrued investment income		11,759	11,054	10,300
Reinsurance assets	8	884,275	992,160	1,089,420
Due from reinsurers	9	90,752	193,115	394,578
Investments				
Investments in securities	10	2,238,576	2,343,183	1,848,201
Loans	11	275	550	1,327
Leasehold improvement and equipment - net	12	60,913	63,914	44,999
Intangible assets - net		78,416	83,674	88,237
Deferred tax assets	13	184,777	178,775	201,810
Deferred commissions expenses		59,815	55,618	59,836
Other assets		38,087	55,861	40,812
TOTAL ASSETS		5,293,378	5,255,944	5,403,908

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2016

Baht : '000

	Notes	“Unaudited”	“Restated”	
		As at June 30, 2016	As at December 31, 2015	As at January 1, 2015
LIABILITIES AND EQUITY				
Insurance contract liabilities	14	2,209,624	2,303,249	2,492,081
Due to reinsurers	15	690,652	633,352	795,480
Income tax payable		18,475	16,925	6,152
Employee benefit obligations		67,597	63,046	56,375
Premium written received in advance		319,855	305,256	334,883
Commissions and brokerages payables		54,325	61,587	62,711
Accrued expenses		34,296	58,895	76,835
Other liabilities		84,041	67,824	55,875
TOTAL LIABILITIES		3,478,865	3,510,134	3,880,392
EQUITY				
Share capital				
Authorized share capital				
240,000,000 ordinary shares				
of Baht 10.00 each				
		2,400,000	2,400,000	2,400,000
Issued and paid-up share capital				
180,000,000 ordinary shares				
of Baht 10.00 each				
		1,800,000	1,800,000	1,800,000
Retained earning (deficits)				
Unappropriated				
		10,173	(60,108)	(290,223)
Other components of equity				
		4,340	5,918	13,739
TOTAL EQUITY		1,814,513	1,745,810	1,523,516
TOTAL LIABILITIES AND EQUITY		5,293,378	5,255,944	5,403,908

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 JUNE 30, 2016
“UNAUDITED”

Baht : '000

	Notes	2016	“Restated” 2015
Revenues			
Gross premium written	16	745,253	732,887
<u>Less</u> Premium ceded	16	270,996	281,259
Net premium written		<u>474,257</u>	<u>451,628</u>
<u>(Add)</u> Unearned premium reserve decrease from previous period	16	(10,925)	(15,300)
Net premium earned		485,182	466,928
Fee and commission income	16	77,331	82,659
Net investment income		12,054	14,867
Other income		2,167	1,652
Total revenues		<u>576,734</u>	<u>566,106</u>
Expenses			
Loss incurred	16	263,829	358,677
<u>Less</u> Loss refundable from reinsurers	16	42,622	131,962
Commissions and brokerage expenses	16	109,886	109,932
Other underwriting expenses	16	113,821	101,164
Operating expenses		72,297	72,181
Total expenses		<u>517,211</u>	<u>509,992</u>
Income before income tax expense		59,523	56,114
Income tax expense	13	11,957	11,388
Net income		<u>47,566</u>	<u>44,726</u>

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2016
 “UNAUDITED”

		Baht : '000	
	Notes	2016	“Restated” 2015
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) on revaluation of available-for-sale securities		(1,870)	194
Income tax relating to items that will be reclassified subsequently		374	(39)
Other comprehensive income (loss) for the periods, net of income tax		<u>(1,496)</u>	<u>155</u>
Total comprehensive income for the periods		<u><u>46,070</u></u>	<u><u>44,881</u></u>
Earnings per share			
Basic earnings per share	17 Baht	0.26	0.25

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 SIX-MONTH PERIOD ENDED JUNE 30, 2016
“UNAUDITED”

Baht : '000

	Notes	2016	“Restated” 2015
Revenues			
Gross premium written	16	1,562,980	1,530,379
<u>Less</u> Premium ceded	16	572,823	591,207
Net premium written		990,157	939,172
<u>Less</u> Unearned premium reserve increase from previous period	16	26,657	10,727
Net premium earned		963,500	928,445
Fee and commission income	16	165,677	174,767
Net investment income		22,655	28,216
Other income		3,794	2,921
Total revenues		1,155,626	1,134,349
Expenses			
Loss incurred	16	612,852	709,403
<u>Less</u> Loss refundable from reinsurers	16	169,914	275,140
Commissions and brokerage expenses	16	235,511	233,253
Other underwriting expenses	16	234,002	202,207
Operating expenses		155,405	143,049
Total expenses		1,067,856	1,012,772
Income before income tax expense		87,770	121,577
Income tax expense	13	17,489	23,098
Net income		70,281	98,479

