
*SRI AYUDHYA CAPITAL PUBLIC
COMPANY LIMITED AND SUBSIDIARY*

*Consolidated and
Separate Financial Statements*

Year ended December 31, 2016

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, 2016, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in 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, 2016, 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 under the Royal Patronage of His Majesty the King’s 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 the Code of Ethics. 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. 4.2 to 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. 4.13.2 to 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 represent 26.7 % 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. 4.8 to 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 perform 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.

Emphasis of Matter

Without modifying our opinion, as discussed in Note 3 to the financial statements, from January 1, 2016, the Company has adopted Thai Financial Reporting Standard 4 (revised 2015) Insurance Contracts and prepared the new presentation of the financial statements to comply with the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for the Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business B.E. 2559 dated March 4, 2016 which has become effective as from January 1, 2016. The consolidated and separate financial statements as at December 31, 2015 and for the year then ended and the consolidated and separate statements of financial positions as at January 1, 2015, presented herein for comparison, have been retrospectively reclassified, as if the classifications had always been prepared.

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 Group.

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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 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 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 27, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

BAHT

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		As at December 31, 2016	As at December 31, 2015	As at January 1, 2015	As at December 31, 2016	As at December 31, 2015	As at January 1, 2015
ASSETS							
Cash and cash equivalents	6	1,417,050,104	1,065,246,654	1,368,953,462	68,444,715	74,212,187	37,540,186
Premium due and uncollected - net	7	217,433,184	287,006,106	292,974,816	-	-	-
Accrued investment income		10,048,246	13,632,688	15,071,761	2,661,357	2,579,154	4,771,687
Reinsurance assets	8	1,050,275,918	992,159,725	1,089,420,137	-	-	-
Due from reinsurers	9	58,568,876	193,115,187	394,577,504	-	-	-
Investments							
Investments in securities	10	4,594,202,619	4,655,982,039	4,691,756,883	2,319,176,240	2,332,148,116	2,843,555,740
Loans	11	129,317	578,950	1,377,588	7,327	29,024	50,285
Investment in an associate	12	2,830,474,645	2,944,763,813	2,717,156,173	1,487,263,618	1,487,263,618	1,487,263,618
Investment in a subsidiary	12	-	-	-	1,823,578,981	1,823,578,981	1,823,578,981
Premises and equipment	13	60,533,749	75,310,578	55,125,177	2,616,582	11,396,700	10,126,123
Intangible assets	14	75,159,081	83,673,860	88,236,871	24	24	24
Deferred tax assets	15	185,959,305	225,920,527	211,228,008	19,451,317	47,145,138	9,418,071
Deferred commissions expenses		63,404,173	55,617,612	59,835,673	-	-	-
Other assets	16	53,411,348	68,251,468	46,230,301	20,181,254	25,135,229	19,266,553
TOTAL ASSETS		10,616,650,565	10,661,259,207	11,031,944,354	5,743,381,415	5,803,488,171	6,235,571,268

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2016

BAHT

	Notes	CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		As at December 31, 2016	As at December 31, 2015	As at January 1, 2015	As at December 31, 2016	As at December 31, 2015	As at January 1, 2015
LIABILITIES AND EQUITY							
Insurance contract liabilities	17	2,249,888,625	2,401,124,113	2,586,859,379	-	97,874,811	94,778,223
Due to reinsurers	19	705,692,485	633,352,069	795,480,417	-	-	-
Income tax payable		688,099	20,061,141	268,870,380	688,099	3,136,496	262,718,459
Employee benefit obligations	20	79,070,596	72,833,452	60,974,363	7,057,680	9,787,112	4,599,701
Premium written received in advance		337,983,016	305,256,265	334,883,105	-	-	-
Commissions and brokerages payables		50,978,828	61,587,286	62,710,173	-	-	-
Accrued expenses		62,103,825	66,405,303	85,376,901	28,921,161	20,255,413	22,389,998
Other liabilities	21	87,932,079	70,980,819	60,049,814	1,443,917	3,156,840	4,175,104
TOTAL LIABILITIES		3,574,337,553	3,631,600,448	4,255,204,532	38,110,857	134,210,672	388,661,485
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	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	250,000,000	250,000,000
Premium on share capital		3,512,183,950	3,512,183,950	3,512,183,950	3,512,183,950	3,512,183,950	3,512,183,950
Retained earnings							
Appropriated							
Legal reserve							
	22	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		2,630,187,905	2,519,162,651	2,466,340,393	1,983,796,130	1,978,319,759	2,011,670,976
Other components of equity							
Changes in fair value of available-for-sale securities		(87,984,993)	(115,308,475)	36,793,867	(90,709,522)	(121,226,210)	23,054,857
Share of other comprehensive income							
of an associate							
		687,926,150	813,620,633	461,421,612	-	-	-
TOTAL EQUITY		7,042,313,012	7,029,658,759	6,776,739,822	5,705,270,558	5,669,277,499	5,846,909,783
TOTAL LIABILITIES AND EQUITY		10,616,650,565	10,661,259,207	11,031,944,354	5,743,381,415	5,803,488,171	6,235,571,268

