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

***Interim Financial Statements***

***Three-month and nine-month periods ended  
September 30, 2015***

**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 September 30, 2015, and the related statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2015, changes in equity and cash flows for the nine-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**  
November 6, 2015

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

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2015**

**Baht : '000**

|                                           | Notes | “Unaudited”                    |                               |
|-------------------------------------------|-------|--------------------------------|-------------------------------|
|                                           |       | As at<br>September 30,<br>2015 | As at<br>December 31,<br>2014 |
| <b>ASSETS</b>                             |       |                                |                               |
| Cash and cash equivalents                 |       | 1,340,056                      | 1,331,413                     |
| Accrued investment income                 |       | 4,849                          | 10,300                        |
| Premium due and uncollected - net         | 6     | 243,828                        | 305,664                       |
| Reinsurance assets                        | 7     | 1,315,066                      | 1,426,547                     |
| Investments                               |       |                                |                               |
| Investment in securities                  | 8     |                                |                               |
| Available-for-sale securities             |       | 383,364                        | 414,234                       |
| Held-to-maturity securities               |       | 1,911,825                      | 1,407,806                     |
| General investment                        |       | 20,841                         | 1,161                         |
| Total investment in securities            |       | <u>2,316,030</u>               | <u>1,823,201</u>              |
| Loans                                     | 9     | 712                            | 1,327                         |
| Leasehold improvement and equipment - net | 10    | 58,026                         | 44,999                        |
| Intangible assets - net                   |       | 86,295                         | 88,237                        |
| Deferred tax assets                       | 11    | 205,390                        | 205,245                       |
| Deferred commission expenses              |       | 53,494                         | 59,836                        |
| Other assets                              | 12    | 68,365                         | 65,812                        |
| <b>TOTAL ASSETS</b>                       |       | <u><u>5,692,111</u></u>        | <u><u>5,362,581</u></u>       |

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT SEPTEMBER 30, 2015**

**Baht : '000**

|                                                        | <b>Notes</b> | <b>“Unaudited”<br/>As at<br/>September 30,<br/>2015</b> | <b>As at<br/>December 31,<br/>2014</b> |
|--------------------------------------------------------|--------------|---------------------------------------------------------|----------------------------------------|
| <b>LIABILITIES AND EQUITY</b>                          |              |                                                         |                                        |
| Income tax payable                                     |              | 22,479                                                  | 6,152                                  |
| Due to reinsurers                                      | 13           | 830,362                                                 | 795,480                                |
| Insurance contract liabilities                         |              |                                                         |                                        |
| Loss reserves and outstanding claims                   | 14           | 1,173,911                                               | 995,377                                |
| Premium reserve                                        | 15           | 1,502,085                                               | 1,451,942                              |
| Employee benefit obligations                           | 16           | 62,643                                                  | 56,375                                 |
| Deferred tax liabilities                               | 18           | 1,690                                                   | 3,435                                  |
| Premium written received in advance                    |              | 295,081                                                 | 334,883                                |
| Commission and brokerage payables                      |              | 54,204                                                  | 62,711                                 |
| Accrued expenses                                       |              | 40,200                                                  | 76,835                                 |
| Other liabilities                                      | 19           | 52,392                                                  | 55,875                                 |
| <b>TOTAL LIABILITIES</b>                               |              | <u>4,035,047</u>                                        | <u>3,839,065</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 deficits                                      |              |                                                         |                                        |
| Unappropriated                                         |              | (149,697)                                               | (290,223)                              |
| Other components of equity                             |              |                                                         |                                        |
| Changes in fair value of available-for-sale securities |              | 6,761                                                   | 13,739                                 |
| <b>TOTAL EQUITY</b>                                    |              | <u>1,657,064</u>                                        | <u>1,523,516</u>                       |
| <b>TOTAL LIABILITIES AND EQUITY</b>                    |              | <u>5,692,111</u>                                        | <u>5,362,581</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 SEPTEMBER 30, 2015  
"UNAUDITED"

|                                               |       | Baht: '000    |               |
|-----------------------------------------------|-------|---------------|---------------|
|                                               | Notes | 2015          | 2014          |
| <b>Revenues</b>                               |       |               |               |
| Net premium earned                            | 20    | 477,512       | 450,854       |
| Fee and commission income                     | 20    | 86,809        | 88,643        |
| Total revenues                                |       | 564,321       | 539,497       |
| <b>Expenses</b>                               |       |               |               |
| Underwriting expenses                         |       |               |               |
| Losses incurred                               |       |               |               |
| Insurance claims and loss adjustment expenses | 20    | 233,879       | 183,950       |
| Commissions and brokerages expenses           | 20    | 116,916       | 114,300       |
| Other underwriting expenses                   | 20    | 105,889       | 92,478        |
| Operating expenses                            | 21    | 73,743        | 71,590        |
| Total underwriting expenses                   |       | 530,427       | 462,318       |
| Profit on underwriting                        |       | 33,894        | 77,179        |
| Net investment income                         |       | 13,462        | 13,780        |
| Gain on investment in securities              |       | 8,791         | -             |
| Other income                                  |       | 1,296         | 737           |
| <b>Income from operation</b>                  |       | <b>57,443</b> | <b>91,696</b> |

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

|                                                                      |              | <b>Baht: '000</b> |             |
|----------------------------------------------------------------------|--------------|-------------------|-------------|
|                                                                      | <b>Notes</b> | <b>2015</b>       | <b>2014</b> |
| Contribution to the Office of Insurance Commission                   |              | 2,108             | 2,032       |
| Contribution to Non - life Guarantee Fund                            |              | 2,108             | 2,032       |
| Contribution to Road Victims Protection Fund                         |              | 134               | 87          |
| Income before income tax expense                                     |              | 53,093            | 87,545      |
| Income tax expense                                                   | 22           | 11,046            | 28,702      |
| <b>Net income</b>                                                    |              | 42,047            | 58,843      |
| <br>                                                                 |              |                   |             |
| Other comprehensive income (loss)                                    |              |                   |             |
| Items that will be reclassified subsequently to profit or loss       |              |                   |             |
| Changes in fair value of available-for-sale securities               |              | (11,682)          | 1,788       |
| Income tax relating to items that will be reclassified subsequently  |              | 2,336             | (358)       |
| Other comprehensive income (loss) for the periods, net of income tax |              | (9,346)           | 1,430       |
| <b>Total comprehensive income for the periods</b>                    |              | 32,701            | 60,273      |
| <br>                                                                 |              |                   |             |
| <b>Basic earnings per share</b>                                      | 23           | <b>Baht</b>       |             |
|                                                                      |              | 0.23              | 0.33        |

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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

|                                               |              | <b>Baht: '000</b> |                |
|-----------------------------------------------|--------------|-------------------|----------------|
|                                               | <b>Notes</b> | <b>2015</b>       | <b>2014</b>    |
| <b>Revenues</b>                               |              |                   |                |
| Net premium earned                            | 20           | 1,405,957         | 1,396,272      |
| Fee and commission income                     | 20           | 261,576           | 258,599        |
| Total revenues                                |              | 1,667,533         | 1,654,871      |
| <b>Expenses</b>                               |              |                   |                |
| Underwriting expenses                         |              |                   |                |
| Losses incurred                               |              |                   |                |
| Insurance claims and loss adjustment expenses | 20           | 668,142           | 513,277        |
| Commissions and brokerages expenses           | 20           | 350,169           | 333,902        |
| Other underwriting expenses                   | 20           | 299,780           | 272,767        |
| Operating expenses                            | 21           | 216,792           | 203,227        |
| Total underwriting expenses                   |              | 1,534,883         | 1,323,173      |
| Profit on underwriting                        |              | 132,650           | 331,698        |
| Net investment income                         |              | 41,678            | 44,810         |
| Gain on investment in securities              |              | 8,791             | 4              |
| Other income                                  |              | 4,217             | 1,276          |
| <b>Income from operation</b>                  |              | <b>187,336</b>    | <b>377,788</b> |

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

|                                                                      |                | <b>Baht: '000</b> |             |
|----------------------------------------------------------------------|----------------|-------------------|-------------|
|                                                                      | <b>Notes</b>   | <b>2015</b>       | <b>2014</b> |
| Contribution to the Office of Insurance Commission                   |                | 6,394             | 6,182       |
| Contribution to Non - life Guarantee Fund                            |                | 5,894             | 5,682       |
| Contribution to Road Victims Protection Fund                         |                | 378               | 286         |
| Income before income tax expense                                     |                | 174,670           | 365,638     |
| Income tax expense                                                   | 22             | 34,144            | 93,048      |
| <b>Net income</b>                                                    |                | 140,526           | 272,590     |
| Other comprehensive income (loss)                                    |                |                   |             |
| Items that will be reclassified subsequently to profit or loss       |                |                   |             |
| Changes in fair value of available-for-sale securities               |                | (8,723)           | 3,931       |
| Income tax relating to items that will be reclassified subsequently  |                | 1,745             | (786)       |
| Other comprehensive income (loss) for the periods, net of income tax |                | (6,978)           | 3,145       |
| <b>Total comprehensive income for the periods</b>                    |                | 133,548           | 275,735     |
| <b>Basic earnings per share</b>                                      | 23 <b>Baht</b> | 0.78              | 1.51        |

See condensed notes to the financial statements



**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

**Baht: '000**

|                                                | Issued and<br>paid-up<br>share capital | Retained deficits<br>Unappropriated | Other components<br>of equity - Changes<br>in fair value of<br>available-for-sale<br>securities | Total<br>equity  |
|------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------|------------------|
| Beginning balance as at January 1, 2014        | 1,800,000                              | (651,517)                           | 9,765                                                                                           | 1,158,248        |
| Comprehensive income                           | -                                      | 272,590                             | 3,145                                                                                           | 275,735          |
| <b>Ending balance as at September 30, 2014</b> | <b>1,800,000</b>                       | <b>(378,927)</b>                    | <b>12,910</b>                                                                                   | <b>1,433,983</b> |
| Beginning balance as at January 1, 2015        | 1,800,000                              | (290,223)                           | 13,739                                                                                          | 1,523,516        |
| Comprehensive income (loss)                    | -                                      | 140,526                             | (6,978)                                                                                         | 133,548          |
| <b>Ending balance as at September 30, 2015</b> | <b>1,800,000</b>                       | <b>(149,697)</b>                    | <b>6,761</b>                                                                                    | <b>1,657,064</b> |

