
*SRI AYUDHYA CAPITAL PUBLIC
COMPANY LIMITED AND SUBSIDIARY*

*Consolidated and
Separate Financial Statements*

Year ended December 31, 2017

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Sri Ayudhya Capital Public Company Limited and its subsidiary (the “Group”) and the separate financial statements of Sri Ayudhya Capital Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Sri Ayudhya Capital Public Company Limited and its subsidiary and of Sri Ayudhya Capital Public Company Limited as at December 31, 2017, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Recognition of gross premiums written and unearned premium reserve</p> <p>Recognition of gross premiums written and unearned premium reserve are a significant risk of material misstatement because the Company had a large number of policies which were derived from direct, insurance brokers and reinsurers caused a variety of supporting documents. Audit procedures are focus on occurrence and cutoff for recognition of gross premiums written and unearned premium reserve to consider whether the revenue is recognized appropriately by the Group in accordance with TFRSs.</p> <p>The accounting policy for revenue recognition is disclosed in note no. 3.2 to the financial statements.</p>	<p>Key audit procedures included;</p> <ul style="list-style-type: none"> • Understood operating procedures and internal control related to recognition of gross premiums written and unearned premium reserve • Tested the design and implementation of internal controls • Tested the operating effectiveness around the recognition of gross premiums written and unearned premium reserve • Performed substantive audit procedures consisted of: <ul style="list-style-type: none"> - Tested recognition of policy and endorsement policy by consider the process of approval and significant supporting documents to determine whether gross premiums written and unearned premium reserve are recognized for transactions occurring in the correct period - Reperformed calculation of unearned premium reserve and examining supporting evidence for journal entries posted to identify any usual items where further investigation may be required - Performed substantive analytical procedures related to financial information of gross premiums written and unearned premium reserve.

Key Audit Matters	Audit Responses
<p>Loss reserves</p> <p>Recognition of loss reserves are a significant risk of material misstatement because the Group requires certified actuary to assess the liability by use actuarial method, to determine the competency and independence of specialist and evaluated the appropriateness of key assumptions are needed to consider. Audit procedures are focus on completeness and cutoff for recognition loss reserves and outstanding claims to consider whether the liability is recognized appropriately by the Group in accordance with TFRSs.</p> <p>Loss reserves consists of loss incurred and agreed and loss incurred but not reported (“IBNR”).</p> <p>The accounting policy for loss reserves and outstanding claims is disclosed in note no. 3.13.2 to the financial statements.</p>	<p>Key audit procedures included;</p> <ul style="list-style-type: none"> • Understood operating procedures and internal control related to recognition of loss reserves and outstanding claims • Tested the design and implementation of internal controls • Tested the operating effectiveness around the recognition of loss reserves and outstanding claims • Performed substantive audit procedures consisted of: <ul style="list-style-type: none"> - Tested loss reserves and outstanding claims report by consider the process of approval and significant supporting documents to determine whether loss reserves and outstanding claims were recognized completely and in the correct period - Assessed the methodology applied and the key assumptions utilized in the estimated provision for losses incurred but not yet reported, including determining the competency and independence of specialist and evaluated the appropriateness of key assumption - Performed substantive analytical procedures related to financial information of loss reserves.
<p>Investment in an associated company</p> <p>Investment in an associated company represents 30.35% of the total amount of its asset and is considered to be the key driver of operations and performance results of the Group.</p> <p>We consider the investment in an associated company is a key audit matter due to its materiality in the context of the financial statements as a whole, it is considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p> <p>The accounting policy for investment in an associated company is disclosed in note no. 3.8 to the financial statements.</p>	<p>Our audit procedures including a collaboration in performing the audit work with the component auditor. Key audit procedures included;</p> <ul style="list-style-type: none"> • Understood the financial information compilation process and related internal control procedures • Collaboratively performed the work in accordance with Thai Standard on Auditing on the work performed from the planning through the conclusion process • Performed substantive audit procedures related to the share of profit of investment in an associate.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

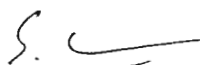
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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

BANGKOK
February 26, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
ASSETS					
Cash and cash equivalents	5	1,401,892,869	1,417,050,104	181,094,544	68,444,715
Premium due and uncollected - net	6	238,127,440	217,433,184	-	-
Accrued investment income		6,972,807	10,048,246	1,823,368	2,661,357
Reinsurance assets	7	892,037,914	1,050,275,918	-	-
Due from reinsurers	8	55,744,894	58,568,876	-	-
Investments					
Investments in securities	9	4,655,891,276	4,594,202,619	2,268,613,540	2,319,176,240
Loans	10	15,060	129,317	-	7,327
Investment in an associate	11	3,355,004,219	2,830,474,645	1,487,263,618	1,487,263,618
Investment in a subsidiary	11	-	-	1,823,578,981	1,823,578,981
Premises and equipment	12	53,235,506	60,533,749	7,475,741	2,616,582
Intangible assets	13	67,039,753	75,159,081	24	24
Deferred tax assets	14	167,168,301	185,959,305	6,481,717	19,451,317
Deferred commissions expenses		62,324,187	63,404,173	-	-
Other assets	15	99,516,747	53,411,348	7,921,267	20,181,254
TOTAL ASSETS		11,054,970,973	10,616,650,565	5,784,252,800	5,743,381,415

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2017	2016	2017	2016
LIABILITIES AND EQUITY					
Insurance contract liabilities	16	2,068,995,204	2,249,888,625	-	-
Due to reinsurers	17	667,858,859	705,692,485	-	-
Income tax payable		3,548,910	688,099	99,186	688,099
Employee benefit obligations	18	86,823,217	79,070,596	4,293,904	7,057,680
Premium written received in advance		348,345,708	337,983,016	-	-
Commissions and brokerages payables		46,327,191	50,978,828	-	-
Accrued expenses		50,493,328	62,103,825	13,376,545	28,921,161
Other liabilities	19	88,619,252	87,932,079	15,898,165	1,443,917
TOTAL LIABILITIES		3,361,011,669	3,574,337,553	33,667,800	38,110,857

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
LIABILITIES AND EQUITY (CONTINUED)					
EQUITY					
Share capital					
Authorized share capital					
500,000,000 ordinary shares of					
Baht 1.00 each					
		500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid-up share capital					
250,000,000 ordinary shares of					
Baht 1.00 each					
		250,000,000	250,000,000	250,000,000	250,000,000
		3,512,183,950	3,512,183,950	3,512,183,950	3,512,183,950
Retained earnings					
Appropriated					
Legal reserve					
	20	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated					
		2,650,796,710	2,630,187,905	1,979,443,194	1,983,796,130
Other components of equity					
Changes in fair value of available-for-sale securities					
		(39,021,456)	(87,984,993)	(41,042,144)	(90,709,522)
Share of other comprehensive income					
in an associate					
		1,270,000,100	687,926,150	-	-
TOTAL EQUITY					
		<u>7,693,959,304</u>	<u>7,042,313,012</u>	<u>5,750,585,000</u>	<u>5,705,270,558</u>
TOTAL LIABILITIES AND EQUITY					
		<u>11,054,970,973</u>	<u>10,616,650,565</u>	<u>5,784,252,800</u>	<u>5,743,381,415</u>

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Revenues					
Gross premium written		2,953,655,613	3,082,391,856	-	-
<u>Less</u> Premium ceded		1,266,311,577	1,286,529,458	-	-
Net premium written		1,687,344,036	1,795,862,398	-	-
<u>Less</u> Unearned premium reserve increase (decrease) from previous year		32,145,567	(96,622,982)	-	-
Net premium earned		1,655,198,469	1,892,485,380	-	-
Fee and commission income		368,033,904	323,319,252	-	-
Net investment income	11.2	99,199,138	104,804,190	439,779,852	431,732,574
Gain on investment	24	54,974,428	48,689,209	53,869,930	48,689,209
Share of profit on investment in an associate	11.1	331,678,207	388,469,249	-	-
Other income		3,957,631	104,321,506	25,710,905	130,691,784
Total revenues		2,513,041,777	2,862,088,786	519,360,687	611,113,567
Expenses					
Loss incurred		1,388,581,039	1,413,350,138	-	-
<u>Less</u> Loss refundable from reinsurers		600,004,263	498,263,026	-	-
Commissions and brokerages expenses		415,100,134	455,696,848	-	-
Other underwriting expenses		476,443,777	473,318,278	-	-
Operating expenses	22	347,988,189	357,657,579	83,607,786	83,230,243
Total underwriting expenses		2,028,108,876	2,201,759,817	83,607,786	83,230,243
Income before income tax expense		484,932,901	660,328,969	435,752,901	527,883,324
Income tax expense	14	22,022,756	45,163,965	1,967,001	21,858,303
Net income		462,910,145	615,165,004	433,785,900	506,025,021

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss on defined employee benefit plans	18	(4,400,728)	(1,665,722)	(798,545)	(685,813)
Share of other comprehensive income (loss) in an associate	11.1	(1,600,947)	(3,508,966)	-	-
Income tax relating to items that will not be reclassified subsequently		1,200,335	1,034,938	159,709	137,163
		<u>(4,801,340)</u>	<u>(4,139,750)</u>	<u>(638,836)</u>	<u>(548,650)</u>
Items that will be reclassified subsequently to profit or loss					
Changes in fair value of available-for-sale securities		61,204,421	34,154,353	62,084,223	38,145,860
Share of other comprehensive income (loss) in an associate	11.1	735,354,361	(157,629,211)	-	-
Income tax relating to items that will be reclassified subsequently		(165,521,295)	25,103,857	(12,416,845)	(7,629,172)
		<u>631,037,487</u>	<u>(98,371,001)</u>	<u>49,667,378</u>	<u>30,516,688</u>
Other comprehensive income (loss) for the years, net of income tax		<u>626,236,147</u>	<u>(102,510,751)</u>	<u>49,028,542</u>	<u>29,968,038</u>
Total comprehensive income for the years		<u><u>1,089,146,292</u></u>	<u><u>512,654,253</u></u>	<u><u>482,814,442</u></u>	<u><u>535,993,059</u></u>
Earnings per share					
Basic earnings per share	26 Baht	1.85	2.46	1.74	2.02

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

CONSOLIDATED FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity			Total equity
			Appropriated Legal reserve	Unappropriated	Changes in fair value of available-for-sale securities	Share of other comprehensive income in an associate		
Beginning balance as at January 1, 2016	250,000,000	3,512,183,950	50,000,000	2,519,162,651	(115,308,475)	813,620,633	7,029,658,759	
Comprehensive income (loss)	-	-	-	611,025,254	27,323,482	(125,694,483)	512,654,253	
Dividends paid	-	-	-	(250,000,000)	-	-	(250,000,000)	
Interim dividends	-	-	-	(250,000,000)	-	-	(250,000,000)	
Ending balance as at December 31, 2016	250,000,000	3,512,183,950	50,000,000	2,630,187,905	(87,984,993)	687,926,150	7,042,313,012	
Beginning balance as at January 1, 2017	250,000,000	3,512,183,950	50,000,000	2,630,187,905	(87,984,993)	687,926,150	7,042,313,012	
Comprehensive income (loss)	-	-	-	458,108,805	48,963,537	582,073,950	1,089,146,292	
Dividends paid	-	-	-	(250,000,000)	-	-	(250,000,000)	
Interim dividends	-	-	-	(187,500,000)	-	-	(187,500,000)	
Ending balance as at December 31, 2017	250,000,000	3,512,183,950	50,000,000	2,650,796,710	(39,021,456)	1,270,000,100	7,693,959,304	

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

SEPARATE FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total equity
			Appropriated	Unappropriated		
			Leagl reserve	Changes in fair value of available-for-sale securities		
Beginning balance as at January 1, 2016	250,000,000	3,512,183,950	50,000,000	1,978,319,759	(121,226,210)	5,669,277,499
Comprehensive income	-	-	-	505,476,371	30,516,688	535,993,059
Dividends paid	-	-	-	(250,000,000)	-	(250,000,000)
Interim dividends	-	-	-	(250,000,000)	-	(250,000,000)
Ending balance as at December 31, 2016	250,000,000	3,512,183,950	50,000,000	1,983,796,130	(90,709,522)	5,705,270,558
Beginning balance as at January 1, 2017	250,000,000	3,512,183,950	50,000,000	1,983,796,130	(90,709,522)	5,705,270,558
Comprehensive income	-	-	-	433,147,064	49,667,378	482,814,442
Dividends paid	-	-	-	(250,000,000)	-	(250,000,000)
Interim dividends	-	-	-	(187,500,000)	-	(187,500,000)
Ending balance as at December 31, 2017	250,000,000	3,512,183,950	50,000,000	1,979,443,194	(41,042,144)	5,750,585,000