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
 "UNAUDITED"

			Baht : '000
	Notes	2016	"Restated" 2015
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) on revaluation of available-for-sale securities		(1,972)	2,960
Income tax relating to items that will be reclassified subsequently		394	(592)
Other comprehensive income (loss) for the periods, net of income tax		<u>(1,578)</u>	<u>2,368</u>
Total comprehensive income for the periods		<u><u>68,703</u></u>	<u><u>100,847</u></u>
Earnings per share			
Basic earnings per share	17 Baht	0.39	0.55

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
“UNAUDITED”

Baht: '000

	Issued and paid-up share capital	Retained earning (deficits) Unappropriated	Other components of equity	Total
			Other comprehensive income (loss) surplus (deficit) on available-for-sale securities	
Beginning balance as at January 1, 2015	1,800,000	(290,223)	13,739	1,523,516
Comprehensive income	-	98,479	2,368	100,847
Ending balance as at June 30, 2015	<u>1,800,000</u>	<u>(191,744)</u>	<u>16,107</u>	<u>1,624,363</u>
Beginning balance as at January 1, 2016	1,800,000	(60,108)	5,918	1,745,810
Comprehensive income (loss)	-	70,281	(1,578)	68,703
Ending balance as at June 30, 2016	<u>1,800,000</u>	<u>10,173</u>	<u>4,340</u>	<u>1,814,513</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

“UNAUDITED”

Baht : '000

	2016	“Restated” 2015
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Direct premium received	1,618,862	1,524,457
Cash received (paid) from reinsurance	(64,717)	113,549
Interest income	21,468	23,577
Dividend income	16	866
Other income	1,264	2,119
Loss incurred from direct insurance	(622,460)	(547,590)
Commission and brokerage paid from direct insurance	(243,003)	(233,229)
Other underwriting expenses	(229,783)	(197,093)
Operating expenses	(127,286)	(157,639)
Income tax expense	(21,547)	(11,400)
Investment in securities	103,589	(596,152)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral	(489)	(698)
Loans	275	490
Net cash provided by (used in) operating activities	436,189	(78,743)
CASH FLOWS PROVIDED BY (USED IN)		
INVESTING ACTIVITIES		
CASH FLOWS PROVIDED BY		
Leasehold improvement and equipment	4,573	1,963
Cash provided by investing activities	4,573	1,963

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

“UNAUDITED”

Baht : '000

	Notes	2016	“Restated” 2015
CASH FLOWS PROVIDED BY (USED IN)			
INVESTING ACTIVITIES (CONTINUED)			
CASH FLOWS USED IN			
Leasehold improvement and equipment		(9,955)	(15,914)
Intangible assets		(1,823)	(5,004)
Cash used in investing activities		<u>(11,778)</u>	<u>(20,918)</u>
Net cash used in investing activities		<u>(7,205)</u>	<u>(18,955)</u>
Net increase (decrease) in cash and cash equivalents		428,984	(97,698)
Cash and cash equivalents as at January 1,		<u>991,034</u>	<u>1,331,413</u>
Cash and cash equivalents as at June 30,		<u><u>1,420,018</u></u>	<u><u>1,233,715</u></u>

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 SIX-MONTH PERIODS ENDED JUNE 30, 2016
“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, 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 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 2015) “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 B.E. 2559 dated March 4, 2016. The Company presents the condensed notes to interim financial statements. The adoption of the new Notification had a material effect on the classification of comparative financial information as disclosed in Note 3.
- 2.2 The statement of financial position as at December 31, 2015, 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 six-month periods ended June 30, 2016 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 Thai Financial Reporting Standard (“TFRS”), but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and six-month periods ended June 30, 2016 should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

3. NEW THAI FINANCIAL REPORTING STANDARDS (“TFRSs”)

3.1 Adoption of new and revised Thai Financial Reporting Standards

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) (Revised 2015) which are effective for the financial statements for the periods beginning on or after January 1, 2016. The Company has adopted such TFRSs from January 1, 2016 which have no material impact on these financial statements, except for TFRS No. 4 (Revised 2015) “Insurance Contracts”.

