
*SRI AYUDHYA CAPITAL PUBLIC COMPANY
LIMITED AND SUBSIDIARY*

Interim Financial Statements

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS
SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Sri Ayudhya Capital Public Company Limited and its subsidiary and the separate statement of financial position of Sri Ayudhya Capital Public Company Limited as at June 30, 2016, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2016, changes in equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

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



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

BANGKOK
August 11, 2016

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

Baht: '000

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		“Unaudited”	“Restated”		“Unaudited”	“Restated”	
		As at June 30, 2016	As at December 31, 2015	As at January 1, 2015	As at June 30, 2016	As at December 31, 2015	As at January 1, 2015
ASSETS							
Cash and cash equivalents	6	1,491,717	1,065,246	1,368,953	71,699	74,212	37,540
Premium due and uncollected - net	7	225,715	287,006	292,975	-	-	-
Accrued investment income	12.2	388,596	13,633	15,072	376,837	2,579	4,772
Reinsurance assets	8	884,275	992,160	1,089,420	-	-	-
Due from reinsurers	9	90,752	193,115	394,578	-	-	-
Investments							
Investment in securities	10	4,370,985	4,655,982	4,691,757	2,151,758	2,332,148	2,843,556
Loans	11	293	579	1,378	18	29	50
Investment in an associate	12	3,711,568	2,944,764	2,717,156	1,487,264	1,487,264	1,487,264
Investment in a subsidiary	12	-	-	-	1,823,579	1,823,579	1,823,579
Premises and equipment - net	13	63,809	75,311	55,125	2,896	11,397	10,126
Intangible assets - net		78,416	83,674	88,237	-	-	-
Deferred tax assets	14	198,905	225,920	211,227	14,128	47,145	9,418
Deferred commissions expenses		59,815	55,618	59,836	-	-	-
Other assets		44,720	68,251	46,230	19,566	25,135	19,266
TOTAL ASSETS		11,609,566	10,661,259	11,031,944	5,947,745	5,803,488	6,235,571

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2016

Baht: '000

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		“Unaudited”	“Restated”		“Unaudited”	“Restated”	
		As at June 30, 2016	As at December 31, 2015	As at January 1, 2015	As at June 30, 2016	As at December 31, 2015	As at January 1, 2015
LIABILITIES AND EQUITY							
Insurance contract liabilities	15	2,209,624	2,401,124	2,586,859	-	97,875	94,778
Due to reinsurers	16	690,652	633,352	795,480	-	-	-
Income tax payable		18,475	20,061	268,869	-	3,136	262,718
Employee benefit obligations		75,002	72,833	60,975	7,405	9,787	4,600
Premium written received in advance		319,855	305,256	334,883	-	-	-
Commissions and brokerages payables		54,325	61,587	62,711	-	-	-
Accrued expenses		35,290	66,405	85,377	13,927	20,255	22,390
Other liabilities		85,246	70,981	60,050	1,205	3,157	4,175
TOTAL LIABILITIES		3,488,469	3,631,599	4,255,204	22,537	134,210	388,661
EQUITY							
Share capital							
Authorized share capital							
500,000,000 ordinary shares of							
Baht 1.00 each							
		500,000	500,000	500,000	500,000	500,000	500,000
Issued and paid-up share capital							
250,000,000 ordinary shares of							
Baht 1.00 each							
		250,000	250,000	250,000	250,000	250,000	250,000
Premium on share capital		3,512,184	3,512,184	3,512,184	3,512,184	3,512,184	3,512,184
Retained earnings							
Appropriated							
Statutory reserve							
		50,000	50,000	50,000	50,000	50,000	50,000
Unappropriated							
		2,645,132	2,519,163	2,466,340	2,182,165	1,978,320	2,011,671
Other components of equity		1,663,781	698,313	498,216	(69,141)	(121,226)	23,055
TOTAL EQUITY		8,121,097	7,029,660	6,776,740	5,925,208	5,669,278	5,846,910
TOTAL LIABILITIES AND EQUITY		11,609,566	10,661,259	11,031,944	5,947,745	5,803,488	6,235,571

See condensed notes to financial statements

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

Baht : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Restated”			
		2016	2015	2016	2015
Revenues					
Gross premium written		745,253	732,887	-	-
<u>Less</u> Premium ceded		270,996	281,259	-	-
Net premium written		474,257	451,628	-	-
<u>(Add)</u> Unearned premium reserve decrease from previous period		(10,925)	(15,300)	-	-
Net premium earned		485,182	466,928	-	-
Fee and commission income		77,331	82,659	-	-
Net investment income	12.2	24,412	24,581	386,615	9,714
Gain on investment in securities		2,407	11,677	2,407	11,677
Share of profit of investment in an associate	12.1	116,660	124,788	-	-
Other income		595	1,467	7,001	9,468
Total revenues		706,587	712,100	396,023	30,859
Expenses					
Loss incurred		263,829	360,046	-	-
<u>Less</u> Loss refundable from reinsurers		42,622	133,331	-	-
Commissions and brokerages expenses		109,886	109,932	-	-
Other underwriting expenses		113,821	101,164	-	-
Operating expenses		83,238	85,148	19,515	22,620
Total expenses		528,152	522,959	19,515	22,620
Income before income tax expense		178,435	189,141	376,508	8,239
Income tax expense	14	12,458	11,613	501	225
Net income		<u>165,977</u>	<u>177,528</u>	<u>376,007</u>	<u>8,014</u>
Other comprehensive income (loss)					
Items that will be reclassified subsequently to profit or loss					
Changes in fair value of available-for-sale securities		5,920	5,215	7,790	5,021
Share of other comprehensive income of an associate	12.1	(271,744)	(234,874)	-	-
Income tax relating to items that will be reclassified subsequently		53,035	45,932	(1,558)	(1,004)
Other comprehensive income (loss) for the periods, net of income tax		(212,789)	(183,727)	6,232	4,017
Total comprehensive income (loss) for the periods		<u>(46,812)</u>	<u>(6,199)</u>	<u>382,239</u>	<u>12,031</u>
Earnings per share					
Basic earnings per share	17 Baht	0.66	0.71	1.50	0.03

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
“UNAUDITED”

