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*SRI AYUDHYA GENERAL INSURANCE  
PUBLIC COMPANY LIMITED*

*Interim Financial Statements*

*Three-month and six-month periods ended  
June 30, 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 June 30, 2017, and the related statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2017, and the related statements of changes in equity and cash flows for the six-month period ended June 30, 2017, 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**  
August 10, 2017

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

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT JUNE 30, 2017**

**Baht : '000**

	Notes	<b>"Unaudited"</b>	
		<b>As at June 30, 2017</b>	<b>As at December 31, 2016</b>
<b>ASSETS</b>			
Cash and cash equivalents	5	1,256,086	1,348,605
Premium due and uncollected - net	6	210,328	217,433
Accrued investment income		8,718	7,387
Reinsurance assets	7	985,964	1,050,276
Due from reinsurers	8	72,825	58,569
Investments			
Investments in securities	9	2,372,623	2,294,376
Loans	10	50	122
Leasehold improvement and equipment	11	51,452	57,917
Intangible assets		71,417	75,159
Deferred tax assets	12	159,344	166,508
Deferred commissions expenses		63,151	63,404
Other assets		52,632	49,450
<b>TOTAL ASSETS</b>		<u><u>5,304,590</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 JUNE 30, 2017**

**Baht : '000**

	Notes	<b>"Unaudited"</b>	
		<b>As at June 30, 2017</b>	<b>As at December 31, 2016</b>
<b>LIABILITIES AND EQUITY</b>			
Insurance contract liabilities	13	2,172,242	2,249,889
Due to reinsurers	14	697,034	705,692
Employee benefit obligations		76,608	72,013
Premium written received in advance		351,157	337,983
Commissions and brokerages payables		45,168	50,979
Accrued expenses		27,635	49,402
Other liabilities		60,961	86,488
<b>TOTAL LIABILITIES</b>		<u>3,430,805</u>	<u>3,552,446</u>
<b>EQUITY</b>			
Share capital			
Authorized share capital			
240,000,000 ordinary shares			
of Baht 10.00 each		<u>2,400,000</u>	<u>2,400,000</u>
Issued and paid-up share capital			
180,000,000 ordinary shares			
of Baht 10.00 each		1,800,000	1,800,000
Retained earnings			
Appropriated			
Legal reserve		1,850	1,850
Unappropriated		69,428	32,185
Other components of equity			
Changes in fair value of available-for-sale securities		2,507	2,725
<b>TOTAL EQUITY</b>		<u>1,873,785</u>	<u>1,836,760</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>5,304,590</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 JUNE 30, 2017  
“UNAUDITED”

		<b>Baht : '000</b>	
	Notes	2017	2016
<b>Revenues</b>			
Gross premium written	15	703,486	745,253
<u>Less</u> Premium ceded	15	287,706	270,996
Net premium written		415,780	474,257
<u>Less</u> Unearned premium reserve increase (decrease)			
from previous period	15	1,317	(10,925)
Net premium earned		414,463	485,182
Fee and commission income	15	82,524	77,331
Net investment income		12,384	12,054
Other income		1,473	2,167
Total revenues		510,844	576,734
<b>Expenses</b>			
Loss incurred	15	324,087	263,829
<u>Less</u> Loss refundable from reinsurers	15	136,188	42,622
Commissions and brokerage expenses	15	101,206	109,886
Other underwriting expenses	15	115,488	113,821
Operating expenses		69,774	72,297
Total expenses		474,367	517,211
Income before income tax expense		36,477	59,523
Income tax expense	12	7,269	11,957
<b>Net income</b>		<b>29,208</b>	<b>47,566</b>

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, 2017  
“UNAUDITED”

		<b>Baht : '000</b>	
	<b>Notes</b>	<b>2017</b>	<b>2016</b>
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) on revaluation of available-for-sale securities		71	(1,870)
Income tax relating to items that will be reclassified subsequently		(14)	374
Other comprehensive income (loss) for the periods, net of income tax		57	(1,496)
<b>Total comprehensive income for the periods</b>		<b>29,265</b>	<b>46,070</b>
<b>Earnings per share</b>			
<b>Basic earnings per share</b>	16	<b>Baht</b>	0.16
			0.26

