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

Interim Financial Statements

Three-month period ended March 31, 2017

**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 March 31, 2017, and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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



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

BANGKOK
May 12, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

Baht : '000

	Notes	"Unaudited"	
		As at March 31, 2017	As at December 31, 2016
ASSETS			
Cash and cash equivalents	5	1,472,140	1,348,605
Premium due and uncollected - net	6	215,026	217,433
Accrued investment income		5,271	7,387
Reinsurance assets	7	1,031,962	1,050,276
Due from reinsurers	8	78,312	58,569
Investments			
Investments in securities	9	2,293,225	2,294,376
Loans	10	106	122
Leasehold improvement and equipment	11	54,732	57,917
Intangible assets		73,984	75,159
Deferred tax assets	12	166,847	166,508
Deferred commissions expenses		64,347	63,404
Other assets		47,879	49,450
TOTAL ASSETS		<u><u>5,503,831</u></u>	<u><u>5,389,206</u></u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2017

Baht : '000

	Notes	"Unaudited"	
		As at March 31, 2017	As at December 31, 2016
LIABILITIES AND EQUITY			
Insurance contract liabilities	13	2,232,138	2,249,889
Due to reinsurers	14	654,124	705,692
Payable from purchase of security	17	199,879	-
Income tax payable		324	-
Employee benefit obligations		74,311	72,013
Premium written received in advance		343,533	337,983
Commissions and brokerages payables		50,896	50,979
Accrued expenses		25,359	49,402
Other liabilities		78,747	86,488
TOTAL LIABILITIES		<u>3,659,311</u>	<u>3,552,446</u>
EQUITY			
Share capital			
Authorized share capital			
240,000,000 ordinary shares of Baht 10.00 each		<u>2,400,000</u>	<u>2,400,000</u>
Issued and paid-up share capital			
180,000,000 ordinary shares of Baht 10.00 each		1,800,000	1,800,000
Retained earnings			
Appropriated			
Legal reserve		1,850	1,850
Unappropriated		40,220	32,185
Other components of equity			
Changes in fair value of available-for-sale securities		2,450	2,725
TOTAL EQUITY		<u>1,844,520</u>	<u>1,836,760</u>
TOTAL LIABILITIES AND EQUITY		<u>5,503,831</u>	<u>5,389,206</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
"UNAUDITED"

Baht : '000

	Notes	2017	2016
Revenues			
Gross premiums written	15	733,942	817,727
<u>Less</u> Premiums ceded	15	310,608	301,827
Net premiums written		423,334	515,900
<u>Less</u> Unearned premium reserve increase (decrease)			
from previous period	15	(3,855)	37,582
Net premium earned		427,189	478,318
Fee and commission income	15	99,986	88,346
Net investment income		12,524	10,601
Other income		723	1,627
Total revenues		540,422	578,892
Expenses			
Losses incurred	15	464,859	349,023
<u>Less</u> Loss refundable from reinsurers	15	228,233	127,292
Commissions and brokerage expenses	15	109,252	125,625
Other underwriting expenses	15	112,902	120,181
Operating expenses	15	71,781	83,108
Total expenses		530,561	550,645
Income before income tax expense		9,861	28,247
Income tax expense	12	1,826	5,532
Net profit		8,035	22,715

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
 "UNAUDITED"

Baht : '000

	Notes	2017	2016
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Loss on revaluation of available-for-sale securities		(344)	(102)
Income tax relating to items that will be reclassified subsequently		69	20
Other comprehensive loss for the periods, net of income tax		<u>(275)</u>	<u>(82)</u>
Total comprehensive income for the periods		<u><u>7,760</u></u>	<u><u>22,633</u></u>
Earnings per share			
Basic earnings per share	16 Baht	0.04	0.13

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

"UNAUDITED"