Baht : '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Restated”			
		2016	2015	2016	2015
Revenues					
Gross premium written		1,562,980	1,530,379	-	-
<u>Less</u> Premium ceded		572,823	591,207	-	-
Net premium written		990,157	939,172	-	-
<u>Less</u> Unearned premium reserve increase from previous period		26,657	10,727	-	-
Net premium earned		963,500	928,445	-	-
Fee and commission income		165,677	174,767	-	-
Net investment income	12.2	44,459	70,289	396,061	42,073
Gain on investment in securities		2,920	33,203	2,920	33,203
Share of profit of investment in an associate	12.1	226,100	269,169	-	-
Other income	15.1.1	101,323	2,955	117,037	19,201
Total revenues		<u>1,503,979</u>	<u>1,478,828</u>	<u>516,018</u>	<u>94,477</u>
Expenses					
Loss incurred		612,852	709,403	-	-
<u>Less</u> Loss refundable from reinsurers		169,914	275,140	-	-
Commissions and brokerages expenses		235,511	233,253	-	-
Other underwriting expenses		234,002	202,207	-	-
Operating expenses		178,075	175,513	42,178	51,631
Total expenses		<u>1,090,526</u>	<u>1,045,236</u>	<u>42,178</u>	<u>51,631</u>
Income before income tax expense		413,453	433,592	473,840	42,846
Income tax expense	14	37,484	25,081	19,995	1,983
Net income		<u>375,969</u>	<u>408,511</u>	<u>453,845</u>	<u>40,863</u>
Other comprehensive income (loss)					
Items that will be reclassified subsequently to profit or loss					
Changes in fair value of available-for-sale securities		63,134	(19,958)	65,106	(22,918)
Share of other comprehensive income of an associate	12.1	1,144,386	(149,883)	-	-
Income tax relating to items that will be reclassified subsequently		(242,052)	33,969	(13,021)	4,584
Other comprehensive income (loss) for the periods, net of income tax		<u>965,468</u>	<u>(135,872)</u>	<u>52,085</u>	<u>(18,334)</u>
Total comprehensive income for the periods		<u>1,341,437</u>	<u>272,639</u>	<u>505,930</u>	<u>22,529</u>
Earnings per share					
Basic earnings per share	17 Baht	1.50	1.63	1.82	0.16

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

“UNAUDITED”

Baht: '000

Notes	Other components of equity									
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Surplus (deficit) on available-for-sale securities	Share of other comprehensive income of an associate	Total other components of equity	Total		Total
Appropriated Statutory reserve			Unappropriated	Other comprehensive income						
	250,000	3,512,184	50,000	2,466,340	36,794	461,422	498,216			6,776,740
Beginning balance as at January 1, 2015	-	-	-	408,511	(15,966)	(119,906)	(135,872)			272,639
Comprehensive income	-	-	-	(375,000)	-	-	-			(375,000)
Dividends paid	250,000	3,512,184	50,000	2,499,851	20,828	341,516	362,344			6,674,379
Ending balance as at June 30, 2015										
	250,000	3,512,184	50,000	2,519,163	(115,308)	813,621	698,313			7,029,660
Beginning balance as at January 1, 2016	-	-	-	375,969	50,507	914,961	965,468			1,341,437
Comprehensive income	-	-	-	(250,000)	-	-	-			(250,000)
Dividends paid	250,000	3,512,184	50,000	2,645,132	(64,801)	1,728,582	1,663,781			8,121,097
Ending balance as at June 30, 2016										

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

“UNAUDITED”

Baht: '000

Notes	Other components of equity						Total
	Issued and paid-up share capital	Premium on share capital	Retained earnings	Surplus (deficit) on available-for-sale securities	Other components of equity	Total	
			Appropriated	Unappropriated			
			Statutory reserve				
Beginning balance as at January 1, 2015	250,000	3,512,184	50,000	2,011,671	23,055	23,055	5,846,910
Comprehensive income	-	-	-	40,863	(18,334)	(18,334)	22,529
Dividends paid	-	-	-	(375,000)	-	-	(375,000)
Ending balance as at June 30, 2015	250,000	3,512,184	50,000	1,677,534	4,721	4,721	5,494,439
Beginning balance as at January 1, 2016	250,000	3,512,184	50,000	1,978,320	(121,226)	(121,226)	5,669,278
Comprehensive income	-	-	-	453,845	52,085	52,085	505,930
Dividends paid	-	-	-	(250,000)	-	-	(250,000)
Ending balance as at June 30, 2016	250,000	3,512,184	50,000	2,182,165	(69,141)	(69,141)	5,925,208

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
“UNAUDITED”

Baht : '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	“Restated”			“Restated”
	2016	2015	2016	2015
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Direct premium received	1,618,862	1,524,457	-	-
Cash received (paid) from reinsurance	(64,717)	113,549	-	-
Interest income	24,697	29,020	3,229	5,443
Dividend income	19,679	39,591	19,663	38,725
Other income	1,276	1,819	19,332	19,497
Loss incurred from direct insurance	(622,460)	(547,590)	-	-
Commission and brokerage paid from direct insurance	(243,003)	(233,229)	-	-
Other underwriting expenses	(229,783)	(197,093)	-	-
Operating expenses	(157,440)	(197,316)	(49,474)	(59,472)
Income tax expense	(25,294)	(274,733)	(3,747)	(263,334)
Investment in securities	345,932	14	242,343	596,166
Deposits at financial institutions with maturity over 3 months and deposits used as collateral	(489)	76,641	-	77,339
Loans	286	501	11	10
Cash received from subscriptions receivable	9,268	1,570	9,268	1,570
Net cash provided by operating activities	<u>676,814</u>	<u>337,201</u>	<u>240,625</u>	<u>415,944</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES				
CASH FLOWS PROVIDED BY				
Premises and equipment	11,436	3,081	6,863	1,118
Cash provided by investing activities	<u>11,436</u>	<u>3,081</u>	<u>6,863</u>	<u>1,118</u>
CASH FLOWS USED IN				
Premises and equipment	(9,956)	(15,914)	(1)	-
Intangible assets	(1,823)	(5,004)	-	-
Cash used in investing activities	<u>(11,779)</u>	<u>(20,918)</u>	<u>(1)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(343)</u>	<u>(17,837)</u>	<u>6,862</u>	<u>1,118</u>
CASH FLOWS USED IN FINANCING ACTIVITIES				
Dividends paid	(250,000)	(375,000)	(250,000)	(375,000)
Net cash used in financing activities	<u>(250,000)</u>	<u>(375,000)</u>	<u>(250,000)</u>	<u>(375,000)</u>
Net increase (decrease) in cash and cash equivalents	426,471	(55,636)	(2,513)	42,062
Cash and cash equivalents as at January 1,	1,065,246	1,368,953	74,212	37,540
Cash and cash equivalents as at June 30,	<u><u>1,491,717</u></u>	<u><u>1,313,317</u></u>	<u><u>71,699</u></u>	<u><u>79,602</u></u>

See condensed notes to financial statements

**SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONDENSED NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2016
“UNAUDITED”**

1. GENERAL INFORMATION AND OPERATION OF THE COMPANY AND ITS SUBSIDIARY

1.1 The Company

Sri Ayudhya Capital Public Company Limited (“the Company”) was registered in The Stock Exchange of Thailand. The main business is an investment holding company. The head office is located at Ploenchit Tower, 7th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The Company has a subsidiary company, Sri Ayudhya General Insurance Public Company Limited which operates non-life insurance business, holding by 99.99%.