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2016	2015	2016	2015	
Revenues						
Gross premium written		3,082,391,856	3,137,849,154	-	-	
<u>Less</u> Premium ceded		1,286,529,458	1,239,518,400	-	-	
Net premium written		1,795,862,398	1,898,330,754	-	-	
<u>Less</u> Unearned premium reserve increase (decrease)						
from previous year		(96,622,982)	25,654,985	-	-	
Net premium earned		1,892,485,380	1,872,675,769	-	-	
Fee and commission income		323,319,252	388,280,716	-	-	
Net investment income	12.2	104,804,190	120,723,338	431,732,574	584,219,241	
Gain on investment in securities	26	48,689,209	58,858,355	48,689,209	69,397,162	
Share of profit of investment in an associate	12.1	388,469,249	392,747,092	-	-	
Other income		104,321,506	5,123,063	130,691,784	37,021,115	
Total revenues		2,862,088,786	2,838,408,333	611,113,567	690,637,518	
Expenses						
Loss incurred		1,413,350,138	1,433,001,713	-	-	
<u>Less</u> Loss refundable from reinsurers		498,263,026	580,183,201	-	-	
Commissions and brokerages expenses		455,696,848	466,289,931	-	-	
Other underwriting expenses		473,318,278	424,369,684	-	-	
Operating expenses	23	357,657,579	356,978,068	83,230,243	94,072,121	
Total underwriting expenses		2,201,759,817	2,100,456,195	83,230,243	94,072,121	
Income before income tax expense		660,328,969	737,952,138	527,883,324	596,565,397	
Income tax expense	15	45,163,965	61,038,846	21,858,303	4,916,614	
Net income		615,165,004	676,913,292	506,025,021	591,648,783	
Other comprehensive income (loss)						
Items that will not be reclassified subsequently to profit or loss						
Actuarial loss on defined employee benefit plans		(1,665,722)	-	(685,813)	-	
Share of other comprehensive income (loss) of an associate		(3,508,966)	1,136,207	-	-	
Income tax relating to items that will not be reclassified subsequently		1,034,938	(227,241)	137,163	-	
		(4,139,750)	908,966	(548,650)	-	
Items that will be reclassified subsequently to profit or loss						
Changes in fair value of available-for-sale securities		34,154,353	(190,127,928)	38,145,860	(180,351,334)	
Share of other comprehensive income (loss) of an associate	12.1	(157,629,211)	440,248,776	-	-	
Income tax relating to items that will be reclassified subsequently		25,103,857	(50,024,169)	(7,629,172)	36,070,267	
		(98,371,001)	200,096,679	30,516,688	(144,281,067)	
Other comprehensive income (loss) for the years,						
net of income tax		(102,510,751)	201,005,645	29,968,038	(144,281,067)	
Total comprehensive income for the years		512,654,253	877,918,937	535,993,059	447,367,716	
Earnings per share						
Basic earnings per share	27	Baht	2.46	2.71	2.02	2.37

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, 2016

BAHT

CONSOLIDATED FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity			Total equity
			Appropriated	Unappropriated	Changes in fair value of available-for-sale securities	Share of other comprehensive income of an associate		
			Legal reserve					
Beginning balance as at January 1, 2015	250,000,000	3,512,183,950	50,000,000	2,466,340,393	36,793,867	461,421,612	6,776,739,822	
Comprehensive income (loss)	-	-	-	677,822,258	(152,102,342)	352,199,021	877,918,937	
Dividends paid	-	-	-	(375,000,000)	-	-	(375,000,000)	
Interim dividends	-	-	-	(250,000,000)	-	-	(250,000,000)	
Ending balance as at December 31, 2015	250,000,000	3,512,183,950	50,000,000	2,519,162,651	(115,308,475)	813,620,633	7,029,658,759	
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	

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, 2016

BAHT

SEPARATE FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity - Changes in fair value of available-for-sale securities	Total equity
			Appropriated	Unappropriated		
			Leagl reserve			
	250,000,000	3,512,183,950	50,000,000	2,011,670,976	23,054,857	5,846,909,783
30.1	-	-	-	591,648,783	(144,281,067)	447,367,716
30.2	-	-	-	(375,000,000)	-	(375,000,000)
	-	-	-	(250,000,000)	-	(250,000,000)
Ending balance as at December 31, 2015	250,000,000	3,512,183,950	50,000,000	1,978,319,759	(121,226,210)	5,669,277,499
	250,000,000	3,512,183,950	50,000,000	1,978,319,759	(121,226,210)	5,669,277,499
30.3	-	-	-	505,476,371	30,516,688	535,993,059
30.4	-	-	-	(250,000,000)	-	(250,000,000)
	-	-	-	(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