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, 2017**  
**“UNAUDITED”**

	Notes	2017	2016
<b>Baht : '000</b>			
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<b>Revenues</b>			
Gross premium written	15	1,437,428	1,562,980
<u>Less</u> Premium ceded	15	598,314	572,823
Net premium written		839,114	990,157
<u>Less</u> Unearned premium reserve increase (decrease)			
from previous period	15	(2,538)	26,657
Net premium earned		841,652	963,500
Fee and commission income	15	182,510	165,677
Net investment income		24,908	22,655
Other income		2,196	3,794
Total revenues		<u>1,051,266</u>	<u>1,155,626</u>
<b>Expenses</b>			
Loss incurred	15	788,946	612,852
<u>Less</u> Loss refundable from reinsurers	15	364,421	169,914
Commissions and brokerage expenses	15	210,458	235,511
Other underwriting expenses	15	228,390	234,002
Operating expenses		141,555	155,405
Total expenses		<u>1,004,928</u>	<u>1,067,856</u>
Income before income tax expense		46,338	87,770
Income tax expense	12	9,095	17,489
<b>Net income</b>		<u>37,243</u>	<u>70,281</u>

**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, 2017**  
**“UNAUDITED”**

		<b>Baht : '000</b>	
	<b>Notes</b>	<b>2017</b>	<b>2016</b>
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) on revaluation of available-for-sale securities		(272)	(1,972)
Income tax relating to items that will be reclassified subsequently		54	394
Other comprehensive income (loss) for the periods, net of income tax		(218)	(1,578)
<b>Total comprehensive income for the periods</b>		<b>37,025</b>	<b>68,703</b>
<b>Earnings per share</b>			
<b>Basic earnings per share</b>	<b>16 Baht</b>	<b>0.21</b>	<b>0.39</b>

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, 2017

“UNAUDITED”

	Issued and paid-up share capital	Retained earnings (deficits)		Other components of equity Changes in fair value of available-for-sale securities	Total equity
		Appropriated	Unappropriated		
		Legal reserve			
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
<b>Ending balance as at June 30, 2016</b>	<b>1,800,000</b>	<b>-</b>	<b>10,173</b>	<b>4,340</b>	<b>1,814,513</b>
Beginning balance as at January 1, 2017	1,800,000	1,850	32,185	2,725	1,836,760
Comprehensive income (loss)	-	-	37,243	(218)	37,025
<b>Ending balance as at June 30, 2017</b>	<b>1,800,000</b>	<b>1,850</b>	<b>69,428</b>	<b>2,507</b>	<b>1,873,785</b>

Baht: '000

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, 2017**

**“UNAUDITED”**

**Baht : '000**

	2017	2016
<b>CASH FLOWS PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Direct premium received	1,438,549	1,618,862
Cash paid from reinsurance	(71,541)	(64,717)
Interest income	14,941	21,468
Dividend income	6	16
Other income	1,667	1,264
Loss incurred from direct insurance	(787,089)	(622,460)
Commission and brokerage paid from direct insurance	(212,266)	(243,003)
Other underwriting expenses	(231,851)	(229,783)
Operating expenses	(164,954)	(127,286)
Income tax expense	(4,938)	(21,547)
Investment in securities	(69,668)	103,589
Deposits at banks with maturity over 3 months	(221)	(489)
Loans	72	275
Net cash provided by (used in) operating activities	(87,293)	436,189
<b>CASH FLOWS PROVIDED BY (USED IN)</b>		
<b>INVESTING ACTIVITIES</b>		
<b>CASH FLOWS PROVIDED BY</b>		
Leasehold improvement and equipment	705	4,573
Cash provided by investing activities	705	4,573

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**

**STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017**

**“UNAUDITED”**

		<b>Baht : '000</b>	
	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS PROVIDED BY (USED IN)</b>			
<b>INVESTING ACTIVITIES (CONTINUED)</b>			
CASH FLOWS USED IN			
Leasehold improvement and equipment		(3,299)	(9,955)
Intangible assets		(2,632)	(1,823)
Cash used in investing activities		(5,931)	(11,778)
Net cash used in investing activities		(5,226)	(7,205)
Net increase (decrease) in cash and cash equivalents		(92,519)	428,984
Cash and cash equivalents as at January 1,		1,348,605	991,034
<b>Cash and cash equivalents as at June 30,</b>		<b>1,256,086</b>	<b>1,420,018</b>