Notes to the financial statements form an integral part of these statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
CASH FLOWS PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Direct premium received		2,911,354,288	3,152,635,138	-	-
Cash paid from reinsurance		(233,507,233)	(326,319,361)	-	-
Interest income		41,058,817	54,675,187	8,509,457	6,974,089
Dividend income		46,533,152	52,643,409	46,526,928	52,627,329
Other income		1,920,011	3,571,293	35,907,798	29,701,608
Loss incurred from direct insurance		(1,517,671,414)	(1,334,064,725)	-	-
Commission and brokerage paid					
from direct insurance		(412,188,453)	(467,473,558)	-	-
Other underwriting expenses		(465,867,271)	(455,345,812)	-	-
Operating expenses		(393,741,071)	(303,713,726)	(101,924,721)	(77,181,513)
Income tax expense		(12,460,923)	(42,514,796)	(1,843,450)	(4,104,888)
Investment in securities		78,034,674	109,464,542	169,711,863	96,167,711
Deposits at bank with maturity over 3 months and deposits used as collateral		6,377,908	34,436,722	9,686,734	(360,329)
Loans		114,257	449,633	7,327	21,697
Cash received from subscriptions receivable		-	9,267,941	-	9,267,941
Dividend received from an associate	11.2	387,941,826	374,256,761	387,941,826	374,256,761
Net cash provided by operating activities		<u>437,898,568</u>	<u>861,968,648</u>	<u>554,523,762</u>	<u>487,370,406</u>
CASH FLOWS PROVIDED BY (USED IN)					
INVESTING ACTIVITIES					
CASH FLOWS PROVIDED BY					
Premises and equipment		2,671,912	12,450,947	1,448,598	6,862,673
Cash provided by investing activities		<u>2,671,912</u>	<u>12,450,947</u>	<u>1,448,598</u>	<u>6,862,673</u>
CASH FLOWS USED IN					
Premises and equipment		(13,332,887)	(17,130,865)	(5,822,531)	(551)
Intangible assets		(4,894,828)	(5,485,280)	-	-
Cash used in investing activities		<u>(18,227,715)</u>	<u>(22,616,145)</u>	<u>(5,822,531)</u>	<u>(551)</u>
Net cash provided by (used in) investing activities		<u>(15,555,803)</u>	<u>(10,165,198)</u>	<u>(4,373,933)</u>	<u>6,862,122</u>

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
CASH FLOWS USED IN FINANCING ACTIVITIES					
Dividends paid		(437,500,000)	(500,000,000)	(437,500,000)	(500,000,000)
Net cash used in financing activities		<u>(437,500,000)</u>	<u>(500,000,000)</u>	<u>(437,500,000)</u>	<u>(500,000,000)</u>
Net increase (decrease) in cash and cash equivalents		(15,157,235)	351,803,450	112,649,829	(5,767,472)
Cash and cash equivalents as at January 1,		1,417,050,104	1,065,246,654	68,444,715	74,212,187
Cash and cash equivalents as at December 31,	5	<u><u>1,401,892,869</u></u>	<u><u>1,417,050,104</u></u>	<u><u>181,094,544</u></u>	<u><u>68,444,715</u></u>

Notes to the financial statements form an integral part of these statements

**SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 operate 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 Company 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 Company’s office was registered at Ploenchit Tower, 18th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

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

2.1 The Company and its subsidiary (“the Group”) maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand.

2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 (Revised 2016) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2017 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 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.

2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

- 2.4 These 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 11). Significant transactions and balances between the Company and the 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.

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

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

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

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards ("TFRSs") that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Insurance contract classification

At the initial date, the Group classified contract as insurance contract by determine that the significant risk has been transferred, in the event (scenario) that an insured would require company to pay significant additional benefits in term of commercial content. Once a contract has been classified as insurance contract, it remains an insurance contract until all right and obligations are expired. Other contract which the Group has entered with the insured may not be classified as an insurance contract when the significant insurance risk has been transferred. Other contracts are reclassified as investment contracts (if any).

3.2 Recognition of revenues and expenses

Premium written

For insurance policies with coverage period for one year, premium income is recognized on the date the insurance policy is effective after deducting premium ceded and premium cancelled and refunded. For long-term insurance policies which coverage periods is longer than one year, related revenues and expenses are recorded as unearned and prepaid items which recognized as income and expenses over the coverage annual.

Reinsurance premium

Reinsurance premium income is recognized when the Group receives the reinsurance application or statement of accounts from the ceding company. Reinsurance profit commissions are recognized when the subsidiary receives the statement of accounts from the reinsurers.

Commissions and brokerages income

Commissions and brokerages income are recognized as income on an accrual basis.

Interest and dividends income

Interest income is recognized as income on an accrual basis. Dividends income are recognized as income on the declaration date.

Commissions and brokerages and other expenses

Commissions and brokerages and other expenses are recognized as expenses on an accrual basis.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand and all types of deposits with banks including investment in securities-notes with original maturity within 3 months or less and not subject to withdrawal restrictions.

3.4 Premium due and uncollected and allowance for doubtful debt

Premium due and uncollected are stated at net realizable value. The Group records allowance for doubtful accounts for the estimated collection losses on premium due and uncollected. Such estimated losses are based on the subsidiary's collection experience and the analysis of aging of each premium due and uncollected.

3.5 Reinsurance assets

Reinsurance assets are stated at net realizable value. The Group records allowance for doubtful accounts for the estimated collection losses on reinsurance assets. Such estimated losses are based on the subsidiary's collection experience and the analysis of aging of each reinsurance assets.

3.6 Due to and due from reinsurers

Due to and due from reinsurers is recognized in the statement of financial position representing reinsurance receivables and payables. The net amount is represented in the statement of financial position when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Investment in securities

Securities classified as available-for-sale are stated at fair value. Gain or loss on the change in fair value is recognized as other components of equity.

Securities classified as general investments are stated at cost.

Debt securities classified as held-to-maturity are stated at amortized cost.

In case of impairment in value of investment has occurred, the resultant loss for all classification of investments is recognized in the statement of profit or loss and other comprehensive income.

Premiums and discounts on debt securities are amortized and accreted to income as adjustments to interest income by using the effective interest rate method.

The costs of securities sold are determined by the weighted average method.

Fair value of marketable securities are based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. Fair value of debt instruments is determined based on the price quoted by the Thai Bond Market Association. Fair value of unit trusts is determined from their net asset value.

3.8 Investments in a subsidiary and an associate

Investments in a subsidiary and an associate as presented in the separate financial statements are accounted for under the cost method net of allowance for impairment loss (if any). Investments in an associate as presented in the consolidated financial statements are accounted for under the equity method.

3.9 Loans

Loans are stated at their principal amount less allowance for doubtful accounts, if any. The Company estimates the allowance for doubtful accounts based on an analysis of payment histories, future expectation of each customer payments and the valuation of the assets pledged.

3.10 Premises and equipment

Land is stated at cost. Premises and equipment are stated at cost, net of accumulated depreciation.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Building	5 years
Office equipment, furniture and fixtures	5 years
Vehicles	5 years

3.11 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortization and impairment losses (if any).

Amortization is charged to the statement of profit or loss and other comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computer software	5 years
Bancassurance agreement	10 years

3.12 Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. The recoverable amount is determined as the higher of fair value less costs to sell or the asset value in use.

3.13 Insurance liabilities

3.13.1 Unearned premium reserve

Unearned premium reserve is set aside in compliance with the basis as specified in the Notification of the Office of Insurance Commission as follows:

Fire, Marine (Hull), Motor and Miscellaneous	- Monthly average basis (the one-twenty fourth basis)
Transportation (Cargo), travelling accident with coverage periods of not over six-months	- 100% of premiums as from the effective date of the inforce policies over the insurance coverage period

3.13.2 Loss reserve and outstanding claims

Loss reserve and outstanding claims have been provided upon receipt of claim advices from the insured and recorded at the amount appraised by an independent appraiser or by the Group's appraiser. In addition, the Group records a provision for losses incurred but not yet reported (IBNR) which assessed by certified actuary.

3.13.3 Unexpired risks reserve

Unexpired risks reserves are the best estimate of the claims that are expected be incurred during the remaining period of coverage of in-force policies, based on analysis of historical claims data by an actuary.

Unexpired risk reserves are only recognised in the financial statements to the extent that they exceed unearned premium reserves.

3.14 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange prevailing at the transaction dates. Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies is translated into Baht at the reference exchange rates established by the Bank of Thailand at that date. Gains and losses on exchange arising on settlements and translation are recognized as income or expense when incurred.

3.15 Employee benefits

3.15.1 Provident fund

The Group has provident fund which are contributory by the employee and the Group matching the individuals' contributions. The provident funds have been registered in accordance with the Provident Fund Act B.E. 2530 (1987). The Group's contribution to the Fund are recorded as expense for the year.

3.15.2 Employee benefit obligations

The Group provides employee benefit obligations, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an actuary using the projected unit credit cost method. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other factor. Actuarial gains or losses will be recognized in the statement of profit or loss and other comprehensive income in the period to which they are related. The costs associated with providing these benefits are charged to the statement of profit or loss and other comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

3.16 Long-term leases

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of profit or loss and other comprehensive income over the lease term.

3.17 Income tax expense

Income tax expense is based on the taxable profit multiplied by the tax rate that has been enacted at the statement of financial position date and adjusted by the effect of deferred income tax accounting.

Deferred income tax is provided on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, using the tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3.18 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted average ordinary shares outstanding at the end of the year. In the case of a capital increase, the number of shares is equal to the weighted average according to the time of the subscription received for the increase in issued and paid-up share capital. As at December 31, 2017 and 2016, the Group does not have any common share equivalents outstanding which would have had a dilutive effect on earnings per share.

3.19 Use of management's judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Key sources of estimation uncertainty

3.19.1 Loss reserves

The Group is required to estimate loss reserves and outstanding claims that arise from the Group's insurance products. These reserves represent the expected cost to settle claims occurring prior to, but still outstanding as of, the reporting period. The Group establishes its reserves by product line and extent of coverage. The reserves consist of reserves for reported losses and reserves for incurred but not reported (IBNR) losses.

The Group's reserves for reported losses are based on estimates of future payments to settle reported insurance claims with an undiscounted basis. IBNR reserves are established to recognize by using historical information and statistical models, based on standard actuarial claims projection techniques.

3.19.2 Fair value measurement and valuation processes

Some asset measured at Level 2 of the fair value in the statements of financial position as of the end of reporting period such as Government and State Enterprise and Private Enterprises debt securities will be valued on the basis of quoted values and other data provided by Thai-BMA and first utilize valuation inputs from actively traded securities, such as bid prices when quoted market prices are unavailable, the pricing will be estimated by discounting expected future cash flows using market interest rate and/or prices for a similar instrument from Thai-BMA at the measurement date.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 36.2.6.1.

