
*SRI AYUDHYA GENERAL INSURANCE
PUBLIC COMPANY LIMITED*

Interim Financial Statements

Three-month period ended March 31, 2016



บริษัท ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ
สอบบัญชี จำกัด
อาคารรัตนาคาร ชั้น 25-26, 28
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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 March 31, 2016, 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".

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 period ended March 31, 2015 and the statements of financial positions 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. Our conclusion is not qualified in respect of this matter.



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

BANGKOK
May 13, 2016

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

Baht : '000

	Notes	"Unaudited"	"Restated"	
		As at March 31, 2016	As at December 31, 2015	As at January 1, 2015
ASSETS				
Cash and cash equivalents	6	1,204,507	991,034	1,331,413
Premium due and uncollected - net	7	250,964	287,006	292,975
Accrued investment income		6,498	11,054	10,300
Reinsurance assets	8	983,862	992,160	1,089,420
Due from reinsurers	9	149,928	193,115	394,578
Investments				
Investments in securities	10	2,240,926	2,343,183	1,848,201
Loans	11	403	550	1,327
Leasehold improvement and equipment - net	12	66,374	63,914	44,999
Intangible assets - net		81,142	83,674	88,237
Deferred tax assets	13	186,320	178,775	201,810
Deferred commissions expenses		57,833	55,618	59,836
Other assets		46,592	55,861	40,812
TOTAL ASSETS		<u>5,275,349</u>	<u>5,255,944</u>	<u>5,403,908</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2016

Baht : '000

	Notes	"Unaudited"	"Restated"	
		As at March 31, 2016	As at December 31, 2015	As at January 1, 2015
LIABILITIES AND EQUITY				
Insurance contract liabilities	14	2,313,693	2,303,249	2,492,081
Due to reinsurers	15	622,844	633,352	795,480
Income tax payable		27,244	16,925	6,152
Employee benefit obligations		65,322	63,046	56,375
Premium written received in advance		315,099	305,256	334,883
Commissions and brokerages payables		62,291	61,587	62,711
Accrued expenses		28,660	58,895	76,835
Other liabilities		71,753	67,824	55,875
TOTAL LIABILITIES		3,506,906	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 deficits				
Unappropriated		(37,393)	(60,108)	(290,223)
Other components of equity		5,836	5,918	13,739
TOTAL EQUITY		1,768,443	1,745,810	1,523,516
TOTAL LIABILITIES AND EQUITY		5,275,349	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 MARCH 31, 2016
"UNAUDITED"

		Baht : '000	
	Notes	2016	"Restated" 2015
Revenues			
Gross premiums written	16	817,727	797,491
<u>Less</u> Premiums ceded	16	301,827	309,946
Net premiums written		515,900	487,545
<u>Less</u> Unearned premium reserve	16	37,582	26,028
Net premium earned		478,318	461,517
Fee and commission income	16	88,346	92,108
Net investment income		10,601	13,349
Other income		1,627	1,269
Total revenues		578,892	568,243
Expenses			
Losses incurred	16	349,023	350,726
<u>Less</u> Loss refundable from reinsurers	16	127,292	143,178
Commissions and brokerage expenses	16	125,625	123,321
Other underwriting expenses	16	120,181	101,043
Operating expenses		83,108	70,868
Total expenses		550,645	502,780
Income before income tax expense		28,247	65,463
Income tax expense	13	5,532	11,710
Net income		22,715	53,753

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, 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		(102)	2,766
Income tax relating to items that will be reclassified subsequently		20	(553)
Other comprehensive income (loss) for the periods, net of income tax		<u>(82)</u>	<u>2,213</u>
Total comprehensive income for the periods		<u><u>22,633</u></u>	<u><u>55,966</u></u>
Earnings per share			
Basic earnings per share	17 Baht	0.13	0.30

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, 2016
"UNAUDITED"

Baht: '000

	Issued and paid-up share capital	Retained 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	-	53,753	2,213	55,966
Ending balance as at March 31, 2015	<u>1,800,000</u>	<u>(236,470)</u>	<u>15,952</u>	<u>1,579,482</u>
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	<u>1,800,000</u>	<u>(37,393)</u>	<u>5,836</u>	<u>1,768,443</u>

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, 2016
"UNAUDITED"