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 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, 18<sup>th</sup> floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

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

**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 are presented in the three-month and six-month periods ended June 30, 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 and six-month periods ended June 30, 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 six-month periods ended June 30, 2017 and 2016 consisted of the following:

	<b>Baht: '000</b>	
	<b>For the six-month</b>	
	<b>periods ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
Other payable - fixed assets as at January 1,	-	801
<u>Add</u> Purchases of fixed assets	3,332	9,233
<u>Less</u> Cash paid for purchase of fixed assets	(3,299)	(9,955)
Other payable - fixed assets as at June 30,	<u>33</u>	<u>79</u>

4.2 Non-cash items of intangible assets for the six-month periods ended June 30, 2017 and 2016 consisted of the following:

	<b>Baht : '000</b>	
	<b>For the six-month</b>	
	<b>periods ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
Other payable - intangible assets as at January 1,	20	-
<u>Add</u> Purchases of intangible assets	2,703	1,823
<u>Less</u> Cash paid for purchase of intangible assets	(2,632)	(1,823)
Other payable - intangible assets as at June 30,	<u>91</u>	<u>-</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2017 and December 31, 2016, consisted of the following:

	<b>As at June 30, 2017</b>	<b>Baht: '000 As at December 31, 2016</b>
Cash	280	260
Cheques on hand	4,886	5,929
Deposits at bank - at call	201,129	165,116
Deposits at bank - maturity not over 3 months	-	28,215
Short term investments	1,049,791	1,149,085
Cash and cash equivalents	<u>1,256,086</u>	<u>1,348,605</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at June 30, 2017 and December 31, 2016 consisted of the following:

	<b>From direct insurance As at June 30, 2017</b>	<b>Baht: '000 As at December 31, 2016</b>
Within credit terms	151,466	175,614
Less than 30 days	20,624	20,840
31 - 60 days	23,555	6,781
61 - 90 days	8,370	5,808
Over 90 days	10,764	12,841
Total premium due and uncollected	<u>214,779</u>	<u>221,884</u>
<u>Less</u> Allowance for doubtful accounts	<u>(4,451)</u>	<u>(4,451)</u>
Premium due and uncollected - net	<u>210,328</u>	<u>217,433</u>

7. REINSURANCE ASSETS

Reinsurance assets as at June 30, 2017 and December 31, 2016 consisted of the following:

	<b>As at June 30, 2017</b>	<b>Baht: '000 As at December 31, 2016</b>
<b>Insurance reserve refundable from reinsurers</b>		
Loss reserves	463,739	454,210
Unearned premium reserve		
- Unearned reinsurance premium reserve	522,225	596,066
Total reinsurance assets (see Note 13)	<u>985,964</u>	<u>1,050,276</u>

## 8. DUE FROM REINSURERS

Due from reinsurers as at June 30, 2017 and December 31, 2016 consisted of the following:

	As at June 30, 2017	Baht: '000 As at December 31, 2016
Due from reinsurers	72,825	58,569

## 9. INVESTMENT IN SECURITIES

Investment in securities as at June 30, 2017 and December 31, 2016 consisted of the following:

	As at June 30, 2017		As at December 31, 2016	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
<b>Available-for-sale securities</b>				
Government and state enterprise securities	435,069	437,634	356,625	359,621
Equity securities	25,377	25,946	25,377	25,787
Total	460,446	463,580	382,002	385,408
Add Unrealized gains	3,134	-	3,406	-
<b>Total available-for-sale securities</b>	463,580	463,580	385,408	385,408
<b>Held-to-maturity securities</b>				
Government and state enterprise securities	1,510,415		1,510,561	
Deposits at banks with maturity over 3 months	377,787		377,566	
<b>Total held-to-maturity securities</b>	1,888,202		1,888,127	
<b>General investment</b>				
Equity securities	20,841		20,841	
<b>Total general investment</b>	20,841		20,841	
<b>Total investment in securities - net</b>	2,372,623		2,294,376	

As at June 30, 2017 and December 31, 2016, certain government and state enterprise securities were used as collateral for insured driver (see Note 20.1).

As at June 30, 2017 and December 31, 2016, certain of deposits at bank were pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 20.2).