3.20 Fair value measurements

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if a producer or supplier of a marketable good would take those characteristics into the consideration the price that would be received to sell an asset or paid to transfer a liability at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for disclosure in the financial statements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements 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. ADDITIONAL INFORMATION FOR CASH FLOWS

4.1 Non-cash items of premises and equipment for the years ended December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Other payable - fixed assets as at January 1,	-	800,681
<u>Add</u> Purchases of fixed assets	13,364,318	16,330,184
<u>Less</u> Cash paid for purchase of fixed assets	<u>(13,332,887)</u>	<u>(17,130,865)</u>
Other payable - fixed assets as at December 31,	<u>31,431</u>	<u>-</u>

- 4.2 Non-cash items of intangible assets for the years ended December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Other payable - intangible assets as at January 1,	20,000	-
<u>Add</u> Purchases of intangible assets	4,874,828	5,505,280
<u>Less</u> Cash paid for purchase of intangible assets	<u>(4,894,828)</u>	<u>(5,485,280)</u>
Other payable - intangible assets as at December 31,	<u>-</u>	<u>20,000</u>

5. CASH AND CASH EQUIVALENTS

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash	290,000	270,000	10,000	10,000
Cheque on hand	6,546,748	5,928,705	-	-
Deposits at bank - at call	436,891,540	198,555,378	151,087,626	33,439,013
Deposits at bank - maturity not over 3 months	-	28,214,757	-	-
Short-term investments	<u>958,164,581</u>	<u>1,184,081,264</u>	<u>29,996,918</u>	<u>34,995,702</u>
Cash and cash equivalents	<u>1,401,892,869</u>	<u>1,417,050,104</u>	<u>181,094,544</u>	<u>68,444,715</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

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

	Consolidated financial statements	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Within credit terms	181,203,746	175,614,323
Less than 30 days	25,575,689	20,840,414
31 - 60 days	10,480,196	6,780,953
61 - 90 days	3,458,805	5,808,252
Over 90 days	21,860,248	12,840,486
Total premium due and uncollected	<u>242,578,684</u>	<u>221,884,428</u>
<u>Less</u> Allowance for doubtful accounts	<u>(4,451,244)</u>	<u>(4,451,244)</u>
Premium due and uncollected - net	<u>238,127,440</u>	<u>217,433,184</u>

For premium receivables due from agents and brokers, the Group has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Group has the process with such agents and brokers in accordance with the Group's policy and procedure.

7. REINSURANCE ASSETS

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

	Consolidated financial statements	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Insurance reserve refundable from reinsurers		
Loss reserves	367,077,629	454,209,715
Unearned premium reserve		
-Unearned reinsurance premium reserve	524,960,285	596,066,203
Total reinsurance assets (see Note 16)	<u>892,037,914</u>	<u>1,050,275,918</u>

8. DUE FROM REINSURERS

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

	Consolidated financial statements	
	2017 Baht	2016 Baht
Deposit on reinsurance	94	103
Due from reinsurers	55,744,800	58,568,773
Total	<u>55,744,894</u>	<u>58,568,876</u>

Aging analyzes for due from reinsurers as at December 31, 2017 and 2016 were as follows:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Within credit terms	39,482,885	46,192,562
Not over 12 months	15,896,728	10,536,556
Over 1 year to 2 years	63,887	1,837,675
Over 2 years	301,300	1,980
Total due from reinsures	55,744,800	58,568,773

9. INVESTMENTS IN SECURITIES

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

	Consolidated financial statements			
	As at December 31, 2017		As at December 31, 2016	
	Cost/ Amortized cost Baht	Fair value Baht	Cost/ Amortized cost Baht	Fair value Baht
Held-for-trading securities				
Equity securities	92,565,357	93,669,855	-	-
Add Unrealized gain	1,104,498	-	-	-
Total held for-trading-securities	93,669,855	93,669,855	-	-
Available-for-sale securities				
Government and state enterprise securities	466,421,445	469,328,404	488,902,498	494,225,155
Equity securities	2,168,388,135	2,116,704,356	2,241,424,775	2,126,120,877
Total	2,634,809,580	2,586,032,760	2,730,327,273	2,620,346,032
Less Unrealized losses	(48,776,820)	-	(109,981,241)	-
Total available-for-sale securities	2,586,032,760	2,586,032,760	2,620,346,032	2,620,346,032
Held-to-maturity securities				
Government securities used as collateral	1,493,571,430		1,497,711,448	
Deposits at bank with maturity over 3 months	190,842,850		197,902,544	
Deposits at bank used as collateral	246,584,549		245,902,763	
Premium saving certificates used as collateral	25,700,000		12,850,000	
Total held-to-maturity securities	1,956,698,829		1,954,366,755	
General investment				
Equity securities	20,996,951		20,996,951	
Less Allowance for impairment	(1,507,119)		(1,507,119)	
Total general investment	19,489,832		19,489,832	
Total investment in securities - net	4,655,891,276		4,594,202,619	

	Separate financial statements			
	As at December 31, 2017		As at December 31, 2016	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
	Baht	Baht	Baht	Baht
Available-for-sale securities				
Government and state enterprise securities	132,144,848	133,031,823	132,277,540	134,604,175
Equity securities	<u>2,113,220,545</u>	<u>2,061,030,890</u>	<u>2,216,048,042</u>	<u>2,100,334,504</u>
Total	2,245,365,393	2,194,062,713	2,348,325,582	2,234,938,679
Less Unrealized losses	<u>(51,302,680)</u>	<u>-</u>	<u>(113,386,903)</u>	<u>-</u>
Total available-for-sale securities	<u>2,194,062,713</u>	<u>2,194,062,713</u>	<u>2,234,938,679</u>	<u>2,234,938,679</u>
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	12,552,665		22,239,399	
Deposits at bank used as collateral	<u>44,000,000</u>		<u>44,000,000</u>	
Total held-to-maturity securities	<u>56,552,665</u>		<u>66,239,399</u>	
General investment				
Equity securities	19,505,281		19,505,281	
Less Allowance for impairment	<u>(1,507,119)</u>		<u>(1,507,119)</u>	
Total general investment	<u>17,998,162</u>		<u>17,998,162</u>	
Total investment in securities - net	<u>2,268,613,540</u>		<u>2,319,176,240</u>	

Debt securities classified by the remaining maturity as at December 31, 2017 were as follows:

	Consolidated financial statements			
	Maturities			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Available-for-sale debt securities				
Government and state enterprise securities	240,480,652	225,940,793	-	466,421,445
Add Unrealized gains	<u>714,109</u>	<u>2,192,850</u>	<u>-</u>	<u>2,906,959</u>
Total	<u>241,194,761</u>	<u>228,133,643</u>	<u>-</u>	<u>469,328,404</u>
Total available-for-sale debt securities	<u>241,194,761</u>	<u>228,133,643</u>	<u>-</u>	<u>469,328,404</u>
Held-to-maturity debt securities				
Government and state enterprise securities used as collateral	<u>1,493,571,430</u>	<u>-</u>	<u>-</u>	<u>1,493,571,430</u>
Total held-to-maturity debt securities	<u>1,493,571,430</u>	<u>-</u>	<u>-</u>	<u>1,493,571,430</u>
Total debt securities - net	<u>1,734,766,191</u>	<u>228,133,643</u>	<u>-</u>	<u>1,962,899,834</u>

Debt securities classified by the remaining maturity as at December 31, 2016 were as follows:

	Consolidated financial statements			
	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	201,306,056	287,596,442	-	488,902,498
Add Unrealized gains	647,980	4,674,677	-	5,322,657
Total	201,954,036	292,271,119	-	494,225,155
Total available-for-sale debt securities	201,954,036	292,271,119	-	494,225,155
Held-to-maturity debt securities				
Government and state enterprise securities used as collateral	1,497,711,448	-	-	1,497,711,448
Total held-to-maturity debt securities	1,497,711,448	-	-	1,497,711,448
Total debt securities - net	1,699,665,484	292,271,119	-	1,991,936,603

Debt securities classified by the remaining maturity as at December 31, 2017 were as follows:

	Separate financial statements			
	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	100,339,491	31,805,357	-	132,144,848
Add Unrealized gains	446,256	440,719	-	886,975
Total	100,785,747	32,246,076	-	133,031,823
Total debt securities - net	100,785,747	32,246,076	-	133,031,823

Debt securities classified by the remaining maturity as at December 31, 2016 were as follows:

	Separate financial statements			
	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	30,218,691	102,058,849	-	132,277,540
Add Unrealized gains	188,283	2,138,352	-	2,326,635
Total	30,406,974	104,197,201	-	134,604,175
Total debt securities - net	30,406,974	104,197,201	-	134,604,175

As at December 31, 2017 and 2016, certain investment in securities of the Group are pledged and used for assets reserved with the Registrar (see Note 31).

As at December 31, 2017 and 2016, premium saving certificates of its subsidiary were used as collateral for insured driver amounting to Baht 3.55 million and Baht 4.10 million, respectively (see Note 32.1) (Company: Nil).

As at December 31, 2017 and 2016, deposits at bank of the Group were pledged as collateral for credit facilities for bank overdrafts and loans in the form of promissory notes amounting to Baht 40 million and Baht 10 million, respectively. (Company: Baht 20 million and Baht 10 million, respectively) (see Note 32.2).

10. LOANS

Loans of the Group 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

11. INVESTMENT IN A SUBSIDIARY AND AN ASSOCIATE

11.1 Investment in an associate in the consolidated financial statements

As at December 31, 2017 and 2016, the Company had investment in an associated company accounted for under equity method in the consolidated financial statements as follows:

		Consolidated financial statements					
Company name	Nature of business	Percentage of shareholding		Cost		Carrying value under equity method	
		2017 percent	2016 percent	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Associated company							
Allianz Ayudhya Assurance							
Public Company Limited	Life Insurance	20.17	20.17	1,487,263,618	1,487,263,618	3,355,004,219	2,830,474,645

As at December 31, 2017 and 2016, an associate had total assets and total liabilities as follows:

	As at December 31, 2017	Baht: million As at December 31, 2016
Total assets	178,024.98	161,095.54
Total liabilities	161,630.95	147,302.10

For the years ended December 31, 2017 and 2016, an associate had total revenues, net income and net of other comprehensive income as follows:

	Baht: million	
	For the years ended	
	December 31,	
	2017	2016
Total revenues	38,021.79	36,611.15
Net income	1,644.45	1,926.01
Items that will not be reclassified subsequently to profit or loss		
Defined benefit plan actuarial loss	(7.94)	(17.40)
Income tax relating to items that will not be reclassified		
Subsequently	1.59	3.48
Other comprehensive loss - net of income tax	<u>(6.35)</u>	<u>(13.92)</u>
Items that will be reclassified subsequently to profit or loss		
Net change in fair value of derivative instruments	24.65	(271.62)
Net change in fair value of available-for-sale securities	3,621.20	(509.90)
Income tax relating to items that will be reclassified		
Subsequently	(759.96)	158.33
Other comprehensive income (loss) - net of income tax	<u>2,885.89</u>	<u>(623.19)</u>

The consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 recognized share of profit, resulting from portion of holding of investment in an associate as follows:

	Baht: million	
	For the years ended	
	December 31,	
	2017	2016
Share of profit on investment in an associate	331.68	388.47
Items that will not be reclassified subsequently to profit or loss		
Share of other comprehensive loss in an associate	(1.60)	(3.51)
Income tax relating to items that will not be reclassified		
subsequently	0.32	0.70
Share of other comprehensive loss in an associate		
- net of income tax	<u>(1.28)</u>	<u>(2.81)</u>
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) in an		
associate	735.35	(157.63)
Income tax relating to items that will be reclassified		
Subsequently	(153.28)	31.94
Share of other comprehensive income (loss) in an		
associate		
- net of income tax	<u>582.07</u>	<u>(125.69)</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	
	December 31,	
	2017	2016
Net assets of an associate	16,394.03	13,793.44
Proportion of the Group's ownership interest in an associate (%)	20.17	20.17
	<u>3,306.60</u>	<u>2,782.07</u>
Investment amount over net assets at investment date	48.40	48.40
Carrying amount of the Group's interest in an associate	<u>3,355.00</u>	<u>2,830.47</u>

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

As at December 31, 2017 and 2016, investments in a subsidiary and an associate were as follows:

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend	
	2017	2016	2017	2016	2017	2016	2017	2016
	Baht	Baht	Percent	percent	Baht	Baht	Baht	Baht
Associated company								
Allianz Ayudhya								
Assurance Public								
Company Limited	2,950,000,000	2,950,000,000	20.17	20.17	1,487,263,618	1,487,263,618	387,941,826	374,256,761
Subsidiary company								
Sri Ayudhya General								
Insurance Public								
Company Limited	1,800,000,000	1,800,000,000	99.99	99.99	1,823,578,981	1,823,578,981	-	-