The objective of TFRS No. 4 (Revised 2015) is to specify the financial reporting for insurance contracts issued by any entity until the second phase of its project on insurance contracts is completed. However, such TFRS has limitations as follows;

- (a) prohibits provision for possible claims under contracts that are not in existence at the end of the reporting period;
- (b) requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets; and
- (c) requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expired, and
- (d) to present insurance liabilities without offsetting them against related reinsurance assets.

In applying TFRS No. 4 (Revised 2015), the Company considered classification of insurance contracts including performing the liability adequacy test of recognised insurance liabilities and the impairment test for reinsurance assets. However, the adoption of this standard does not result in an impact on the Company’s financial statements since the Company’s management already considered and performed a test on its reinsurance contracts and can be concluded that all of its reinsurance contracts met definition of being insurance contracts under this standard. Furthermore, the Company has always performed the liability adequacy test of its recognised insurance liabilities and the impairment test for reinsurance assets before this standard became effective.

As a result, the Company has retrospectively reclassified the financial statements, presented herein for comparison, to conform to the presentation in current period in accordance with the Notification of the Office of Insurance Commission regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Non-Life Insurance Companies B.E. 2559”, dated March 4, 2016 (see Note 2.1), as if the reclassifications had always been prepared. Effects to the financial statements are summarized as follows:

	Baht: '000			
	As at		As at	
	December 31, 2015		January 1, 2015	
	As reclassified	As previous reported	As reclassified	As previous reported
Statements of financial position				
Assets:				
Premium due and uncollected	287,006	293,825	292,975	305,664
Reinsurance assets	992,160	1,140,299	1,089,420	1,426,547
Due from reinsurers	193,115	-	394,578	-
Investment in securities	2,343,183	2,329,933	1,848,201	1,823,201
Deferred tax assets	178,775	180,254	201,810	205,245
Other assets	55,861	69,111	40,812	65,812
Liabilities:				
Loss reserve and outstanding claim	(2,303,249)	(2,265,092)	(2,492,081)	(2,447,319)
Deferred tax liabilities	-	(1,479)	-	(3,435)
	<u>1,746,851</u>	<u>1,746,851</u>	<u>1,375,715</u>	<u>1,375,715</u>

	Baht: '000			
	For the three-month period ended		For the six-month period ended	
	June 30, 2015		June 30, 2015	
	As reclassified	As previous reported	As reclassified	As previous reported
Statement of profit or loss and other comprehensive income				
Contribution to the Office of Insurance				
Commission	-	1,925	-	4,286
Contribution to Non-life Guarantee Fund	-	1,819	-	3,786
Contribution to Road Victims Protection Fund	-	124	-	244
Other underwriting expenses	101,164	97,296	202,207	193,891
	<u>101,164</u>	<u>101,164</u>	<u>202,207</u>	<u>202,207</u>

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

The Federation of Accounting Professions issued the Guideline on accounting regarding Derecognition of Financial Assets and Liabilities, which will be effective for the accounting period beginning on or after January 1, 2017 onwards.

The Company's management has assessed the impact of this TFRS and believes that it will not have material impact on the financial statements for the period in which it is initially applied.

4. 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, 2015, except that the Company has adopted the new and revised Thai Financial Reporting Standards (TFRSs) that are effective for the financial statement for the period beginning on or after January 1, 2016. However, such TFRSs have no material impact on these financial statements, except the adoption of TFRS No. 4 (Revised 2015) "Insurance Contracts" as described in Note 3.