1.2 The subsidiary

Sri Ayudhya General Insurance Public Company Limited (“subsidiary”) is a limited company incorporated in Thailand on September 21, 1982. The main business is non-life insurance and the subsidiary was awarded its license to operate all classes of non-life insurance on September 24, 1982 and the subsidiary has registered to be Public Company Limited on October 3, 2011. The subsidiary’s office was registered at Ploenchit Tower, 18th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

2. BASIS FOR PREPARATION OF THE INTERIM CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2015) “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business B.E. 2559 dated March 4, 2016. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission. The adoption of the new Notification had a material effect on the classification of comparative financial information as disclosed in Note 3.

2.2 These interim consolidated financial statements include the financial statements of Sri Ayudhya Capital Public Company Limited and Sri Ayudhya General Insurance Public Company Limited which 99.99% owned by the Company (see Note 12). Significant transactions and balances between the Company and its subsidiary have been eliminated.

The accounting period and significant accounting policies used for the financial statements of the subsidiary is the same as those of the Company.

- 2.3 The consolidated and separate statements of financial position as at December 31, 2015, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.4 The unaudited results of operations are presented in the three-month and six-month periods ended June 30, 2016 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.5 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and six-month periods ended June 30, 2016 should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

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

3.1 Adoption of new and revised Thai Financial Reporting Standards

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

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

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

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

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

	Baht: '000			
	As at December 31, 2015		As at January 1, 2015	
	As reclassified	As previous reported	As reclassified	As previous reported
Consolidated statements of financial position				
Assets:				
Premium due and uncollected	287,006	293,825	292,975	305,664
Reinsurance assets	992,160	1,140,299	1,089,420	1,426,547
Due from reinsurers	193,115	-	394,578	-
Investment in securities	4,655,982	4,642,732	4,691,757	4,666,757
Deferred tax assets	225,920	232,339	211,227	225,366
Other assets	68,251	81,501	46,230	71,230
Liabilities:				
Insurance contract liabilities	(2,401,124)	(2,362,967)	(2,586,859)	(2,542,098)
Deferred tax liabilities	-	(6,419)	-	(14,138)
	<u>4,021,310</u>	<u>4,021,310</u>	<u>4,139,328</u>	<u>4,139,328</u>
Separate statements of financial position				
Assets:				
Deferred tax assets	47,145	52,084	9,418	20,121
Liabilities:				
Deferred tax liabilities	-	(4,939)	-	(10,703)
	<u>47,145</u>	<u>47,145</u>	<u>9,418</u>	<u>9,418</u>

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2015, except that the Company and its subsidiary has adopt the new and revised Thai Financial Reporting Standards (TFRSs) that are effective for the financial statement for the period beginning on or after January 1, 2016. However, such TFRSs have no material impact on these financial statements, except the adoption of TFRS No. 4 (Revised 2015) "Insurance Contracts" as described in Note 3.

5. ADDITIONAL INFORMATION FOR CASH FLOWS

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

	Baht: '000	
	Consolidated financial statements	
	2016	2015
Other payable - fixed assets as at January 1,	801	897
<u>Add</u> Purchases of fixed assets	9,234	17,685
<u>Less</u> Cash paid for purchase of fixed assets	(9,956)	(15,914)
Other payable - fixed assets as at June 30,	<u>79</u>	<u>2,668</u>

6. CASH AND CASH EQUIVALENTS

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

	Consolidated		Baht: '000	
	financial statements		Separate	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
Cash on hands	290	295	30	30
Cheque on hands	8,708	4,884	-	-
Deposits at bank - call deposits	243,183	360,179	31,685	74,182
Short term investment	1,239,536	699,888	39,984	-
Cash and cash equivalents	<u>1,491,717</u>	<u>1,065,246</u>	<u>71,699</u>	<u>74,212</u>

7. PREMIUM DUE AND UNCOLLECTED - NET

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

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

8. REINSURANCE ASSETS

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

	Consolidated		Baht: '000
	financial statements		
	As at June 30, 2016	As at December 31, 2015	
Insurance reserve refundable from reinsurers			
Loss reserves	374,323	451,220	
Unearned premium reserve			
- Unearned reinsurance premium reserve	509,952	540,940	
Total reinsurance assets (see Note 15)	<u>884,275</u>	<u>992,160</u>	

9. DUE FROM REINSURERS

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

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2016	As at December 31, 2015
Due from reinsurers	90,752	193,115

10. INVESTMENT IN SECURITIES

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

	Baht: '000			
	Consolidated financial statements			
	As at June 30, 2016		As at December 31, 2015	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Available-for-sale securities				
Government and state enterprise securities	494,890	503,562	598,776	610,634
Equity securities	427,092	393,853	427,063	353,651
Unit trusts	1,619,194	1,562,760	1,863,631	1,781,050
Total	2,541,176	2,460,175	2,889,470	2,745,335
<u>Less</u> Unrealized losses	(81,001)	-	(144,135)	-
Total available-for-sale securities	2,460,175	2,460,175	2,745,335	2,745,335
Held-to-maturity securities				
Government securities used as collateral	1,399,738		1,399,664	
Deposits at bank with maturity over 3 months	174,951		174,951	
Deposits at bank used as collateral	303,780		303,291	
Premium saving certificates used as collateral	12,850		13,250	
Total held-to-maturity securities	1,891,319		1,891,156	
General investment				
Equity securities	19,451		19,451	
Unit trusts	1,547		1,547	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
Total general investment	19,491		19,491	
Total investment in securities - net	4,370,985		4,655,982	

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

	Baht: '000			
	Separate financial statements			
	As at June 30, 2016		As at December 31, 2015	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Available-for-sale securities				
Government and state enterprise securities	133,397	136,890	134,485	139,032
Equity securities	427,092	393,853	427,063	353,651
Unit trusts	1,593,817	1,537,137	1,838,254	1,755,587
Total	2,154,306	2,067,880	2,399,802	2,248,270
<u>Less</u> Unrealized losses	(86,426)	-	(151,532)	-
Total available-for-sale securities	<u>2,067,880</u>	<u>2,067,880</u>	<u>2,248,270</u>	<u>2,248,270</u>
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	21,879		21,879	
Deposits at bank used as collateral	44,000		44,000	
Total held-to-maturity securities	<u>65,879</u>		<u>65,879</u>	
General investment				
Equity securities	17,959		17,959	
Unit trusts	1,547		1,547	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
Total general investment	<u>17,999</u>		<u>17,999</u>	
Total investment in securities - net	<u>2,151,758</u>		<u>2,332,148</u>	

As at June 30, 2016 and December 31, 2015, certain deposits at bank of the Company and its subsidiary are pledged as collateral for credit facilities for bank overdrafts and loans in the form of promissory notes totaling Baht 50 million. (Company: Baht 30 million)

As at June 30, 2016 and December 31, 2015, certain investment in securities of the Company and its subsidiary are deposited as collateral with Registrar (see Note 21).