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

|                                                                                                   |              | <b>Baht: '000</b> |             |
|---------------------------------------------------------------------------------------------------|--------------|-------------------|-------------|
|                                                                                                   | <b>Notes</b> | <b>2015</b>       | <b>2014</b> |
| <b>CASH FLOWS PROVIDED BY (USED IN)</b>                                                           |              |                   |             |
| <b>OPERATING ACTIVITIES</b>                                                                       |              |                   |             |
| Direct premium received                                                                           |              | 2,376,441         | 2,296,782   |
| Cash paid from reinsurance                                                                        |              | (48,672)          | (209,330)   |
| Losses incurred from direct insurance                                                             |              | (862,258)         | (1,069,693) |
| Loss adjustment expenses from direct insurance                                                    |              | (67,827)          | (65,360)    |
| Commissions and brokerages from direct insurance                                                  |              | (347,618)         | (333,736)   |
| Other underwriting expenses                                                                       |              | (304,897)         | (299,000)   |
| Interest income                                                                                   |              | 44,474            | 50,970      |
| Dividend income                                                                                   |              | 866               | 35          |
| Other income                                                                                      |              | 2,549             | 932         |
| Operating expenses                                                                                |              | (220,085)         | (198,970)   |
| Income tax received (paid)                                                                        |              | (17,962)          | 4,008       |
| Net cash provided by operating activities                                                         | 5.3          | 555,011           | 176,638     |
| <b>CASH FLOWS PROVIDED BY (USED IN)</b>                                                           |              |                   |             |
| <b>INVESTING ACTIVITIES</b>                                                                       |              |                   |             |
| <b>CASH FLOWS PROVIDED BY</b>                                                                     |              |                   |             |
| Investment in securities                                                                          |              | 3,605,520         | 2,470,004   |
| Deposits at financial institutions with maturity over 3 months<br>and deposits used as collateral |              | 3,079             | 559,043     |
| Loans                                                                                             |              | 693               | 1,039       |
| Leasehold improvement and equipment                                                               |              | 3,964             | 447         |
| Cash provided by investing activities                                                             |              | 3,613,256         | 3,030,533   |

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**"UNAUDITED"**

|                                                                                                   |              | <b>Baht: '000</b> |                |
|---------------------------------------------------------------------------------------------------|--------------|-------------------|----------------|
|                                                                                                   | <b>Notes</b> | <b>2015</b>       | <b>2014</b>    |
| <b>CASH FLOWS PROVIDED BY (USED IN)</b>                                                           |              |                   |                |
| <b>  INVESTING ACTIVITIES (CONTINUED)</b>                                                         |              |                   |                |
| <b>CASH FLOWS USED IN</b>                                                                         |              |                   |                |
| Investment in securities                                                                          |              | (4,114,204)       | (3,495,731)    |
| Deposits at financial institutions with maturity over 3 months<br>and deposits used as collateral |              | (7,067)           | (657,531)      |
| Loans                                                                                             |              | (78)              | (52)           |
| Leasehold improvement and equipment                                                               |              | (29,873)          | (18,068)       |
| Intangible assets                                                                                 |              | (8,402)           | (2,962)        |
| Cash used in investing activities                                                                 |              | (4,159,624)       | (4,174,344)    |
| Net cash used in investing activities                                                             |              | (546,368)         | (1,143,811)    |
| Net increase (decrease) in cash and cash equivalents                                              |              | 8,643             | (967,173)      |
| Cash and cash equivalents as at January 1,                                                        |              | 1,331,413         | 1,592,292      |
| <b>Cash and cash equivalents as at September 30,</b>                                              | 5.2          | <b>1,340,056</b>  | <b>625,119</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015**  
**“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.

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 2014) “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 No. 2 B.E. 2553 dated May 27, 2010. The Company presents the condensed notes to interim financial statements.
- 2.2 The statement of financial position as at December 31, 2014, 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 nine-month periods ended September 30, 2015 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 TFRSs, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and nine-month periods ended September 30, 2015 should be read in conjunction with the audited financial statements for the year ended December 31, 2014.
- 2.5 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2015 onwards, as follow:

**Thai Accounting Standards (“TAS”)**

|                       |                                                                          |
|-----------------------|--------------------------------------------------------------------------|
| TAS 1 (Revised 2014)  | Presentation of Financial Statements                                     |
| TAS 2 (Revised 2014)  | Inventories                                                              |
| TAS 7 (Revised 2014)  | Statement of Cash Flows                                                  |
| TAS 8 (Revised 2014)  | Accounting Policies, Changes in Accounting Estimates and Errors          |
| TAS 10 (Revised 2014) | Events after the Reporting Period                                        |
| TAS 11 (Revised 2014) | Construction Contracts                                                   |
| TAS 12 (Revised 2014) | Income Taxes                                                             |
| TAS 16 (Revised 2014) | Property, Plant and Equipment                                            |
| TAS 17 (Revised 2014) | Leases                                                                   |
| TAS 18 (Revised 2014) | Revenue                                                                  |
| TAS 19 (Revised 2014) | Employee Benefits                                                        |
| TAS 20 (Revised 2014) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (Revised 2014) | The Effects of Changes in Foreign Exchange Rate                          |
| TAS 23 (Revised 2014) | Borrowing Costs                                                          |
| TAS 24 (Revised 2014) | Related Party Disclosures                                                |
| TAS 26 (Revised 2014) | Accounting and Reporting by Retirement Benefit Plans                     |
| TAS 27 (Revised 2014) | Separate Financial Statements                                            |
| TAS 28 (Revised 2014) | Investments in Associates and Joint Ventures                             |
| TAS 29 (Revised 2014) | Financial Reporting in Hyperinflationary Economies                       |
| TAS 33 (Revised 2014) | Earnings per Share                                                       |
| TAS 34 (Revised 2014) | Interim Financial Reporting                                              |
| TAS 36 (Revised 2014) | Impairment of Assets                                                     |
| TAS 37 (Revised 2014) | Provisions, Contingent Liabilities and Contingent Assets                 |
| TAS 38 (Revised 2014) | Intangible assets                                                        |
| TAS 40 (Revised 2014) | Investment Property                                                      |

**Thai Financial Reporting Standards (“TFRS”)**

|                       |                                                              |
|-----------------------|--------------------------------------------------------------|
| TFRS 2 (Revised 2014) | Share - Based Payment                                        |
| TFRS 3 (Revised 2014) | Business Combinations                                        |
| TFRS 5 (Revised 2014) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (Revised 2014) | Exploration for and Evaluation of Mineral Assets             |
| TFRS 8 (Revised 2014) | Operating Segments                                           |
| TFRS 10               | Consolidated Financial Statements                            |
| TFRS 11               | Joint Arrangements                                           |
| TFRS 12               | Disclosure of Interests in Other Entities                    |
| TFRS 13               | Fair Value Measurement                                       |

**Thai Accounting Standards Interpretations (“TSIC”)**

|                        |                                                                              |
|------------------------|------------------------------------------------------------------------------|
| TSIC 10 (Revised 2014) | Government Assistance - No Specific Relation to Operating Activities         |
| TSIC 15 (Revised 2014) | Operating Leases - Incentives                                                |
| TSIC 25 (Revised 2014) | Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders |
| TSIC 27 (Revised 2014) | Evaluating the Substance of Transactions in the Legal Form of a Lease        |
| TSIC 29 (Revised 2014) | Disclosure - Service Concession Arrangements                                 |
| TSIC 31 (Revised 2014) | Revenue - Barter Transactions Involving Advertising Services                 |
| TSIC 32 (Revised 2014) | Intangible Assets - Web Site Costs                                           |

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

|                         |                                                                                                                  |
|-------------------------|------------------------------------------------------------------------------------------------------------------|
| TFRIC 1 (Revised 2014)  | Changes in Existing Decommissioning, Restoration and Similar Liabilities                                         |
| TFRIC 4 (Revised 2014)  | Determining whether an Arrangement contains a Lease                                                              |
| TFRIC 5 (Revised 2014)  | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds             |
| TFRIC 7 (Revised 2014)  | Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies                |
| TFRIC 10 (Revised 2014) | Interim Financial Reporting and Impairment                                                                       |
| TFRIC 12 (Revised 2014) | Service Concession Arrangements                                                                                  |
| TFRIC 13 (Revised 2014) | Customer Loyalty Programmes                                                                                      |
| TFRIC 14                | TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (Revised 2014) | Agreements for the Construction of Real Estate                                                                   |
| TFRIC 17 (Revised 2014) | Distributions of Non-cash Assets to Owners                                                                       |
| TFRIC 18 (Revised 2014) | Transfers of Assets from Customers                                                                               |
| TFRIC 20                | Stripping Costs in the Production Phase of a Surface Mine                                                        |

Above TFRSs have no material impact on these financial statements, except TFRS 13 which has resulted in more extensive disclosures (see Note 30).

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

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2016 onwards, as follow:

**Thai Accounting Standards (“TAS”)**

|                       |                                                                          |
|-----------------------|--------------------------------------------------------------------------|
| TAS 1 (Revised 2015)  | Presentation of Financial Statements                                     |
| TAS 2 (Revised 2015)  | Inventories                                                              |
| TAS 7 (Revised 2015)  | Statement of Cash Flows                                                  |
| TAS 8 (Revised 2015)  | Accounting Policies, Changes in Accounting Estimates and Errors          |
| TAS 10 (Revised 2015) | Events After the Reporting Period                                        |
| TAS 11 (Revised 2015) | Construction Contracts                                                   |
| TAS 12 (Revised 2015) | Income taxes                                                             |
| TAS 16 (Revised 2015) | Property, Plant and Equipment                                            |
| TAS 17 (Revised 2015) | Leases                                                                   |
| TAS 18 (Revised 2015) | Revenue                                                                  |
| TAS 20 (Revised 2015) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (Revised 2015) | The Effects of Changes in Foreign Exchange Rates                         |
| TAS 23 (Revised 2015) | Borrowing Costs                                                          |
| TAS 24 (Revised 2015) | Related Party Disclosures                                                |
| TAS 26 (Revised 2015) | Accounting and Reporting by Retirement Benefit Plans                     |
| TAS 27 (Revised 2015) | Separate Financial Statements                                            |
| TAS 28 (Revised 2015) | Investments in Associates and Joint Ventures                             |

**Thai Accounting Standards (“TAS”) (continued)**

|                       |                                                          |
|-----------------------|----------------------------------------------------------|
| TAS 29 (Revised 2015) | Financial Reporting in Hyperinflationary Economies       |
| TAS 33 (Revised 2015) | Earnings Per Share                                       |
| TAS 34 (Revised 2015) | Interim Financial Reporting                              |
| TAS 37 (Revised 2015) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 40 (Revised 2015) | Investment Property                                      |

**Thai Financial Reporting Standards (“TFRS”)**

|                        |                                                              |
|------------------------|--------------------------------------------------------------|
| TFRS 3 (Revised 2015)  | Business Combinations                                        |
| TFRS 4 (Revised 2015)  | Insurance Contracts                                          |
| TFRS 5 (Revised 2015)  | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (Revised 2015)  | Exploration for and Evaluation of Mineral Assets             |
| TFRS 8 (Revised 2015)  | Operating Segments                                           |
| TFRS 11 (Revised 2015) | Joint Arrangements                                           |
| TFRS 12 (Revised 2015) | Disclosure of Interests in Other Entities                    |

**Thai Accounting Standards Interpretations (“TSI”)**

|                       |                                                                               |
|-----------------------|-------------------------------------------------------------------------------|
| TSI 10 (Revised 2015) | Government Assistance - No Specific Relation to Operating Activities          |
| TSI 15 (Revised 2015) | Operating Leases - Incentives                                                 |
| TSI 25 (Revised 2015) | Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders |
| TSI 27 (Revised 2015) | Evaluating the Substance of Transactions in the Legal Form of a Lease         |
| TSI 29 (Revised 2015) | Disclosure - Service Concession Arrangements                                  |
| TSI 31 (Revised 2015) | Revenue - Barter Transactions Involving Advertising Services                  |
| TSI 32 (Revised 2015) | Intangible Assets - Web Site Costs                                            |

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

|                        |                                                                                                      |
|------------------------|------------------------------------------------------------------------------------------------------|
| TFRI 1 (Revised 2015)  | Changes in Existing Decommissioning, Restoration and Similar Liabilities                             |
| TFRI 4 (Revised 2015)  | Determining whether an Arrangement contains a Lease                                                  |
| TFRI 5 (Revised 2015)  | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRI 7 (Revised 2015)  | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies    |
| TFRI 10 (Revised 2015) | Interim Financial Reporting and Impairment                                                           |
| TFRI 12 (Revised 2015) | Service Concession Arrangements                                                                      |
| TFRI 13 (Revised 2015) | Customer Loyalty Programmes                                                                          |
| TFRI 14 (Revised 2015) | TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction    |
| TFRI 15 (Revised 2015) | Agreements for the Construction of Real Estate                                                       |
| TFRI 17 (Revised 2015) | Distributions of Non-cash Assets to Owners                                                           |
| TFRI 18 (Revised 2015) | Transfers of Assets from Customers                                                                   |
| TFRI 20 (Revised 2015) | Stripping Costs in the Production Phase of a Surface Mine                                            |

The Company’s management will adopt the above TASs, TFRSs, TSIs, and TFRIs relevant to the Company in the preparation of Company’s financial statements when they become effective. The Company’s management has assessed the effects of these TASs, TFRSs, TSIs, and TFRIs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied, with the exception of Thai Financial Reporting Standard No.4 (Revised 2015) “Insurance Contracts” which the Company’s management is in the process of assessing the impact.