Baht: '000

	Issued and paid-up share capital	Retained earnings (deficits)		Other components of equity		Total equity
		Appropriated Legal reserve	Unappropriated	Changes in fair value of available-for-sale securities		
Beginning balance as at January 1, 2016	1,800,000	-	(60,108)	5,918	1,745,810	
Comprehensive income	-	-	22,715	(82)	22,633	
Ending balance as at March 31, 2016	1,800,000	-	(37,393)	5,836	1,768,443	
Beginning balance as at January 1, 2017	1,800,000	1,850	32,185	2,725	1,836,760	
Comprehensive income	-	-	8,035	(275)	7,760	
Ending balance as at March 31, 2017	1,800,000	1,850	40,220	2,450	1,844,520	

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

"UNAUDITED"

Baht: '000

	2017	2016
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Direct premium received	731,639	849,613
Cash paid to reinsurance	(62,426)	(106,603)
Interest income	10,370	15,393
Other income	188	526
Losses incurred from direct insurance	(443,449)	(303,499)
Commissions and brokerages from direct insurance	(108,283)	(124,406)
Other underwriting expenses	(113,058)	(114,053)
Operating expenses	(89,556)	(95,104)
Income tax expense	(3,924)	(2,738)
Investment in securities	5,143	102,120
Deposits at banks with maturity over 3 months	(66)	(199)
Loans	16	147
Net cash provided by (used in) operating activities	(73,406)	221,197
 CASH FLOWS PROVIDED BY (USED IN)		
INVESTING ACTIVITIES		
CASH FLOWS PROVIDED BY		
Leasehold improvement and equipment	704	1,388
Cash provided by investing activities	704	1,388
 CASH FLOWS USED IN		
Leasehold improvement and equipment	(1,795)	(8,360)
Intangible assets	(1,847)	(752)
Cash used in investing activities	(3,642)	(9,112)
Net cash used in investing activities	(2,938)	(7,724)
 Reconcile payable from purchase of government security		
- treasury bill with maturity less than 3 months	199,879	-
Net increase in cash and cash equivalents	123,535	213,473
Cash and cash equivalents as at January 1,	1,348,605	991,034
Cash and cash equivalents as at March 31,	1,472,140	1,204,507

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
“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.

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 2016) “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.
- 2.2 The statement of financial position as at December 31, 2016, 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 presented in the three-month period ended March 31, 2017 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 TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended March 31, 2017 should be read in conjunction with the audited financial statements for the year ended December 31, 2016.

2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3. 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, 2016.

4. ADDITIONAL INFORMATION FOR CASH FLOWS

4.1 Non-cash items of leasehold improvement and equipment for the three-month periods ended March 31, 2017 and 2016 consisted of the following:

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2017	2016
Other payable - fixed assets as at January 1,	-	801
<u>Add</u> Purchases of fixed assets	1,801	7,806
<u>Less</u> Cash paid for purchase of fixed assets	<u>(1,795)</u>	<u>(8,360)</u>
Other payable - fixed assets as at March 31,	<u>6</u>	<u>247</u>

- 4.2 Non-cash items of intangible assets for the three-month periods ended March 31, 2017 and 2016 consisted of the following:

	Baht: '000	
	For the three-month	
	periods ended March 31,	2016
	2017	2016
Other payable - intangible assets as at January 1,	20	-
<u>Add</u> Purchases of intangible assets	2,012	1,080
<u>Less</u> Cash paid for purchase of intangible assets	(1,847)	(752)
Other payable - intangible assets as at March 31,	<u>185</u>	<u>328</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at March 31, 2017 and December 31, 2016, consisted of the following:

	Baht: '000	
	As at	As at
	March 31,	December 31,
	2017	2016
Cash	260	260
Cheque on hand	8,256	5,929
Deposits at bank - at call	164,402	165,116
Deposits at bank - maturity not over 3 months	-	28,215
Short term investments	1,299,222	1,149,085
Cash and cash equivalents	<u>1,472,140</u>	<u>1,348,605</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at March 31, 2017 and December 31, 2016 consisted of the following:

	Baht: '000	
	From direct insurance	
	As at	As at
	March 31,	December 31,
	2017	2016
Within credit terms	166,995	175,614
Less than 30 days	16,685	20,840
31 - 60 days	16,971	6,781
61 - 90 days	6,147	5,808
Over 90 days	12,679	12,841
Total premium due and uncollected	219,477	221,884
<u>Less</u> Allowance for doubtful accounts	(4,451)	(4,451)
Premium due and uncollected - net	<u>215,026</u>	<u>217,433</u>

7. REINSURANCE ASSETS

Reinsurance assets as at March 31, 2017 and December 31, 2016 consisted of the following:

	As at March 31, 2017	Baht: '000 As at December 31, 2016
Insurance reserve refundable from reinsurers		
Loss reserves	467,712	454,210
Unearned premium reserve		
- Unearned reinsurance premium reserve	564,250	596,066
Total reinsurance assets (see Note 13)	<u>1,031,962</u>	<u>1,050,276</u>

8. DUE FROM REINSURERS

Due from reinsurers as at March 31, 2017 and December 31, 2016 consisted of the following:

	As at March 31, 2017	Baht: '000 As at December 31, 2016
Due from reinsurers	<u>78,312</u>	<u>58,569</u>

9. INVESTMENT IN SECURITIES

Investment in securities as at March 31, 2017 and December 31, 2016 consisted of the following:

	As at March 31, 2017		As at December 31, 2016	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Available-for-sale securities				
Government and state enterprise securities	355,724	358,297	356,625	359,621
Equity securities	25,377	25,866	25,377	25,787
Total	<u>381,101</u>	<u>384,163</u>	<u>382,002</u>	<u>385,408</u>
Add Unrealized gains	3,062	-	3,406	-
Total available-for-sale securities	<u>384,163</u>	<u>384,163</u>	<u>385,408</u>	<u>385,408</u>
Held-to-maturity securities				
Government and state enterprise securities	1,510,589		1,510,561	
Deposits at banks with maturity over 3 months	377,632		377,566	
Total held-to-maturity securities	<u>1,888,221</u>		<u>1,888,127</u>	
General investment				
Equity securities	20,841		20,841	
Total general investment	<u>20,841</u>		<u>20,841</u>	
Total investment in securities - net	<u>2,293,225</u>		<u>2,294,376</u>	

As at March 31, 2017 and December 31, 2016, certain of government and state enterprise securities were used as collateral for insured driver (see Note 20.1).

As at March 31, 2017 and December 31, 2016, certain of deposits at bank are pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 20.2).

As at March 31, 2017 and December 31, 2016, certain investment in securities are pledged and used for assets reserved with the Registrar amounting to Baht 264.60 million and Baht 265.09 million, respectively (see Note 19).

10. 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:

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

11. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at March 31, 2017 and December 31, 2016 consisted of the following:

	Cost				Accumulated depreciation		As at March 31, 2017	Beginning balance of leasehold improvement and equipment - net as at January 1, 2017	Ending balance of leasehold improvement and equipment - net as at March 31, 2017
	As at January 1, 2017	Increase	Disposal / Write off	Transfer In (transfer out)	As at March 31, 2017	As at January 1, 2017			
Leasehold improvement	48,519	296	-	-	48,815	(2,051)	(21,715)	26,804	25,049
Furniture, fixtures and office equipment	66,226	244	(177)	-	66,293	(1,366)	(53,290)	12,936	11,814
Vehicles	32,075	1,261	(2,164)	-	31,172	(1,400)	(13,898)	18,177	17,869
Total	146,820	1,801	(2,341)	-	146,280	(4,817)	(88,903)	57,917	54,732

Baht: '000

	Cost				Accumulated depreciation		As at December 31, 2016	Beginning balance of leasehold improvement and equipment - net as at January 1, 2016	Ending balance of leasehold improvement and equipment - net as at December 31, 2016
	As at January 1, 2016	Increase	Disposal / Write off	Transfer In (transfer out)	As at December 31, 2016	As at January 1, 2016			
Leasehold improvement	40,167	1,165	(2,299)	9,486	48,519	(7,811)	(15,905)	24,262	26,804
Furniture, fixtures and office equipment	64,561	3,036	(1,371)	-	66,226	(5,933)	(48,716)	15,845	12,936
Vehicles	41,300	6,475	(15,700)	-	32,075	(6,244)	(21,325)	19,975	18,177
Leasehold improvement under installation	3,832	5,654	-	(9,486)	-	-	-	3,832	-
Total	149,860	16,330	(19,370)	-	146,820	(19,988)	(85,946)	63,914	57,917