Ordinary shareholders' meeting of an associate passed a resolution for dividend payment which had been endorsed by the Office of Insurance Commission as follows:

The resolution of ordinary shareholders' meeting for dividend payment			The endorsement of Office of Insurance Commission for dividend payment			Total dividend receive (Baht million)	Received date
Date	Dividend per share (Baht)	Total (Baht million)	Date	Dividend per share (Baht)	Total (Baht million)		
April 20, 2017	6.52	1,923.40	June 29, 2017	6.52	1,923.40	387.94	July 14, 2017
April 27, 2016	6.58	1,941.10	June 13, 2016	6.29	1,855.55	374.26	July 8, 2016

12. PREMISES AND EQUIPMENT

Premises and equipment as at December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements						Consolidated financial statements										
	Cost			Accumulated depreciation			Cost			Accumulated depreciation							
	As at January 1, 2017	Increase	Disposal / Write off	Transfer in/ (transfer out)	As at December 31, 2017	As at January 1, 2017	Depreciation	Disposal / Write off	As at December 31, 2017	Beginning balance of premises and equipment - net as at January 1, 2017	Ending balance of premises and equipment - net as at December 31, 2017	As at January 1, 2016	Depreciation	Disposal / Write off	As at December 31, 2016	Beginning balance of premises and equipment - net as at January 1, 2016	Ending balance of premises and equipment - net as at December 31, 2016
Land	Baht 1,610,500	Baht -	Baht -	Baht -	Baht 1,610,500	Baht -	Baht -	Baht -	Baht -	Baht 1,610,500	Baht 1,610,500	Baht -	Baht -	Baht -	Baht -	Baht 1,610,500	Baht 1,610,500
Building	Baht 773,500	Baht -	Baht -	Baht -	Baht 773,500	Baht (773,498)	Baht -	Baht (773,498)	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht 2
Office equipment	Baht 69,119,642	Baht 2,410,267	Baht (6,117,326)	Baht -	Baht 65,412,583	Baht (55,784,003)	Baht (5,679,216)	Baht (55,360,806)	Baht (55,360,806)	Baht 13,335,639	Baht 10,051,777	Baht (51,159,200)	Baht (6,163,191)	Baht 1,538,388	Baht (55,784,003)	Baht 16,493,109	Baht 13,335,639
Furniture and fixtures	Baht 52,975,122	Baht 749,828	Baht (99,769)	Baht 1,883,583	Baht 55,508,764	Baht (25,654,013)	Baht (8,463,655)	Baht (34,017,912)	Baht (34,017,912)	Baht 27,321,109	Baht 21,490,852	Baht (19,513,099)	Baht (8,146,089)	Baht 2,005,175	Baht (25,654,013)	Baht 25,113,378	Baht 27,321,109
Vehicles	Baht 40,782,931	Baht 8,320,640	Baht (9,788,178)	Baht -	Baht 39,315,393	Baht (22,516,432)	Baht (5,952,995)	Baht (19,233,018)	Baht (19,233,018)	Baht 18,266,499	Baht 20,082,375	Baht (37,053,175)	Baht (7,237,189)	Baht 21,773,932	Baht (22,516,432)	Baht 28,261,457	Baht 18,266,499
Office equipment and furniture and fixtures - under installation	Baht -	Baht 1,883,583	Baht -	Baht (1,883,583)	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -	Baht -
Total	Baht 165,261,695	Baht 13,364,318	Baht (16,005,273)	Baht -	Baht 162,620,740	Baht (104,727,946)	Baht (20,095,866)	Baht (109,385,234)	Baht (109,385,234)	Baht 60,533,749	Baht 53,235,506	Baht (108,498,972)	Baht (21,546,469)	Baht 25,317,495	Baht (104,727,946)	Baht 75,310,578	Baht 60,533,749

Separate financial statements

	Cost		Accumulated depreciation				Beginning balance of premises and equipment - net as at		Ending balance of premises and equipment - net as at	
	As at January 1, 2017	Increase	As at December 31, 2017	Disposal/Write off	Depreciation	As at January 1, 2017	Write off	As at December 31, 2017	January 1, 2017	December 31, 2017
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Land	1,610,500	-	1,610,500	-	-	-	-	-	1,610,500	1,610,500
Building	773,500	-	773,500	-	-	(773,498)	-	(773,498)	2	2
Office equipment	2,894,208	62,531	2,927,548	(29,191)	(214,222)	(2,494,570)	29,190	(2,679,602)	399,638	247,946
Furniture and fixtures	4,455,947	-	4,455,947	-	(307,524)	(3,938,707)	-	(4,246,231)	517,240	209,716
Vehicles	8,707,825	5,760,000	8,167,825	(6,300,000)	(441,624)	(8,618,623)	6,299,999	(2,760,248)	89,202	5,407,577
Total	18,441,980	5,822,531	17,935,320	(6,329,191)	(963,370)	(15,825,398)	6,329,189	(10,459,579)	2,616,582	7,475,741

Separate financial statements

	Cost		Accumulated depreciation				Beginning balance of premises and equipment - net as at		Ending balance of premises and equipment - net as at	
	As at January 1, 2016	Increase	As at December 31, 2016	Disposal/Write off	Depreciation	As at January 1, 2016	Write off	As at December 31, 2016	January 1, 2016	December 31, 2016
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Land	1,610,500	-	1,610,500	-	-	-	-	-	1,610,500	1,610,500
Building	773,500	-	773,500	-	-	(773,498)	-	(773,498)	2	2
Office equipment	3,091,091	-	2,894,208	(196,883)	(230,873)	(2,442,677)	178,980	(2,494,570)	648,414	399,638
Furniture and fixtures	4,459,777	551	4,455,947	(4,381)	(334,776)	(3,608,311)	4,380	(3,938,707)	851,466	517,240
Vehicles	24,014,602	-	8,707,825	(15,306,777)	(993,562)	(15,728,284)	8,103,223	(8,618,623)	8,286,318	89,202
Total	33,949,470	551	18,441,980	(15,508,041)	(1,559,211)	(22,552,770)	8,286,583	(15,825,398)	11,396,700	2,616,582

As at December 31, 2017 and 2016, certain premises and equipment of the Group at cost of Baht 56.38 million and Baht 62.16 million, respectively, were fully depreciated but still in use (Company: Baht 7.79 million and Baht 14.07 million, respectively).

13. INTANGIBLE ASSETS

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

	Consolidated financial statements										
	Cost					Accumulated amortization					
	As at January 1, 2017	Increase	Write off	Transfer in/ (transfer out)	As at December 31, 2017	As at January 1, 2017	Amortization	Write off	As at December 31, 2017	Beginning balance of intangible assets - net as at January 1, 2017	Ending balance of intangible assets - net as at December 31, 2017
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Purchase/subsequently acquire											
Computer software	74,709,942	433,827	(9,993,080)	6,061,045	71,211,734	(65,224,558)	(3,002,271)	9,992,982	(58,233,847)	9,485,384	12,977,887
Computer software in process	27,266,905	4,441,001	-	(6,061,045)	25,646,861	-	-	-	-	27,266,905	25,646,861
Bancassurance agreement	100,000,000	-	-	-	100,000,000	(61,593,208)	(9,991,787)	-	(71,584,995)	38,406,792	28,415,005
Total	201,976,847	4,874,828	(9,993,080)	-	196,858,595	(126,817,766)	(12,994,058)	9,992,982	(129,818,842)	75,159,081	67,039,753

	Consolidated financial statements										
	Cost					Accumulated amortization					
	As at January 1, 2016	Increase	Write off	Transfer in/ (transfer out)	As at December 31, 2016	As at January 1, 2016	Amortization	Write off	As at December 31, 2016	Beginning balance of intangible assets - net as at January 1, 2016	Ending balance of intangible assets - net as at December 31, 2016
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Purchase/subsequently acquire											
Computer software	70,876,094	1,077,298	-	2,756,550	74,709,942	(61,223,661)	(4,000,897)	-	(65,224,558)	9,652,433	9,485,384
Computer software in process	25,595,473	4,427,982	-	(2,756,550)	27,266,905	-	-	-	-	25,595,473	27,266,905
Bancassurance agreement	100,000,000	-	-	-	100,000,000	(51,574,046)	(10,019,162)	-	(61,593,208)	48,425,954	38,406,792
Total	196,471,567	5,505,280	-	-	201,976,847	(112,797,707)	(14,020,059)	-	(126,817,766)	83,673,860	75,159,081

Separate financial statements

	Cost		Accumulated amortization		Ending balance of intangible assets - net as at December 31, 2017
	As at January 1, 2017	Increase	Transfer in (transfer out)	As at January 1, 2017	
Purchase/subsequently acquire		Baht	Baht	Baht	Baht
Computer software	40,800	-	-	(40,776)	24
Total	40,800	-	-	(40,776)	24

Separate financial statements

	Cost		Accumulated amortization		Ending balance of intangible assets - net as at December 31, 2016
	As at January 1, 2016	Increase	Transfer in (transfer out)	As at January 1, 2016	
Purchase/subsequently acquire		Baht	Baht	Baht	Baht
Computer software	40,800	-	-	(40,776)	24
Total	40,800	-	-	(40,776)	24

As at December 31, 2017 and 2016, certain intangible assets of the Group at cost of Baht 52.83 million and Baht 59.70 million, respectively, were fully amortized but still in use (Company : Baht 0.04 million).

14. DEFERRED TAX ASSETS

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets	167,168,301	185,959,305	6,481,717	19,451,317

Movements of deferred tax assets for the years ended December 31, 2017 and 2016 consisted of tax effects from the following items:

	Consolidated financial statements			
	As at January 1, 2017 Baht	Transactions recognized in profit or loss Baht	Transaction recognized in other comprehensive income or loss Baht	As at December 31, 2017 Baht
Allowance for doubtful accounts				
- Premium due and uncollected	890,249	-	-	890,249
Allowance for doubtful accounts				
- Other receivable	566,723	-	-	566,723
Unearned premium reserve	79,616,346	6,429,113	-	86,045,459
Unrealized loss on the change in fair value of investment in available-for-sale securities	22,677,381	-	(12,416,845)	10,260,536
Loss reserve - net	56,698,768	(10,626,403)	-	46,072,365
Incurred but not reported claims	15,817,937	(451,458)	-	15,366,479
Employee benefit obligations	10,944,106	853,510	880,146	12,677,762
Allowance for impairment of general investment	301,424	-	-	301,424
Reinsurance payable	4,066,528	(3,635,028)	-	431,500
Total	191,579,462	(7,430,266)	(11,536,699)	172,612,497
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(681,133)	-	175,961	(505,172)
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	(5,620,157)	-	175,961	(5,444,196)
Deferred tax assets	185,959,305	(7,430,266)	(11,360,738)	167,168,301

	Consolidated financial statements			
	As at January 1, 2016	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2016
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts				
- Premium due and uncollected	978,711	(88,462)	-	890,249
Allowance for doubtful accounts				
- Other receivable	256,500	310,223	-	566,723
Unearned premium reserve	93,809,945	(14,193,599)	-	79,616,346
Unrealized loss on the change in fair value of investment in available-for-sale securities	30,306,553	-	(7,629,172)	22,677,381
Loss reserve - net	79,390,874	(22,692,106)	-	56,698,768
Incurred but not reported claims	14,942,828	875,109	-	15,817,937
Employee benefit obligations	9,615,681	995,280	333,145	10,944,106
Allowance for impairment of general investment	301,424	-	-	301,424
Reinsurance payable	2,736,469	1,330,059	-	4,066,528
Total	<u>232,338,985</u>	<u>(33,463,496)</u>	<u>(7,296,027)</u>	<u>191,579,462</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(1,479,434)	-	798,301	(681,133)
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	<u>(6,418,458)</u>	<u>-</u>	<u>798,301</u>	<u>(5,620,157)</u>
Deferred tax assets	<u>225,920,527</u>	<u>(33,463,496)</u>	<u>(6,497,726)</u>	<u>185,959,305</u>
Separate financial statements				
	As at January 1, 2017	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2017
	Baht	Baht	Baht	Baht
Unrealized loss on the change in fair value of investment in available-for-sale securities	22,677,381	-	(12,416,845)	10,260,536
Employee benefit obligations	1,411,536	(712,464)	159,709	858,781
Allowance for impairment of general investment	301,424	-	-	301,424
Total	<u>24,390,341</u>	<u>(712,464)</u>	<u>(12,257,136)</u>	<u>11,420,741</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	<u>(4,939,024)</u>	<u>-</u>	<u>-</u>	<u>(4,939,024)</u>
Deferred tax assets	<u>19,451,317</u>	<u>(712,464)</u>	<u>(12,257,136)</u>	<u>6,481,717</u>