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, 2016

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
CASH FLOWS PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Direct premium received		3,152,635,138	3,092,014,940	-	-
Cash paid from reinsurance		(326,319,361)	(447,222,720)	-	-
Interest income		54,675,187	60,853,371	6,974,089	10,170,066
Dividend income		52,643,409	60,989,955	52,627,329	60,124,352
Other income		3,571,293	2,627,213	29,701,608	38,036,350
Loss incurred from direct insurance		(1,334,064,725)	(1,307,674,683)	-	-
Commission and brokerage paid from direct insurance		(467,473,558)	(457,452,526)	-	-
Other underwriting expenses		(455,345,812)	(408,883,518)	-	-
Operating expenses		(303,713,726)	(343,877,145)	(77,181,513)	(86,222,976)
Income tax expense		(42,514,796)	(286,515,018)	(4,104,888)	(266,155,377)
Investment in securities		109,464,542	(249,890,326)	96,167,711	251,182,369
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		34,436,722	135,688,497	(360,329)	139,864,815
Loans		449,633	798,638	21,697	21,261
Cash received from subscriptions receivable		9,267,941	1,569,833	9,267,941	1,569,833
Dividend received from an associate	12.2	374,256,761	518,247,439	374,256,761	518,247,439
Net cash provided by operating activities		861,968,648	371,273,950	487,370,406	666,838,132
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES					
CASH FLOWS PROVIDED BY					
Premises and equipment		12,450,947	6,789,678	6,862,673	1,119,589
Cash provided by investing activities		12,450,947	6,789,678	6,862,673	1,119,589
CASH FLOWS USED IN					
Premises and equipment		(17,130,865)	(47,256,245)	(551)	(6,285,720)
Intangible assets		(5,485,280)	(9,514,191)	-	-
Cash used in investing activities		(22,616,145)	(56,770,436)	(551)	(6,285,720)
Net cash provided by (used in) investing activities		(10,165,198)	(49,980,758)	6,862,122	(5,166,131)
CASH FLOWS USED IN FINANCING ACTIVITIES					
Dividends paid		(500,000,000)	(625,000,000)	(500,000,000)	(625,000,000)
Net cash used in financing activities		(500,000,000)	(625,000,000)	(500,000,000)	(625,000,000)
Net increase (decrease) in cash and cash equivalents		351,803,450	(303,706,808)	(5,767,472)	36,672,001
Cash and cash equivalents as at January 1,		1,065,246,654	1,368,953,462	74,212,187	37,540,186
Cash and cash equivalents as at December 31,	6	1,417,050,104	1,065,246,654	68,444,715	74,212,187

**SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 2015) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2016 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 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 12). 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 announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2017 onwards, as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 2 (Revised 2016)	Inventories
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 11 (Revised 2016)	Construction Contracts
TAS 12 (Revised 2016)	Income taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investment in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2016)	Earnings Per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 41 (Revised 2016)	Agriculture
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards (TFRS)

TFRS 2 (Revised 2016)	Share-based Payment
TFRS 3 (Revised 2016)	Business Combinations
TFRS 4 (Revised 2016)	Insurance Contracts
TFRS 5 (Revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2016)	Operating Segments
TFRS 10 (Revised 2016)	Consolidated Financial Statements
TFRS 11 (Revised 2016)	Joint Arrangements
TFRS 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2016)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (Revised 2016)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (Revised 2016)	Operating Leases-Incentives
TSIC 25 (Revised 2016)	Income Taxes -Changes in the Tax Status of and Enterprise or its Shareholders
TSIC 27 (Revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (Revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2016)	Intangible Assets-Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

TFRIC 1 (Revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2016)	Applying the Restatement Approach under TAS 29 (Revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2016)	Service Concession Arrangements
TFRIC 13 (Revised 2016)	Customer Loyalty Programmes
TFRIC 14 (Revised 2016)	TAS 19 (Revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 20 (Revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2016)	Levies

Guideline on Accounting

Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities

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 believes that they will not have material impact on the financial statements for the period in which they are initially applied.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORT STANDARDS

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

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

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

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

As a result, the Company and its subsidiary has retrospectively reclassified the financial statements, presented herein for comparison, to conform to the presentation in current period in accordance with the Notification of the Office of Insurance Commission regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Non- Life Insurance Companies B.E. 2559”, dated March 4, 2016 (see Note 2.2), as if the reclassifications had always been prepared. Effects to the consolidated and separate financial statements are summarized as follows:

	As at December 31, 2015		As at January 1, 2015	
	As reclassified	As previous reported	As reclassified	As previous reported
	Baht	Baht	Baht	Baht
Consolidated statements of financial position				
Assets:				
Premium due and uncollected	287,006,106	293,825,093	292,974,816	305,664,100
Reinsurance assets	992,159,725	1,140,298,468	1,089,420,137	1,426,546,757
Due from reinsurers	193,115,187	-	394,577,504	-
Investment in securities	4,655,982,039	4,642,732,039	4,691,756,883	4,666,756,883
Deferred tax assets	225,920,527	232,338,985	211,228,008	225,365,499
Other assets	68,251,468	81,501,468	46,230,301	71,230,301
Liabilities:				
Insurance contract liabilities	(2,401,124,113)	(2,362,966,656)	(2,586,859,379)	(2,542,097,779)
Deferred tax liabilities	-	(6,418,458)	-	(14,137,491)
	<u>4,021,310,939</u>	<u>4,021,310,939</u>	<u>4,139,328,270</u>	<u>4,139,328,270</u>
Separate statements of financial position				
Assets:				
Deferred tax assets	47,145,138	52,084,162	9,418,071	20,120,809
Liabilities:				
Deferred tax liabilities	-	(4,939,024)	-	(10,702,738)
	<u>47,145,138</u>	<u>47,145,138</u>	<u>9,418,071</u>	<u>9,418,071</u>

	For the year ended December 31, 2015	
	As reclassified	As previous reported
	Baht	Baht
Consolidated statements of profit or loss and other comprehensive income		
Contribution to the Office of Insurance Commission	-	8,277,476
Contribution to Non-life Guarantee Fund	-	7,777,476
Contribution to Road Victims Protection Fund	-	474,194
Other underwriting expenses	424,369,684	407,840,538
	<u>424,369,684</u>	<u>424,369,684</u>

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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 contract are reclassified as investment contract (if any).