As at June 30, 2016 and December 31, 2015, certain investments in securities of subsidiary are deposited as collateral with subsidiary's backup assets of Baht 1,759.91 million and Baht 1,862.76 million, respectively.

11. LOANS

Loans of the Company and its subsidiary were loans to employees with personal collateral in accordance with the welfare policy of the Company and its subsidiary, consisted of the following:

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

12. INVESTMENT IN A SUBSIDIARY AND AN ASSOCIATE

12.1 Investments in an associate in the consolidated financial statements

As at June 30, 2016 and December 31, 2015, the Company had investment in an associated company accounted for under equity method in the consolidated financial statements as follows:

Consolidated financial statements								Baht: '000	
Company name	Nature of business	Place of incorporation and operation	Percentage of shareholding		Cost		Carrying value under equity method		
			As at June 30, 2016 (%)	As at December 31, 2015 (%)	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015	
Associated company									
Allianz Ayudhya Assurance Plc.	Life Insurance	Thailand	20.17	20.17	1,487,264	1,487,264	3,711,568	2,944,764	

As at June 30, 2016 and December 31, 2015, an associate had total assets and total liabilities as follows:

	As at June 30, 2016	Baht: million As at December 31, 2015
Total assets	163,547.48	145,153.90
Total liabilities	145,385.62	130,793.83

For the three-month and six-month periods ended June 30, 2016 and 2015, an associate had total revenues, net income and net of other comprehensive income as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Total revenues	8,985.84	8,212.99	17,416.49	16,288.17
Net income	578.40	618.69	1,121.00	1,334.53
Items that are or may be reclassified to profit or loss				
Effective portion of changes in fair value of cash flow hedges	(159.07)	(217.04)	859.90	(228.48)
Net change in fair value of available-for-sale investments	(1,188.23)	(947.46)	4,813.92	(514.63)
Income tax relating to other comprehensive income (loss)	268.81	232.90	(1,137.48)	148.62
Other comprehensive income (loss) - net of income tax	<u>(1,078.49)</u>	<u>(931.60)</u>	<u>4,536.34</u>	<u>(594.49)</u>

The consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2016 and 2015 recognized share of profit other, resulting from portion of holding of investment in an associate as follows:

	Baht: million			
	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Share of profit of investment in an associate	116.66	124.79	226.10	269.17
Items that are or may be reclassified to profit or loss				
Share of other comprehensive income (loss) of an associate	(271.74)	(234.87)	1,144.39	(149.88)
Income tax relating to share of other comprehensive income (loss) of an associate	54.22	46.97	(229.43)	29.98
Share of other comprehensive income (loss) of an associate - net of income tax	<u>(217.52)</u>	<u>(187.90)</u>	<u>914.96</u>	<u>(119.90)</u>

Reconciliation of the above summarized financial information to the carrying amount of the interest in an associate recognized in the consolidated financial statements was as follows:

	Baht: million	
	As at June 30, 2016	As at December 31, 2015
Net assets of an associate	18,161.86	14,360.07
Proportion of the Group's ownership interest in an associate (%)	<u>20.17</u>	<u>20.17</u>
	3,663.17	2,896.36
Investment amount over net assets at investment date	<u>48.40</u>	<u>48.40</u>
Carrying amount of the Group's interest in an associate	<u><u>3,711.57</u></u>	<u><u>2,944.76</u></u>

12.2 Investments in a subsidiary and an associate in the separate financial statements

As at June 30, 2016 and December 31, 2015, investment in a subsidiary and an associate were as follows:

Baht: '000

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016 percent	As at December 31, 2015 percent	As at June 30, 2016	As at December 31, 2015	For the three-month and six-month periods ended June 30, 2016 2015	
Associated company								
Allianz Ayudhya Assurance Public Company Limited	2,950,000	2,950,000	20.17	20.17	1,487,264	1,487,264	374,257	-
Subsidiary company								
Sri Ayudhya General Insurance Public Company Limited	1,800,000	1,800,000	99.99	99.99	1,823,579	1,823,579	-	-

On April 27, 2016, the ordinary shareholders' meeting of the associate passed a resolution to pay the dividend of Baht 6.58 per share for 295 million shares, totaling Baht 1,941.10 million. On June 13, 2016, the distribution of profit for the year 2015 for dividend payment has been endorsed by the Office of Insurance Commission within totaling Baht 1,856 million. Therefore, the associate appropriated the dividend of Baht 6.29 per share for 295 million shares, totaling Baht 1,855.55 million. The Company received such dividend from the associate by 20.17% according to percentage of holding share capital, totaling Baht 374.26 million. Such dividend was included in accrued investment income as at June 30, 2016 and the Company received such dividend on July 8, 2016.

13. PREMISES AND EQUIPMENT - NET

Premises and equipment - net as at June 30, 2016 and December 31, 2015 consisted of the following:

	Consolidated financial statements										Baht: '000
	Cost					Accumulated depreciation					
	As at January 1, 2016	Increase	Disposal / Write off	Transfer in/ (transfer out)	As at June 30, 2016	As at January 1, 2016	Depreciation	Disposal / Write off	As at June 30, 2016	Beginning balance of premises and equipment - net as at January 1, 2016	
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610
Building	774	-	-	-	774	(774)	-	(774)	-	-	-
Office equipment	67,653	2,067	(419)	-	69,301	(51,158)	(3,229)	(53,991)	16,495	15,310	15,310
Furniture and fixtures	44,626	634	-	5,190	50,450	(19,513)	(3,982)	(23,495)	25,113	26,955	26,955
Vehicles	65,315	5,175	(21,931)	-	42,559	(37,054)	(4,274)	(22,625)	28,261	19,934	19,934
Office equipment and furniture and fixtures - under installation	3,832	1,358	-	(5,190)	-	-	-	-	3,832	-	-
Total	183,810	9,234	(28,350)	-	164,694	(108,499)	(11,485)	(100,885)	75,311	63,809	63,809