Baht: '000

	2016	"Restated" 2015
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Direct premium received	849,613	777,026
Cash received (paid) from reinsurance	(106,603)	78,648
Interest income	15,393	15,531
Other income	526	977
Losses incurred from direct insurance	(303,499)	(268,633)
Commissions and brokerages from direct insurance	(124,406)	(118,583)
Other underwriting expenses	(114,053)	(98,003)
Operating expenses	(95,104)	(121,894)
Income tax expense	(2,738)	(2,872)
Investment in securities	102,120	12,216
Deposits at financial institutions with maturity over 3 months and deposits used as collateral	(199)	(303)
Loans	147	239
Net cash provided by operating activities	221,197	274,349
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
CASH FLOWS PROVIDED BY		
Leasehold improvement and equipment	1,388	530
Cash provided by investing activities	1,388	530
CASH FLOWS USED IN		
Leasehold improvement and equipment	(8,360)	(4,060)
Intangible assets	(752)	(2,120)
Cash used in investing activities	(9,112)	(6,180)
Net cash used in investing activities	(7,724)	(5,650)

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
 STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
 "UNAUDITED"

	Baht: '000	
	2016	"Restated" 2015
Reconcile payable from purchase of government security		
- treasury bill with maturity less than 3 months	-	997,629
Net increase in cash and cash equivalents	213,473	1,266,328
Cash and cash equivalents as at January 1,	991,034	1,331,413
Cash and cash equivalents as at March 31,	1,204,507	2,597,741

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, 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 period ended March 31, 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 period ended March 31, 2016 should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

3. 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 4 “Insurance Contracts”.

The objective of TFRS 4 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 4, 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 December 31, 2015		As at January 1, 2015	
	As reclassified	As previous reported	As reclassified	As previous reported
	<u>As reclassified</u>	<u>As previous reported</u>	<u>As reclassified</u>	<u>As previous reported</u>
Statements of financial position				
Assets:				
Premium due and uncollected	-	6,819	-	12,689
Reinsurance assets	38,157	186,296	44,762	186,296
Due from reinsurers	193,115	-	198,985	-
Investment in securities	13,250	-	25,000	-
Deferred tax assets	1,479	-	3,435	-
Other assets	-	13,250	-	25,000
Liabilities:				
Loss reserve and outstanding claim	-	38,157	-	44,762
Deferred tax liabilities	-	1,479	-	3,435
	<u>246,001</u>	<u>246,001</u>	<u>272,182</u>	<u>272,182</u>

	Baht: '000	
	For the three-month period ended 31 March 2015	
	As reclassified	As previous reported
Statement of profit or loss and other comprehensive income		
Contribution to the Office of Insurance Commission	-	2,361
Contribution to Non-life Guarantee Fund	-	1,967
Contribution to Road Victims Protection Fund	-	120
Other underwriting expenses	4,448	-
	<u>4,448</u>	<u>4,448</u>

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 4 (Revised 2015) “Insurance Contracts” as described in Note 3.

5. ADDITIONAL INFORMATION FOR CASH FLOWS

5.1 Non-cash items

5.1.1 Leasehold improvement and equipment for the three-month periods ended March 31, 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	7,806	3,377
<u>Less</u> Cash paid for purchase of fixed assets	<u>(8,360)</u>	<u>(4,060)</u>
Other payable - fixed assets as at March 31,	<u>247</u>	<u>214</u>

5.1.2 Intangible assets for the three-month periods ended March 31, 2016 and 2015 consisted of the following:

	2016	Baht: '000 2015
Other payable - intangible assets as at January 1,	-	-
<u>Add</u> Purchases of intangible assets	1,080	2,270
<u>Less</u> Cash paid for purchase of intangible assets	<u>(752)</u>	<u>(2,120)</u>
Other payable - intangible assets as at March 31,	<u>328</u>	<u>150</u>

6. CASH AND CASH EQUIVALENTS

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

	As at March 31, 2016	Baht: '000 As at December 31, 2015
Cash on hands	260	265
Cheque on hands	12,368	4,884
Deposits at banks - call deposits	391,996	285,997
Short term investments	799,883	699,888
Cash and cash equivalents	<u>1,204,507</u>	<u>991,034</u>

7. PREMIUM DUE AND UNCOLLECTED - NET

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

	Baht: '000	
	From direct insurance	
	As at	As at
	March 31,	December 31,
	2016	2015
Within credit terms	206,185	229,215
Less than 30 days	19,640	35,144
31 - 60 days	10,938	8,813
61 - 90 days	4,702	6,371
Over 90 days	14,393	12,357
Total premium due and uncollected	<u>255,858</u>	<u>291,900</u>
<u>Less Allowance for doubtful accounts</u>	<u>(4,894)</u>	<u>(4,894)</u>
Premium due and uncollected - net	<u>250,964</u>	<u>287,006</u>