5. ADDITIONAL INFORMATION FOR CASH FLOWS

Non-cash items of leasehold improvement and equipment for the six-month periods ended June 30, 2016 and 2015 consisted of the following:

	2016	Baht: '000 2015
Other payable - fixed assets as at January 1,	801	897
<u>Add</u> Purchases of fixed assets	9,233	17,685
<u>Less</u> Cash paid for purchase of fixed assets	(9,955)	(15,914)
Other payable - fixed assets as at June 30,	<u>79</u>	<u>2,668</u>

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2016 and December 31, 2015, consisted of the following:

	As at June 30, 2016	Baht: '000 As at December 31, 2015
Cash on hands	260	265
Cheque on hands	8,708	4,884
Deposits at banks - call deposits	211,498	285,997
Short term investments	1,199,552	699,888
Cash and cash equivalents	<u>1,420,018</u>	<u>991,034</u>

7. **PREMIUM DUE AND UNCOLLECTED - NET**

Premium due and uncollected - net as at June 30, 2016 and December 31, 2015 consisted of the following:

	Baht: '000	
	From direct insurance	
	As at	As at
	June 30,	December 31,
	2016	2015
Within credit terms	170,564	229,215
Less than 30 days	24,396	35,144
31 - 60 days	17,331	8,813
61 - 90 days	6,557	6,371
Over 90 days	12,161	12,357
Total premium due and uncollected	<u>231,009</u>	<u>291,900</u>
<u>Less</u> Allowance for doubtful accounts	<u>(5,294)</u>	<u>(4,894)</u>
Premium due and uncollected - net	<u>225,715</u>	<u>287,006</u>

8. **REINSURANCE ASSETS**

Reinsurance assets as at June 30, 2016 and December 31, 2015 consisted of the following:

	Baht: '000	
	As at	As at
	June 30,	December 31,
	2016	2015
Insurance reserve refundable from reinsurers		
Loss reserves	374,323	451,220
Unearned premium reserve		
- Unearned reinsurance premium reserve	509,952	540,940
Total reinsurance assets (see Note 14)	<u>884,275</u>	<u>992,160</u>

9. **DUE FROM REINSURERS**

Due from reinsurers as at June 30, 2016 and December 31, 2015 consisted of the following:

	Baht: '000	
	As at	As at
	June 30,	December 31,
	2016	2015
Due from reinsurers	<u>90,752</u>	<u>193,115</u>

10. INVESTMENT IN SECURITIES

Investment in securities as at June 30, 2016 and December 31, 2015 consisted of the following:

	As at June 30, 2016		As at December 31, 2015	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Baht: '000				
Available-for-sale securities				
Government and state enterprise securities	361,493	366,672	464,291	471,602
Unit trusts	25,377	25,623	25,377	25,463
Total	368,870	392,295	489,668	497,065
Add Unrealized gains	5,425	-	7,397	-
Total available-for-sale securities	392,295	392,295	497,065	497,065
Held-to-maturity securities				
Government securities used as collateral	1,399,738		1,399,664	
Deposits at bank with maturity over 3 months	153,072		153,072	
Deposits at banks used as collateral	259,780		259,291	
Premium saving certificates used as collateral	12,850		13,250	
Total held-to-maturity securities	1,825,440		1,825,277	
General investment				
Equity securities	20,841		20,841	
Total general investment	20,841		20,841	
Total investment in securities - net	2,238,576		2,343,183	

As at June 30, 2016 and December 31, 2015, certain of deposits at bank are pledged as collateral for bank overdrafts amounting to Baht 20 million.

As at June 30, 2016 and December 31, 2015, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 267.12 million and Baht 268.64 million, respectively (see Note 20).

As at June 30, 2016 and December 31, 2015, certain investment in securities are deposited with a bank as the Company's backup assets amounting to Baht 1,759.91 million and Baht 1,862.76 million, respectively.

11. 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

13. DEFERRED TAX ASSETS

Deferred tax assets as at June 30, 2016 and December 31, 2015 were as follows:

	As at June 30, 2016	Baht: '000 As at December 31, 2015
Deferred tax assets	<u>184,777</u>	<u>178,775</u>

Movements of deferred tax assets for the six-month periods ended June 30, 2016 and 2015 consisted of tax effects from the following items:

	As at January 1, 2016	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at June 30, 2016
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	979	80	-	1,059
Allowance for doubtful accounts				
- Other receivable	256	-	-	256
Unearned premium reserve	93,810	6,384	-	100,194
Loss reserve - net	59,815	(1,102)	-	58,713
Incurred but not reported claims	14,943	(635)	-	14,308
Employee benefits obligations	7,714	910	-	8,624
Reinsurance payables	2,737	(29)	-	2,708
	<u>180,254</u>	<u>5,608</u>	<u>-</u>	<u>185,862</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(1,479)	-	394	(1,085)
	<u>(1,479)</u>	<u>-</u>	<u>394</u>	<u>(1,085)</u>
Deferred tax assets	<u>178,775</u>	<u>5,608</u>	<u>394</u>	<u>184,777</u>