As at June 30, 2017 and December 31, 2016, certain government and state enterprise securities were pledged and used for assets reserved with the Registrar amounting to Baht 264.67 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:

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

### 11. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at June 30, 2017 and December 31, 2016 consisted of the following:

	Cost			Accumulated depreciation			Baht: '000
	As at January 1, 2017	Increase Disposal/ Write off	Transfer In (transfer out)	As at June 30, 2017	Depreciation Write off	As at June 30, 2017	
Leasehold improvement	48,519	535	-	49,050	(4,120)	(25,831)	26,804
Furniture, fixtures and office equipment	66,226	379	-	64,692	(2,748)	(54,125)	12,936
Vehicles	32,075	1,261	-	31,172	(2,760)	(14,663)	18,177
Leasehold improvement under installation	-	1,157	-	1,157	-	-	-
Total	146,820	3,332	-	146,071	(9,628)	(94,619)	57,917

	Cost			Accumulated depreciation			Baht: '000
	As at January 1, 2016	Increase Disposal/ Write off	Transfer In (transfer out)	As at December 31, 2016	Depreciation Write off	As at December 31, 2016	
Leasehold improvement	40,167	1,165	9,486	48,519	(7,811)	(21,715)	24,262
Furniture, fixtures and office equipment	64,561	3,036	-	66,226	(5,933)	(53,290)	15,845
Vehicles	41,300	6,475	-	32,075	(6,244)	(13,898)	19,975
Leasehold improvement under installation	3,832	5,654	(9,486)	-	-	-	3,832
Total	149,860	16,330	-	146,820	(19,988)	(88,903)	63,914

As at June 30, 2017 and December 31, 2016, certain leasehold improvement and equipment at cost of Baht 50.82 million and Baht 48.09 million, respectively, were fully depreciated but still in use.



**12. DEFERRED TAX ASSETS**

Deferred tax assets as at June 30, 2017 and December 31, 2016 were as follows:

	<b>As at June 30, 2017</b>	<b>Baht: '000 As at December 31, 2016</b>
Deferred tax assets	<u>159,344</u>	<u>166,508</u>

Movements of deferred tax assets for the six-month periods ended June 30, 2017 and 2016 consisted of tax effects from the following items:

	<b>As at January 1, 2017</b>	<b>Transactions recognized in profit or loss</b>	<b>Transaction recognized in other comprehensive income or loss</b>	<b>Baht: '000 As at June 30, 2017</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts				
- Premium due and uncollected	890	-	-	890
Allowance for doubtful accounts				
- Other receivable	567	-	-	567
Unearned premium reserve	79,616	(508)	-	79,108
Loss reserve - net	56,699	(2,156)	-	54,543
Incurred but not reported claims	15,818	(1,407)	-	14,411
Employee benefits obligations	9,533	919	-	10,452
Premium ceded payables - Excess of loss	4,066	(4,066)	-	-
	<u>167,189</u>	<u>(7,218)</u>	<u>-</u>	<u>159,971</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on the change in value of investment in available-for-sale securities	(681)	-	54	(627)
	<u>(681)</u>	<u>-</u>	<u>54</u>	<u>(627)</u>
<b>Deferred tax assets</b>	<u>166,508</u>	<u>(7,218)</u>	<u>54</u>	<u>159,344</u>

	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
<b>Deferred tax assets</b>				
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
Premium ceded payables - Excess of loss	2,737	(29)	-	2,708
	<u>180,254</u>	<u>5,608</u>	<u>-</u>	<u>185,862</u>
<b>Deferred tax liabilities</b>				
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>
<b>Deferred tax assets</b>	<u>178,775</u>	<u>5,608</u>	<u>394</u>	<u>184,777</u>

Income tax expense for the three-month and six-month periods ended June 30, 2017 and 2016, consisted of the following:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2017	2016	2017	2016
Income tax expense from taxable income per income tax return	(219)	10,040	1,877	23,097
Deferred tax expenses relating to the origination and reversal of temporary differences	<u>7,488</u>	<u>1,917</u>	<u>7,218</u>	<u>(5,608)</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>7,269</u>	<u>11,957</u>	<u>9,095</u>	<u>17,489</u>

Reconciliation of effective tax rate for the three-month and six-month periods ended June 30, 2017 and 2016 was as follows:

	Baht: '000			
	For the three-month periods ended June 30,			
	2017		2016	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Accounting income before tax		36,477		59,523
Income tax at 20%	20.00	7,295	20.00	11,905
Tax effect of non-deductible expenses (benefits)	(0.07)	(26)	0.09	52
Income tax expense per the statements of profit or loss and other comprehensive income	<u>19.93</u>	<u>7,269</u>	<u>20.09</u>	<u>11,957</u>
				Baht: '000
				For the six-month periods ended June 30,
				2017
				2016
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Accounting income before tax		46,338		87,770
Income tax at 20%	20.00	9,268	20.00	17,554
Tax effect of non-deductible expenses (benefits)	(0.37)	(173)	(0.07)	(65)
Income tax expense per the statements of profit or loss and other comprehensive income	<u>19.63</u>	<u>9,095</u>	<u>19.93</u>	<u>17,489</u>

### 13. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at June 30, 2017 and December 31, 2016 consisted of the following:

	Baht: '000		
	As at June 30, 2017		
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Loss reserves			
Loss incurred and agreed	694,646	(412,604)	282,042
Loss incurred but not reported	123,189	(51,135)	72,054
Premium reserve			
Unearned Premium reserve	1,354,407	(522,225)	832,182
Total	<u>2,172,242</u>	<u>(985,964)</u>	<u>1,186,278</u>

	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	<u>2,249,889</u>	<u>(1,050,276)</u>	<u>1,199,613</u>

### 13.1 Insurance reserve for short term insurance contract

#### 13.1.1 Loss reserves

Loss reserves as at June 30, 2017 and December 31, 2016 consisted of the following:

	As at June 30, 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	806,301	1,577,788
Changing on estimated loss and assumptions used in calculating loss reserve	(17,356)	(164,438)
Loss paid during the period/year	(790,213)	(1,425,214)
Balance as at ending period/year	<u>817,835</u>	<u>819,103</u>

#### 13.1.2 Unearned premium reserve

	As at June 30, 2017	Baht: '000 As at December 31, 2016
As at January 1,	1,430,786	1,472,282
Premium written for the period/year	1,437,428	3,082,392
Earned premium for the period/year	(1,513,807)	(3,123,888)
As at June 30, and December 31,	<u>1,354,407</u>	<u>1,430,786</u>

#### 13.1.3 Unexpired risk reserve

As at June 30, 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 739.04 million and Baht 816.17 million, respectively, is lower than the unearned premium reserve.

#### 14. DUE TO REINSURERS

Due to reinsurers as at June 30, 2017 and December 31, 2016 consisted of the following:

	<b>As at June 30, 2017</b>	<b>Baht: '000 As at December 31, 2016</b>
Amount withheld on reinsurance	406,012	402,551
Reinsurance payables	<u>291,022</u>	<u>303,141</u>
Total due to reinsurers	<u>697,034</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 and six-month periods ended June 30, 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 and six-month periods ended June 30, 2017 and 2016 were as follows:

	For the three-month period ended June 30, 2017				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	148,307	84,241	260,334	210,604	703,486
<u>Less</u> Premium ceded	38,295	55,826	91,900	101,685	287,706
Net premium written	110,012	28,415	168,434	108,919	415,780
<u>Less</u> Unearned premium reserve increase					
(decrease) from previous period	6,032	3,806	3,198	(11,719)	1,317
Net premium earned	103,980	24,609	165,236	120,638	414,463
Fee and commission income	8,450	13,671	31,713	28,690	82,524
Total underwriting income	112,430	38,280	196,949	149,328	496,987
<b>Underwriting expenses</b>					
Loss incurred	51,644	(35,667)	161,469	146,641	324,087
<u>Less</u> Loss refundable from reinsurers	39,323	(37,612)	51,280	83,197	136,188
Commission and brokerage expenses	32,729	10,794	28,797	28,886	101,206
Other underwriting expenses	24,226	9,999	49,839	31,424	115,488
Total underwriting expenses	69,276	22,738	188,825	123,754	404,593
Profit on underwriting before operating expenses	43,154	15,542	8,124	25,574	92,394
Operating expenses					69,774
Profit on underwriting					22,620
<b>Baht: '000</b>					
	For the three-month period ended June 30, 2016				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
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>Less</u> Unearned premium reserve increase					
(decrease) from previous period	(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
<b>Underwriting expenses</b>					
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