	Consolidated financial statements										Baht: '000
	Cost					Accumulated depreciation					
	As at January 1, 2015	Increase	Disposal / Write off	Transfer in/ (transfer out)	As at December 31, 2015	As at January 1, 2015	Depreciation	Disposal / Write off	As at December 31, 2015	Beginning balance of premises and equipment - net as at January 1, 2015	
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610
Building	774	-	-	-	774	(774)	-	(774)	-	-	-
Office equipment	71,744	3,788	(7,879)	-	67,653	(50,834)	(7,791)	(51,158)	20,910	16,495	16,495
Furniture and fixtures	32,214	3,101	(5,911)	15,222	44,626	(20,197)	(5,228)	(19,513)	12,017	25,113	25,113
Vehicles	65,310	21,216	(21,211)	-	65,315	(44,722)	(9,861)	(37,054)	20,588	28,261	28,261
Office equipment and furniture and fixtures - under installation	-	19,054	-	(15,222)	3,832	-	-	-	-	3,832	3,832
Total	171,652	47,159	(35,001)	-	183,810	(116,527)	(22,880)	(108,499)	55,125	75,311	75,311

Baht: '000

Separate financial statements

	Cost			Accumulated depreciation			Ending balance of premises and equipment - net as at June 30, 2016
	As at January 1, 2016	As at June 30, 2016	As at January 1, 2016	Depreciation	Disposal / Write off	As at June 30, 2016	
Land	1,610	1,610	-	-	-	-	1,610
Building	774	774	(774)	-	-	(774)	-
Office equipment	3,091	2,904	(2,442)	(124)	169	(2,397)	507
Furniture and fixtures	4,460	4,461	(3,608)	(179)	-	(3,787)	674
Vehicles	24,015	8,708	(15,729)	(977)	8,103	(8,603)	105
Total	33,950	18,457	(22,553)	(1,280)	8,272	(15,561)	2,896

Baht: '000

Separate financial statements

	Cost			Accumulated depreciation			Ending balance of premises and equipment - net as at December 31, 2015
	As at January 1, 2015	As at December 31, 2015	As at January 1, 2015	Depreciation	Disposal / Write off	As at December 31, 2015	
Land	1,610	1,610	-	-	-	-	1,610
Building	774	774	(774)	-	-	(774)	-
Office equipment	3,874	3,091	(2,820)	(308)	686	(2,442)	649
Furniture and fixtures	4,524	4,460	(3,121)	(556)	69	(3,608)	852
Vehicles	23,960	24,015	(17,901)	(3,119)	5,291	(15,729)	8,286
Total	34,742	33,950	(24,616)	(3,983)	6,046	(22,553)	11,397

As at June 30, 2016 and December 31, 2015, certain premises and equipment of the Company and its subsidiary at cost of Baht 62.87 million and Baht 61.58 million, respectively, were fully depreciated but still in use (Company : Baht 14.02 million and Baht 13.67 million, respectively).

14. DEFERRED TAX ASSETS

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

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
Deferred tax assets	198,905	225,920	14,128	47,145

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

	Consolidated financial statements			Baht: '000
	As at January 1, 2016	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2016
Deferred tax assets				
Allowance for doubtful accounts				
- premium due and uncollected	979	80	-	1,059
Allowance for doubtful accounts - other receivable	256	-	-	256
Unearned premium reserve	93,810	6,384	-	100,194
Unrealized loss on the change in fair value of investment in available-for-sale securities	30,306	-	(13,021)	17,285
Loss reserve - net	79,390	(20,677)	-	58,713
Incurred but not reported claims	14,943	(635)	-	14,308
Employee benefit obligations	9,616	489	-	10,105
Allowance for impairment of general investment	301	-	-	301
Reinsurance payables	2,737	(29)	-	2,708
	<u>232,338</u>	<u>(14,388)</u>	<u>(13,021)</u>	<u>204,929</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(1,479)	-	394	(1,085)
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(6,418)</u>	<u>-</u>	<u>394</u>	<u>(6,024)</u>
Deferred tax assets	<u>225,920</u>	<u>(14,388)</u>	<u>(12,627)</u>	<u>198,905</u>

	Consolidated financial statements			Baht: '000
	As at January 1, 2015	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2015
Deferred tax assets				
Allowance for doubtful accounts				
- premium due and uncollected	1,915	-	-	1,915
Allowance for doubtful accounts - other receivable	256	-	-	256
Unearned premium reserve	93,810	-	-	93,810
Loss reserve - net	103,365	8,103	-	111,468
Incurred but not reported claims	13,220	2,081	-	15,301
Employee benefit obligations	6,998	1,338	-	8,336
Allowance for impairment of general investment	301	-	-	301
Reinsurance payables	5,500	(323)	-	5,177
	<u>225,365</u>	<u>11,199</u>	<u>-</u>	<u>236,564</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(9,199)	-	3,992	(5,207)
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(14,138)</u>	<u>-</u>	<u>3,992</u>	<u>(10,146)</u>
Deferred tax assets	<u>211,227</u>	<u>11,199</u>	<u>3,992</u>	<u>226,418</u>

	Separate financial statements			Baht: '000
	As at January 1, 2016	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2016
Deferred tax assets				
Unrealized loss on the change in value of investment in available-for-sale securities	30,306	-	(13,021)	17,285
Loss reserve - net	19,575	(19,575)	-	-
Employee benefit obligations	1,902	(421)	-	1,481
Allowance for impairment of general investment	301	-	-	301
	<u>52,084</u>	<u>(19,996)</u>	<u>(13,021)</u>	<u>(19,067)</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
Deferred tax assets	<u>47,145</u>	<u>(19,996)</u>	<u>(13,021)</u>	<u>14,128</u>

	Separate financial statements			Baht: '000
	As at January 1, 2015	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2015
Deferred tax assets				
Loss reserve - net	18,956	307	-	19,263
Employee benefit obligations	864	516	-	1,380
Allowance for impairment of general investment	301	-	-	301
	<u>20,121</u>	<u>823</u>	<u>-</u>	<u>20,944</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(5,764)	-	4,584	(1,180)
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(10,703)</u>	<u>-</u>	<u>4,584</u>	<u>(6,119)</u>
Deferred tax assets	<u>9,418</u>	<u>823</u>	<u>4,584</u>	<u>14,825</u>

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

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Income tax expense from taxable income per income tax return	10,040	14,276	23,097	36,280
Deferred tax expenses relating to the origination and reversal of temporary differences	2,418	(2,663)	14,387	(11,199)
Income tax expense per the statements of profit or loss and other comprehensive income	<u>12,458</u>	<u>11,613</u>	<u>37,484</u>	<u>25,081</u>