	Separate financial statements			
	As at January 1, 2016	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2016
	Baht	Baht	Baht	Baht
Unrealized loss on the change in fair value of investment in available-for-sale securities	30,306,553	-	(7,629,172)	22,677,381
Loss reserve - net	19,574,963	(19,574,963)	-	-
Employee benefit obligations	1,901,222	(626,849)	137,163	1,411,536
Allowance for impairment of general investment	301,424	-	-	301,424
Total	<u>52,084,162</u>	<u>(20,201,812)</u>	<u>(7,492,009)</u>	<u>24,390,341</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	<u>(4,939,024)</u>	<u>-</u>	<u>-</u>	<u>(4,939,024)</u>
Deferred tax assets				
	<u>47,145,138</u>	<u>(20,201,812)</u>	<u>(7,492,009)</u>	<u>19,451,317</u>

Income tax expense for the years ended December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Income tax expense from taxable income per income tax return	14,592,490	11,700,469	1,254,537	1,656,491
Deferred tax expenses relating to the origination and reversal of temporary differences	7,430,266	33,463,496	712,464	20,201,812
Income tax expense per the statements of profit or loss and other comprehensive income	<u>22,022,756</u>	<u>45,163,965</u>	<u>1,967,001</u>	<u>21,858,303</u>

Reconciliation of effective tax rate for the years ended December 31, 2017 and 2016 are as follows:

	Consolidated financial statements			
		2017		2016
	Tax Rate (%)	Amount (Baht)	Tax Rate (%)	Amount (Baht)
Income before income tax expense		<u>484,932,901</u>		<u>660,328,969</u>
Income tax using the corporation tax rate	20.00	96,986,580	20.00	132,065,794
Tax effect of non-deductible expenses (benefits)	<u>(15.46)</u>	<u>(74,963,824)</u>	<u>(13.16)</u>	<u>(86,901,829)</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>4.54</u>	<u>22,022,756</u>	<u>6.84</u>	<u>45,163,965</u>

	Separate financial statements			
		2017		2016
	Tax Rate	Amount	Tax Rate	Amount
	(%)	(Baht)	(%)	(Baht)
Income before income tax expense		435,752,901		527,883,324
Income tax using the corporation tax rate	20.00	87,150,580	20.00	105,576,665
Tax effect of non-deductible expenses (benefits)	(19.55)	(85,183,579)	(15.86)	(83,718,362)
Income tax expense per the statements of profit or loss and other comprehensive income	0.45	1,967,001	4.14	21,858,303

15. OTHER ASSETS

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Other receivables	17,489,219	16,230,246	-	-
<u>Less Allowance for doubtful accounts</u>	<u>(2,833,615)</u>	<u>(2,833,615)</u>	<u>-</u>	<u>-</u>
	14,655,604	13,396,631	-	-
Revenue Department receivable	30,069,359	120,675	575,624	120,675
Refundable corporate income tax	13,826,983	13,097,739	-	-
Prepaid expenses	9,000,909	18,164,774	339,606	1,267,369
Due from rice field insurance scheme	20,975,483	-	-	-
Others	10,988,409	8,631,529	7,006,037	18,793,210
Total other assets	<u>99,516,747</u>	<u>53,411,348</u>	<u>7,921,267</u>	<u>20,181,254</u>

16. INSURANCE CONTRACT LIABILITIES

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

	Consolidated financial statements		
	As at December 31, 2017		
	Insurance contract liabilities	Reinsurance liabilities	Net
	(Baht)	(see Note 7) (Baht)	(Baht)
Loss reserves			
Loss incurred and agreed	560,141,842	(326,882,217)	233,259,625
Loss incurred but not reported	117,027,807	(40,195,412)	76,832,395
Premium reserve			
Unearned Premium reserve	1,391,825,555	(524,960,285)	866,865,270
Total	<u>2,068,995,204</u>	<u>(892,037,914)</u>	<u>1,176,957,290</u>

Consolidated financial statements			
As at December 31, 2016			
	Insurance contract liabilities Baht	Reinsurance liabilities (see Note 7) Baht	Net Baht
Loss reserves			
Loss incurred and agreed	694,871,314	(409,067,995)	285,803,319
Loss incurred but not reported	124,231,405	(45,141,720)	79,089,685
Premium reserve			
Unearned Premium reserve	1,430,785,906	(596,066,203)	834,719,703
Total	<u>2,249,888,625</u>	<u>(1,050,275,918)</u>	<u>1,199,612,707</u>

16.1 Insurance reserve for short term insurance contract

16.1.1 Loss reserves

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

Consolidated financial statements			
2017			
	Gross Baht	Reinsurance Baht	Net Baht
Balance as at beginning year	819,102,719	(454,209,715)	364,893,004
Loss incurred and loss adjustment expenses during the year	1,475,254,921	(685,567,921)	789,687,000
Changing on estimated loss and assumptions used in calculating loss reserve	(86,673,882)	85,563,658	(1,110,224)
Loss paid during the year	<u>(1,530,514,109)</u>	<u>687,136,349</u>	<u>(843,377,760)</u>
Balance as at ending year	<u>677,169,649</u>	<u>(367,077,629)</u>	<u>310,092,020</u>

Consolidated financial statements			
2016			
	Gross Baht	Reinsurance Baht	Net Baht
Balance as at beginning year	928,841,720	(451,220,018)	477,621,702
Loss incurred and loss adjustment expenses during the year	1,577,788,345	(640,149,912)	937,638,433
Changing on estimated loss and assumptions used in calculating loss reserve	(262,313,018)	141,886,886	(120,426,132)
Loss paid during the year	<u>(1,425,214,328)</u>	<u>495,273,329</u>	<u>(929,940,999)</u>
Balance as at ending year	<u>819,102,719</u>	<u>(454,209,715)</u>	<u>364,893,004</u>

	Separate financial statements		
	2016		
	Gross Baht	Reinsurance Baht	Net Baht
Balance as at beginning year	97,874,811	-	97,874,811
Changing on estimated loss and assumptions used in calculating loss reserve	<u>(97,874,811)</u>	<u>-</u>	<u>(97,874,811)</u>
Balance as at ending year	<u>-</u>	<u>-</u>	<u>-</u>

On March 15, 2016, the supreme court had passed a verdict to dismissal for case, caused by a loss claim incurred by an insured company. 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 years ended December 31, 2016 of Baht 97.87 million.

16.1.2 Unearned premium reserve

	Consolidated financial statements		
	2017		
	Gross Baht	Reinsurance Baht	Net Baht
As at January 1,	1,430,785,906	(596,066,203)	834,719,703
Premium written for the year	2,953,655,613	(1,266,311,577)	1,687,344,036
Earned premium for the year	<u>(2,992,615,964)</u>	<u>1,337,417,495</u>	<u>(1,655,198,469)</u>
As at December 31,	<u>1,391,825,555</u>	<u>(524,960,285)</u>	<u>866,865,270</u>

	Consolidated financial statements		
	2016		
	Gross Baht	Reinsurance Baht	Net Baht
As at January 1,	1,472,282,393	(540,939,707)	931,342,686
Premium written for the year	3,082,391,856	(1,286,529,458)	1,795,862,398
Earned premium for the year	<u>(3,123,888,343)</u>	<u>1,231,402,962</u>	<u>(1,892,485,381)</u>
As at December 31,	<u>1,430,785,906</u>	<u>(596,066,203)</u>	<u>834,719,703</u>

16.1.3 Unexpired risk reserve

As at December 31, 2017 and 2016, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Group amounting to Baht 759.41 million gross and Baht 532.23 million net of reinsurance (As at December 31, 2016 : amounting to Baht 816.17 million and Baht 549.26 million, respectively), is lower than the unearned premium reserve.

16.2 Claims development tables

16.2.1 Analysis of claims development - gross

As at December 31, 2017

Accident year/ reported year	2013	2014	2015	2016	2017	Unit: Baht
						Total
Estimate of ultimates :						
- End of accident year	1,416,734,959	1,212,296,655	1,254,927,855	1,577,788,345	1,475,254,921	
- One year later	1,497,057,339	1,348,431,604	1,354,581,249	1,495,751,219		
- Two year later	1,462,331,512	1,297,549,606	1,345,364,241			
- Three year later	1,385,429,508	1,260,772,359				
- Four year later	1,385,744,558					
Absolute estimated loss reserve and outstanding claim	1,385,744,558	1,260,772,359	1,345,364,241	1,495,751,219	1,475,254,921	6,962,887,298
Accumulative claim paid	(1,378,001,335)	(1,205,581,583)	(1,265,582,357)	(1,453,581,123)	(1,003,060,662)	(6,305,807,060)
Total Loss reserves	7,743,223	55,190,776	79,781,884	42,170,096	472,194,259	657,080,238
Loss reserves before year 2013						20,089,411
Total Loss reserves						677,169,649

As at December 31, 2016

Accident year/ reported year	2012	2013	2014	2015	2016	Unit: Baht
						Total
Estimate of ultimates :						
- End of accident year	1,204,292,382	1,416,734,959	1,212,296,655	1,254,927,855	1,577,788,345	
- One year later	1,153,078,733	1,497,057,339	1,348,431,604	1,354,581,249		
- Two year later	1,114,151,515	1,462,331,512	1,297,549,606			
- Three year later	1,119,195,998	1,385,429,508				
- Four year later	1,112,106,240					
Absolute estimated loss reserve and outstanding claim	1,112,106,240	1,385,429,508	1,297,549,606	1,354,581,249	1,577,788,345	6,727,454,948
Accumulative claim paid	(1,104,732,463)	(1,371,250,805)	(1,243,398,193)	(1,224,925,754)	(993,772,560)	(5,938,079,775)
Total Loss reserves	7,373,777	14,178,703	54,151,413	129,655,495	584,015,785	789,375,173
Loss reserves before year 2012						29,727,546
Total Loss reserves						819,102,719

16.2.2 Analysis of claims development - net

As at December 31, 2017

Accident year/ reported year	2013	2014	2015	2016	2017	Unit: Baht
						Total
Estimate of ultimates :						
- End of accident year	831,008,228	768,730,145	776,824,943	937,638,433	789,687,000	
- One year later	915,914,174	827,187,455	843,209,923	910,224,015		
- Two year later	887,549,891	802,549,106	839,193,110			
- Three year later	885,718,931	803,571,388				
- Four year later	886,603,163					
Absolute estimated loss reserve and outstanding claim	886,603,163	803,571,388	839,193,110	910,224,015	789,687,000	4,229,278,676
Accumulative claim paid	(884,831,421)	(798,644,921)	(811,308,236)	(890,628,308)	(539,117,940)	(3,924,530,826)
Total Loss reserves	1,771,742	4,926,467	27,884,874	19,595,707	250,569,060	304,747,850
Loss reserves before year 2013						5,344,170
Total Loss reserves						310,092,020

As at December 31, 2016

Accident year/ reported year	2012	2013	2014	2015	2016	Unit: Baht
						Total
Estimate of ultimates						
- End of accident year	807,818,286	831,008,228	768,730,145	776,824,943	937,638,433	
- One year later	725,600,791	915,914,174	827,187,455	843,209,923		
- Two year later	720,391,059	887,549,891	802,549,106			
- Three year later	728,685,312	885,718,931				
- Four year later	727,808,322					
Absolute estimated loss reserve and outstanding claim	727,808,322	885,718,931	802,549,106	843,209,923	937,638,433	4,196,924,715
Accumulative claim paid	(726,611,623)	(883,050,019)	(799,440,519)	(797,154,420)	(639,596,424)	(3,845,853,005)
Total Loss reserves	1,196,699	2,668,912	3,108,587	46,055,503	298,042,009	351,071,710
Loss reserves before year 2012						13,821,294
Total Loss reserves						<u>364,893,004</u>

17. DUE TO REINSURERS

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

	Consolidated financial statements	
	2017	2016
	Baht	Baht
Premium ceded payables	418,789,363	402,551,575
Amount withheld on reinsurance	249,069,496	303,140,910
Total due to reinsurers	<u>667,858,859</u>	<u>705,692,485</u>

18. EMPLOYEE BENEFIT OBLIGATIONS

The Group operates post-employment benefit plans under the Labor Protection Act, which are considered as unfunded defined benefits plans.