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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.

4.8 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

4.9 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.

4.10 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

4.11 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

4.12 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.

4.13 Insurance liabilities

4.13.1 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

4.13.2 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.

4.13.3 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.

4.14 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.

4.15 Employee benefits

4.15.1 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.

4.15.2 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.

4.16 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.

4.17 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.

4.18 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, 2016 and 2015, the Group does not have any common share equivalents outstanding which would have had a dilutive effect on earnings per share.

4.19 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

4.19.1 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.

4.19.2 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 37.2.6.1.

4.19 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 and 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. |

5. ADDITIONAL INFORMATION FOR CASH FLOWS

5.1 Non-cash items of premises and equipment for the years ended December 31, 2016 and 2015 consisted of the following:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Other payable - fixed assets as at January 1,	800,681	897,439
<u>Add</u> Purchases of fixed assets	16,330,184	47,159,487
<u>Less</u> Cash paid for purchase of fixed assets	<u>(17,130,865)</u>	<u>(47,256,245)</u>
Other payable - fixed assets as at December 31,	<u>-</u>	<u>800,681</u>

5.2 Non-cash items of intangible assets for the years ended December 31, 2016 and 2015 consisted of the following:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Other payable - intangible assets as at January 1,	-	-
<u>Add</u> Purchases of intangible assets	5,505,280	9,514,191
<u>Less</u> Cash paid for purchase of intangible assets	<u>(5,485,280)</u>	<u>(9,514,191)</u>
Other payable - intangible assets as at December 31,	<u>20,000</u>	<u>-</u>

6. CASH AND CASH EQUIVALENTS

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash	270,000	295,000	10,000	30,000
Cheque on hand	5,928,705	4,884,216	-	-
Deposits at bank - at call	198,555,378	360,179,376	33,439,013	74,182,187
Deposits at bank - maturity not over 3 months	28,214,757	-	-	-
Short-term investments	1,184,081,264	699,888,062	34,995,702	-
Cash and cash equivalents	<u>1,417,050,104</u>	<u>1,065,246,654</u>	<u>68,444,715</u>	<u>74,212,187</u>

7. PREMIUM DUE AND UNCOLLECTED - NET

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

	Consolidated financial statements	
	As at December 31, 2016 Baht	As at December 31, 2015 Baht
Within credit terms	175,614,323	229,214,731
Less than 30 days	20,840,414	35,144,688
31 - 60 days	6,780,953	8,812,930
61 - 90 days	5,808,252	6,370,698
Over 90 days	12,840,486	12,356,616
Total premium due and uncollected	221,884,428	291,899,663
<u>Less</u> Allowance for doubtful accounts	(4,451,244)	(4,893,557)
Premium due and uncollected - net	<u>217,433,184</u>	<u>287,006,106</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.

8. REINSURANCE ASSETS

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

	Consolidated financial statements	
	As at December 31, 2016 Baht	As at December 31, 2015 Baht
Insurance reserve refundable from reinsurers		
Loss reserves	454,209,715	451,220,018
Unearned premium reserve		
-Unearned reinsurance premium reserve	596,066,203	540,939,707
Total reinsurance assets (see Note 17)	<u>1,050,275,918</u>	<u>992,159,725</u>

9. DUE FROM REINSURERS

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

	Consolidated financial statements	
	2016 Baht	2015 Baht
Deposit on reinsurance	103	129
Due from reinsurers	58,568,773	193,115,058
Total	<u>58,568,876</u>	<u>193,115,187</u>

Aging analyzes for due from reinsurers as at December 31, 2016 and 2015 were as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Within credit terms	46,192,562	181,634,518
Not over 12 months	10,536,556	9,855,214
Over 1 year to 2 years	1,837,675	848,189
Over 2 years	1,980	777,137
Total due from reinsures	58,568,773	193,115,058

10. INVESTMENTS IN SECURITIES

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

	Consolidated financial statements			
	As at December 31, 2016		As at December 31, 2015	
	Cost/ Amortized cost Baht	Fair value Baht	Cost/ Amortized cost Baht	Fair value Baht
	Available-for-sale securities			
Government and state enterprise securities	488,902,498	494,225,155	595,767,086	607,540,558
Private enterprise debt securities	-	-	3,009,172	3,092,929
Equity securities	2,241,424,775	2,126,120,877	2,290,695,029	2,134,702,206
Total	2,730,327,273	2,620,346,032	2,889,471,287	2,745,335,693
<u>Less</u> Unrealized losses	(109,981,241)	-	(144,135,594)	-
Total available-for-sale securities	2,620,346,032	2,620,346,032	2,745,335,693	2,745,335,693
Held-to-maturity securities				
Government securities used as collateral	1,497,711,448		1,399,664,483	
Deposits at bank with maturity over 3 months	197,902,544		174,951,292	
Deposits at bank used as collateral	245,902,763		303,290,739	
Premium saving certificates used as collateral	12,850,000		13,250,000	
Total held-to-maturity securities	1,954,366,755		1,891,156,514	
General investment				
Equity securities	20,996,951		20,996,951	
<u>Less</u> Allowance for impairment	(1,507,119)		(1,507,119)	
Total general investment	19,489,832		19,489,832	
Total investment in securities - net	4,594,202,619		4,655,982,039	