### 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, 2014, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2. Accounting policies which significantly changed are as follows:

#### Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2014), leasing transactions that are within the scope of TAS 17 (Revised 2014), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in TAS 2 (Revised 2014) or value in use in TAS 36 (Revised 2014).

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.



**4. IMPACT FROM SEVERE FLOODING IN THAILAND**

From the severe flooding in Thailand by the end of 2011, the Company's management has continued to monitor the development of the flood losses. As at September 30, 2015 and December 31, 2014, the Company recorded loss reserves from claims of flooding and recorded loss refundable from reinsurance as follows:

|                                                           | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: million<br/>As at<br/>December 31,<br/>2014</b> |
|-----------------------------------------------------------|-----------------------------------------|----------------------------------------------------------|
| Loss reserves (see Note 14)                               | 315.37                                  | 390.88                                                   |
| <u>Less Loss refundable from reinsurance (see Note 7)</u> | <u>(205.49)</u>                         | <u>(255.91)</u>                                          |
| Loss reserves - net                                       | <u>109.88</u>                           | <u>134.97</u>                                            |

For the three-month and nine-month periods ended September 30, 2015 and 2014, the Company had insurance claims from the flooding which paid to the insured by net of loss refundable from reinsurance, and reversed net insurance claims arising from loss incurred and loss refundable from such situation, as part of insurance claims and loss adjustment expenses in the statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2015 and 2014 as follows:

|                                                 | <b>Baht: million</b>                                       |             |                                                           |             |
|-------------------------------------------------|------------------------------------------------------------|-------------|-----------------------------------------------------------|-------------|
|                                                 | <b>For the three-month<br/>periods ended September 30,</b> |             | <b>For the nine-month<br/>periods ended September 30,</b> |             |
|                                                 | <b>2015</b>                                                | <b>2014</b> | <b>2015</b>                                               | <b>2014</b> |
| Net insurance claims paid (received)            | 20.43                                                      | 95.16       | (3.49)                                                    | 234.10      |
| Net insurance claims decreased<br>(see Note 20) | 5.14                                                       | 22.93       | 14.50                                                     | 178.00      |

In 2014, the Company has additional loss refundable from reinsurers from the flooding amounting to Baht 245.87 million with certain business obligations. For the three-month and nine-month periods ended September 30, 2015 and 2014, the Company recorded such loss refundable from reinsurers as follow:

|                                                  | <b>Baht: million</b>                                       |             |                                                           |             |
|--------------------------------------------------|------------------------------------------------------------|-------------|-----------------------------------------------------------|-------------|
|                                                  | <b>For the three-month<br/>periods ended September 30,</b> |             | <b>For the nine-month<br/>periods ended September 30,</b> |             |
|                                                  | <b>2015</b>                                                | <b>2014</b> | <b>2015</b>                                               | <b>2014</b> |
| Loss refundable from reinsurers<br>(see Note 20) | 4.97                                                       | 4.97        | 14.91                                                     | 141.50      |

The remaining loss refundable from reinsurers will be recognized as specified in business obligations aforementioned.

The Company's management has reviewed and estimated such loss reserves and loss recovery from the amount appraised by an independent appraiser or by the Company's appraiser, based on situation, received supporting documents and experience of the Company's management. However, there may be an uncertainty resulted from using various assumptions in estimation of such loss reserves and loss recovery.

## 5. ADDITIONAL INFORMATION FOR CASH FLOWS

### 5.1 Non-cash items

5.1.1 Leasehold improvement and equipment for the nine-month periods ended September 30, 2015 and 2014 consisted of the following:

|                                                    | <b>2015</b>     | <b>Baht: '000</b><br><b>2014</b> |
|----------------------------------------------------|-----------------|----------------------------------|
| Other payable - fixed assets as at January 1,      | 897             | 1,813                            |
| <u>Add</u> Purchases of fixed assets               | 29,214          | 16,870                           |
| <u>Less</u> Cash paid for purchase of fixed assets | <u>(29,873)</u> | <u>(18,068)</u>                  |
| Other payable - fixed assets as at September 30,   | <u>238</u>      | <u>615</u>                       |

5.1.2 Intangible assets for the nine-month periods ended September 30, 2015 and 2014 consisted of the following:

|                                                         | <b>2015</b>    | <b>Baht: '000</b><br><b>2014</b> |
|---------------------------------------------------------|----------------|----------------------------------|
| Other payable - intangible assets as at January 1,      | -              | 279                              |
| <u>Add</u> Purchases of intangible assets               | 8,402          | 2,895                            |
| <u>Less</u> Cash paid for purchase of intangible assets | <u>(8,402)</u> | <u>(2,962)</u>                   |
| Other payable - intangible assets as at September 30,   | <u>-</u>       | <u>212</u>                       |

- 5.2 Cash and cash equivalents as at September 30, 2015 and 2014, consisted of the following:

|                                                              | 2015               | Baht: '000<br>2014 |
|--------------------------------------------------------------|--------------------|--------------------|
| Cash                                                         | 265                | 265                |
| Cheque on hands                                              | 9,483              | 6,911              |
| Deposits at bank - call deposits                             | 480,721            | 617,943            |
| Deposits at bank - time deposits                             | 412,174            | 407,883            |
| Government securities - treasury bills                       | 2,349,238          | 1,497,652          |
|                                                              | <u>3,251,881</u>   | <u>2,530,654</u>   |
| <u>Less</u> Deposits at bank with maturity over 3 months     | (153,072)          | (150,000)          |
| Deposits at bank used as collateral                          | (259,102)          | (257,883)          |
| Government securities - treasury bills<br>used as collateral | <u>(1,499,651)</u> | <u>(1,497,652)</u> |
| Cash and cash equivalents                                    | <u>1,340,056</u>   | <u>625,119</u>     |

- 5.3 Cash flows provided by (used in) operating activities

Items to reconcile net profit to net cash flows provided by (used in) operating activities for the nine-month periods ended September 30, 2015 and 2014 were as follows:

|                                                                              | 2015           | Baht: '000<br>2014 |
|------------------------------------------------------------------------------|----------------|--------------------|
| <b>CASH FLOWS PROVIDED BY (USED IN) OPERATING<br/>ACTIVITIES</b>             |                |                    |
| Profit before income tax                                                     | 174,670        | 365,638            |
| Items to reconcile net profit to net cash flows:                             |                |                    |
| Depreciation                                                                 | 14,078         | 13,778             |
| Amortization                                                                 | 10,344         | 13,033             |
| Gain on sale of fixed assets                                                 | (1,855)        | (309)              |
| Employee benefit expenses                                                    | 6,268          | 4,749              |
| Unearned premium reserve increase (decrease)<br>from prior periods           | 34,111         | (47,783)           |
| Amortization of bonds premium                                                | 3,711          | 4,344              |
| Amortization of debentures premium                                           | -              | (44)               |
| Amortization of bonds discount                                               | 8              | 8                  |
| Amortization of treasury bills discount                                      | (5,508)        | (3,122)            |
| Gain on sale of investment in available-for-sale<br>securities - unit trust  | (8,791)        | (4)                |
| Allowance for doubtful accounts (reverse)                                    | <u>(5,935)</u> | <u>4</u>           |
| Profit from operations before changes in operating<br>assets and liabilities | 221,101        | 350,292            |

|                                                                          | 2015           | Baht: '000<br>2014 |
|--------------------------------------------------------------------------|----------------|--------------------|
| <b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES (CONTINUED)</b> |                |                    |
| Operating assets (increase) decrease (continued)                         |                |                    |
| Accrued investment income                                                | 5,451          | 5,007              |
| Premium due and uncollected                                              | 61,836         | (2,975)            |
| Reinsurance assets                                                       | 133,448        | 381,035            |
| Deferred commissions expenses                                            | 6,342          | (7,515)            |
| Other assets                                                             | 19,147         | (4,942)            |
| Operating liabilities increase (decrease)                                |                |                    |
| Due to reinsurers                                                        | 34,882         | 316,240            |
| Loss reserves and outstanding claims                                     | 178,534        | (856,024)          |
| Premium written received in advance                                      | (39,802)       | 25,548             |
| Commissions and brokerages payables                                      | (8,507)        | 2,447              |
| Accrued expenses                                                         | (36,635)       | (3,249)            |
| Other liabilities                                                        | (2,824)        | (33,234)           |
| Cash provided by operating activities                                    | 572,973        | 172,630            |
| Income tax received (paid)                                               | (17,962)       | 4,008              |
| Net cash provided by operating activities                                | <u>555,011</u> | <u>176,638</u>     |

## 6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                      | As at September 30, 2015 |                     |              |                | As at December 31, 2014 |                     |               |                |
|--------------------------------------|--------------------------|---------------------|--------------|----------------|-------------------------|---------------------|---------------|----------------|
|                                      | Insured                  | Agent and<br>Broker | Inward       | Total          | Insured                 | Agent and<br>Broker | Inward        | Total          |
| Within credit terms                  | 9,933                    | 173,513             | 1,355        | 184,801        | 12,550                  | 221,502             | 1,866         | 235,918        |
| Less than 30 days                    | 306                      | 24,029              | 1,691        | 26,026         | 478                     | 34,701              | 837           | 36,016         |
| 31 - 60 days                         | 428                      | 18,016              | 1,118        | 19,562         | 387                     | 12,890              | 1,742         | 15,019         |
| 61 - 90 days                         | 1                        | 7,641               | 632          | 8,274          | 1,521                   | 4,252               | 1,579         | 7,352          |
| 91 days - 1 year                     | 1,089                    | 8,703               | 3,700        | 13,492         | 90                      | 13,704              | 3,202         | 16,996         |
| Over 1 year                          | -                        | 294                 | 955          | 1,249          | -                       | 476                 | 3,463         | 3,939          |
| Total premium due and uncollected    | 11,757                   | 232,196             | 9,451        | 253,404        | 15,026                  | 287,525             | 12,689        | 315,240        |
| Less Allowance for doubtful accounts | -                        | (9,576)             | -            | (9,576)        | -                       | (9,576)             | -             | (9,576)        |
| Premium due and uncollected - net    | <u>11,757</u>            | <u>222,620</u>      | <u>9,451</u> | <u>243,828</u> | <u>15,026</u>           | <u>277,949</u>      | <u>12,689</u> | <u>305,664</u> |

7. REINSURANCE ASSETS

Reinsurance assets as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                              | As at<br>September 30,<br>2015 | Baht: '000<br>As at<br>December 31,<br>2014 |
|----------------------------------------------|--------------------------------|---------------------------------------------|
| Due from reinsurers                          | 96,268                         | 387,823                                     |
| Unearned reinsurance premium reserve         | 562,287                        | 546,255                                     |
| Insurance reserve refundable from reinsurers | 656,511                        | 498,404                                     |
|                                              | <u>1,315,066</u>               | <u>1,432,482</u>                            |
| <u>Less Allowance for doubtful accounts</u>  | <u>-</u>                       | <u>(5,935)</u>                              |
| Total reinsurance assets                     | <u>1,315,066</u>               | <u>1,426,547</u>                            |

Insurance reserve refundable from reinsurers - net as at September 30, 2015 and December 31, 2014 included an expected loss refundable from reinsurers caused by suffering losses from flooding in Thailand amounting to Baht 205.49 million and Baht 255.91 million, respectively (see Note 4).