8. REINSURANCE ASSETS

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

	Baht: '000	
	As at	As at
	March 31,	December 31,
	2016	2015
Insurance reserve refundable from reinsurers		
Loss reserves	442,577	451,220
Unearned premium reserve		
- Unearned reinsurance premium reserve	541,285	540,940
Total reinsurance assets (see Note 14)	<u>983,862</u>	<u>992,160</u>

9. DUE FROM REINSURERS

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

	Baht: '000	
	As at	As at
	March 31,	December 31,
	2016	2015
Due from reinsurers	<u>149,928</u>	<u>193,115</u>

10. INVESTMENT IN SECURITIES

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

	Baht: '000			
	As at March 31, 2016		As at December 31, 2015	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Available-for-sale securities				
Government and state enterprise securities	362,887	370,012	464,291	471,602
Unit trusts	25,377	25,547	25,377	25,463
Total	388,264	395,559	489,668	497,065
Add Unrealized gains	7,295	-	7,397	-
Total available-for-sale securities	395,559	395,559	497,065	497,065
Held-to-maturity securities				
Government securities used as collateral	1,399,114		1,399,664	
Deposits at bank with maturity over 3 months	153,072		153,072	
Deposits at bank used as collateral	259,490		259,291	
Premium saving certificates used as collateral	12,850		13,250	
Total held-to-maturity securities	1,824,526		1,825,277	
General investment				
Equity securities	20,841		20,841	
Total general investment	20,841		20,841	
Total investment in securities - net	2,240,926		2,343,183	

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

As at March 31, 2016 and December 31, 2015, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 269.04 million and Baht 268.64 million, respectively (see Note 20).

As at March 31, 2016 and December 31, 2015, certain investment in securities are deposited with a bank as the Company's backup assets according to the Notification of the Office of Insurance Commission amounting to Baht 1,760.42 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

12. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment - net as at March 31, 2016 and December 31, 2015 consisted of the following:

	Cost					Accumulated depreciation			Beginning balance of leasehold improvement and equipment - net as at January 1, 2016	Ending balance of leasehold improvement and equipment - net as at March 31, 2016	Baht: '000
	As at January 1, 2016	Increase	Disposal / Write off	Transfer In (transfer out)	As at March 31, 2016	As at January 1, 2016	Depreciation	Disposal / Write off			
Leasehold improvement	40,167	513	-	4,697	45,377	(15,905)	(1,853)	-	(17,758)	24,262	27,619
Furniture, fixtures and office equipment	64,561	1,253	(4)	-	65,810	(48,716)	(1,581)	4	(50,293)	15,845	15,517
Vehicles	41,300	5,175	(4,447)	-	42,028	(21,325)	(1,639)	4,174	(18,790)	19,975	23,238
Leasehold improvement under installation	3,832	865	-	(4,697)	-	-	-	-	-	3,832	-
Total	149,860	7,806	(4,451)	-	153,215	(85,946)	(5,073)	4,178	(86,841)	63,914	66,374

	Cost					Accumulated depreciation			Beginning balance of leasehold improvement and equipment - net as at January 1, 2015	Ending balance of leasehold improvement and equipment - net as at December 31, 2015	Baht: '000
	As at January 1, 2015	Increase	Disposal / Write off	Transfer In (transfer out)	As at December 31, 2015	As at January 1, 2015	Depreciation	Disposal / Write off			
Leasehold improvement	27,691	3,097	(5,843)	15,222	40,167	(17,075)	(4,673)	5,843	(15,905)	10,616	24,262
Furniture, fixtures and office equipment	67,869	3,788	(7,096)	-	64,561	(48,015)	(7,482)	6,781	(48,716)	19,854	15,845
Vehicles	41,350	14,935	(14,985)	-	41,300	(26,821)	(6,742)	12,238	(21,325)	14,529	19,975
Leasehold improvement under installation	-	19,054	-	(15,222)	3,832	-	-	-	-	-	3,832
Total	136,910	40,874	(27,924)	-	149,860	(91,911)	(18,897)	24,862	(85,946)	44,999	63,914

As at March 31, 2016 and December 31, 2015, certain leasehold improvement and equipment at cost of Baht 47.96 million and Baht 47.91 million, respectively, were fully depreciated but still in use.