	Separate financial statements			
	As at December 31, 2016		As at December 31, 2015	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
	Baht	Baht	Baht	Baht
Available-for-sale securities				
Government and state enterprise securities	132,277,540	134,604,175	134,485,350	139,031,945
Equity securities	2,216,048,042	2,100,334,504	2,265,318,296	2,109,238,938
Total	2,348,325,582	2,234,938,679	2,399,803,646	2,248,270,883
Less Unrealized losses	(113,386,903)	-	(151,532,763)	-
Total available-for-sale securities	2,234,938,679	2,234,938,679	2,248,270,883	2,248,270,883
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	22,239,399		21,879,071	
Deposits at bank used as collateral	44,000,000		44,000,000	
Total held-to-maturity securities	66,239,399		65,879,071	
General investment				
Equity securities	19,505,281		19,505,281	
Less Allowance for impairment	(1,507,119)		(1,507,119)	
Total general investment	17,998,162		17,998,162	
Total investment in securities - net	2,319,176,240		2,332,148,116	

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

	Consolidated financial statements			
	Within 1 year	Maturities		Total
		Baht	1 - 5 years	
	Baht	Baht	Baht	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, 2015 were as follows:

	Consolidated financial statements			
	Maturities			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	201,183,805	394,583,281	-	595,767,086
Private enterprise debt securities	3,009,172	-	-	3,009,172
Add Unrealized gains	1,116,514	10,740,715	-	11,857,229
Total	205,309,491	405,323,996	-	610,633,487
Total available-for-sale debt securities	205,309,491	405,323,996	-	610,633,487
Held-to-maturity debt securities				
Government and state enterprise securities used as collateral	1,399,664,483	-	-	1,399,664,483
Total held-to-maturity debt securities	1,399,664,483	-	-	1,399,664,483
Total debt securities - net	1,604,973,974	405,323,996	-	2,010,297,970

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

	Separate financial statements			
	Maturities			
	Within 1 year Baht	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

Debt securities classified by the remaining maturity as at December 31, 2015 were as follows:

	Separate financial statements			
	Maturities			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	-	134,485,350	-	134,485,350
Add Unrealized gains	-	4,546,595	-	4,546,595
Total	-	139,031,945	-	139,031,945
Total debt securities - net	-	139,031,945	-	139,031,945

As at December 31, 2016 and 2015, certain deposits at bank of the Company and its subsidiary are pledged as collateral for credit facilities for bank overdrafts and loans in the form of promissory notes (see Note 18).

As at December 31, 2016 and 2015, certain investment in securities of the Company and its subsidiary are pledged and used for assets reserved with the Registrar (see Note 32).

As at December 31, 2016 and 2015, certain investment in securities of subsidiary are deposited at bank as collateral with subsidiary's backup assets of Baht 1,794.99 million and Baht 1,862.76 million, respectively.

11. LOANS

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

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

12. INVESTMENT IN A SUBSIDIARY AND AN ASSOCIATE

12.1 Investment in an associate in the consolidated financial statements

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

Company name	Nature of business	Consolidated financial statements					
		Percentage of shareholding		Cost		Carrying value under equity method	
		2016 percent	2015 percent	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Associated company							
Allianz Ayudhya Assurance Public Company Limited	Life Insurance	20.17	20.17	1,487,263,618	1,487,263,618	2,830,474,645	2,944,763,813

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

	As at December 31, 2016	Baht: million As at December 31, 2015
Total assets	161,095.54	145,153.90
Total liabilities	147,302.10	130,793.83

For the years ended December 31, 2016 and 2015, an associate had total revenues, net income and net of other comprehensive income as follows:

	Baht: million	
	For the years ended	
	December 31,	
	2016	2015
Total revenues	36,611.15	34,321.16
Net income	1,926.01	1,947.22
Items that will not be reclassified subsequently to profit or loss		
Defined benefit plan actuarial gain (loss)	(17.40)	5.64
Income tax relating to items that will not be reclassified subsequently	3.48	(1.13)
Other comprehensive income (loss) - net of income tax	<u>(13.92)</u>	<u>4.51</u>
Items that will be reclassified subsequently to profit or loss		
Net change in fair value of derivative instruments	(271.62)	212.00
Net change in fair value of available-for-sale securities	(509.90)	1,970.74
Income tax relating to items that will be reclassified subsequently	158.33	(436.55)
Other comprehensive income (loss) - net of income tax	<u>(623.19)</u>	<u>1,746.19</u>

The consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2016 and 2015 recognized share of profit, resulting from portion of holding of investment in an associate as follows:

	Baht: million	
	For the years ended	
	December 31,	
	2016	2015
Share of profit of investment in an associate	388.47	392.74
Items that will not be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) of an associate	(3.51)	1.14
Income tax relating to items that will not be reclassified subsequently	0.70	(0.23)
Share of other comprehensive income (loss) of an associate - net of income tax	<u>(2.81)</u>	<u>0.91</u>
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) of an associate	(157.63)	440.26
Income tax relating to items that will be reclassified subsequently	31.94	(88.05)
Share of other comprehensive income (loss) of an associate - net of income tax	<u>(125.69)</u>	<u>352.21</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,	
	2016	2015
Net assets of an associate	13,793.44	14,360.07
Proportion of the Group's ownership interest in an associate (%)	20.17	20.17
	<u>2,782.07</u>	<u>2,896.36</u>
Investment amount over net assets at investment date	48.40	48.40
Carrying amount of the Group's interest in an associate	<u>2,830.47</u>	<u>2,944.76</u>

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

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

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend	
	2016	2015	2016	2015	2016	2015	2016	2015
	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	374,256,761	518,247,439
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	-	-

13. PREMISES AND EQUIPMENT

Premises and equipment as at December 31, 2016 and 2015 consisted of the following:

	Consolidated financial statements										
	Cost					Accumulated depreciation					
	As at January 1, 2016	Increase	Disposal/ Write off	Transfer in/ (transfer out)	As at December 31, 2016	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
Baht	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	2
Office equipment	67,652,309	3,036,029	(1,568,696)	-	69,119,642	(51,159,200)	1,538,388	(55,784,003)	16,493,109	13,335,639	
Furniture and fixtures	44,626,477	1,165,654	(2,302,642)	9,485,633	52,975,122	(19,513,099)	2,005,175	(25,654,013)	25,113,378	27,321,109	
Vehicles	65,314,632	6,475,000	(31,006,701)	-	40,782,931	(37,053,175)	(7,237,189)	(22,516,432)	28,261,457	18,266,499	
Office equipment and furniture and fixtures - under installation	3,832,132	5,655,501	-	(9,485,633)	-	-	-	-	3,832,132	-	
Total	183,809,550	16,330,184	(34,878,039)	-	165,261,695	(108,498,972)	(21,546,469)	(104,727,946)	75,310,578	60,533,749	

	Consolidated financial statements										
	Cost					Accumulated depreciation					
	As at January 1, 2015	Increase	Disposal/ Write off	Transfer in/ (transfer out)	As at December 31, 2015	As at January 1, 2015	Depreciation	Disposal/ Write off	As at December 31, 2015	Beginning balance of premises and equipment - net as at January 1, 2015	Ending balance of premises and equipment - net as at December 31, 2015
Baht	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	2
Office equipment	71,743,750	3,787,794	(7,879,235)	-	67,652,309	(50,835,453)	7,466,891	(51,159,200)	20,908,297	16,493,109	
Furniture and fixtures	32,215,415	3,100,949	(5,912,124)	15,222,237	44,626,477	(20,196,299)	5,912,101	(19,513,099)	12,019,116	25,113,378	
Vehicles	65,308,799	21,216,375	(21,210,542)	-	65,314,632	(44,721,537)	(9,861,247)	(37,053,175)	20,587,262	28,261,457	
Office equipment and furniture and fixtures - under installation	-	19,054,369	-	(15,222,237)	3,832,132	-	-	-	-	3,832,132	
Total	171,651,964	47,159,487	(35,001,901)	-	183,809,550	(116,526,787)	(22,880,786)	(108,498,972)	55,125,177	75,310,578	

Separate financial statements

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

Separate financial statements

	Cost		Disposal / Write off		As at December 31, 2015		Depreciation		Disposal / Write off		As at December 31, 2015		Beginning balance of premises and equipment - net as at January 1, 2015		Ending balance of premises and equipment - net as at December 31, 2015			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Land	1,610,500	-	-	-	1,610,500	-	-	-	-	-	-	-	-	1,610,500	1,610,500	2	1,610,500	
Building	773,500	-	-	-	773,500	(773,498)	-	-	-	-	(773,498)	-	-	2	648,414	648,414	2	648,414
Office equipment	3,874,656	-	(783,565)	-	3,091,091	(2,820,370)	(308,585)	686,278	-	-	(2,820,370)	(3,608,311)	1,054,286	1,054,286	1,403,205	851,466	1,403,205	851,466
Furniture and fixtures	4,524,009	4,450	(68,682)	-	4,459,777	(3,120,804)	(556,183)	68,676	-	-	(3,120,804)	(15,728,284)	6,058,130	6,058,130	8,286,318	8,286,318	89,202	8,286,318
Vehicles	23,958,840	6,281,270	(6,225,508)	-	24,014,602	(17,900,710)	(3,118,916)	5,291,342	-	-	(17,900,710)	(22,552,770)	10,126,123	10,126,123	11,396,700	11,396,700	2,616,582	2,616,582
Total	34,741,505	6,285,720	(7,077,755)	-	33,949,470	(24,615,382)	(3,983,684)	6,046,296	-	-	(24,615,382)	(22,552,770)	10,126,123	10,126,123	11,396,700	11,396,700	2,616,582	2,616,582

As at December 31, 2016 and 2015, certain premises and equipment of the Company and its subsidiary at cost of Baht 62.16 million and Baht 61.58 million, respectively, were fully depreciated but still in use (Company: Baht 14.07 million and Baht 13.67 million, respectively).