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Income tax expense from taxable income per income tax return	-	680	-	2,806
Deferred tax expenses relating to the origination and reversal of temporary differences	501	(455)	19,995	(823)
Income tax expense per the statements of profit or loss and other comprehensive income	<u>501</u>	<u>225</u>	<u>19,995</u>	<u>1,983</u>

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

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Accounting income before tax	178,435	189,141	413,453	433,592
Income tax at 20%	35,687	37,828	82,691	86,718
Tax effect of non-deductible expenses (benefits)	(23,229)	(26,215)	(45,207)	(61,637)
Income tax expense per the statements of profit or loss and other comprehensive income	<u>12,458</u>	<u>11,613</u>	<u>37,484</u>	<u>25,081</u>

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Accounting income before tax	376,508	8,239	473,840	42,846
Income tax at 20%	75,302	1,648	94,768	8,569
Tax effect of non-deductible expenses (benefits)	(74,801)	(1,423)	(74,773)	(6,586)
Income tax expense per the statements of profit or loss and other comprehensive income	<u>501</u>	<u>225</u>	<u>19,995</u>	<u>1,983</u>

15. INSURANCE CONTRACT LIABILITIES

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

	Baht: '000		
	Consolidated financial statements		
	As at June 30, 2016		
	Insurance contract liabilities	Reinsurance liabilities (see Note 8)	Net
Loss reserves			
Loss incurred and reported	630,156	(334,347)	295,809
Loss incurred but not reported	111,517	(39,976)	71,541
Premium reserve			
Unearned Premium reserve	1,467,951	(509,952)	957,999
Total	<u>2,209,624</u>	<u>(884,275)</u>	<u>1,325,349</u>
			Baht: '000
	Consolidated financial statements		
	As at December 31, 2015		
	Insurance contract liabilities	Reinsurance liabilities (see Note 8)	Net
Loss reserves			
Loss incurred and reported	815,970	(413,063)	402,907
Loss incurred but not reported	112,872	(38,157)	74,715
Premium reserve			
Unearned Premium reserve	1,472,282	(540,940)	931,342
Total	<u>2,401,124</u>	<u>(992,160)</u>	<u>1,408,964</u>
			Baht: '000
	Separate financial statements		
	As at December 31, 2015		
	Insurance contract liabilities	Reinsurance liabilities	Net
Loss reserves			
Loss incurred and reported	97,875	-	97,875
Total	<u>97,875</u>	<u>-</u>	<u>97,875</u>

15.1 Insurance reserve for short term insurance contract

15.1.1 Loss reserves

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

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2016	As at December 31, 2015
Balance as at beginning period/year	928,842	1,134,917
Loss incurred during the period/year	656,705	1,254,928
Changing on estimated loss and assumptions used in calculating loss reserve	(169,925)	125,452
Loss paid during the period/year	(673,949)	(1,586,455)
Balance as at ending period/year	<u>741,673</u>	<u>928,842</u>

	Baht: '000	
	Separate financial statements	
	As at June 30, 2016	As at December 31, 2015
Balance as at beginning period/year	97,875	94,778
Change in estimate of loss and assumptions used in calculating less reserve	(97,875)	3,097
Balance as at ending period/year	<u>-</u>	<u>97,875</u>

As at December 31, 2015, the insurance contract liabilities account in the separate financial statements are included outstanding claims and accrued interest of Baht 97.87 million, caused by a loss claim incurred by an insured company on September 24, 1997. On March 15, 2016, the supreme court had passed a verdict to dismissal for this case. Therefore, the Company reversed such insurance contract liabilities to be an other income in the statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2016 of Baht 97.87 million.

15.1.2 Unearned premium reserve

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

15.1.3 Unexpired risk reserve

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

16. DUE TO REINSURERS

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

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

17. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month and six-month periods ended June 30, 2016 and 2015 were as follows:

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Net profit (Baht '000)	165,977	177,528	375,969	408,511
Issued and paid-up share capital (shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht)	<u>0.66</u>	<u>0.71</u>	<u>1.50</u>	<u>1.63</u>

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
Net profit (Baht '000)	376,007	8,014	453,845	40,863
Issued and paid-up share capital (shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht)	<u>1.50</u>	<u>0.03</u>	<u>1.82</u>	<u>0.16</u>

18. TRANSACTIONS WITH RELATED PARTIES

The consolidated and separate financial statements include certain transactions with the subsidiary and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and separate financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiary and the related parties which are as follows:

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

Companies	Relationship	Type of Business
Sri Ayudhya General Insurance Plc.	Some common shareholders and directors	Insurance
Bank of Ayudhya Plc.	Some common shareholders and directors	Banking
Krungsri Securities Plc.	Some common shareholders	Finance
Krungsri Asset Management Co., Ltd.	Some common shareholders	Fund Management
Ayudhya Development Leasing Co., Ltd.	Some common shareholders	Hire-purchase and leasing
Siam City Cement Plc.	Some common shareholders 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
Great Fortune Co., Ltd.	Some common shareholders	Advertising
Super Asset Co., Ltd.	Some common shareholders and directors	Investments
BBTV Equity Co., Ltd.	Some common shareholders and directors	Office Space Rental
CKS Holding Co., Ltd.	Some common shareholders and directors	Investments
Sunrise Equity Co., Ltd.	Some common shareholders	Consulting
Allianz Ayudhya Assurance Plc.	Some common shareholders and directors	Life Insurance
Grand Canal Land Plc.	Some common shareholders and directors	Advertising
Ayudhya Asset Management Co., Ltd.	Some common shareholders	Asset Management
Siam Realty and Service Co., Ltd.	Some common shareholders	Services
Ayudhya Capital Auto Lease Plc.	Some common shareholders	Hire-purchase and auto leasing
Krungsri Ayudhya Card Co., Ltd.	Some common shareholders	Services
Eastern Star Real Estate Plc.	Some common shareholders and directors	Real estate
Nirvana Co., Ltd.	Some common shareholders and directors	Training and computer sales

18.1 Investments

	Baht: '000	
	Consolidate and Separate financial statements	
	As at June 30, 2016	As at December 31, 2015
Investment - ordinary shares		
Siam City Cement Plc.	2,065	2,226
	<u>2,065</u>	<u>2,226</u>
Investment - unit trusts		
Unit trusts managed by		
Krungsri Asset Management Co., Ltd.		
- Krungsri Star Plus Fund	605,467	601,218
- Krungsri Cash Management Fund	350,753	598,198
- Krungsri Star Equity Dividend Fund	28,219	25,080
- Krungsri Dividend Stock Fund	136,305	136,298
- Krungsri Dynamic Dividend Fund	11,513	10,081
- Krungsri Flexible Dividend Fund	76,475	68,127
- Krungsri Financial Focus Dividend Fund	6,872	6,160
- Krungsri Global High Payout Fund	20,292	21,123
- Krungsri Europe Equity Fund	15,543	16,919
- Krungsri Global Small-Mid Cap Equity Dividend Fund	9,098	10,311
- Krungsri Global Healthcare Equity Dividend Fund	39,272	45,248
	<u>1,299,809</u>	<u>1,538,763</u>