As at March 31, 2017 and December 31, 2016, certain leasehold improvement and equipment at cost of Baht 49.46 million and Baht 48.09 million, respectively, were fully depreciated but still in use.

12. DEFERRED TAX ASSETS

Deferred tax assets as at March 31, 2017 and December 31, 2016 were as follows:

	As at March 31, 2017	Baht: '000 As at December 31, 2016
Deferred tax assets	<u>166,847</u>	<u>166,508</u>

Movements of deferred tax assets for the three-month periods ended March 31, 2017 and 2016 consisted of tax effects from the following items:

	As at January 1, 2017	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at March 31, 2017
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	890	-	-	890
Allowance for doubtful accounts				
- Other receivable	567	-	-	567
Unearned premium reserve	79,616	(771)	-	78,845
Loss reserve - net	56,699	(1,045)	-	55,654
Incurred but not reported claims	15,818	1,626	-	17,444
Employee benefits obligations	9,533	460	-	9,993
Premium ceded payables - Excess of loss	4,066	-	-	4,066
	<u>167,189</u>	<u>270</u>	<u>-</u>	<u>167,459</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(681)	-	69	(612)
	<u>(681)</u>	<u>-</u>	<u>69</u>	<u>(612)</u>
Deferred tax assets	<u>166,508</u>	<u>270</u>	<u>69</u>	<u>166,847</u>

	As at January 1, 2016	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at March 31, 2016
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	979	-	-	979
Allowance for doubtful accounts				
- Other receivable	256	-	-	256
Unearned premium reserve	93,810	10,379	-	104,189
Loss reserve - net	59,815	(4,285)	-	55,530
Incurred but not reported claims	14,943	978	-	15,921
Employee benefits obligations	7,714	455	-	8,169
Premium ceded payables - Excess of loss	2,737	(2)	-	2,735
	<u>180,254</u>	<u>7,525</u>	<u>-</u>	<u>187,779</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(1,479)	-	20	(1,459)
	<u>(1,479)</u>	<u>-</u>	<u>20</u>	<u>(1,459)</u>
Deferred tax assets	<u>178,775</u>	<u>7,525</u>	<u>20</u>	<u>186,320</u>

Income tax expense for the three-month periods ended March 31, 2017 and 2016, consisted of the following:

	Baht: '000	
	For the three-month periods ended March 31, 2017	2016
Income tax expense from taxable income per income tax return	2,096	13,057
Deferred tax expenses relating to the origination and reversal of temporary differences	(270)	(7,525)
Income tax expense per the statements of profit or loss and other comprehensive income	<u>1,826</u>	<u>5,532</u>

Reconciliation of effective tax rate for the three-month periods ended March 31, 2017 and 2016 was as follows:

	Baht: '000			
	For the three-month periods ended March 31,			
	2017		2016	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Accounting income before tax		9,861		28,247
Income tax at 20%	20.00	1,972	20.00	5,649
Tax effect of non-deductible expenses (benefit)	(1.48)	(146)	(0.41)	(117)
Income tax expense per the statements of profit or loss and other comprehensive income	18.52	1,826	19.59	5,532

13. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at March 31, 2017 and December 31, 2016 consisted of the following:

	As at March 31, 2017		Baht: '000
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Loss reserves			
Loss incurred and agreed	685,776	(403,686)	282,090
Loss incurred but not reported	151,247	(64,026)	87,221
Premium reserve			
Unearned Premium reserve	1,395,115	(564,250)	830,865
Total	2,232,138	(1,031,962)	1,200,176