	As at January 1, 2015	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at June 30, 2015
Deferred tax assets				
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	7,796	-	92,206
Incurred but not reported claims	13,220	2,081	-	15,301
Employee benefits obligations	6,134	822	-	6,956
Reinsurance payables	5,500	(323)	-	5,177
	<u>205,245</u>	<u>10,376</u>	<u>-</u>	<u>215,621</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(3,435)	-	(592)	(4,027)
	<u>(3,435)</u>	<u>-</u>	<u>(592)</u>	<u>(4,027)</u>
Deferred tax assets	<u>201,810</u>	<u>10,376</u>	<u>(592)</u>	<u>211,594</u>

Income tax expense for the three-month and six-month periods ended June 30, 2016 and 2015, consisted of the following:

	Baht: '000			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Income tax expense from taxable income per income tax return	10,040	13,596	23,097	33,474
Deferred tax expenses relating to the origination and reversal of temporary differences	1,917	(2,208)	(5,608)	(10,376)
Income tax expense per the statements of comprehensive income	<u>11,957</u>	<u>11,388</u>	<u>17,489</u>	<u>23,098</u>

The reconciliation between income tax expense and accounting income for the three-month and six-month periods ended June 30, 2016 and 2015 was as follows:

	Baht: '000			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Accounting income before tax	59,523	56,114	87,770	121,577
Income tax at 20%	11,905	11,223	17,554	24,315
Tax effect of non-deductible expenses (benefits)	52	165	(65)	(1,217)
Income tax expense per the statements of comprehensive income	<u>11,957</u>	<u>11,388</u>	<u>17,489</u>	<u>23,098</u>

14. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at June 30, 2016 and December 31, 2015 consisted of the following:

	As at June 30, 2016		Baht: '000
	Insurance contract liabilities	Reinsurance liabilities (see Note 8)	Net
Loss reserves			
Loss incurred and agreed	630,156	(334,347)	295,809
Loss incurred but not reported	111,517	(39,976)	71,541
Premium reserve			
Unearned Premium reserve	1,467,951	(509,952)	957,999
Total	<u>2,209,624</u>	<u>(884,275)</u>	<u>1,325,349</u>

	As at December 31, 2015		Baht: '000
	Insurance contract liabilities	Reinsurance liabilities (see Note 8)	Net
Loss reserves			
Loss incurred and agreed	718,095	(413,063)	305,032
Loss incurred but not reported	112,872	(38,157)	74,715
Premium reserve			
Unearned Premium reserve	1,472,282	(540,940)	931,342
Total	<u>2,303,249</u>	<u>(992,160)</u>	<u>1,311,089</u>

14.1 Insurance reserve for short term insurance contract

14.1.1 Loss reserves

Loss reserves as at June 30, 2016 and December 31, 2015 consisted of the following:

	As at June 30, 2016	Baht: '000 As at December 31, 2015
Balance as at beginning period/year	830,967	1,040,139
Loss incurred and loss adjustment expenses during the period/year	656,705	1,254,928
Changing on estimated loss and assumptions used in calculating loss reserve	(72,050)	122,355
Loss paid during the period/year	<u>(673,949)</u>	<u>(1,586,455)</u>
Balance as at ending period/year	<u>741,673</u>	<u>830,967</u>

14.1.2 Unearned premium reserve

	As at June 30, 2016	Baht: '000 As at December 31, 2015
As at January 1,	1,472,282	1,451,942
Premium written for the period/year	1,562,980	3,137,849
Earned premium for the period/year	<u>(1,567,311)</u>	<u>(3,117,509)</u>
As at June 30, and December 31,	<u>1,467,951</u>	<u>1,472,282</u>

14.1.3 Unexpired risk reserve

As at June 30, 2016 and December 31, 2015, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 769.67 million and Baht 743.54 million, respectively, is lower than the unearned premium reserve.