	Baht: '000			
	Consolidated and Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2016	
	2015	2016	2015	
Dividends - ordinary shares				
Siam City Cement Plc.	49	49	49	49
	49	49	49	49
Dividends - unit trusts				
Unit trusts managed by				
Krungsri Asset Management Co., Ltd.				
- Krungsri Dividend Stock Fund	6,837	4,102	10,940	8,205
- Krungsri Flexible Dividend Fund	-	-	-	10,881
- Krungsri Global Small-Mid Cap Equity Dividend Fund	-	187	-	187
- Krungsri Global Healthcare Equity Dividend Fund	-	1,616	-	5,080
	6,837	5,905	10,940	24,353

18.2 Significant balances and transactions were as follows:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
Deposits at bank				
Bank of Ayudhya Plc.	466,433	596,450	72,583	117,368
Premium due and uncollected				
Bank of Ayudhya Plc.	3,019	255	-	-
Siam City Cement Plc.	826	2,427	-	-
Bangkok Broadcasting & T.V. Co., Ltd.	1,903	199	-	-
Ayudhya Development Leasing Co., Ltd.	43	-	-	-
Ayudhya Capital Auto Lease Plc.	101	-	-	-
Krungsriayudhya Card Co., Ltd.	171	-	-	-
CKS Holding Ltd.	-	63	-	-
Allianz Ayudhya Assurance Plc.	-	18	-	-
Grand Canal Land Plc.	-	279	-	-
Siam Realty and Services Co., Ltd.	218	76	-	-
Eastern Star Real Estate Plc.	34	794	-	-
	6,315	4,111	-	-

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
Accrued interest income				
Bank of Ayudhya Plc.	2,659	1,846	142	258
Receivable from sell of securities				
Krungsri Securities Plc.	3,193	-	3,193	-
Accrued income				
Sri Ayudhya General Insurance Plc.	-	-	12,933	12,745
Rental and facilities deposits				
BBTV Equity Co., Ltd.	5,719	5,719	1,303	1,303
Bank of Ayudhya Plc.	8	8	8	8
	<u>5,727</u>	<u>5,727</u>	<u>1,311</u>	<u>1,311</u>
Premium written received in advance				
Bank of Ayudhya Plc.	10,426	11,915	-	-
Payable from purchase of securities				
Krungsri Securities Plc.	-	1,992	-	1,992
Accrued expense - management fee				
Krungsri Securities Plc.	53	48	53	48
Accrued expense - custodian fee				
Bank of Ayudhya Plc.	17	18	2	1
Accrued expense - commissions and brokerages				
Bank of Ayudhya Plc.	16,097	15,836	-	-
Accrued expense - other underwriting expenses				
Bank of Ayudhya Plc.	15,307	15,675	-	-

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

The subsidiary used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies Baht: '000

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

The subsidiary paid commissions and brokerages and other underwriting expenses as specified in the Bancassurance Agreement made between the subsidiary 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 subsidiary has offered to other insurance broker companies.

	Consolidated financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Interest income				
Bank of Ayudhya Plc.	1,310	1,595	2,192	2,717

	Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Interest income				
Bank of Ayudhya Plc.	288	346	399	496
Management income				
Sri Ayudhya General Insurance Plc.	8,453	9,413	19,268	18,927

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

The Company enters into a management service agreement with the subsidiary company for providing managerial and administrative services of accounting, payroll and information technology. Services rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the subsidiary company.

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2016	
Commission paid Krungsri Securities Plc.	301	151	434	384
Management fee Krungsri Securities Plc.	157	162	299	325
Custodian fee Bank of Ayudhya Plc.	48	51	97	90

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2016	
Commission paid Krungsri Securities Plc.	301	151	434	384
Management fee Krungsri Securities Plc.	157	162	299	325
Custodian fee Bank of Ayudhya Plc.	5	5	9	10

Commission, management fee and custodian fee were paid at the same rates and conditions as the related parties charged other customers.

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2016	
Rental and service fees BBTV Equity Co., Ltd.	5,762	5,762	11,524	11,524

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2016	
Rental and service fees BBTV Equity Co., Ltd.	1,325	1,325	2,650	2,650
Other expense Sri Ayudhya General Insurance Plc.	120	240	240	240

The Company and its subsidiary have 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 a subsidiary for receiving about services of personnel, internal audit and information technology. Services rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and six-month periods ended June 30, 2016 and 2015, the Company and its subsidiary had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Directors and key management personnel's remuneration				
Short-term benefits	19,103	17,072	41,599	34,492
Post-employment benefits	513	1,777	1,197	3,067
Directors' remuneration	644	598	1,511	2,416
	<u>20,260</u>	<u>19,447</u>	<u>44,307</u>	<u>39,975</u>
				Baht: '000
	Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
Directors and key management personnel's remuneration				
Short-term benefits	10,342	9,908	24,110	20,243
Post-employment benefits	168	1,424	507	2,428
Directors' remuneration	404	413	808	1,695
	<u>10,914</u>	<u>11,745</u>	<u>24,425</u>	<u>24,366</u>

Directors' remunerations for the years 2016 and 2015 were approved by the ordinary shareholders' meeting of the Company held on April 26, 2016 and April 21, 2015, respectively.

Furthermore, directors' remuneration of the subsidiary for the years 2016 and 2015 were approved by the ordinary shareholders' meeting of the subsidiary held on April 25, 2016 and April 9, 2015, respectively.

20. DIVIDENDS

- 20.1 On April 21, 2015, the ordinary shareholders' meeting of the Company passed a resolution to pay the dividend of Baht 2.50 per share from the operating result of 2014 for 250 million shares, totalling Baht 625 million, of which Baht 1.00 per share totalling Baht 250 million was paid as an interim dividend for the first half year of 2014 on September 5, 2014. Consequently, the dividend remained of Baht 1.50 per share, totalling Baht 375 million was paid on May 6, 2015.
- 20.2 On April 26, 2016, the ordinary shareholders' meeting of the Company passed a resolution to pay the dividend of Baht 2.00 per share from the operating result of 2015 for 250 million shares, totaling Baht 500 million, of which Baht 1.00 per share totalling Baht 250 million was paid as an interim dividend for the first half year of 2015 on September 7, 2015. Consequently, the dividend remained of Baht 1.00 per share, totalling Baht 250 million was paid on May 9, 2016.