Aging analyzes for due from reinsurers as at September 30, 2015 and December 31, 2014 were as follows:

|                           | As at<br>September 30,<br>2015 | Baht: '000<br>As at<br>December 31,<br>2014 |
|---------------------------|--------------------------------|---------------------------------------------|
| Within credit terms       | 85,921                         | 360,676                                     |
| Within 12 months          | 9,233                          | 24,897                                      |
| Over 1 year to 2 years    | 179                            | 508                                         |
| Over 2 years              | 935                            | 1,742                                       |
| Total due from reinsurers | <u>96,268</u>                  | <u>387,823</u>                              |

## 8. INVESTMENT IN SECURITIES

Investment in securities as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                                           | Baht: '000               |                |                         |                |
|-----------------------------------------------------------|--------------------------|----------------|-------------------------|----------------|
|                                                           | As at September 30, 2015 |                | As at December 31, 2014 |                |
|                                                           | Cost/<br>Amortized cost  | Fair value     | Cost/<br>Amortized cost | Fair value     |
| <b>Available-for-sale securities</b>                      |                          |                |                         |                |
| Government and state enterprise securities                | 363,817                  | 372,268        | 367,535                 | 375,759        |
| Unit trusts                                               | 11,096                   | 11,096         | 29,525                  | 38,475         |
| Total                                                     | 374,913                  | 383,364        | 397,060                 | 414,234        |
| <u>Add Unrealized gains</u>                               | 8,451                    | -              | 17,174                  | -              |
| <b>Total available-for-sale securities</b>                | <u>383,364</u>           | <u>383,364</u> | <u>414,234</u>          | <u>414,234</u> |
| <b>Held-to-maturity securities</b>                        |                          |                |                         |                |
| Deposits at bank with maturity over 3 months              | 153,072                  |                | 150,000                 |                |
| Deposits at bank used as collateral                       | 259,102                  |                | 258,187                 |                |
| Government securities - Treasury bills used as collateral | 1,499,651                |                | 999,619                 |                |
| <b>Total held-to-maturity securities</b>                  | <u>1,911,825</u>         |                | <u>1,407,806</u>        |                |
| <b>General investment</b>                                 |                          |                |                         |                |
| Equity securities                                         | 20,841                   |                | 1,161                   |                |
| <b>Total general investment</b>                           | <u>20,841</u>            |                | <u>1,161</u>            |                |
| <b>Total investment in securities - net</b>               | <u>2,316,030</u>         |                | <u>1,823,201</u>        |                |

Debt securities classified by the remaining maturity as at September 30, 2015 were as follows:

|                                                 | Baht: '000       |                |              |                  |
|-------------------------------------------------|------------------|----------------|--------------|------------------|
|                                                 | Maturities       |                |              | Total            |
|                                                 | Within 1 year    | 1 - 5 years    | Over 5 years |                  |
| <b>Available-for-sale debt securities</b>       |                  |                |              |                  |
| Government and state enterprise securities      | 201,859          | 161,958        | -            | 363,817          |
| <u>Add Unrealized gains</u>                     | 1,681            | 6,770          | -            | 8,451            |
| <b>Total available-for-sale debt securities</b> | <u>203,540</u>   | <u>168,728</u> | <u>-</u>     | <u>372,268</u>   |
| <b>Held-to-maturity debt securities</b>         |                  |                |              |                  |
| Government and state enterprise securities      | 1,499,651        | -              | -            | 1,499,651        |
| <b>Total held-to-maturity debt securities</b>   | <u>1,499,651</u> | <u>-</u>       | <u>-</u>     | <u>1,499,651</u> |
| <b>Total debt securities - net</b>              | <u>1,703,191</u> | <u>168,728</u> | <u>-</u>     | <u>1,871,919</u> |

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

|                                                 | Maturities    |             |              | Baht: '000 |
|-------------------------------------------------|---------------|-------------|--------------|------------|
|                                                 | Within 1 year | 1 - 5 years | Over 5 years | Total      |
| <b>Available-for-sale debt securities</b>       |               |             |              |            |
| Government and state enterprise securities      | -             | 367,535     | -            | 367,535    |
| Add Unrealized gains                            | -             | 8,224       | -            | 8,224      |
| <b>Total available-for-sale debt securities</b> | -             | 375,759     | -            | 375,759    |
| <b>Held-to-maturity debt securities</b>         |               |             |              |            |
| Government and state enterprise securities      | 999,619       | -           | -            | 999,619    |
| <b>Total held-to-maturity debt securities</b>   | 999,619       | -           | -            | 999,619    |
| <b>Total debt securities - net</b>              | 999,619       | 375,759     | -            | 1,375,378  |

As at September 30, 2015 and December 31, 2014, certain of deposits at bank are pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 17).

As at September 30, 2015 and December 31, 2014, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 270.37 million and Baht 273.34 million, respectively (see Note 26).

As at September 30, 2015 and December 31, 2014, certain investment in securities are deposited with a bank as the Company's backup assets according to the Notification of the Office of Insurance Commission amounting to Baht 1,841.81 million and Baht 1,379.86 million, respectively (see Note 27).

## 9. 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<br>per year |
|---------------------------------------------------|------------------------------------|---------------------------|
| General loans                                     | Not exceed Baht 100,000 per person | 3.85                      |
| Loans for residential from<br>the flooding crisis | Not exceed Baht 100,000 per person | 2.00                      |

**10. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET**

Leasehold improvement and equipment - net as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                          | Cost                  |          |                      |                            | Accumulated depreciation |                      |                          | Ending balance of leasehold improvement and equipment - net as at September 30, 2015 | Baht: '000 |
|------------------------------------------|-----------------------|----------|----------------------|----------------------------|--------------------------|----------------------|--------------------------|--------------------------------------------------------------------------------------|------------|
|                                          | As at January 1, 2015 | Increase | Disposal / Write off | Transfer In (transfer out) | As at September 30, 2015 | Disposal / Write off | As at September 30, 2015 |                                                                                      |            |
| Leasehold improvement                    | 27,691                | 2,375    | (5,843)              | 14,699                     | 38,922                   | (2,947)              | (14,179)                 | 10,616                                                                               | 24,743     |
| Furniture, fixtures and office equipment | 67,869                | 2,894    | (5,146)              | -                          | 65,617                   | (5,828)              | (48,763)                 | 19,854                                                                               | 16,854     |
| Vehicles                                 | 41,350                | 9,089    | (9,802)              | -                          | 40,637                   | (5,303)              | (24,365)                 | 14,529                                                                               | 16,272     |
| Leasehold improvement under installation | -                     | 14,856   | -                    | (14,699)                   | 157                      | -                    | -                        | -                                                                                    | 157        |
| Total                                    | 136,910               | 29,214   | (20,791)             | -                          | 145,333                  | (14,078)             | (87,307)                 | 44,999                                                                               | 58,026     |

|                                          | Cost                  |          |                      |                            | Accumulated depreciation |                      |                          | Beginning balance of leasehold improvement and equipment - net as at January 1, 2014 | Baht: '000 |
|------------------------------------------|-----------------------|----------|----------------------|----------------------------|--------------------------|----------------------|--------------------------|--------------------------------------------------------------------------------------|------------|
|                                          | As at January 1, 2014 | Increase | Disposal / Write off | Transfer In (transfer out) | As at September 30, 2014 | Disposal / Write off | As at September 30, 2014 |                                                                                      |            |
| Leasehold improvement                    | 22,939                | 6,066    | (1,314)              | 14,699                     | 27,691                   | (2,982)              | (17,075)                 | 7,640                                                                                | 10,616     |
| Furniture, fixtures and office equipment | 60,245                | 10,492   | (2,868)              | -                          | 67,869                   | (8,089)              | (48,015)                 | 17,469                                                                               | 19,854     |
| Vehicles                                 | 39,325                | 3,291    | (1,266)              | -                          | 41,350                   | (7,537)              | (26,821)                 | 18,800                                                                               | 14,529     |
| Total                                    | 122,509               | 19,849   | (5,448)              | 14,699                     | 136,910                  | (18,608)             | (91,911)                 | 43,909                                                                               | 44,999     |

As at September 30, 2015 and December 31, 2014, certain leasehold improvement and equipment at cost of Baht 48.23 million and Baht 41.52 million, respectively, were fully depreciated but still in use.