	As at December 31, 2016		Baht: '000
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Loss reserves			
Loss incurred and agreed	694,871	(409,068)	285,803
Loss incurred but not reported	124,232	(45,142)	79,090
Premium reserve			
Unearned Premium reserve	1,430,786	(596,066)	834,720
Total	2,249,889	(1,050,276)	1,199,613

13.1 Insurance reserve for short term insurance contract

13.1.1 Loss reserves

Loss reserves as at March 31, 2017 and December 31, 2016 consisted of the following:

	As at March 31, 2017	Baht: '000 As at December 31, 2016
Balance as at beginning period/year	819,103	830,967
Loss incurred and loss adjustment expenses during the period/year	439,126	1,577,788
Changing on estimated loss and assumptions used in calculating loss reserve	25,733	(164,438)
Loss paid during the period/year	<u>(446,939)</u>	<u>(1,425,214)</u>
Balance as at ending period/year	<u>837,023</u>	<u>819,103</u>

13.1.2 Unearned premium reserve

	As at March 31, 2017	Baht: '000 As at December 31, 2016
As at January 1,	1,430,786	1,472,282
Premium written for the period/year	733,942	3,082,392
Earned premium for the period/year	<u>(769,613)</u>	<u>(3,123,888)</u>
As at March 31, and December 31,	<u>1,395,115</u>	<u>1,430,786</u>

13.1.3 Unexpired risk reserve

As at March 31, 2017 and December 31, 2016, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 720.85 million and Baht 816.17 million, respectively, is lower than the unearned premium reserve.

14. DUE TO REINSURERS

Due to reinsurers as at March 31, 2017 and December 31, 2016 consisted of the following:

	As at March 31, 2017	Baht: '000 As at December 31, 2016
Amount withheld on reinsurance	400,639	402,551
Reinsurance payables	253,485	303,141
Total due to reinsurers	<u>654,124</u>	<u>705,692</u>

15. 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 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 periods ended March 31, 2017 and 2016, 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 periods ended March 31, 2017 and 2016 were as follows:

	For the three-month period ended March 31, 2017				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums written	161,345	79,090	251,146	242,361	733,942
<u>Less</u> Premiums ceded	<u>45,931</u>	<u>53,820</u>	<u>90,114</u>	<u>120,743</u>	<u>310,608</u>
Net premiums written	115,414	25,270	161,032	121,618	423,334
<u>Less</u> Unearned premium reserve increase (decrease) from previous period	<u>13,869</u>	<u>1,217</u>	<u>(6,769)</u>	<u>(12,172)</u>	<u>(3,855)</u>
Net premium earned	101,545	24,053	167,801	133,790	427,189
Fee and commission income	11,103	17,293	31,088	40,502	99,986
Total underwriting income	<u>112,648</u>	<u>41,346</u>	<u>198,889</u>	<u>174,292</u>	<u>527,175</u>
Underwriting expenses					
Losses incurred	13,612	69,989	180,385	200,873	464,859
<u>Less</u> Loss refundable from reinsurers	<u>1,989</u>	<u>53,597</u>	<u>60,449</u>	<u>112,198</u>	<u>228,233</u>
Commissions and brokerages expenses	35,508	9,709	29,236	34,799	109,252
Other underwriting expenses	25,124	7,981	41,579	38,218	112,902
Total underwriting expenses	<u>72,255</u>	<u>34,082</u>	<u>190,751</u>	<u>161,692</u>	<u>458,780</u>
Profit on underwriting before operating expenses	<u>40,393</u>	<u>7,264</u>	<u>8,138</u>	<u>12,600</u>	<u>68,395</u>
Operating expenses					<u>71,781</u>
Loss on underwriting					<u>(3,386)</u>