The expenses that were recorded in the statement of profit or loss and other comprehensive income for employee benefit obligations for the years ended December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Current service cost	8,683,866	8,472,072	768,044	613,604
Interest cost	1,682,128	1,543,920	103,036	92,664
Actuarial (gain) loss				
- From financial assumptions changes	(577,091)	3,041,239	(19,005)	123,820
- From demographic assumptions changes	5,565,075	(196,884)	124,508	(1,232)
- From experience adjustments	(587,256)	(1,178,633)	693,042	563,225
Total employee benefit expenses	<u>14,766,722</u>	<u>11,681,714</u>	<u>1,669,625</u>	<u>1,392,081</u>

For the years ended December 31, 2017 and 2016, the Group recognized actuarial loss in the consolidated statement of profit or loss and other comprehensive income as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Actuarial loss	4,400,728	1,665,722	798,545	685,813
Deferred tax	(880,146)	(333,145)	(159,709)	(137,163)
Actuarial loss on defined employee benefit plans - net of income tax	<u>3,520,582</u>	<u>1,332,577</u>	<u>638,836</u>	<u>548,650</u>

Movements in the present value of the employee benefit obligations as at December 31, 2017 and 2016 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Present value of obligation at the beginning of the years	79,070,596	72,833,452	7,057,680	9,787,112
Current service cost of the years	8,683,866	8,472,072	768,044	613,604
Interest cost	1,682,128	1,543,920	103,036	92,664
Actuarial loss	4,400,728	1,665,722	798,545	685,813
Benefit paid during the years	(7,014,101)	(5,444,570)	(4,433,401)	(3,794,820)
Transfer benefit to subsidiary company	-	-	-	(326,693)
Present value of obligation at the ending of the years	<u>86,823,217</u>	<u>79,070,596</u>	<u>4,293,904</u>	<u>7,057,680</u>

The Group calculated employee benefit obligations by an actuary using the projected unit credit cost method. The assumptions consisted of the following:

	The Company		The subsidiary	
Financial assumptions				
Discount rate (%)	2.24	2.19	2.37	2.27
Expected rate of salary increase (%)	5	6	5	5
Demographic assumptions				
Turnover rate (%) subject to range of age of employees	3, 10, 17	3, 10, 17	3, 10, 17	4, 10, 17
Retirement age (years)	60	60	60	60

Significant Actuarial Assumptions - Impact on increase (decrease) in Defined Benefit Obligation

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Financial assumptions				
Discount rate - 1 % increase	(7,909,920)	(7,250,918)	(279,892)	(380,685)
Discount rate - 1 % decrease	9,119,845	8,376,955	307,989	421,074
Expected rate of salary - 1% increase	8,678,532	8,060,423	295,046	405,184
Expected rate of salary - 1% decrease	(7,700,355)	(7,138,214)	(273,986)	(374,378)
Demographic assumptions				
Turnover rate - 1% increase	(8,273,002)	(7,614,713)	(290,128)	(396,072)
Turnover rate - 1% decrease	2,493,617	2,402,944	14,419	31,381
Life expectancy - 1 year increase	444,222	603,620	12,195	28,012
Life expectancy - 1 year decrease	(441,501)	(598,127)	(12,195)	(27,855)

19. OTHER LIABILITIES

Other liabilities as at December 31, 2017 and 2016 consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Other payables - promotion expense	26,245,481	25,632,769	-	-
Amount received in advance - premium	23,912,531	29,334,767	-	-
Payable from purchase of securities	15,242,115	-	15,242,115	-
Revenue Department payable	6,934,042	17,068,162	656,050	1,443,917
Undue output VAT	1,797,639	2,782,325	-	-
Others	14,487,444	13,114,056	-	-
Total other liabilities	<u>88,619,252</u>	<u>87,932,079</u>	<u>15,898,165</u>	<u>1,443,917</u>

20. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Group must allocate to a reserve fund from the annual net profit of the year, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the authorized capital. Such reserve fund is not available for distribution as dividend.

As at December 31, 2017 and 2016, the Company has legal reserve by 10% of the authorized capital.

21. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the Management of the Group. 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 Group 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 years ended December 31, 2017 and 2016, there was no revenue from a single external customer contributed 10% or more to the Group's total revenue.

The financial information of the Group for the years ended December 31, 2017 and 2016 were presented by business segment as follows:

Unit: Baht

	Consolidated financial statements							
	For the years ended December 31,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from external	2,071,697,983	2,263,133,009	493,649,782	480,421,783	(387,941,826)	(374,256,761)	2,177,405,939	2,369,298,031
Share of profit on investment in an associate	-	-	331,678,207	388,469,249	-	-	331,678,207	388,469,249
Other income	2,860,828	105,156,272	25,710,905	32,816,973	(24,614,102)	(33,651,739)	3,957,631	104,321,506
Total revenues	2,074,558,811	2,368,289,281	851,038,894	901,708,005	(412,555,928)	(407,908,500)	2,513,041,777	2,862,088,786
Insurance business expenses	1,680,120,687	1,844,102,238	-	-	-	-	1,680,120,687	1,844,102,238
Directors and key management personnel's remuneration	39,539,812	37,720,859	28,284,081	44,436,231	-	-	67,823,893	82,157,090
Other expenses	249,454,693	270,358,216	55,323,705	38,794,012	(24,614,102)	(33,651,739)	280,164,296	275,500,489
Income tax expense	20,055,755	23,305,662	1,967,001	21,858,303	-	-	22,022,756	45,163,965
Net income	85,387,864	192,802,306	765,464,107	796,619,459	(387,941,826)	(374,256,761)	462,910,145	615,165,004

Assets and liabilities of the Group as at December 31, 2017 and 2016 were presented by business segment as follows:

Unit: Baht

	Consolidated financial statements							
	As at December 31,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total Assets	5,250,479,330	5,389,205,370	5,828,414,420	5,263,013,461	(23,922,777)	(35,568,266)	11,054,970,973	10,616,650,565
Total Liabilities	3,331,917,389	3,552,445,705	33,667,800	38,110,857	(4,573,520)	(16,219,009)	3,361,011,669	3,574,337,553

22. OPERATING EXPENSES

Operating expenses for the years ended December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Employee benefit expenses, excluded underwriting and loss adjustment expenses	129,155,783	147,624,282	30,092,628	47,388,198
Premises and equipment expense, excluded underwriting expenses	114,649,528	117,951,048	7,884,329	9,132,255
Taxes and duties	1,498,909	1,449,131	32,355	35,171
Bad debt and allowance for doubtful accounts	-	1,108,802	-	-
Directors' remuneration	16,559,355	17,746,940	11,312,880	11,162,900
Marketing and promotion expenses	14,377,742	13,446,342	-	-
Other operating expense	71,746,872	58,331,034	34,285,594	15,511,719
Total operating expenses	347,988,189	357,657,579	83,607,786	83,230,243

23. EMPLOYEE EXPENSES

Employee expenses for the years ended December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Salary and wage	199,136,438	197,206,124	17,885,336	22,498,625
Social fund expenses	3,700,929	3,754,094	65,250	83,250
Employee benefit expenses	10,365,994	10,015,992	871,080	706,268
Provident fund (see Note 30)	10,794,335	10,703,158	607,386	845,620
Other benefits	64,688,005	78,087,921	10,663,576	23,254,435
Total employee expenses	<u>288,685,701</u>	<u>299,767,289</u>	<u>30,092,628</u>	<u>47,388,198</u>

24. GAIN ON INVESTMENT

Gain on investment for the years ended December 31, 2017 and 2016 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Gain on sale of investment in available-for-sale securities				
- ordinary shares	27,574,014	16,081,794	27,574,014	16,081,794
- unit trusts	26,295,916	32,607,415	26,295,916	32,607,415
Unrealized gain of held-for-trading securities				
- ordinary shares	1,104,498	-	-	-
Total gain on investment in securities	<u>54,974,428</u>	<u>48,689,209</u>	<u>53,869,930</u>	<u>48,689,209</u>

25. EFFECT FROM INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME

Effect from income tax relating to components of other comprehensive income for the years ended December 31, 2017 and 2016, are as follows:

	Consolidated financial statements					
	2017			2016		
	Before tax	Benefit (expense) of tax	Net of tax	Before tax	Benefit (expense) of tax	Net of tax
Baht	Baht	Baht	Baht	Baht	Baht	
Item that will not be reclassified subsequently to profit or loss						
Actuarial loss on deficit employee benefit plans	(4,400,728)	880,146	(3,520,582)	(1,665,722)	333,145	(1,332,577)
Share of other comprehensive income (loss) in an associate	(1,600,947)	320,189	(1,280,758)	(3,508,966)	701,793	(2,807,173)
Item that will be reclassified subsequently to profit or loss						
Change in fair value of available-for-sale securities	61,204,421	(12,240,884)	48,963,537	34,154,353	(6,830,871)	27,323,482
Share of other comprehensive income (loss) in an associate	735,354,361	(153,280,411)	582,073,950	(157,629,211)	31,934,728	(125,694,483)
Total	<u>790,557,107</u>	<u>(164,320,960)</u>	<u>626,236,147</u>	<u>(128,649,546)</u>	<u>26,138,795</u>	<u>(102,510,751)</u>

	Seperate financial statements					
	2017			2016		
	Before tax	Benefit (expense) of tax	Net of tax	Before tax	Benefit (expense) of tax	Net of tax
Baht	Baht	Baht	Baht	Baht	Baht	
Item that will not be reclassified subsequently to profit or loss						
Actuarial loss on deficit employee benefit plans	(798,545)	159,709	(638,836)	(685,813)	137,163	(548,650)
Item that will be reclassified subsequently to profit or loss						
Change in fair value of available-for-sale securities	62,084,223	(12,416,845)	49,667,378	38,145,860	(7,629,172)	30,516,688
Total	61,285,678	(12,257,136)	49,028,542	37,460,047	(7,492,009)	29,968,038

26. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Net profit (Baht)	462,910,145	615,165,004	433,785,900	506,025,021
Issued and paid-up share capital (shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht)	1.85	2.46	1.74	2.02

27. 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:

	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
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
Allianz Ayudhya Assurance Plc.	Some common shareholders and directors	Life Insurance
Grand Canal Land Plc.	Some common shareholders and directors	Advertising
Krungsri Ayudhya AMC Ltd.	Some common shareholders	Asset Management
Siam Realty and Services Security Co., Ltd.	Some common shareholders	Services
Ayudhya Capital Auto Lease Plc.	Some common shareholders	Hire-purchase and auto leasing
Krungsriayudhya Card Co., Ltd.	Some common shareholders	Services
Eastern Star Real Estate Plc.	Some common shareholders and directors	Property
Tummy Tech Co., Ltd	Some directors	Consulting

27.1 Investments

As at December 31, 2017

Company	Consolidated and Separate financial statements	
	Investment Baht	Dividend Baht
Investment - ordinary shares		
Siam City Cement Plc.	-	103,414
	<u>-</u>	<u>103,414</u>
	Consolidated and Separate financial statements	
Companies	Investment Baht	Dividend Baht
Investment - unit trusts		
Unit trusts managed by		
Krungsri Asset Management Co., Ltd.		
- Krungsri Star Plus Fund	159,010,866	-
- Krungsri Cash Management Fund	985,926,171	-
- Krungsri Star Equity Dividend Fund	31,892,634	2,615,535
- Krungsri Dividend Stock Fund	153,961,824	14,358,666
- Krungsri Dynamic Dividend Fund	16,466,280	1,128,000
- Krungsri Flexible Dividend Fund	82,040,964	2,960,352
- Krungsri Financial Focus Dividend Fund	8,370,302	1,538,514
- Krungsri Global High Payout Fund	22,806,502	-
- Krungsri Europe Equity Fund	18,297,686	-
- Krungsri Global Small-Mid Cap Equity Dividend Fund	10,389,557	443,350
- Krungsri Global Healthcare Equity Dividend Fund	37,708,573	2,309,216
	<u>1,526,871,359</u>	<u>25,353,633</u>