**11. DEFERRED TAX ASSETS**

Deferred tax assets as at September 30, 2015 and December 31, 2014 were as follows:

|                     | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|---------------------|-----------------------------------------|-------------------------------------------------------|
| Deferred tax assets | <u>205,390</u>                          | <u>205,245</u>                                        |

Movements of deferred tax assets for the nine-month periods ended September 30, 2015 and 2014 consisted of tax effects from the following items:

|                                        | <b>As at<br/>January 1,<br/>2015</b> | <b>Transactions<br/>recognized in<br/>profit or loss</b> | <b>Transaction<br/>recognized in<br/>other<br/>comprehensive<br/>income or loss</b> | <b>Baht: '000<br/>As at<br/>September 30,<br/>2015</b> |
|----------------------------------------|--------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Allowance for doubtful accounts        |                                      |                                                          |                                                                                     |                                                        |
| - Premium due and uncollected          | 1,915                                | -                                                        | -                                                                                   | 1,915                                                  |
| Allowance for doubtful accounts        |                                      |                                                          |                                                                                     |                                                        |
| - Other receivable                     | 256                                  | -                                                        | -                                                                                   | 256                                                    |
| Unearned premium reserve               | 93,810                               | -                                                        | -                                                                                   | 93,810                                                 |
| Loss reserve - net                     | 84,410                               | 2,584                                                    | -                                                                                   | 86,994                                                 |
| Incurred but not reported claims       | 13,220                               | 1,745                                                    | -                                                                                   | 14,965                                                 |
| Employee benefit obligations           | 6,134                                | 1,254                                                    | -                                                                                   | 7,388                                                  |
| Premium ceded payable - Excess of loss | 5,500                                | (5,438)                                                  | -                                                                                   | 62                                                     |
| Total                                  | <u>205,245</u>                       | <u>145</u>                                               | <u>-</u>                                                                            | <u>205,390</u>                                         |

|                                        | <b>As at<br/>January 1,<br/>2014</b> | <b>Transactions<br/>recognized in<br/>profit or loss</b> | <b>Transaction<br/>recognized in<br/>other<br/>comprehensive<br/>income or loss</b> | <b>Baht: '000<br/>As at<br/>September 30,<br/>2014</b> |
|----------------------------------------|--------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Allowance for doubtful accounts        |                                      |                                                          |                                                                                     |                                                        |
| - Premium due and uncollected          | 1,915                                | -                                                        | -                                                                                   | 1,915                                                  |
| Allowance for doubtful accounts        |                                      |                                                          |                                                                                     |                                                        |
| - Other receivable                     | 256                                  | -                                                        | -                                                                                   | 256                                                    |
| Unearned premium reserve               | 92,259                               | (7,107)                                                  | -                                                                                   | 85,152                                                 |
| Loss reserve - net                     | 160,520                              | (84,083)                                                 | -                                                                                   | 76,437                                                 |
| Incurred but not reported claims       | 12,541                               | 706                                                      | -                                                                                   | 13,247                                                 |
| Employee benefit obligations           | 4,588                                | 950                                                      | -                                                                                   | 5,538                                                  |
| Premium ceded payable - Excess of loss | 3,839                                | (3,514)                                                  | -                                                                                   | 325                                                    |
| Total                                  | <u>275,918</u>                       | <u>(93,048)</u>                                          | <u>-</u>                                                                            | <u>182,870</u>                                         |

## 12. OTHER ASSETS

Other assets as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                                | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|------------------------------------------------|-----------------------------------------|-------------------------------------------------------|
| Other receivable                               | 12,988                                  | 13,937                                                |
| Receivable from sale of securities             | 21,700                                  | -                                                     |
| Revenue Department receivable                  | 2,832                                   | 4,803                                                 |
| Refundable withholding tax                     | 1,656                                   | 1,656                                                 |
| Premium saving certificates used as collateral | 13,600                                  | 25,000                                                |
| Prepaid expenses                               | 9,399                                   | 14,784                                                |
| Others                                         | 6,190                                   | 5,632                                                 |
| Total other assets                             | 68,365                                  | 65,812                                                |

## 13. DUE TO REINSURERS

Due to reinsurers as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|--------------------------------|-----------------------------------------|-------------------------------------------------------|
| Premium ceded payables         | 100,316                                 | 66,433                                                |
| Amount withheld on reinsurance | 405,009                                 | 393,849                                               |
| Other reinsurance payables     | 325,037                                 | 335,198                                               |
| Total due to reinsurers        | 830,362                                 | 795,480                                               |

## 14. LOSS RESERVES AND OUTSTANDING CLAIMS

Loss reserves and outstanding claims as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                                                      | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|----------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|
| As at January 1,                                                     | 995,377                                 | 2,176,599                                             |
| Loss incurred and loss adjustment expenses<br>during the period/year |                                         |                                                       |
| - Incurred but not reported                                          | 8,726                                   | 3,395                                                 |
| - Incurred but not yet agreed                                        | 171,029                                 | (1,185,993)                                           |
| - Incurred and agreed                                                | 984,678                                 | 2,309,548                                             |
| Loss paid and loss adjustment paid during the period/year            | (985,899)                               | (2,308,172)                                           |
| As at September 30, and December 31,                                 | 1,173,911                               | 995,377                                               |

As at September 30, 2015 and December 31, 2014, the Company had loss reserves and outstanding claims under the reinsurance contracts of Baht 377.76 million and Baht 416.83 million, respectively.

Loss reserves and outstanding claims as at September 30, 2015 and December 31, 2014 in the financial statements included claim from suffering losses from flooding in Thailand amounting to Baht 315.37 million and Baht 390.88 million, respectively (see Note 4).

## 15. PREMIUM RESERVE

Premium reserve as at September 30, 2015 and December 31, 2014 consisted of the following:

### 15.1 Unearned premium reserve

|                                      | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|--------------------------------------|-----------------------------------------|-------------------------------------------------------|
| As at January 1,                     | 1,451,942                               | 1,338,150                                             |
| Premium written for the period/year  | 2,380,161                               | 3,087,164                                             |
| Earned premium for the period/year   | <u>(2,330,018)</u>                      | <u>(2,973,372)</u>                                    |
| As at September 30, and December 31, | <u>1,502,085</u>                        | <u>1,451,942</u>                                      |

### 15.2 Unexpired risk reserve

As at September 30, 2015 and December 31, 2014, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 817.43 million and Baht 743.24 million, respectively, is lower than the unearned premium reserve.

## 16. EMPLOYEE BENEFIT OBLIGATIONS

Movements in the present value of the employee benefit obligations as at September 30, 2015 and December 31, 2014 were as follows:

|                                                                     | Baht: '000                     |                               |
|---------------------------------------------------------------------|--------------------------------|-------------------------------|
|                                                                     | As at<br>September 30,<br>2015 | As at<br>December 31,<br>2014 |
| Present value of obligation at the beginning<br>of the period/year  | 56,375                         | 48,185                        |
| Current service cost of the period/year                             | 4,810                          | 5,131                         |
| Interest cost                                                       | 1,458                          | 1,985                         |
| Actuarial loss                                                      | -                              | 1,656                         |
| Employee benefit obligations transferred from<br>the parent company | -                              | 913                           |
| Benefit paid during the period/year                                 | -                              | (1,495)                       |
| Present value of obligation at the ending<br>of the period/year     | 62,643                         | 56,375                        |

The expenses that were recorded in the statement of profit or loss and other comprehensive income for employee benefit obligations for the three-month and nine-month periods ended September 30, 2015 and 2014 consisted of the following:

|                                 | Baht: '000                                                 |       |                                                           |       |
|---------------------------------|------------------------------------------------------------|-------|-----------------------------------------------------------|-------|
|                                 | For the three-month<br>periods ended September 30,<br>2015 |       | For the nine-month<br>periods ended September 30,<br>2015 |       |
|                                 | 2015                                                       | 2014  | 2015                                                      | 2014  |
| Current service cost            | 1,670                                                      | 1,288 | 4,810                                                     | 4,502 |
| Interest cost                   | 486                                                        | 496   | 1,458                                                     | 1,489 |
| Total employee benefit expenses | 2,156                                                      | 1,784 | 6,268                                                     | 5,991 |

## 17. BANK OVERDRAFTS

As at September 30, 2015 and December 31, 2014 the Company had credit lines for bank overdrafts of Baht 20 million with interest rate at the fixed deposit rate plus 2% per annum. Such credit lines were guaranteed by fixed deposit of the Company of Baht 20 million (see Note 8).

**18. DEFERRED TAX LIABILITIES**

Deferred tax liabilities as at September 30, 2015 and December 31, 2014 were as follows:

|                          | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|--------------------------|-----------------------------------------|-------------------------------------------------------|
| Deferred tax liabilities | <u>1,690</u>                            | <u>3,435</u>                                          |

Movements of deferred tax liabilities for the nine-month periods ended September 30, 2015 and 2014 consisted of tax effects from the following items:

|                                                                                       | <b>As at<br/>January 1,<br/>2015</b> | <b>Transaction<br/>recognized in<br/>profit or loss</b> | <b>Transaction<br/>recognized in<br/>other<br/>comprehensive<br/>income or loss</b> | <b>Baht: '000<br/>As at<br/>September 30,<br/>2015</b> |
|---------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Unrealized gain on the change in value of investment in available-for-sale securities | <u>3,435</u>                         | <u>-</u>                                                | <u>(1,745)</u>                                                                      | <u>1,690</u>                                           |
| Total                                                                                 | <u>3,435</u>                         | <u>-</u>                                                | <u>(1,745)</u>                                                                      | <u>1,690</u>                                           |

|                                                                                       | <b>As at<br/>January 1,<br/>2014</b> | <b>Transaction<br/>recognized in<br/>profit or loss</b> | <b>Transaction<br/>recognized in<br/>other<br/>comprehensive<br/>income or loss</b> | <b>Baht: '000<br/>As at<br/>September 30,<br/>2014</b> |
|---------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Unrealized gain on the change in value of investment in available-for-sale securities | <u>2,442</u>                         | <u>-</u>                                                | <u>786</u>                                                                          | <u>3,228</u>                                           |
| Total                                                                                 | <u>2,442</u>                         | <u>-</u>                                                | <u>786</u>                                                                          | <u>3,228</u>                                           |

**19. OTHER LIABILITIES**

Other liabilities as at September 30, 2015 and December 31, 2014 consisted of the following:

|                                      | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|--------------------------------------|-----------------------------------------|-------------------------------------------------------|
| Other payable - promotion expense    | 12,447                                  | 11,797                                                |
| Amount received in advance - premium | 17,010                                  | 15,138                                                |
| Revenue Department payable           | 4,582                                   | 7,229                                                 |
| Undue output VAT                     | 2,342                                   | 2,869                                                 |
| Others                               | <u>16,011</u>                           | <u>18,842</u>                                         |
| Total other liabilities              | <u>52,392</u>                           | <u>55,875</u>                                         |