14. INTANGIBLE ASSETS

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

Consolidated financial statements												
	Cost			Accumulated amortization						Beginning balance of intangible assets - net as at January 1, 2016	Ending balance of intangible assets - net as at December 31, 2016	
	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			
	Baht	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	-	-	-	(61,593,208)	25,595,473	27,266,905	
Bancassurance agreement	100,000,000	-	-	-	100,000,000	(51,574,046)	(10,019,162)	-	(126,817,766)	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	
Consolidated financial statements												
	Cost			Accumulated amortization						Beginning balance of intangible assets - net as at January 1, 2015	Ending balance of intangible assets - net as at December 31, 2015	
	As at January 1, 2015	Increase	Write off	Transfer in/ (transfer out)	As at December 31, 2015	As at January 1, 2015	Amortization	Write off	As at December 31, 2015			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Purchase/subsequently acquire												
Computer software	63,984,040	1,275,672	-	5,616,382	70,876,094	(57,138,246)	(4,085,415)	-	(61,223,661)	6,845,794	9,652,433	
Computer software in process	22,973,336	8,238,519	-	(5,616,382)	25,595,473	-	-	-	-	22,973,336	25,595,473	
Bancassurance agreement	100,000,000	-	-	-	100,000,000	(41,582,259)	(9,991,787)	-	(51,574,046)	58,417,741	48,425,954	
Total	186,957,376	9,514,191	-	-	196,471,567	(98,720,505)	(14,077,202)	-	(112,797,707)	88,236,871	83,673,860	

Separate financial statements

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

Separate financial statements

	Cost		Accumulated amortization		Ending balance of intangible assets - net as at December 31, 2015	Beginning balance of intangible assets - net as at January 1, 2015
	As at January 1, 2015	Increase	Transfer in (transfer out)	As at December 31, 2015		
	Baht	Baht	Baht	Baht	Baht	Baht
Purchase/subsequently acquire	40,800	-	-	(40,776)	-	24
Computer software	40,800	-	-	(40,776)	-	24
Total						

As at December 31, 2016 and 2015, certain intangible assets of the Company and its subsidiary at cost of Baht 59.70 million and Baht 48.05 million, respectively, were fully amortized but still in use (Company : Baht 0.04 million).

15. DEFERRED TAX ASSETS

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets	185,959,305	225,920,527	19,451,317	47,145,138

Movements of deferred tax assets for the years ended December 31, 2016 and 2015 consisted of tax effects from the following items:

	Consolidated financial statements			
	As at January 1, 2016 Baht	Transactions recognized in profit or loss Baht	Transaction recognized in other comprehensive income or loss Baht	As at December 31, 2016 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
Premium ceded payables - Excess of loss	2,736,469	1,330,059	-	4,066,528
Total	232,338,985	(33,463,496)	(7,296,027)	191,579,462
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)
	(6,418,458)	-	798,301	(5,620,157)
Deferred tax assets	225,920,527	(33,463,496)	(6,497,726)	185,959,305

	Consolidated financial statements			
	As at January 1, 2015	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2015
	Baht	Baht	Baht	Baht
Allowance for doubtful accounts				
- premium due and uncollected	1,915,251	(936,540)	-	978,711
Unearned premium reserve	93,809,945	-	-	93,809,945
Unrealized loss on the change in fair value of investment in available-for-sale securities	-	-	30,306,553	30,306,553
Loss reserve - net	103,365,608	(23,974,734)	-	79,390,874
Incurred but not reported claims	13,219,562	1,723,266	-	14,942,828
Employee benefit obligations	6,997,680	2,618,001	-	9,615,681
Allowance for impairment of general investment	301,424	-	-	301,424
Premium ceded payables - Excess of loss	5,499,529	(2,763,060)	-	2,736,469
Others	256,500	-	-	256,500
Total	225,365,499	(23,333,067)	30,306,553	232,338,985
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(9,198,467)	-	7,719,033	(1,479,434)
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	(14,137,491)	-	7,719,033	(6,418,458)
Deferred tax assets	211,228,008	(23,333,067)	38,025,586	225,920,527

	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	52,084,162	(20,201,812)	(7,492,009)	24,390,341
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	(4,939,024)	-	-	(4,939,024)
Deferred tax assets	47,145,138	(20,201,812)	(7,492,009)	19,451,317

	Separate financial statements			
	As at January 1, 2015	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2015
	Baht	Baht	Baht	Baht
Unrealized loss on the change in fair value of investment in available-for-sale securities	-	-	30,306,553	30,306,553
Loss reserve - net	18,955,645	619,318	-	19,574,963
Employee benefit obligations	863,740	1,037,482	-	1,901,222
Allowance for impairment of general investment	301,424	-	-	301,424
Total	20,120,809	1,656,800	30,306,553	52,084,162
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(5,763,714)	-	5,763,714	-
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	(10,702,738)	-	5,763,714	(4,939,024)
Deferred tax assets	9,418,071	1,656,800	36,070,267	47,145,138