As at December 31, 2016

Companies	Consolidated and Separate financial statements			
	Paid-up share capital	Shareholding	Investment	Dividend
	Baht	%	Baht	Baht
Investment - ordinary shares				
Siam City Cement Plc.	2,300,000,000	0.003	1,904,000	105,000
			<u>1,904,000</u>	<u>105,000</u>
	Consolidated and Separate financial statements			
Companies	Investment Baht	Dividend Baht		
Investment - unit trusts				
Unit trusts managed by				
Krungsri Asset Management Co., Ltd.				
- Krungsri Star Plus Fund	511,520,668	-		
- Krungsri Cash Management Fund	677,114,671	-		
- Krungsri Star Equity Dividend Fund	26,576,560	2,996,967		
- Krungsri Dividend Stock Fund	139,310,514	14,358,666		
- Krungsri Dynamic Dividend Fund	12,663,000	312,000		
- Krungsri Flexible Dividend Fund	67,801,669	11,601,381		
- Krungsri Financial Focus Dividend Fund	7,342,790	644,029		
- Krungsri Global High Payout Fund	21,792,512	-		
- Krungsri Europe Equity Fund	15,593,618	-		
- Krungsri Global Small-Mid Cap Equity Dividend Fund	9,314,483	295,567		
- Krungsri Global Healthcare Equity Dividend Fund	36,792,276	1,154,608		
	<u>1,525,822,761</u>	<u>31,363,218</u>		

	Consolidated financial statements	
	For the years ended	
	December 31,	
	2017	2016
	Baht	Baht
Premium written (Continued)		
Ayudhya Capital Auto Lease Plc.	100,246	109,162
Krungsriayudhya Card Co., Ltd.	75,852	165,891
Eastern Star Real Estate Plc.	793,295	745,500
Tummy Tech Co., Ltd.	13,925	-
	<u>77,799,365.</u>	<u>78,409,017</u>

The subsidiary used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

	Consolidated financial statements	
	For the years ended	
	December 31,	
	2017	2016
	Baht	Baht
Commissions and brokerages		
Bank of Ayudhya Plc.	154,979,446	183,999,834
Other underwriting expenses		
Bank of Ayudhya Plc.	94,821,037	122,493,991

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		Separate financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Interest income				
Bank of Ayudhya Plc.	3,088,251	3,753,874	508,970	694,694
Krungsri Securities Plc.	2,849	-	-	-
Management fees				
Sri Ayudhya General Insurance Plc.	-	-	24,074,102	33,171,739

Interest was charged at the same interest rates as the related companies 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.

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Commission paid				
Krungsri Securities Plc.	392,327	467,199	219,021	467,199
Management fees				
Krungsri Securities Plc	-	438,566	-	438,566
Custodian fees				
Bank of Ayudhya Plc.	325,005	188,984	51,007	13,380

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Rental and service fees				
BBTV Equity Co., Ltd.	23,811,482	22,945,037	5,506,200	5,299,200
Management fees				
Sri Ayudhya General Insurance Plc.	-	-	540,000	480,000

The Group 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.

28. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

The Group had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses for the years ended December 31, 2017 and 2016, as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Directors and key management personnel's remuneration				
Short-term benefits	63,661,935	77,114,928	26,160,509	41,971,850
Post-employment benefits	3,037,310	2,065,943	1,410,905	732,851
Directors' remuneration	1,124,648	2,976,219	712,667	1,731,530
	<u>67,823,893</u>	<u>82,157,090</u>	<u>28,284,081</u>	<u>44,436,231</u>

Directors' remuneration for the years ended December 31, 2017 and 2016 were approved by the ordinary shareholders' meeting of the Company held on April 24, 2017 and April 26, 2016, respectively.

Furthermore, directors' remuneration of the subsidiary for the years ended December 31, 2017 and 2016 were approved by the ordinary shareholders' meeting of the subsidiary held on April 24, 2017 and April 25, 2016, respectively.

29. DIVIDENDS

- 29.1 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 totaling 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, totaling Baht 250 million was paid on May 9, 2016.
- 29.2 On August 15, 2016, the Board of Directors' meeting passed a resolution to pay an interim dividend for the operating result from January 1 to June 30, 2016 of Baht 1.00 per share for 250 million shares, totaling Baht 250 million. Such dividend was paid on September 13, 2016.
- 29.3 On April 24, 2017, 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 2016 for 250 million shares, totaling Baht 500 million, of which Baht 1.00 per share totaling Baht 250 million was paid as an interim dividend for the first half year of 2016 on September 13, 2016. Consequently, the dividend remained of Baht 1.00 per share, totaling Baht 250 million was paid on May 8, 2017.
- 29.4 On August 11, 2017, the Board of Directors' meeting passed a resolution to pay an interim dividend for the operating result from January 1 to June 30, 2017 of Baht 0.75 per share for 250 million shares, totaling Baht 187.50 million. Such dividend was paid on September 8, 2017.

30. PROVIDENT FUND

The Group have established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, employees must contribute their basic salaries, with the Group matching the individuals' contributions as follow;

Year of services	Percentage (%)
Less than 5 years	5
5 years and above	7

A registered provident fund manager has been appointed to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended December 31, 2017 and 2016, the Group's contributions recorded as expenses were Baht 10.79 million and Baht 10.70 million, respectively (Company: Baht 0.61 million and Baht 0.85 million, respectively) (see Note 23).

31. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2017 and 2016, certain investment in securities of the Group were pledged and used for assets reserved with the Registrar (see Note 9) 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. 2557", respectively as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission				
Securities pledged with the registrar				
Deposits at banks	28,000,000	28,000,000	14,000,000	14,000,000
Assets reserved with the registrar				
Government and state enterprise securities	383,972,882	385,690,150	133,031,823	134,604,175
Total investment in securities of pledged	<u>411,972,882</u>	<u>413,690,150</u>	<u>147,031,823</u>	<u>148,604,175</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.

32. RESTRICTED ASSETS AND COMMITMENT

32.1 As at December 31, 2017 and 2016, the subsidiary has Premium saving certificates amount of Baht 3.55 million and Baht 4.10 million, respectively were used as collateral in case where the insured driver is an alleged offender (see Note 9).

32.2 As at December 31, 2017 and 2016, the Group has the undrawn committed borrowing facilities which is pledged as collateral by deposit at bank of the Group in the same amount of credit limit as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Overdraft facilities (see Note 9)	40,000	40,000	20,000	20,000
Borrowing facilities (Domestic Bill) (see Note 9)	10,000	10,000	10,000	10,000

Baht: '000

33. CONTRIBUTION TO NON-LIFE GUARANTEE FUND

The subsidiary has accumulated funding amount which was paid into contribution to non-life guarantee fund as at December 31, 2017 and 2016 amounting to Baht 47.93 million and Baht 40.70 million, respectively.

34. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at December 31, 2017 and 2016 consisted of the following:

Type of leases	Consolidated financial statements		
	As at December 31, 2017		
	Remaining periods Within 1 year Baht	Over 1 year to 5 years Baht	Total rental payments for the remaining periods Baht
Building			
- related company	7,538,155	8,794,514	16,332,669
- others	6,349,892	6,673,817	13,023,709
Service - related company	7,538,155	8,794,514	16,332,669
Equipment - related company	10,050,874	11,726,019	21,776,893
	<u>31,477,076</u>	<u>35,988,864</u>	<u>67,465,940</u>

Type of leases	Consolidated financial statements		
	As at December 31, 2016		
	Remaining periods Within 1 year Baht	Over 1 year to 5 years Baht	Total rental payments for the remaining periods Baht
Building			
- related company	5,266,240	-	5,266,240
- others	2,824,576	3,350,124	6,174,700
Service - related company	4,222,070	-	4,222,070
Equipment - related company	4,490,640	-	4,490,640
	<u>16,803,526</u>	<u>3,350,124</u>	<u>20,153,650</u>

Type of leases	Separate financial statements		
	As at December 31, 2017		
	Remaining periods		Total rental payments for the remaining periods Baht
	Within 1 year Baht	Over 1 year to 5 years Baht	
Building - related company	1,738,800	2,028,600	3,767,400
Service - related company	1,738,800	2,028,600	3,767,400
Equipment - related company	2,318,400	2,704,800	5,023,200
	<u>5,796,000</u>	<u>6,762,000</u>	<u>12,558,000</u>

Type of leases	Separate financial statements		
	As at December 31, 2016		
	Remaining periods		Total rental payments for the remaining periods Baht
	Within 1 year Baht	Over 1 year to 5 years Baht	
Building - related company	927,360	-	927,360
Service - related company	927,360	-	927,360
Equipment - related company	1,236,480	-	1,236,480
	<u>3,091,200</u>	<u>-</u>	<u>3,091,200</u>

For the years ended December 31, 2017 and 2016, the Group recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Rental and service fees	31,980,303	30,717,247	5,506,200	5,299,200

35. CONTINGENT LIABILITIES AND COMMITMENT

35.1 As at December 31, 2017 and 2016, lawsuits have been brought against the subsidiary, as insurer, from which the subsidiary estimates losses totaling Baht 24.65 million and Baht 22.31 million, respectively. The subsidiary'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 subsidiary's operating results.

35.2 As at December 31, 2017 and 2016, the subsidiary had a capital commitment to pay computer program development expenses in amount of approximately Baht 10.57 million and Baht 14.03 million, respectively.

36. INSURANCE AND FINANCIAL RISK MANAGEMENT

36.1 Insurance risk

36.1.1 Insurance risk management policy

The Group's managements take a responsibility to make a strategic decisions and pre-planned with clear steps to be taken so that the process of translating strategy into implementation is appropriate actionable, timely reaction to change and situatoin.

Insurance risk means the fluctuation of the frequency, extent of damage, and number of events that is out of the standard assumption used in establishing rate of insurance, calculations for insurance contract liabilities, and underwriting considerations. The Group examines thoroughly the level of risks that is acceptable to take by referring to the insurance underwriting manual and insurance rates included the consideration to ensure that there is no concentrated risk by way of geography or by type of risks. If the risks exceed the defined level, the Group extends the risks to reinsurers by proportional reinsurance.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The key elements of the Group's insurance risk management framework are as below.

Product Design and Development and Price Structure

In developing any new non-life insurance product, considerations are given to the range of coverage as well as applying actuarial science methods to calculate insurance rates. This is to ensure that products are competitive and sufficient in covering for claims. Monitoring procedures and evaluations for each product are regularly conducted in order to make appropriate improvements in coverage and/or pricing.

Underwriting strategy

The underwriting strategy is set out in an annual Company business plan that establishes the classes of business to be written, the business to be written and the industry sectors to be written. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business risk, scope and industry in order to ensure appropriate risk selection within the portfolio.

Reinsurance strategy

The Group has a combination of proportionate and non-proportionate reinsurance treaties. In term of significant exposure loss, reinsurer is responsible for claim as specified in the agreement to limit the net exposure loss to the Group.

The Group sets the minimum security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The Company's management monitors developments in the reinsurance programme and its ongoing adequacy.

36.1.2 Sensitivity analysis

The sensitivity analysis is performed on the net loss reserve and outstanding claims, based on changes in assumptions that may affect the level of liabilities. Effect of risk that changes in assumptions as at December 31, 2017 and 2016 are as follows:

	Consolidated financial statements	
	2017	
	Increase (decrease) in insurance contract liabilities Baht	Increase (decrease) in profit and equity Baht
Gross		
Loss ratio - 10% increase	151,843,464	(151,843,464)
Loss ratio - 10% decrease	(128,888,448)	128,888,448
Net		
Loss ratio - 10% increase	87,812,749	(87,812,749)
Loss ratio - 10% decrease	(72,032,703)	72,032,703
	Consolidated financial statements	
	2016	
	Increase (decrease) in insurance contract liabilities Baht	Increase (decrease) in profit and equity Baht
Gross		
Loss ratio - 10% increase	177,471,690	(177,471,690)
Loss ratio - 10% decrease	(171,630,557)	171,630,557
Net		
Loss ratio - 10% increase	105,996,227	(105,996,227)
Loss ratio - 10% decrease	(100,155,093)	100,155,093

36.1.3 Concentration of insurance risks

Concentrations of risk may where a particular event or a series of events could impact heavily upon the Group's insurance contract liabilities.