## 20. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

Underwriting information classified by type of insurance for the three-month and nine-month periods ended September 30, 2015 and 2014 was as follows:

|                                                            | For the three-month period ended September 30, 2015 |               |                |                      |                        | Baht: '000     |
|------------------------------------------------------------|-----------------------------------------------------|---------------|----------------|----------------------|------------------------|----------------|
|                                                            | Fire                                                | Marine        | Motor          | Personal<br>Accident | Other<br>miscellaneous | Total          |
| <b>Underwriting income</b>                                 |                                                     |               |                |                      |                        |                |
| Gross premiums written                                     | 149,655                                             | 90,945        | 263,252        | 103,597              | 242,333                | 849,782        |
| <u>Less</u> Premiums ceded                                 | 41,764                                              | 62,336        | 93,444         | 8,378                | 142,964                | 348,886        |
| Net premiums written                                       | 107,891                                             | 28,609        | 169,808        | 95,219               | 99,369                 | 500,896        |
| <u>(Add) Less</u> Unearned premium reserve                 | 2,773                                               | 1,077         | 14,753         | 5,095                | (314)                  | 23,384         |
| Net premium earned                                         | 105,118                                             | 27,532        | 155,055        | 90,124               | 99,683                 | 477,512        |
| Fee and commission income                                  | 9,605                                               | 16,364        | 32,247         | 1,842                | 26,751                 | 86,809         |
| Total underwriting income                                  | <u>114,723</u>                                      | <u>43,896</u> | <u>187,302</u> | <u>91,966</u>        | <u>126,434</u>         | <u>564,321</u> |
| <b>Underwriting expenses</b>                               |                                                     |               |                |                      |                        |                |
| Insurance claims and loss adjustment expenses (see Note 4) | 27,429                                              | 18,312        | 102,341        | 55,719               | 30,078                 | 233,879        |
| Commissions and brokerages expenses                        | 33,441                                              | 10,986        | 32,830         | 18,127               | 21,532                 | 116,916        |
| Other underwriting expenses                                | 21,405                                              | 7,297         | 40,477         | 15,885               | 20,825                 | 105,889        |
| Total underwriting expenses                                | <u>82,275</u>                                       | <u>36,595</u> | <u>175,648</u> | <u>89,731</u>        | <u>72,435</u>          | <u>456,684</u> |

|                                                            | For the three-month period ended September 30, 2014 |               |                |                      |                        | Baht: '000     |
|------------------------------------------------------------|-----------------------------------------------------|---------------|----------------|----------------------|------------------------|----------------|
|                                                            | Fire                                                | Marine        | Motor          | Personal<br>Accident | Other<br>miscellaneous | Total          |
| <b>Underwriting income</b>                                 |                                                     |               |                |                      |                        |                |
| Gross premiums written                                     | 146,069                                             | 103,341       | 231,380        | 89,493               | 249,926                | 820,209        |
| <u>Less</u> Premiums ceded                                 | 40,446                                              | 72,677        | 78,254         | 12,961               | 154,202                | 358,540        |
| Net premiums written                                       | 105,623                                             | 30,664        | 153,126        | 76,532               | 95,724                 | 461,669        |
| <u>(Add) Less</u> Unearned premium reserve                 | 11,181                                              | 2,854         | (31,607)       | 19,015               | 9,372                  | 10,815         |
| Net premium earned                                         | 94,442                                              | 27,810        | 184,733        | 57,517               | 86,352                 | 450,854        |
| Fee and commission income                                  | 9,987                                               | 20,123        | 26,963         | 2,801                | 28,769                 | 88,643         |
| Total underwriting income                                  | <u>104,429</u>                                      | <u>47,933</u> | <u>211,696</u> | <u>60,318</u>        | <u>115,121</u>         | <u>539,497</u> |
| <b>Underwriting expenses</b>                               |                                                     |               |                |                      |                        |                |
| Insurance claims and loss adjustment expenses (see Note 4) | 10,144                                              | 16,030        | 111,552        | 41,755               | 4,469                  | 183,950        |
| Commissions and brokerages expenses                        | 32,482                                              | 12,603        | 32,293         | 15,184               | 21,738                 | 114,300        |
| Other underwriting expenses                                | 13,059                                              | 7,925         | 32,803         | 17,828               | 20,863                 | 92,478         |
| Total underwriting expenses                                | <u>55,685</u>                                       | <u>36,558</u> | <u>176,648</u> | <u>74,767</u>        | <u>47,070</u>          | <u>390,728</u> |

Baht: '000

For the nine-month period ended September 30, 2015

|                                                            | Fire           | Marine         | Motor          | Personal<br>Accident | Other<br>miscellaneous | Total            |
|------------------------------------------------------------|----------------|----------------|----------------|----------------------|------------------------|------------------|
| <b>Underwriting income</b>                                 |                |                |                |                      |                        |                  |
| Gross premiums written                                     | 468,186        | 276,612        | 743,889        | 295,314              | 596,160                | 2,380,161        |
| <u>Less</u> Premiums ceded                                 | <u>142,559</u> | <u>193,277</u> | <u>264,231</u> | <u>32,285</u>        | <u>307,741</u>         | <u>940,093</u>   |
| Net premiums written                                       | 325,627        | 83,335         | 479,658        | 263,029              | 288,419                | 1,440,068        |
| <u>Less</u> Unearned premium reserve                       | <u>3,903</u>   | <u>553</u>     | <u>22,971</u>  | <u>5,866</u>         | <u>818</u>             | <u>34,111</u>    |
| Net premium earned                                         | 321,724        | 82,782         | 456,687        | 257,163              | 287,601                | 1,405,957        |
| Fee and commission income                                  | 37,112         | 52,411         | 91,106         | 7,869                | 73,078                 | 261,576          |
| Total underwriting income                                  | <u>358,836</u> | <u>135,193</u> | <u>547,793</u> | <u>265,032</u>       | <u>360,679</u>         | <u>1,667,533</u> |
| <b>Underwriting expenses</b>                               |                |                |                |                      |                        |                  |
| Insurance claims and loss adjustment expenses (see Note 4) | 95,072         | 33,660         | 291,843        | 144,408              | 103,159                | 668,142          |
| Commissions and brokerages expenses                        | 103,674        | 33,649         | 93,983         | 52,289               | 66,574                 | 350,169          |
| Other underwriting expenses                                | 55,844         | 23,424         | 110,261        | 54,812               | 55,439                 | 299,780          |
| Total underwriting expenses                                | <u>254,590</u> | <u>90,733</u>  | <u>496,087</u> | <u>251,509</u>       | <u>225,172</u>         | <u>1,318,091</u> |

Baht: '000

For the nine-month period ended September 30, 2014

|                                                            | Fire           | Marine         | Motor            | Personal<br>Accident | Other<br>miscellaneous | Total            |
|------------------------------------------------------------|----------------|----------------|------------------|----------------------|------------------------|------------------|
| <b>Underwriting income</b>                                 |                |                |                  |                      |                        |                  |
| Gross premiums written                                     | 452,761        | 290,498        | 696,327          | 258,905              | 600,293                | 2,298,784        |
| <u>Less</u> Premiums ceded                                 | <u>135,584</u> | <u>203,525</u> | <u>232,968</u>   | <u>44,879</u>        | <u>333,339</u>         | <u>950,295</u>   |
| Net premiums written                                       | 317,177        | 86,973         | 463,359          | 214,026              | 266,954                | 1,348,489        |
| <u>(Add) Less</u> Unearned premium reserve                 | <u>45,762</u>  | <u>2,838</u>   | <u>(154,893)</u> | <u>45,108</u>        | <u>13,402</u>          | <u>(47,783)</u>  |
| Net premium earned                                         | 271,415        | 84,135         | 618,252          | 168,918              | 253,552                | 1,396,272        |
| Fee and commission income                                  | 37,582         | 59,355         | 80,270           | 9,071                | 72,321                 | 258,599          |
| Total underwriting income                                  | <u>308,997</u> | <u>143,490</u> | <u>698,522</u>   | <u>177,989</u>       | <u>325,873</u>         | <u>1,654,871</u> |
| <b>Underwriting expenses</b>                               |                |                |                  |                      |                        |                  |
| Insurance claims and loss adjustment expenses (see Note 4) | 39,355         | 29,578         | 415,550          | 115,007              | (86,213)               | 513,277          |
| Commissions and brokerages expenses                        | 99,011         | 34,969         | 93,659           | 44,071               | 62,192                 | 333,902          |
| Other underwriting expenses                                | 34,582         | 23,100         | 95,189           | 54,083               | 65,813                 | 272,767          |
| Total underwriting expenses                                | <u>172,948</u> | <u>87,647</u>  | <u>604,398</u>   | <u>213,161</u>       | <u>41,792</u>          | <u>1,119,946</u> |

## 21. OPERATING EXPENSES

Operating expenses for the three-month and nine-month periods ended September 30, 2015 and 2014, consisted of the following:

|                                                                         | For the three-month              |               | For the nine-month               |                |
|-------------------------------------------------------------------------|----------------------------------|---------------|----------------------------------|----------------|
|                                                                         | periods ended September 30, 2015 | 2014          | periods ended September 30, 2015 | 2014           |
| Employee's expenses, excluded underwriting and loss adjustment expenses | 24,719                           | 26,653        | 72,998                           | 65,768         |
| Premises and equipment expense, excluded underwriting expenses          | 25,677                           | 24,243        | 77,635                           | 71,704         |
| Taxes and duties                                                        | 148                              | 66            | 1,381                            | 1,166          |
| Allowance for doubtful accounts (reverse)                               | -                                | 4             | (5,935)                          | 4              |
| Directors' remuneration                                                 | 994                              | 987           | 4,973                            | 4,949          |
| Management fee (see Note 24)                                            | 9,348                            | 7,928         | 28,275                           | 17,962         |
| Other operating expenses                                                | 12,857                           | 11,709        | 37,465                           | 41,674         |
| Total operating expenses                                                | <u>73,743</u>                    | <u>71,590</u> | <u>216,792</u>                   | <u>203,227</u> |

## 22. INCOME TAX EXPENSE

Income tax expense for the three-month and nine-month periods ended September 30, 2015 and 2014, consisted of the following:

|                                                                                         | For the three-month              |               | For the nine-month               |               |
|-----------------------------------------------------------------------------------------|----------------------------------|---------------|----------------------------------|---------------|
|                                                                                         | periods ended September 30, 2015 | 2014          | periods ended September 30, 2015 | 2014          |
| Income tax expense from taxable income per income tax return                            | 815                              | -             | 34,289                           | -             |
| Deferred tax expenses relating to the origination and reversal of temporary differences | 10,231                           | 28,702        | (145)                            | 93,048        |
| Income tax expense per the statements of comprehensive income                           | <u>11,046</u>                    | <u>28,702</u> | <u>34,144</u>                    | <u>93,048</u> |

The reconciliation between income tax expense and accounting income for the three-month and nine-month periods ended September 30, 2015 and 2014 was as follows:

|                                                               | For the three-month              |               | For the nine-month               |               |
|---------------------------------------------------------------|----------------------------------|---------------|----------------------------------|---------------|
|                                                               | periods ended September 30, 2015 | 2014          | periods ended September 30, 2015 | 2014          |
| Accounting income before tax                                  | 53,093                           | 87,545        | 174,670                          | 365,638       |
| Income tax at 20%                                             | 10,619                           | 17,509        | 34,934                           | 73,128        |
| Tax effect of non-deductible expenses (benefits)              | 427                              | 11,193        | (790)                            | 19,920        |
| Income tax expense per the statements of comprehensive income | <u>11,046</u>                    | <u>28,702</u> | <u>34,144</u>                    | <u>93,048</u> |



### 23. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month and nine-month periods ended September 30, 2015 and 2014 were as follows:

|                                  | For the three-month<br>periods ended September 30, |             | For the nine-month<br>periods ended September 30, |             |
|----------------------------------|----------------------------------------------------|-------------|---------------------------------------------------|-------------|
|                                  | 2015                                               | 2014        | 2015                                              | 2014        |
| Net profit (Baht : '000)         | 42,047                                             | 58,843      | 140,526                                           | 272,590     |
| Number of share capital (shares) | 180,000,000                                        | 180,000,000 | 180,000,000                                       | 180,000,000 |
| Basic earnings per share (Baht)  | 0.23                                               | 0.33        | 0.78                                              | 1.51        |

### 24. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business. Transactions with the related parties are mainly as follows:

The relationships between the Company and its related parties are summarized below:

| Companies                             | Relationship                           | Type of Business               |
|---------------------------------------|----------------------------------------|--------------------------------|
| Sri Ayudhya Capital Plc.              | Parent company                         | Holding Company                |
| Bank of Ayudhya Plc                   | Some common shareholders and directors | Banking                        |
| Krungsri Securities Plc.              | Some common shareholders and directors | Finance                        |
| Krungsri Asset Management Co., Ltd.   | Some common shareholders               | Fund Management                |
| Ayudhya Development Leasing Co., Ltd. | Some common shareholders               | Hire-purchase and leasing      |
| Siam City Cement Plc.                 | Some common shareholders and directors | Construction Materials         |
| Bangkok Broadcasting & T V. Co., Ltd  | Some common shareholders and directors | Television Business            |
| Great Luck Equity Co., Ltd.           | Some common shareholders               | Advertising                    |
| Super Asset Co., Ltd.                 | Some common shareholders               | Investment                     |
| BBTV Equity Co., Ltd                  | Some common shareholders               | Office Space Rental            |
| CKS Holding Co., Ltd.                 | Some common shareholders               | Investments                    |
| Allianz Ayudhya Assurance Plc.        | Some common shareholders and directors | Life Insurance                 |
| Grand Canal Land Plc                  | Some common shareholders               | Advertising                    |
| Ayudhya Asset Management Co., Ltd.    | Some common shareholders               | Asset Management               |
| Siam Realty and Service Co., Ltd.     | Some common shareholders               | Services                       |
| Ayudhya Capital Auto Lease Plc.       | Some common shareholders               | Hire-purchase and auto leasing |
| Krungsriayudhya Card Co., Ltd.        | Some common shareholders               | Services                       |
| Eastern Star Real Estate Plc.         | Some common shareholders and directors | Property                       |

Significant balances and transactions were as follows:

|                                               | As at<br>September 30,<br>2015 | Baht: '000<br>As at<br>December 31,<br>2014 |
|-----------------------------------------------|--------------------------------|---------------------------------------------|
| Deposits at bank                              |                                |                                             |
| Bank of Ayudhya Plc.                          | 671,245                        | 706,755                                     |
| Premium due and uncollected                   |                                |                                             |
| Bank of Ayudhya Plc.                          | 1,719                          | 446                                         |
| Krungsri Asset Management Co., Ltd.           | 29                             | -                                           |
| Ayudhya Development Leasing Co., Ltd.         | 6                              | (7)                                         |
| Siam City Cement Plc.                         | 1,260                          | 227                                         |
| Bangkok Broadcasting & T.V. Co., Ltd.         | 144                            | 383                                         |
| CKS Holding Ltd.                              | -                              | 90                                          |
| Allianz Ayudhya Assurance Plc.                | -                              | 37                                          |
| BBTV Equity Co., Ltd.                         | -                              | 26                                          |
| Grand Canal Land Plc.                         | -                              | 312                                         |
| Siam Realty and Services Co., Ltd.            | 651                            | 70                                          |
| Ayudhya Capital Auto Lease Plc.               | 128                            | -                                           |
| Krungsriayudhya Card Co., Ltd.                | 823                            | 233                                         |
| Eastern Star Real Estate Plc.                 | 713                            | 40                                          |
|                                               | <u>5,473</u>                   | <u>1,857</u>                                |
| Accrued interest income                       |                                |                                             |
| Bank of Ayudhya Plc.                          | 1,354                          | 1,676                                       |
| Rental and facilities deposits                |                                |                                             |
| BBTV Equity Co., Ltd.                         | 4,271                          | 4,516                                       |
| Premium written received in advance           |                                |                                             |
| Bank of Ayudhya Plc.                          | 11,915                         | 13,404                                      |
| Accrued expense - custodian fee               |                                |                                             |
| Bank of Ayudhya Plc.                          | 16                             | 12                                          |
| Accrued expense - commission and brokerage    |                                |                                             |
| Bank of Ayudhya Plc.                          | 15,597                         | 12,957                                      |
| Accrued expense - other underwriting expenses |                                |                                             |
| Bank of Ayudhya Plc.                          | 11,408                         | 10,085                                      |
| Accrued expense                               |                                |                                             |
| Sri Ayudhya Capital Plc.                      | 12,498                         | 13,848                                      |

|                                       | Baht: '000                  |               |                             |                |
|---------------------------------------|-----------------------------|---------------|-----------------------------|----------------|
|                                       | For the three-month         |               | For the nine-month          |                |
|                                       | periods ended September 30, |               | periods ended September 30, |                |
|                                       | 2015                        | 2014          | 2015                        | 2014           |
| Premium written                       |                             |               |                             |                |
| Bank of Ayudhya Plc.                  | 2,612                       | 2,440         | 18,398                      | 23,022         |
| Krungsri Securities Plc.              | (2)                         | -             | 3                           | 5              |
| Krungsri Asset Management Co., Ltd.   | 40                          | 42            | 1,303                       | 1,305          |
| Ayudhya Development Leasing Co., Ltd. | 5                           | 182           | 93                          | 2,926          |
| Siam City Cement Plc.                 | 67,624                      | 76,776        | 69,740                      | 80,138         |
| Bangkok Broadcasting & T.V. Co., Ltd. | 2,870                       | 2,974         | 9,688                       | 8,853          |
| Great Luck Equity Co., Ltd.           | -                           | -             | 86                          | 22             |
| Super Assets Co., Ltd.                | -                           | -             | 61                          | 61             |
| BBTV Equity Co., Ltd.                 | 24                          | 21            | 48                          | 78             |
| Allianz Ayudhya Assurance Plc.        | 1                           | -             | 501                         | 608            |
| Ayudhya Asset Management Co., Ltd.    | -                           | -             | 452                         | 755            |
| Siam Realty and Services Co., Ltd.    | 724                         | 771           | 1,447                       | 1,049          |
| Ayudhya Capital Auto Lease Plc.       | (84)                        | 32            | 148                         | 32             |
| Krungsriayudhya Card Co., Ltd.        | 766                         | -             | 766                         | 156            |
| Eastern Star Real Estate Plc.         | 745                         | -             | 851                         | -              |
|                                       | <u>75,325</u>               | <u>83,238</u> | <u>103,585</u>              | <u>119,010</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         |       | For the nine-month          |       |
|                      | periods ended September 30, |       | periods ended September 30, |       |
|                      | 2015                        | 2014  | 2015                        | 2014  |
| Interest income      |                             |       |                             |       |
| Bank of Ayudhya Plc. | 861                         | 1,190 | 3,082                       | 5,008 |

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

|                          | Baht: '000                  |      |                             |      |
|--------------------------|-----------------------------|------|-----------------------------|------|
|                          | For the three-month         |      | For the nine-month          |      |
|                          | periods ended September 30, |      | periods ended September 30, |      |
|                          | 2015                        | 2014 | 2015                        | 2014 |
| Other income             |                             |      |                             |      |
| Sri Ayudhya Capital Plc. | 120                         | -    | 360                         | -    |

The Company enters into a management service agreement with the parent company for providing about services of personnel, internal audit and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the parent company.

|                             | For the three-month periods ended September 30, |        | For the nine-month periods ended September 30, |         |
|-----------------------------|-------------------------------------------------|--------|------------------------------------------------|---------|
|                             | 2015                                            | 2014   | 2015                                           | 2014    |
| Commissions and brokerages  |                                                 |        |                                                |         |
| Bank of Ayudhya Plc.        | 46,044                                          | 42,181 | 128,194                                        | 128,900 |
| Other underwriting expenses |                                                 |        |                                                |         |
| Bank of Ayudhya Plc.        | 28,364                                          | 22,748 | 75,283                                         | 58,874  |

The Company paid commission and brokerage and other underwriting expenses as specified in the Bancassurance Agreement was made between the Company and such related bank. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Company has offered to other insurance broker companies.

|                      | For the three-month periods ended September 30, |      | For the nine-month periods ended September 30, |      |
|----------------------|-------------------------------------------------|------|------------------------------------------------|------|
|                      | 2015                                            | 2014 | 2015                                           | 2014 |
| Custodian fee        |                                                 |      |                                                |      |
| Bank of Ayudhya Plc. | 49                                              | 47   | 128                                            | 134  |

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

|                                        | For the three-month periods ended September 30, |       | For the nine-month periods ended September 30, |        |
|----------------------------------------|-------------------------------------------------|-------|------------------------------------------------|--------|
|                                        | 2015                                            | 2014  | 2015                                           | 2014   |
| Rental and service fees                |                                                 |       |                                                |        |
| BBTV Equity Co., Ltd.                  | 4,437                                           | 4,343 | 13,311                                         | 12,183 |
| Management fee                         |                                                 |       |                                                |        |
| Sri Ayudhya Capital Plc. (see Note 21) | 9,348                                           | 7,928 | 28,275                                         | 17,962 |

The Company has office rental, equipment rental and service agreements with related companies for a term of 3 years. Rental rates and conditions are the same as the related parties offer to other companies.

The Company enters into a management service agreement with the parent company for receiving managerial and administrative services of accounting. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

## 25. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and nine-month periods ended September 30, 2015 and 2014, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

|                                                       | For the three-month periods |              | For the nine-month                  |               |
|-------------------------------------------------------|-----------------------------|--------------|-------------------------------------|---------------|
|                                                       | ended September 30,<br>2015 | 2014         | periods ended September 30,<br>2015 | 2014          |
|                                                       | Baht                        | Baht         | Baht                                | Baht          |
| Directors and key management personnel's remuneration |                             |              |                                     |               |
| Short-term benefits                                   | 7,854                       | 9,831        | 22,103                              | 21,402        |
| Post-employment benefits                              | 319                         | (84)         | 958                                 | 1,326         |
| Directors' remuneration                               | 186                         | 185          | 907                                 | 907           |
|                                                       | <u>8,359</u>                | <u>9,932</u> | <u>23,968</u>                       | <u>23,635</u> |

Directors' remunerations for the years of 2015 and 2014 were approved by the ordinary shareholders' meeting of the Company held on April 9, 2015 and March 21, 2014, respectively.

## 26. DEPOSITS WITH THE REGISTRAR

As at September 30, 2015 and December 31, 2014, certain investment in securities of the Company were deposited with the Registrar (see Note 8) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2552" as follows:

|                                            | Baht: '000                     |                               |
|--------------------------------------------|--------------------------------|-------------------------------|
|                                            | As at<br>September 30,<br>2015 | As at<br>December 31,<br>2014 |
| Government and state enterprise securities | 256,374                        | 259,342                       |
| Deposits at banks                          | 14,000                         | 14,000                        |
| Total deposits with the Registrar          | <u>270,374</u>                 | <u>273,342</u>                |

## 27. BACKUP ASSETS

As at September 30, 2015 and December 31, 2014, the Company has deposited certain investment in securities with bank used for the Company's backup assets (see Note 8) according to the Notification of the Office of Insurance Commission regarding "Asset allocation for liabilities and commitment of insurance contract and asset deposition at financial institution". The backup assets were as follows:

|                                            | <b>As at<br/>September 30,<br/>2015</b> | <b>Baht: '000<br/>As at<br/>December 31,<br/>2014</b> |
|--------------------------------------------|-----------------------------------------|-------------------------------------------------------|
| Government and state enterprise securities | 115,894                                 | 116,417                                               |
| Government securities - treasury bills     | 1,499,651                               | 999,619                                               |
| Unit trusts                                | -                                       | 38,475                                                |
| Deposits at bank                           | 225,102                                 | 224,187                                               |
| Equity securities                          | 1,161                                   | 1,161                                                 |
| Total backup assets                        | <u>1,841,808</u>                        | <u>1,379,859</u>                                      |

## 28. CONTINGENT LIABILITIES AND COMMITMENT

28.1 As at September 30, 2015 and December 31, 2014, lawsuits have been brought against the Company, as insurer, from which the Company estimated losses totaling Baht 127.26 million and Baht 12.23 million, respectively. The Company's management believes that such estimation is adequate to losses and does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts, that would be material to the Company's operating results.