	For the three-month period ended March 31, 2016				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums written	167,324	94,760	279,995	275,648	817,727
<u>Less</u> Premiums ceded	<u>50,098</u>	<u>66,401</u>	<u>99,240</u>	<u>86,088</u>	<u>301,827</u>
Net premiums written	117,226	28,359	180,755	189,560	515,900
<u>Less</u> Unearned premium reserve increase from previous period	<u>10,889</u>	<u>821</u>	<u>15,729</u>	<u>10,143</u>	<u>37,582</u>
Net premium earned	106,337	27,538	165,026	179,417	478,318
Fee and commission income	13,142	18,335	34,299	22,570	88,346
Total underwriting income	<u>119,479</u>	<u>45,873</u>	<u>199,325</u>	<u>201,987</u>	<u>566,664</u>
Underwriting expenses					
Losses incurred	26,946	72,464	173,702	75,911	349,023
<u>Less</u> Loss refundable from reinsurers	<u>13,795</u>	<u>56,298</u>	<u>59,173</u>	<u>(1,974)</u>	<u>127,292</u>
Commissions and brokerages expenses	37,016	11,831	36,641	40,137	125,625
Other underwriting expenses	26,071	8,679	40,695	44,736	120,181
Total underwriting expenses	<u>76,238</u>	<u>36,676</u>	<u>191,865</u>	<u>162,758</u>	<u>467,537</u>
Profit on underwriting before operating expenses	<u>43,241</u>	<u>9,197</u>	<u>7,460</u>	<u>39,229</u>	<u>99,127</u>
Operating expenses					<u>83,108</u>
Profit on underwriting					<u>16,019</u>

16. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended March 31, 2017 and 2016 were as follows:

	2017	2016
Net profit (Baht: '000)	8,035	22,715
Number of share capital (shares)	<u>180,000,000</u>	<u>180,000,000</u>
Basic earnings per share (Baht)	<u>0.04</u>	<u>0.13</u>

17. 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	Banking
Krungsri Securities Plc.	Some common shareholders	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	Construction Materials
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders	Television Business
Great Luck Equity Co., Ltd.	Some common shareholders	Advertising
Super Asset Co., Ltd.	Some common shareholders and directors	Investment
BBTV Equity Co., Ltd.	Some common shareholders and directors	Office Space Rental
CKS Holding Co., Ltd.	Some common shareholders and directors	Investments
Allianz Ayudhya Assurance Plc.	Some common shareholders and directors	Life Insurance
Grand Canal Land Plc.	Some common shareholders and directors	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	Property

Significant balances and transactions were as follows:

	As at March 31, 2017	Baht: '000 As at December 31, 2016
Deposits at financial institutions		
Bank of Ayudhya Plc.	332,070	326,451
Premium due and uncollected		
Bank of Ayudhya Plc.	6,769	542
Ayudhya Development Leasing Co., Ltd.	-	8
Siam City Cement Plc.	1,531	1,949
Bangkok Broadcasting & T.V. Co., Ltd.	380	206
CKS Holding Ltd.	-	53
Allianz Ayudhya Assurance Plc.	193	34
Grand Canal Land Plc.	-	263
Siam Realty and Services Co., Ltd.	203	94
Ayudhya Capital Auto Lease Plc.	1	1
Eastern Star Real Estate Plc.	158	363
Krungsri Asset Management Co., Ltd.	1,346	-
Ayudhya Asset Management Co., Ltd.	69	-
	<u>10,650</u>	<u>3,513</u>
Accrued interest income		
Bank of Ayudhya Plc.	1,483	1,094
Rental and facilities deposits		
BBTV Equity Co., Ltd.	4,411	4,416
Premium written received in advance		
Bank of Ayudhya Plc.	8,936	10,426
Payable from purchase of security		
Bank of Ayudhya Plc.	199,879	-
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	26	16
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	15,084	13,700
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	21,925	20,279
Accrued expense		
Sri Ayudhya Capital Plc.	10,728	16,219