The Group sets out the total aggregate exposure that it is prepared to accept in relation to general insurance risk concentrations. It monitors these exposures both at the time of underwriting a risk and on a monthly basis by reviewing reports which show the key aggregations to which the Group is exposed. A number of additional stress and scenario tests are run during the year to identify risk concentrations.

The following table shows the Company's exposure to concentration of insurance contract liabilities per category of business.

	Consolidated financial statements				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
31 December 2017					
Gross	82,741,919	126,127,595	189,490,760	278,809,375	677,169,649
Net of reinsurance	38,869,765	32,255,855	126,368,958	112,597,442	310,092,020
31 December 2016					
Gross	167,827,247	135,773,421	201,831,592	313,670,459	819,102,719
Net of reinsurance	54,416,186	27,617,674	131,269,639	151,589,505	364,893,004

36.2 Financial risk

36.2.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 3.

36.2.2 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The analysis of the liquidity risk from insurance contracts which estimate base on an analysis of payment histories.

	Consolidated financial statements				Unit: Baht
	Payment periods				Total
	Less than 1 year	1 - 5 years	5 - 10 years		
31 December 2017					
Insurance contract liabilities					
Loss reserves and outstanding claims	440,354,325	223,617,869	13,197,455		677,169,649
31 December 2016					
Insurance contract liabilities					
Loss reserves and outstanding claims	507,843,686	294,876,979	16,382,054		819,102,719

36.2.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, including the opportunity to drop in credit rating of counterparty.

Management determines a credit policy to control credit risk on a regularly basis by consider financial performance of customer. At the end of reporting period, the Group does not have significant credit risk transaction. The highest credit risk of financial assets are disclosed in the statement of financial position at the end of reporting date. However, the Group has many client base, the management does not expect to effect from significant loss by uncollected amount.

The Group has the criteria for acceptable reinsurers by considering the reputation and acknowledgement both international and national, and including selection of reinsurance with strong financial background based on financial rating from reliable credit rating agency.

As at December 31, 2017 and 2016, the Group has receivable from reinsurance contracts of Baht 55.74 million and Baht 58.57 million, respectively, consists of local reinsurers in amount of Baht 29.96 million and Baht 31.98 million, respectively, which maintain Capital Adequacy Ratio according to Office of Insurance Commission criteria. In addition, the 94.92% and 90.97% of Foreign reinsurers in amount of Baht 25.78 million and Baht 26.59 million have financial rating not lower than A.

36.2.4 Interest rate risk

Interest rate risk refers to changes in interest rates will affect the interest income from investments. The Company's and its subsidiary's investments include both short-term and long-term investments that have floating rate and fixed rates. The Company and its subsidiary manage the risk by considering the risk of investments together with the return on such investments.

As at December 31, 2017 and 2016, significant financial assets classified by type of interest rate were as follows:

	Consolidated financial statements			
	Balance as at			
	December 31, 2017		December 31, 2016	
	Variable interest rate Baht	Fixed interest rate Baht	Variable interest rate Baht	Fixed interest rate Baht
Cash and cash equivalents				
Saving accounts	421,919,537	-	192,335,146	-
Deposits at bank with maturity not over 3 months	-	-	-	28,214,757
Short-term investments	-	958,164,581	-	1,184,081,264
Investment in securities				
Available-for-sale securities				
Government and state enterprise securities	-	469,328,404	-	494,225,155
Private enterprise debt securities	-	-	-	-
Held-to-maturity investment				
Government and state enterprise securities used as collateral	-	1,493,571,430	-	1,497,711,448
Deposits at bank with maturity over 3 months	190,842,850	-	197,902,544	-
Deposits at bank used as collateral	-	246,584,549	-	245,902,763
Premium saving certificates used as collateral	-	25,700,000	-	12,850,000
Total	<u>612,762,387</u>	<u>3,193,348,964</u>	<u>390,237,690</u>	<u>3,462,985,387</u>

Separate financial statements				
Balance as at				
	December 31, 2017		December 31, 2016	
	Variable interest rate Baht	Fixed interest rate Baht	Variable interest rate Baht	Fixed interest rate Baht
Cash and cash equivalents				
Saving accounts	152,231,167	-	33,567,087	-
Short-term investments	-	29,996,918	-	34,995,702
Investment in securities				
Available-for-sale securities				
Government and state enterprise securities	-	133,031,823	-	134,604,175
Held-to-maturity investment				
Deposits at bank with maturity over 3 months	12,552,665	-	22,239,399	-
Deposits at bank used as collateral	-	44,000,000	-	44,000,000
Total	<u>164,783,832</u>	<u>207,028,741</u>	<u>55,806,486</u>	<u>213,599,877</u>

The financial instruments carrying interest at fixed rates were classified below on the basis of the length of time from the statement of financial position date to the date specified for the fixing of a new rate, or to the maturity date (whichever is sooner) as follows:

Consolidated financial statements					
As at December 31, 2017					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Cash and cash equivalents					
Short-term investments	958,164,581	-	-	958,164,581	1.19
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	241,194,761	228,133,643	-	469,328,404	2.41
Held-to-maturity securities					
Government and state enterprise securities used as collateral	1,493,571,430	-	-	1,493,571,430	1.22
Deposits at bank used as collateral	246,584,549	-	-	246,584,549	1.34
Premium saving certificates used as collateral	12,700,000	13,000,000	-	25,700,000	0.94
Total	<u>2,952,215,321</u>	<u>241,133,643</u>	<u>-</u>	<u>3,193,348,964</u>	

Consolidated financial statements					
As at December 31, 2016					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Cash and cash equivalents					
Deposits at bank with maturity not over 3 months	28,214,757	-	-	28,214,757	1.30
Short-term investments	1,184,081,264	-	-	1,184,081,264	1.50
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	201,954,036	292,271,119	-	494,225,155	2.65
Held-to-maturity securities					
Government and state enterprise securities used as collateral	1,497,711,448	-	-	1,497,711,448	1.43
Deposits at bank used as collateral	231,902,763	14,000,000	-	245,902,763	1.48
Premium saving certificates used as collateral	12,850,000	-	-	12,850,000	1.50
Total	<u>3,156,714,268</u>	<u>306,271,119</u>	<u>-</u>	<u>3,462,985,387</u>	

Separate financial statements					
As at December 31, 2017					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Cash and cash equivalents					
Short-term investments	29,996,918	-	-	29,996,918	1.25
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	100,785,747	32,246,076	-	133,031,823	3.05
Held-to-maturity securities					
Deposits at bank used as collateral	44,000,000	-	-	44,000,000	0.90
Total	174,782,665	32,246,076	-	207,028,741	

Separate financial statements					
As at December 31, 2016					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Cash and cash equivalents					
Short-term investment	34,995,702	-	-	34,995,702	1.50
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	30,406,974	104,197,201	-	134,604,175	3.31
Held-to-maturity securities					
Deposits at bank used as collateral	44,000,000	-	-	44,000,000	0.90
Total	109,402,676	104,197,201	-	213,599,877	

36.2.5 Equity risk

The Group manages the capital risk by establishing guideline of investment policy and Investment. The guideline sets the framework and investment direction for the year by specifying the limitation in all types and levels of investments based on targeted rate of returns and liquidity by setting both internal investment limits and compliance to the Office of Insurance Commission.

36.2.6 Fair value measurements

Considerable judgment is necessarily required in estimation of fair value of financial assets or financial liabilities. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

36.2.6.1 Financial assets or financial liabilities measured at fair value

Certain financial assets or financial liabilities 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 or financial liabilities are determined:

Consolidated financial statements				
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31,			
	2017	2016		
	Baht	Baht		
<u>Financial assets</u>				
Government and state enterprise securities	469,328,404	494,225,155	Level 2	Discounted cash flow using yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	524,419,315	287,388,985	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	1,685,954,896	1,838,731,892	Level 2	The unit trust's net asset value of the last working day of the reporting period
Separate financial statements				
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31,			
	2017	2016		
	Baht	Baht		
<u>Financial assets</u>				
Government and state enterprise securities	133,031,823	134,604,175	Level 2	Discounted cash flow using yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	401,164,710	287,388,985	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	1,659,866,180	1,812,945,519	Level 2	The unit trust's net asset value of the last working day of the reporting period

36.2.6.2 Financial assets or financial liabilities not measured at fair value

Cash and cash equivalents, Accrued investment income, Premium due and uncollected, Reinsurance assets, Loans, Insurance contract liabilities and Due to reinsurers; the fair values approximate their carrying values due to the relatively short period to maturity.

The transactions disclosed in the following tables, are considered that the carrying amounts recognized in the consolidated and separate financial statements are different from their fair values. Valuation technique is net present value of expected cash inflow as follows:

		Consolidated financial statements			
		As at December 31, 2017		As at December 31, 2016	
Fair value hierarchy		Carrying amount Baht	Fair value Baht	Carrying amount Baht	Fair value Baht
<u>Financial assets</u>					
Held-to-maturity securities	Level 2	1,956,698,829	1,956,696,999	1,954,366,755	1,954,728,250
		Separate financial statements			
		As at December 31, 2017		As at December 31, 2016	
Fair value hierarchy		Carrying amount Baht	Fair value Baht	Carrying amount Baht	Fair value Baht
<u>Financial assets</u>					
Held-to-maturity securities	Level 2	56,552,665	56,552,665	66,239,399	66,239,399

The fair value of general investment which are insignificant value are determined based on their carrying value.

36.3 Capital management

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Monitoring the capital level of the Company is conducted in accordance with Notifications of the Office of Insurance Commission.

As at December 31, 2017 and 2016, the Company's capital level is maintained according such notifications.

37. EVENTS AFTER THE REPORTING PERIOD

- 37.1 On February 15, 2018, the Board of Directors' meeting of the associate agreed to propose dividend payment of Baht 5.57 per share on 295 million shares amounting to Baht 1,643.15 million to the 2018 annual general meeting of the shareholders of the associate and subject to the Office of Insurance Commission's endorsement.
- 37.2 On February 26, 2018, the Board of Directors' meeting agreed to propose the 2018 annual general meeting of the shareholders of the Company as the following;
- 37.2.1 To consider and approve the rights offering of warrants to purchase newly issued ordinary shares in the Company, series 1 ("AYUD-W1") in the amount of not exceeding 125 million units, at the ratio of 2 existing ordinary shares to 1 warrant. The term of the AYUD-W1 is 2 years from the date of issuance. The right to purchase newly issued ordinary shares in the Company may be exercised twice a year, on the 15th of June and December every year, at the exercise ratio of 1 unit of AYUD-W1 to 1 newly issued ordinary shares, and the exercise price of Baht 39 per share.
- 37.2.2 To consider and approve the decrease of the Company's registered capital from Baht 500 million to Baht 250 million.
- 37.2.3 To consider and approve the increase of the Company's registered capital from Baht 250 million to Baht 375 million, by issuing new ordinary shares of 125 million shares with a par value of Baht 1.00 each, and the amendment to clause 4 of the Company's Memorandum of Association to be consistent with the increase of the registered capital, in order to support the exercise of the AYUD-W1.
- 37.2.4 To consider and approve the allotment of no more than 125 million shares of newly issued ordinary shares with a par value of Baht 1.00 each, in order to support the exercise of the AYUD-W1.
- 37.3 On February 26, 2018, the Board of Directors' meeting of the subsidiary agreed to propose dividend payment of Baht 0.30 per share from the operating result of 2017 for 180 million shares, totaling Baht 54 million to the 2018 annual general meeting of the shareholders of the subsidiary. Such dividend will be paid on April 9, 2018.

38. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Company's authorized executive director on February 26, 2018.