	For the six-month period ended June 30, 2017				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	309,652	163,331	511,480	452,965	1,437,428
<u>Less</u> Premium ceded	84,227	109,646	182,014	222,427	598,314
Net premium written	225,425	53,685	329,466	230,538	839,114
<u>Less</u> Unearned premium reserve increase (decrease) from previous period	19,901	5,023	(3,570)	(23,892)	(2,538)
Net premium earned	205,524	48,662	333,036	254,430	841,652
Fee and commission income	19,553	30,964	62,802	69,191	182,510
Total underwriting income	225,077	79,626	395,838	323,621	1,024,162
<b>Underwriting expenses</b>					
Loss incurred	65,256	34,322	341,854	347,514	788,946
<u>Less</u> Loss refundable from reinsurers	41,311	15,985	111,729	195,396	364,421
Commission and brokerage expenses	68,237	20,503	58,033	63,685	210,458
Other underwriting expenses	49,350	17,980	91,417	69,643	228,390
Total underwriting expenses	141,532	56,820	379,575	285,446	863,373
<b>Profit on underwriting before operating expenses</b>	83,545	22,806	16,263	38,175	160,789
<b>Operating expenses</b>					141,555
<b>Profit on underwriting</b>					19,234

	For the six-month period ended June 30, 2016				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	306,033	176,095	548,687	532,165	1,562,980
<u>Less</u> Premium ceded	86,052	121,465	194,522	170,784	572,823
Net premium written	219,981	54,630	354,165	361,381	990,157
<u>Less</u> Unearned premium reserve increase from previous period	5,633	188	18,151	2,685	26,657
Net premium earned	214,348	54,442	336,014	358,696	963,500
Fee and commission income	20,502	32,914	67,213	45,048	165,677
Total underwriting income	234,850	87,356	403,227	403,744	1,129,177
<b>Underwriting expenses</b>					
Loss incurred	41,771	34,061	342,495	194,525	612,852
<u>Less</u> Loss refundable from reinsurers	17,979	14,027	115,967	21,941	169,914
Commission and brokerage expenses	68,130	21,816	69,696	75,869	235,511
Other underwriting expenses	50,134	16,039	85,759	82,070	234,002
Total underwriting expenses	142,056	57,889	381,983	330,523	912,451
<b>Profit on underwriting before operating expenses</b>	92,794	29,467	21,244	73,221	216,726
<b>Operating expenses</b>					155,405
<b>Profit on underwriting</b>					61,321

## 16. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month and six-month periods ended June 30, 2017 and 2016 were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2017	2016	2017	2016
Net profit (Baht : '000)	29,208	47,566	37,243	70,281
Number of share capital (shares)	180,000,000	180,000,000	180,000,000	180,000,000
Basic earnings per share (Baht)	<u>0.16</u>	<u>0.26</u>	<u>0.21</u>	<u>0.39</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 Security 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:

	<b>As at June 30, 2017</b>	<b>Baht: '000 As at December 31, 2016</b>
Deposits at financial institutions		
Bank of Ayudhya Plc.	362,762	326,451
Premium due and uncollected		
Bank of Ayudhya Plc.	5,588	542
Ayudhya Development Leasing Co., Ltd.	16	8
Siam City Cement Plc.	322	1,949
Bangkok Broadcasting & T.V. Co., Ltd.	2,000	206
CKS Holding Ltd.	-	53
Allianz Ayudhya Assurance Plc.	-	34
Grand Canal Land Plc.	-	263
Siam Realty and Service Security Co., Ltd.	267	94
Ayudhya Capital Auto Lease Plc.	101	1
Eastern Star Real Estate Plc.	-	363
Krungsri Asset Management Co., Ltd.	15	-
Krungsri Securities Plc.	33	-
BBTV Equity Co., Ltd.	47	-
	<u>8,389</u>	<u>3,513</u>
Accrued interest income		
Bank of Ayudhya Plc.	2,098	1,094
Rental and facilities deposits		
BBTV Equity Co., Ltd.	4,536	4,416
Premium written received in advance		
Bank of Ayudhya Plc.	8,936	10,426
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	26	16
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	13,138	13,700
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	14,142	20,279
Accrued expense		
Sri Ayudhya Capital Plc.	6,631	16,219