15. DUE TO REINSURERS

Due to reinsurers as at June 30, 2016 and December 31, 2015 consisted of the following:

	As at June 30, 2016	Baht: '000 As at December 31, 2015
Amount withheld on reinsurance	394,990	401,915
Reinsurance payables	<u>295,662</u>	<u>231,437</u>
Total due to reinsurers	<u>690,652</u>	<u>633,352</u>

16. 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 six-month periods ended June 30, 2016 and 2015, 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 six-month periods ended June 30, 2016 and 2015 were as follows:

Baht: '000

	For the three-month period ended June 30, 2016				Total
	Fire	Marine	Motor	Miscellaneous	
Underwriting income					
Gross premium written	138,708	81,335	268,692	256,518	745,253
<u>Less</u> Premium ceded	35,954	55,064	95,282	84,696	270,996
Net premium written	102,754	26,271	173,410	171,822	474,257
<u>(Add) Less</u> Unearned premium reserve	(5,256)	(633)	2,422	(7,458)	(10,925)
Net premium earned	108,010	26,904	170,988	179,280	485,182
Fee and commission income	7,360	14,579	32,914	22,478	77,331
Total underwriting income	115,370	41,483	203,902	201,758	562,513
Underwriting expenses					
Loss incurred	14,825	(38,403)	168,793	118,614	263,829
<u>Less</u> Loss refundable from reinsurers	4,185	(42,272)	56,793	23,916	42,622
Commission and brokerage expenses	31,114	9,985	33,055	35,732	109,886
Other underwriting expenses	24,063	7,360	45,064	37,334	113,821
Total underwriting expenses	65,817	21,214	190,119	167,764	444,914
Profit on underwriting before operating expenses	49,553	20,269	13,783	33,994	117,599
Operating expenses					72,297
Profit on underwriting					45,302

Baht: '000

	For the three-month period ended June 30, 2015				Total
	Fire	Marine	Motor	Miscellaneous	
Underwriting income					
Gross premium written	138,382	90,017	246,784	257,704	732,887
<u>Less</u> Premium ceded	33,729	62,905	87,645	96,980	281,259
Net premium written	104,653	27,112	159,139	160,724	451,628
<u>(Add) Less</u> Unearned premium reserve	(7,788)	1,103	8,253	(16,868)	(15,300)
Net premium earned	112,441	26,009	150,886	177,592	466,928
Fee and commission income	9,230	18,277	30,218	24,934	82,659
Total underwriting income	121,671	44,286	181,104	202,526	549,587
Underwriting expenses					
Loss incurred	65,580	22,666	140,665	129,766	358,677
<u>Less</u> Loss refundable from reinsurers	22,562	12,562	46,942	49,896	131,962
Commission and brokerage expenses	30,943	10,960	30,619	37,410	109,932
Other underwriting expenses	19,060	7,622	39,706	34,776	101,164
Total underwriting expenses	93,021	28,686	164,048	152,056	437,811
Profit on underwriting before operating expenses	28,650	15,600	17,056	50,470	111,776
Operating expenses					72,181
Profit on underwriting					39,595

Significant balances and transactions were as follows:

	As at June 30, 2016	Baht: '000 As at December 31, 2015
Deposits at financial institutions		
Bank of Ayudhya Plc.	393,850	479,081
Premium due and uncollected		
Bank of Ayudhya Plc.	3,019	255
Siam City Cement Plc.	826	2,427
Bangkok Broadcasting & T.V. Co., Ltd.	1,903	199
Ayudhya Development Leasing Co., Ltd.	43	-
Ayudhya Capital Auto Lease Plc.	101	-
Krungsriayudhya Card Co., Ltd.	171	-
CKS Holding Ltd.	-	63
Allianz Ayudhya Assurance Plc.	-	18
Grand Canal Land Plc.	-	279
Siam Realty and Services Co., Ltd.	218	76
Eastern Star Real Estate Plc.	34	794
	<u>6,315</u>	<u>4,111</u>
Accrued interest income		
Bank of Ayudhya Plc.	2,517	1,588
Rental and facilities deposits		
BBTV Equity Co., Ltd.	4,416	4,416
Premium written received in advance		
Bank of Ayudhya Plc.	10,426	11,915
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	15	17
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	16,097	15,836
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	15,307	15,675
Accrued expense		
Sri Ayudhya Capital Plc.	12,933	12,745