21. DEPOSITS WITH THE REGISTRAR

As at June 30, 2016 and December 31, 2015, certain investment in securities of the Company and its subsidiary were deposited with the Registrar (see Note 10) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2552", respectively as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
Government and state enterprise securities	390,009	393,673	136,890	139,032
Deposits at bank	28,000	28,000	14,000	14,000
Total deposits with the Registrar	<u>418,009</u>	<u>421,673</u>	<u>150,890</u>	<u>153,032</u>

On January 13, 2012, the Company requested to return deposits with the Registrar from the Notification of the Office of Insurance Commission. According to, the Company returned insurance license on October 17, 2011 and this license had been terminated since December 20, 2011. Subsequently on November 1, 2012, the Notification of the Office of Insurance Commission refused the appeal because the Company has contingent liabilities about insurance policies under considering by court. Such creditors of insurance policies have a preferential right on unearned premium reserve of the Company which deposit placed with the Office of Insurance Commission according to section 26 of Non-life Insurance Act B.E. 2535. Therefore, the Office of Insurance Commission has not yet returned such securities to the Company.

22. CONTINGENT LIABILITIES AND COMMITMENT

22.1 As at June 30, 2016 and December 31, 2015, lawsuits have been brought against the Company and its subsidiary, as insurer, from which the Company and its subsidiary estimate losses which has been set aside in the loss reserve and outstanding claims accounts as follows:

	The Company		The subsidiary	
	As at	As at	As at	As at
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Estimate losses from lawsuits	-	97,875	14,690	53,121

The Company and its subsidiary's management do 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 and its subsidiary's operating results.

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

23. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at June 30, 2016 and December 31, 2015 consisted of the following:

Type of leases	Consolidated financial statement		
	Remaining periods		Total rental payments for the remaining periods
	Within 1 year	Over 1 year to 5 years	
As at June 30, 2016			
Building			
- related company	6,418	1,261	7,679
- others	3,066	3,695	6,761
Service - related company	6,374	1,243	7,617
Equipment - related company	8,498	1,658	10,156
	<u>24,356</u>	<u>7,857</u>	<u>32,213</u>
As at December 31, 2015			
Building			
- related company	6,915	4,222	11,137
- others	4,066	5,263	9,329
Service - related company	6,870	4,182	11,052
Equipment - related company	9,160	5,575	14,735
	<u>27,011</u>	<u>19,242</u>	<u>46,253</u>

Type of leases	Baht: '000		
	Separate financial statement		
	Remaining periods		Total rental payments for the remaining periods
Within 1 year	Over 1 year to 5 years		
As at June 30, 2016			
Building - related company	1,590	132	1,722
Service - related company	1,590	132	1,722
Equipment - related company	2,120	177	2,297
	<u>5,300</u>	<u>441</u>	<u>5,741</u>
As at December 31, 2015			
Building - related company	1,590	927	2,517
Service - related company	1,590	927	2,517
Equipment - related company	2,120	1,236	3,356
	<u>5,300</u>	<u>3,090</u>	<u>8,390</u>

For the three-month and six-month periods ended June 30, 2016 and 2015, the Company and its subsidiary recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follows:

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2016	
	2015	2015	2015	
Rental and service fees	7,630	7,695	15,295	15,315

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2016		For the six-month periods ended June 30, 2016	
	2015	2015	2015	
Rental and service fees	1,325	1,325	2,650	2,650

24. FAIR VALUE MEASUREMENT

Certain financial assets of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets	Fair value as at June 30, 2016 (Baht : '000)		Fair value as at December 31, 2015 (Baht : '000)		Fair value hierarchy	Valuation techniques and key inputs
	Consolidated financial statement	Separate financial statement	Consolidated financial statement	Separate financial statement		
Government and state enterprise securities	503,562	136,890	610,634	139,032	Level 2	Discount cash flow using yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	393,853	393,853	353,651	353,651	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Unit trusts	27,438	27,438	22,499	22,499	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Unit trusts	1,535,322	1,509,699	1,758,551	1,733,088	Level 2	The unit trust's net asset value of the last working day of the reporting period

25. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the management of the Company and its subsidiary. 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 and its subsidiary have been operating in two principal business segments: (1) Non-life insurance business and (2) Investment business, which are only organized and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the three-month and six-month periods ended June 30, 2016 and 2015, there is no revenue from a single external customer contributed 10% or more to the Company and its subsidiary's total revenue.

The financial information of the Company and its subsidiary for the three-month and six-month periods ended June 30, 2016 and 2015 were presented by business segment as follows:

Baht: '000

	Consolidated financial statements							
	For the three-month periods ended June 30,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external	574,567	564,454	389,022	21,391	(374,257)	-	589,332	585,845
Share of profit of investment in an associate	-	-	116,660	124,788	-	-	116,660	124,788
Other income	2,167	1,652	7,001	9,468	(8,573)	(9,653)	595	1,467
Total revenues	576,734	566,106	512,683	155,647	(382,830)	(9,653)	706,587	712,100
Insurance business expense	444,914	437,811	-	-	-	-	444,914	437,811
Directors and key management personnel's remuneration	9,346	7,702	10,914	11,745	-	-	20,260	19,447
Other expense	62,950	64,479	8,601	10,875	(8,573)	(9,653)	62,978	65,701
Income tax expense	11,957	11,388	501	225	-	-	12,458	11,613
Net income	47,567	44,726	492,667	132,802	(374,257)	-	165,977	177,528

Baht: '000

	Consolidated financial statements							
	For the six-month periods ended June 30,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external	1,151,832	1,131,428	398,981	75,276	(374,257)	-	1,176,556	1,206,704
Share of profit of investment in an associate	-	-	226,110	269,169	-	-	226,100	269,169
Other income	3,794	2,921	117,037	19,201	(19,508)	(19,167)	101,323	2,955
Total revenues	1,155,626	1,134,349	742,118	363,646	(393,765)	(19,167)	1,503,979	1,478,828
Insurance business expense	912,451	869,723	-	-	-	-	912,451	869,723
Directors and key management personnel's remuneration	18,882	15,609	25,425	24,366	-	-	44,307	39,975
Other expense	136,523	127,440	16,753	27,265	(19,508)	(19,167)	133,768	135,538
Income tax expense	17,489	23,098	19,995	1,983	-	-	37,484	25,081
Net income	70,281	98,479	679,945	310,032	(374,257)	-	375,969	408,511

26. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

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