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2017	2016	2017	2016
Premium written				
Bank of Ayudhya Plc.	4,127	5,358	11,946	10,547
Krungsri Securities Plc.	30	32	30	32
Krungsri Asset Management Co., Ltd.	14	10	1,267	1,230
Ayudhya Development Leasing Co., Ltd.	15	40	22	85
Siam City Cement Plc.	655	682	2,207	2,456
Bangkok Broadcasting & T.V. Co., Ltd.	5,408	6,123	5,912	6,708
Great Luck Equity Co., Ltd.	-	1	41	48
Super Assets Co., Ltd.	-	-	70	58
BBTV Equity Co., Ltd.	44	26	73	49
Allianz Ayudhya Assurance Plc.	195	1	374	420
Ayudhya Asset Management Co., Ltd.	-	-	401	478
Siam Realty and Service Security Co., Ltd.	416	435	833	752
Ayudhya Capital Auto Lease Plc.	94	109	94	109
Krungsriayudhya Card Co., Ltd.	-	159	-	159
Eastern Star Real Estate Plc.	51	35	282	103
	<u>11,049</u>	<u>13,011</u>	<u>23,552</u>	<u>23,234</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,	
	2017	2016	2017	2016
Interest income				
Bank of Ayudhya Plc.	710	1,022	1,318	1,793

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,	
	2017	2016	2017	2016
Other income				
Sri Ayudhya Capital Plc.	120	120	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		For the six-month	
	periods ended June 30,		periods ended June 30,	
	2017	2016	2017	2016
Commission and brokerage expenses				
Bank of Ayudhya Plc.	37,229	42,479	80,623	92,003
Other underwriting expenses				
Bank of Ayudhya Plc.	20,206	26,185	46,816	61,325

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		For the six-month	
	periods ended June 30,		periods ended June 30,	
	2017	2016	2017	2016
Custodian fee				
Bank of Ayudhya Plc.	71	43	126	88

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

	Baht: '000			
	For the three-month		For the six-month	
	periods ended June 30,		periods ended June 30,	
	2017	2016	2017	2016
Rental and service fees				
BBTV Equity Co., Ltd.	4,599	4,437	9,033	8,874
Management fee				
Sri Ayudhya Capital Plc.	6,631	8,454	15,042	19,268

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 and six-month periods ended June 30, 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:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2017	2016	2017	2016
Directors and key management personnel's remuneration				
Short-term benefits	9,298	8,761	18,183	17,489
Post-employment benefits	365	345	729	690
Directors' remuneration	41	240	165	703
	<u>9,704</u>	<u>9,346</u>	<u>19,077</u>	<u>18,882</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 June 30, 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. 2557" as follows:

	Baht: '000	
	As at June 30, 2017	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	250,667	251,086
Total investment in securities of pledged	<u>264,667</u>	<u>265,086</u>

## 20. RESTRICTED ASSETS AND COMMITMENT

20.1 As at June 30, 2017, the Company has Premium saving certificates amount of Baht 4.05 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 June 30, 2017 and December 31, 2016, the Company had the undrawn committed borrowing facilities for the amount of Baht 20 million which was pledged as collateral by deposit at bank amounting to Baht 20 million (See Note 9).

## 21. CONTINGENT LIABILITIES AND COMMITMENT

21.1 As at June 30, 2017 and December 31, 2016, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 7.15 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 June 30, 2017 and December 31, 2016, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 12.28 million and Baht 14.03 million, respectively.

## 22. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at June 30, 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
<b>As at June 30, 2017</b>			
Building			
- related company	5,727	9,722	15,449
- others	6,035	5,315	11,350
Service - related company	5,681	9,641	15,322
Equipment - related company	7,574	12,855	20,429
	<u>25,017</u>	<u>37,533</u>	<u>62,550</u>

Type of leases	Remaining periods		Baht: '000
	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
<b>As at December 31, 2016</b>			
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 and six-month periods ended June 30, 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 as follow:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2017	2016	2017	2016
Rental and service fees	6,685	6,305	12,991	12,645

### 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 June 30, 2017 Baht: '000	As at December 31, 2016 Baht: '000		
<u>Financial assets</u>				
Government and state enterprise securities	437,634	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	25,946	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 August 10, 2017.