28.2 As at September 30, 2015 and December 31, 2014, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 11.67 million and Baht 13.59 million, respectively.

## 29. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at September 30, 2015 and December 31, 2014 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 September 30, 2015</b> |                   |                        |                                                 |
| Building                        |                   |                        |                                                 |
| - related company               | 5,325             | 4,626                  | 9,951                                           |
| - others                        | 2,775             | 6,765                  | 9,540                                           |
| Service - related company       | 5,280             | 4,574                  | 9,854                                           |
| Equipment - related company     | 7,041             | 6,099                  | 13,140                                          |
|                                 | <u>20,421</u>     | <u>22,064</u>          | <u>42,485</u>                                   |
| <b>As at December 31, 2014</b>  |                   |                        |                                                 |
| Building                        |                   |                        |                                                 |
| - related company               | 5,325             | 8,619                  | 13,944                                          |
| - others                        | 3,008             | 5,539                  | 8,547                                           |
| Service - related company       | 5,280             | 8,534                  | 13,814                                          |
| Equipment - related company     | 7,041             | 11,380                 | 18,421                                          |
|                                 | <u>20,654</u>     | <u>34,072</u>          | <u>54,726</u>                                   |

For the three-month and nine-month periods ended September 30, 2015 and 2014, the Company recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follow:

|                         | For the three-month periods ended September 30, |       | For the nine-month periods ended September 30, |        |
|-------------------------|-------------------------------------------------|-------|------------------------------------------------|--------|
|                         | 2015                                            | 2014  | 2015                                           | 2014   |
| Rental and service fees | 6,521                                           | 6,079 | 19,186                                         | 17,770 |

## 30. 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 as at September 30, 2015<br>(Baht : '000) | Fair value hierarchy | Valuation techniques and key inputs                                                                                                |
|--------------------------------------------|------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Government and state enterprise securities | 372,268                                              | 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 |
| Unit trusts                                | 11,096                                               | Level 2              | The unit trust's net asset value of the last working day of the reporting period                                                   |

### 31. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the Management of the company. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard.

The Company has four reportable segments, which represent the major products that the Company underwrites and consists of fire, marine, motor and miscellaneous.

The Company is only operated and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the three-month and nine-month periods ended September 30, 2015 and 2014, 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 nine-month periods ended September 30, 2015 and 2014 were as follows:

|                                               | For the three-month period ended September 30, 2015 |        |         |               | Baht: '000 |
|-----------------------------------------------|-----------------------------------------------------|--------|---------|---------------|------------|
|                                               | Fire                                                | Marine | Motor   | Miscellaneous | Total      |
| <b>Underwriting income</b>                    |                                                     |        |         |               |            |
| Gross premiums written                        | 149,655                                             | 90,945 | 263,252 | 345,930       | 849,782    |
| <u>Less</u> Premiums ceded                    | 41,764                                              | 62,336 | 93,444  | 151,342       | 348,886    |
| Net premiums written                          | 107,891                                             | 28,609 | 169,808 | 194,588       | 500,896    |
| <u>Less</u> Unearned premium reserve          | 2,773                                               | 1,077  | 14,753  | 4,781         | 23,384     |
| Net premium earned                            | 105,118                                             | 27,532 | 155,055 | 189,807       | 477,512    |
| Fee and commission income                     | 9,605                                               | 16,364 | 32,247  | 28,593        | 86,809     |
| Total underwriting income                     | 114,723                                             | 43,896 | 187,302 | 218,400       | 564,321    |
| <b>Underwriting expenses</b>                  |                                                     |        |         |               |            |
| Insurance claims and loss adjustment expenses | 27,429                                              | 18,312 | 102,341 | 85,797        | 233,879    |
| Commissions and brokerages expenses           | 33,441                                              | 10,986 | 32,830  | 39,659        | 116,916    |
| Other underwriting expenses                   | 21,405                                              | 7,297  | 40,477  | 36,710        | 105,889    |
| Total underwriting expenses                   | 82,275                                              | 36,595 | 175,648 | 162,166       | 456,684    |
| <b>Profit on underwriting before</b>          |                                                     |        |         |               |            |
| <b>operating expenses</b>                     | 32,448                                              | 7,301  | 11,654  | 56,234        | 107,637    |
| <b>Operating expenses</b>                     |                                                     |        |         |               | 73,743     |
| <b>Profit on underwriting</b>                 |                                                     |        |         |               | 33,894     |



|                                                         | For the three-month period ended September 30, 2014 |         |          |               | Baht: '000 |
|---------------------------------------------------------|-----------------------------------------------------|---------|----------|---------------|------------|
|                                                         | Fire                                                | Marine  | Motor    | Miscellaneous | Total      |
| <b>Underwriting income</b>                              |                                                     |         |          |               |            |
| Gross premiums written                                  | 146,069                                             | 103,341 | 231,380  | 339,419       | 820,209    |
| <u>Less</u> Premiums ceded                              | 40,446                                              | 72,677  | 78,254   | 167,163       | 358,540    |
| Net premiums written                                    | 105,623                                             | 30,664  | 153,126  | 172,256       | 461,669    |
| <u>(Add) Less</u> Unearned premium reserve              | 11,181                                              | 2,854   | (31,607) | 28,387        | 10,815     |
| Net premium earned                                      | 94,442                                              | 27,810  | 184,733  | 143,869       | 450,854    |
| Fee and commission income                               | 9,987                                               | 20,123  | 26,963   | 31,570        | 88,643     |
| Total underwriting income                               | 104,429                                             | 47,933  | 211,696  | 175,439       | 539,497    |
| <b>Underwriting expenses</b>                            |                                                     |         |          |               |            |
| Insurance claims and loss adjustment expenses           | 10,144                                              | 16,030  | 111,552  | 46,224        | 183,950    |
| Commissions and brokerages expenses                     | 32,482                                              | 12,603  | 32,293   | 36,922        | 114,300    |
| Other underwriting expenses                             | 13,059                                              | 7,925   | 32,803   | 38,691        | 92,478     |
| Total underwriting expenses                             | 55,685                                              | 36,558  | 176,648  | 121,837       | 390,728    |
| <b>Profit on underwriting before operating expenses</b> | 48,744                                              | 11,375  | 35,048   | 53,602        | 148,769    |
| <b>Operating expenses</b>                               |                                                     |         |          |               | 71,590     |
| <b>Profit on underwriting</b>                           |                                                     |         |          |               | 77,179     |

|                                                         | For the nine-month period ended September 30, 2015 |         |         |               | Baht: '000 |
|---------------------------------------------------------|----------------------------------------------------|---------|---------|---------------|------------|
|                                                         | Fire                                               | Marine  | Motor   | Miscellaneous | Total      |
| <b>Underwriting income</b>                              |                                                    |         |         |               |            |
| Gross premiums written                                  | 468,186                                            | 276,612 | 743,889 | 891,474       | 2,380,161  |
| <u>Less</u> Premiums ceded                              | 142,559                                            | 193,277 | 264,231 | 340,026       | 940,093    |
| Net premiums written                                    | 325,627                                            | 83,335  | 479,658 | 551,448       | 1,440,068  |
| <u>Less</u> Unearned premium reserve                    | 3,903                                              | 553     | 22,971  | 6,684         | 34,111     |
| Net premium earned                                      | 321,724                                            | 82,782  | 456,687 | 544,764       | 1,405,957  |
| Fee and commission income                               | 37,112                                             | 52,411  | 91,106  | 80,947        | 261,576    |
| Total underwriting income                               | 358,836                                            | 135,193 | 547,793 | 625,711       | 1,667,533  |
| <b>Underwriting expenses</b>                            |                                                    |         |         |               |            |
| Insurance claims and loss adjustment expenses           | 95,072                                             | 33,660  | 291,843 | 247,567       | 668,142    |
| Commissions and brokerages expenses                     | 103,674                                            | 33,649  | 93,983  | 118,863       | 350,169    |
| Other underwriting expenses                             | 55,844                                             | 23,424  | 110,261 | 110,251       | 299,780    |
| Total underwriting expenses                             | 254,590                                            | 90,733  | 496,087 | 476,681       | 1,318,091  |
| <b>Profit on underwriting before operating expenses</b> | 104,246                                            | 44,460  | 51,706  | 149,030       | 349,442    |
| <b>Operating expenses</b>                               |                                                    |         |         |               | 216,792    |
| <b>Profit on underwriting</b>                           |                                                    |         |         |               | 132,650    |

|                                                         | For the nine-month period ended September 30, 2014 |                |                  |                | Baht: '000            |
|---------------------------------------------------------|----------------------------------------------------|----------------|------------------|----------------|-----------------------|
|                                                         | Fire                                               | Marine         | Motor            | Miscellaneous  | Total                 |
| <b>Underwriting income</b>                              |                                                    |                |                  |                |                       |
| Gross premiums written                                  | 452,761                                            | 290,498        | 696,327          | 859,198        | 2,298,784             |
| <u>Less</u> Premiums ceded                              | <u>135,584</u>                                     | <u>203,525</u> | <u>232,968</u>   | <u>378,218</u> | <u>950,295</u>        |
| Net premiums written                                    | 317,177                                            | 86,973         | 463,359          | 480,980        | 1,348,489             |
| <u>(Add) Less</u> Unearned premium reserve              | <u>45,762</u>                                      | <u>2,838</u>   | <u>(154,893)</u> | <u>58,510</u>  | <u>(47,783)</u>       |
| Net premium earned                                      | 271,415                                            | 84,135         | 618,252          | 422,470        | 1,396,272             |
| Fee and commission income                               | 37,582                                             | 59,355         | 80,270           | 81,392         | 258,599               |
| Total underwriting income                               | <u>308,997</u>                                     | <u>143,490</u> | <u>698,522</u>   | <u>503,862</u> | <u>1,654,871</u>      |
| <b>Underwriting expenses</b>                            |                                                    |                |                  |                |                       |
| Insurance claims and loss adjustment expenses           | 39,355                                             | 29,578         | 415,550          | 28,794         | 513,277               |
| Commissions and brokerages expenses                     | 99,011                                             | 34,969         | 93,659           | 106,263        | 333,902               |
| Other underwriting expenses                             | 34,582                                             | 23,100         | 95,189           | 119,896        | 272,767               |
| Total underwriting expenses                             | <u>172,948</u>                                     | <u>87,647</u>  | <u>604,398</u>   | <u>254,953</u> | <u>1,119,946</u>      |
| <b>Profit on underwriting before operating expenses</b> | <u>136,049</u>                                     | <u>55,843</u>  | <u>94,124</u>    | <u>248,909</u> | <u>534,925</u>        |
| Operating expenses                                      |                                                    |                |                  |                | <u>203,227</u>        |
| <b>Profit on underwriting</b>                           |                                                    |                |                  |                | <u><u>331,698</u></u> |

### 32. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on November 6, 2015.