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2017	2016
Premium written		
Bank of Ayudhya Plc.	7,819	5,189
Krungsri Asset Management Co., Ltd.	1,253	1,220
Ayudhya Development Leasing Co., Ltd.	7	45
Siam City Cement Plc.	1,552	1,774
Bangkok Broadcasting & T.V. Co., Ltd.	504	585
Great Luck Equity Co., Ltd.	41	47
Super Assets Co., Ltd.	70	58
BBTV Equity Co., Ltd.	29	23
Allianz Ayudhya Assurance Plc.	179	419
Ayudhya Asset Management Co., Ltd.	401	478
Siam Realty and Services Co., Ltd.	417	317
Eastern Star Real Estate Plc.	231	68
	12,503	10,223

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 March 31,	
	2017	2016
Interest income		
Bank of Ayudhya Plc.	608	771

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 March 31,	
	2017	2016
Other income		
Sri Ayudhya Capital Plc.	120	120

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 March 31,	
	2017	2016
Commissions and brokerages		
Bank of Ayudhya Plc.	43,394	49,524
Other underwriting expenses		
Bank of Ayudhya Plc.	26,610	35,140

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 March 31,	
	2017	2016
Custodian fee		
Bank of Ayudhya Plc.	55	45

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 March 31,	
	2017	2016
Rental and service fees		
BBTV Equity Co., Ltd.	4,434	4,436
Management fee		
Sri Ayudhya Capital Plc.	8,411	10,815

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.

18. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month periods ended March 31, 2017 and 2016, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	Baht: '000	
	For the three-month periods ended March 31,	
	2017	2016
Directors and key management personnel's remuneration		
Short-term benefits	8,885	8,728
Post-employment benefits	364	345
Directors' remuneration	124	463
	<u>9,373</u>	<u>9,536</u>

Directors' remunerations for the years of 2017 and 2016 were approved by the ordinary shareholders' meeting of the Company held on April 24, 2017 and April 25, 2016, respectively.

19. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at March 31, 2017 and December 31, 2016, certain investment in securities of the Company were pledged and used for assets reserved with the Registrar (see Note 9) 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:

	As at March 31, 2017	Baht: '000 As at December 31, 2016
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission		
Securities pledged with the registrar		
Deposits at banks	14,000	14,000
Assets reserved with the registrar		
Government and state enterprise securities	250,597	251,086
Total investment in securities of pledged	<u>264,597</u>	<u>265,086</u>

20. RESTRICTED ASSETS AND COMMITMENT

- 20.1 As at March 31, 2017, the Company has Premium saving certificates amount of Baht 3.10 million (As at December 31, 2016: 4.10 million) were used as collateral in case where the insured driver is an alleged offender (See Note 9).
- 20.2 As at March 31, 2017 and December 31, 2016, the Company has the undrawn committed borrowing facilities for the amount of Baht 20 million which is pledged as collateral by deposit at bank amounting to Baht 20 million (See Note 9).

21. CONTINGENT LIABILITIES AND COMMITMENT

- 21.1 As at March 31, 2017 and December 31, 2016, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 30.22 million and Baht 22.33 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 March 31, 2017 and December 31, 2016, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 12.87 million and Baht 14.03 million, respectively.

22. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at March 31, 2017 and December 31, 2016 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 March 31, 2017			
Building			
- related company	3,727	3,142	6,869
- others	1,920	4,120	6,040
Service - related company	3,698	3,142	6,840
Equipment - related company	4,930	4,190	9,120
	<u>14,275</u>	<u>14,594</u>	<u>28,869</u>

Type of leases	Remaining periods		Baht: '000
	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
As at December 31, 2016			
Building			
- related company	4,339	-	4,339
- others	2,824	3,350	6,174
Service - related company	3,295	-	3,295
Equipment - related company	3,254	-	3,254
	<u>13,712</u>	<u>3,350</u>	<u>17,062</u>

For the three-month periods ended March 31, 2017 and 2016, the Company recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income in the amount of Baht 6.39 million and Baht 6.34 million, respectively.

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.

	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	As at March 31, 2017 Baht: '000	As at December 31, 2016 Baht: '000		
<u>Financial assets</u>				
Government and state enterprise securities	358,297	359,621	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
Equity securities	25,866	25,787	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 May 12, 2017.