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Premium written				
Bank of Ayudhya Plc.	5,358	4,945	10,547	15,786
Krungsri Securities Plc.	32	4	32	5
Krungsri Asset Management Co., Ltd.	10	3	1,230	1,263
Ayudhya Development Leasing Co., Ltd.	40	28	85	88
Siam City Cement Plc.	682	552	2,456	2,116
Bangkok Broadcasting & T.V. Co., Ltd.	6,123	6,314	6,708	6,819
Great Luck Equity Co., Ltd.	1	21	48	86
Super Assets Co., Ltd.	-	-	58	61
BBTV Equity Co., Ltd.	26	24	49	24
Allianz Ayudhya Assurance Plc.	1	1	420	500
Ayudhya Asset Management Co., Ltd.	-	-	478	452
Siam Realty and Services Co., Ltd.	435	365	752	723
Ayudhya Capital Auto Lease Plc.	109	196	109	232
Krungsriayudhya Card Co., Ltd.	159	-	159	-
Eastern Star Real Estate Plc.	35	50	103	106
	<u>13,011</u>	<u>12,503</u>	<u>23,234</u>	<u>28,261</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 June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Interest income				
Bank of Ayudhya Plc.	1,022	1,249	1,793	2,221

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 June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Other income				
Sri Ayudhya Capital Plc.	120	240	240	240

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.

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Commission and brokerage expenses				
Bank of Ayudhya Plc.	42,479	38,879	92,003	82,151
Other underwriting expenses				
Bank of Ayudhya Plc.	26,185	24,075	61,325	46,919

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.

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Custodian fee				
Bank of Ayudhya Plc.	43	46	88	80

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

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Rental and service fees				
BBTV Equity Co., Ltd.	4,437	4,437	8,874	8,874
Management fee				
Sri Ayudhya Capital Plc. (see Note 21)	8,454	9,413	19,268	18,927

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, payroll and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and six-month periods ended June 30, 2016 and 2015, 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 ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Directors and key management personnel's remuneration				
Short-term benefits	8,761	7,164	17,489	14,249
Post-employment benefits	345	353	690	639
Directors' remuneration	240	185	703	721
	<u>9,346</u>	<u>7,702</u>	<u>18,882</u>	<u>15,609</u>

Directors' remunerations for the years of 2016 and 2015 were approved by the ordinary shareholders' meeting of the Company held on April 25, 2016 and April 9, 2015, respectively.

20. DEPOSITS WITH THE REGISTRAR

As at June 30, 2016 and December 31, 2015, certain investment in securities of the Company were deposited with the Registrar (see Note 10) 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 June 30, 2016	As at December 31, 2015
Government and state enterprise securities	253,119	254,641
Deposits at banks	14,000	14,000
Total deposits with the Registrar	<u>267,119</u>	<u>268,641</u>

21. CONTINGENT LIABILITIES AND COMMITMENT

21.1 As at June 30, 2016 and December 31, 2015, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 14.69 million and Baht 53.12 million, respectively. Such amount has been set aside in the loss reserve and outstanding claims accounts. The Company's management 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.

21.2 As at June 30, 2016 and December 31, 2015, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 11.43 million and Baht 11.84 million, respectively.

22. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at June 30, 2016 and December 31, 2015 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
As at June 30, 2016			
Building			
- related company	4,828	1,129	5,957
- others	3,006	3,695	6,701
Service - related company	4,784	1,111	5,895
Equipment - related company	6,378	1,481	7,859
	<u>18,996</u>	<u>7,416</u>	<u>26,412</u>
As at December 31, 2015			
Building			
- related company	5,325	3,295	8,620
- others	4,066	5,263	9,329
Service - related company	5,280	3,254	8,534
Equipment - related company	7,041	4,339	11,380
	<u>21,712</u>	<u>16,151</u>	<u>37,863</u>

For the three-month and six-month periods ended June 30, 2016 and 2015, 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 June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Rental and service fees	6,305	6,370	12,645	12,665

23. 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		Fair value hierarchy	Valuation techniques and key inputs
	As at June 30, 2016 (Baht : '000)	As at December 31, 2015 (Baht : '000)		
Government and state enterprise securities	366,672	471,602	Level 2	Discount cash flow using yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Unit trusts	25,623	25,463	Level 2	The unit trust's net asset value of the last working day of the reporting period

24. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on August 11, 2016.