13. DEFERRED TAX ASSETS

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

	As at March 31, 2016	Baht: '000 As at December 31, 2015
Deferred tax assets	<u>186,320</u>	<u>178,775</u>

Movements of deferred tax assets for the three-month periods ended March 31, 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 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>

	As at January 1, 2015	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at March 31, 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	2,008	-	95,818
Loss reserve - net	84,410	4,102	-	88,512
Incurred but not reported claims	13,220	1,684	-	14,904
Employee benefits obligations	6,134	411	-	6,545
Premium ceded payables - Excess of loss	5,500	(37)	-	5,463
	<u>205,245</u>	<u>8,168</u>	<u>-</u>	<u>213,413</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(3,435)	-	(553)	(3,988)
	<u>(3,435)</u>	<u>-</u>	<u>(553)</u>	<u>(3,988)</u>
Deferred tax assets	<u>201,810</u>	<u>8,168</u>	<u>(553)</u>	<u>209,425</u>

Income tax expense for the three-month periods ended March 31, 2016 and 2015, consisted of the following:

	2016	Baht: '000 2015
Income tax expense from taxable income per income tax return	13,057	19,878
Deferred tax expenses relating to the origination and reversal of temporary differences	<u>(7,525)</u>	<u>(8,168)</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>5,532</u>	<u>11,710</u>

The reconciliation between income tax expense and accounting income for the three-month periods ended March 31, 2016 and 2015 was as follows:

	2016	Baht: '000 2015
Accounting income before tax	28,247	65,463
Income tax at 20%	5,649	13,093
Tax effect of non-deductible expenses (benefit)	<u>(117)</u>	<u>(1,383)</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>5,532</u>	<u>11,710</u>

14. INSURANCE CONTRACT LIABILITIES

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

	As at March 31, 2016		Baht: '000
	Insurance contract liabilities	Reinsurance liabilities (see Note 8)	Net
Loss reserves			
Loss incurred and agreed	674,048	(392,745)	281,303
Loss incurred but not reported	129,436	(49,832)	79,604
Premium reserve			
Unearned Premium reserve	1,510,209	(541,285)	968,924
Total	<u>2,313,693</u>	<u>(983,862)</u>	<u>1,329,831</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 March 31, 2016 and December 31, 2015 consisted of the following:

	As at March 31, 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	299,722	1,254,928
Changing on estimated loss and assumptions used in calculating loss reserve	35,096	122,355
Loss paid during the period/year	<u>(362,301)</u>	<u>(1,586,455)</u>
Balance as at ending period/year	<u>803,484</u>	<u>830,967</u>

14.1.2 Unearned premium reserve

	As at March 31, 2016	Baht: '000 As at December 31, 2015
As at January 1,	1,472,282	1,451,942
Premium written for the period/year	817,727	3,137,849
Earned premium for the period/year	<u>(779,800)</u>	<u>(3,117,509)</u>
As at March 31, and December 31,	<u>1,510,209</u>	<u>1,472,282</u>

14.1.3 Unexpired risk reserve

As at March 31, 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 750.60 million and Baht 743.54 million, respectively, is lower than the unearned premium reserve.

15. DUE TO REINSURERS

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

	As at March 31, 2016	Baht: '000 As at December 31, 2015
Amount withheld on reinsurance	398,833	401,915
Reinsurance payables	<u>224,011</u>	<u>231,437</u>
Total due to reinsurers	<u>622,844</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 periods ended March 31, 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 periods ended March 31, 2016 and 2015 were as follows:

	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	<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>
					Baht: '000
	For the three-month period ended March 31, 2015				
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums written	180,149	95,650	233,853	287,839	797,491
<u>Less</u> Premiums ceded	<u>67,066</u>	<u>68,036</u>	<u>83,141</u>	<u>91,703</u>	<u>309,946</u>
Net premiums written	113,083	27,614	150,712	196,136	487,545
<u>Less (Add)</u> Unearned premium reserve	<u>8,918</u>	<u>(1,627)</u>	<u>(35)</u>	<u>18,772</u>	<u>26,028</u>
Net premium earned	104,165	29,241	150,747	177,364	461,517
Fee and commission income	18,277	17,770	28,641	27,420	92,108
Total underwriting income	<u>122,442</u>	<u>47,011</u>	<u>179,388</u>	<u>204,784</u>	<u>553,625</u>
Underwriting expenses					
Losses incurred	28,568	22,735	145,408	154,015	350,726
<u>Less</u> Loss refundable from reinsurers	<u>3,943</u>	<u>17,491</u>	<u>49,629</u>	<u>72,115</u>	<u>143,178</u>
Commissions and brokerages expenses	39,290	11,703	30,534	41,794	123,321
Other underwriting expenses	17,068	9,450	32,880	41,645	101,043
Total underwriting expenses	<u>80,983</u>	<u>26,397</u>	<u>159,193</u>	<u>165,339</u>	<u>431,912</u>
Profit on underwriting before operating expenses	<u>41,459</u>	<u>20,614</u>	<u>20,195</u>	<u>39,445</u>	<u>121,713</u>
Operating expenses					<u>70,868</u>
Profit on underwriting					<u>50,845</u>

17. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended March 31, 2016 and 2015 were as follows:

	2016	2015
Net profit (Baht: '000)	22,715	53,753
Number of share capital (shares)	<u>180,000,000</u>	<u>180,000,000</u>
Basic earnings per share (Baht)	<u>0.13</u>	<u>0.30</u>

18. 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, 2016	Baht: '000 As at December 31, 2015
Deposits at financial institutions		
Bank of Ayudhya Plc.	578,135	479,081
Premium due and uncollected		
Bank of Ayudhya Plc.	3,796	255
Krungsri Asset Management Co.,Ltd	1,311	-
Siam City Cement Plc.	1,137	2,427
Bangkok Broadcasting & T.V. Co., Ltd.	411	199
CKS Holding Ltd.	-	63
Allianz Ayudhya Assurance Plc.	-	18
Grand Canal Land Plc.	-	279
Siam Realty and Services Co., Ltd.	86	76
Eastern Star Real Estate Plc.	24	794
	<u>6,765</u>	<u>4,111</u>
Accrued interest income		
Bank of Ayudhya Plc.	1,756	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.	16	17
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	16,670	15,836
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	20,323	15,675
Accrued expense		
Sri Ayudhya Capital Plc.	14,025	12,745
		Baht: '000
		For the three-month
		periods ended March 31,
	2016	2015
Premium written		
Bank of Ayudhya Plc.	5,189	10,841
Krungsri Asset Management Co., Ltd.	1,220	1,260
Ayudhya Development Leasing Co., Ltd.	45	60
Siam City Cement Plc.	1,774	1,564
Bangkok Broadcasting & T.V. Co., Ltd.	585	505
Great Luck Equity Co., Ltd.	47	65
Super Assets Co., Ltd.	58	61
BBTV Equity Co., Ltd.	23	-
Allianz Ayudhya Assurance Plc.	419	499
Ayudhya Asset Management Co., Ltd.	478	452

	Baht: '000	
	For the three-month periods ended March 31,	
	2016	2015
Premium written (continued)		
Siam Realty and Services Co., Ltd.	317	358
Ayudhya Capital Auto Lease Plc.	-	35
Eastern Star Real Estate Plc.	68	55
	10,223	15,755

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,	
	2016	2015
Interest income		
Bank of Ayudhya Plc.	771	972

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,	
	2016	2015
Other income		
Sri Ayudhya Capital Plc.	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,	
	2016	2015
Commissions and brokerages		
Bank of Ayudhya Plc.	49,524	43,272
Other underwriting expenses		
Bank of Ayudhya Plc.	35,140	22,844

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,	
	2016	2015
Custodian fee		
Bank of Ayudhya Plc.	45	34

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,	
	2016	2015
Rental and service fees		
BBTV Equity Co., Ltd.	4,436	4,437
Management fee		
Sri Ayudhya Capital Plc.	10,815	9,514

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 periods ended March 31, 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:

	Baht: '000	
	For the three-month periods ended March 31,	
	2016	2015
	Baht	Baht
Directors and key management personnel's remuneration		
Short-term benefits	8,728	7,085
Post-employment benefits	345	286
Directors' remuneration	463	536
	<u>9,536</u>	<u>7,907</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 March 31, 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:

	As at March 31, 2016	Baht: '000 As at December 31, 2015
Government and state enterprise securities	255,037	254,641
Deposits at banks	14,000	14,000
Total deposits with the Registrar	<u>269,037</u>	<u>268,641</u>

21. CONTINGENT LIABILITIES AND COMMITMENT

21.1 As at March 31, 2016 and December 31, 2015, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 10.62 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 March 31, 2016 and December 31, 2015, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 11.85 million and Baht 11.84 million, respectively.

22. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at March 31, 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 March 31, 2016			
Building			
- related company	5,201	2,088	7,289
- others	3,308	4,326	7,634
Service - related company	5,156	2,058	7,214
Equipment - related company	6,875	2,744	9,619
	<u>20,540</u>	<u>11,216</u>	<u>31,756</u>

Type of leases	Remaining periods		Baht: '000
	Within 1 year Baht	Over 1 year to 5 years Baht	Total rental payments for the remaining periods Baht
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 periods ended March 31, 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 in the amount of Baht 6.34 million and Baht 6.29 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.

Financial assets	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	As at March 31, 2016 (Baht : '000)	As at December 31, 2016 (Baht : '000)		
Government and state enterprise securities	370,012	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	25,547	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 May 13, 2016.