Income tax expense for the years ended December 31, 2016 and 2015 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Income tax expense from taxable income per income tax return	11,700,469	37,705,779	1,656,491	6,573,414
Deferred tax expenses relating to the origination and reversal of temporary differences	33,463,496	23,333,067	20,201,812	(1,656,800)
Income tax expense per the statements of profit or loss and other comprehensive income	45,163,965	61,038,846	21,858,303	4,916,614

Reconciliation of effective tax rate for the years ended December 31, 2016 and 2015 are as follows:

	Consolidated financial statements			
	2016		2015	
	Tax Rate (%)	Amount (Baht)	Tax Rate (%)	Amount (Baht)
Profit before income tax expense		660,328,969		737,952,138
Income tax using the corporation tax rate	20.00	132,065,794	20.00	147,590,428
Tax effect of non-deductible expenses (benefits)	(13.16)	(86,901,829)	(11.73)	(86,551,582)
Income tax expense per the statements of profit or loss and other comprehensive income	6.84	45,163,965	8.27	61,038,846

	Separate financial statements			
	2016		2015	
	Tax Rate (%)	Amount (Baht)	Tax Rate (%)	Amount (Baht)
Profit before income tax expense		527,883,324		596,565,397
Income tax using the corporation tax rate	20.00	105,576,665	20.00	119,313,079
Tax effect of non-deductible expenses (benefits)	(15.86)	(83,718,362)	(19.18)	(114,396,465)
Income tax expense per the statements of profit or loss and other comprehensive income	4.14	21,858,303	0.82	4,916,614

16. OTHER ASSETS

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Other receivables	16,230,246	10,120,137	-	-
Allowance for doubtful accounts	(2,833,615)	(1,282,500)	-	-
	<u>13,396,631</u>	<u>8,837,637</u>	<u>-</u>	<u>-</u>
Receivable from sale of securities	-	9,267,940	-	9,267,940
Revenue Department receivable	120,675	22,518,275	120,675	-
Refundable corporate income tax	13,097,739	1,656,457	-	-
Premium saving certificates used as collateral	-	200,000	-	200,000
Prepaid expenses	18,164,774	15,570,951	1,267,369	480,596
Others	8,631,529	10,200,208	18,793,210	15,186,693
Total other assets	<u>53,411,348</u>	<u>68,251,468</u>	<u>20,181,254</u>	<u>25,135,229</u>

17. INSURANCE CONTRACT LIABILITIES

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

Consolidated financial statements			
As at December 31, 2016			
	Insurance contract liabilities Baht	Reinsurance liabilities (see Note 8) Baht	Net Baht
Loss reserves			
Loss incurred and reported	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>
Consolidated financial statements			
As at December 31, 2015			
	Insurance contract liabilities Baht	Reinsurance liabilities (see Note 8) Baht	Net Baht
Loss reserves			
Loss incurred and reported	815,970,117	(413,062,561)	402,907,556
Loss incurred but not reported	112,871,603	(38,157,457)	74,714,146
Premium reserve			
Unearned Premium reserve	1,472,282,393	(540,939,707)	931,342,686
Total	<u>2,401,124,113</u>	<u>(992,159,725)</u>	<u>1,408,964,388</u>
Separate financial statements			
As at December 31, 2015			
	Insurance contract liabilities Baht	Reinsurance liabilities Baht	Net Baht
Loss reserves			
Loss incurred and reported	97,874,811	-	97,874,811
Total	<u>97,874,811</u>	<u>-</u>	<u>97,874,811</u>

17.1 Insurance reserve for short term insurance contract

17.1.1 Loss reserves

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

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	(1,425,214,328)	495,273,329	(929,940,999)
Balance as at ending year	<u>819,102,719</u>	<u>(454,209,715)</u>	<u>364,893,004</u>

Consolidated financial statements			
	2015		
	Gross Baht	Reinsurance Baht	Net Baht
Balance as at beginning year	1,134,917,281	(543,165,740)	591,751,541
Loss incurred and loss adjustment expenses during the year	1,254,927,855	(478,102,912)	776,824,943
Changing on estimated loss and assumptions used in calculating loss reserve	181,170,446	(102,080,289)	79,090,157
Loss paid during the year	(1,642,173,862)	672,128,923	(970,044,939)
Balance as at ending year	<u>928,841,720</u>	<u>(451,220,018)</u>	<u>477,621,702</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	(97,874,811)	-	(97,874,811)
Balance as at ending year	<u>-</u>	<u>-</u>	<u>-</u>

Separate financial statements			
	2015		
	Gross Baht	Reinsurance Baht	Net Baht
Balance as at beginning year	94,778,223	-	94,778,223
Changing on estimated loss and assumptions used in calculating loss reserve	3,096,588	-	3,096,588
Balance as at ending year	<u>97,874,811</u>	<u>-</u>	<u>97,874,811</u>

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

17.1.2 Unearned premium reserve

	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>

	Consolidated financial statements		
	2015		
	Gross Baht	Reinsurance Baht	Net Baht
As at January 1,	1,451,942,098	(546,254,397)	905,687,701
Premium written for the year	3,137,849,154	(1,239,518,400)	1,898,330,754
Earned premium for the year	<u>(3,117,508,859)</u>	<u>1,244,833,090</u>	<u>(1,872,675,769)</u>
As at December 31,	<u>1,472,282,393</u>	<u>(540,939,707)</u>	<u>931,342,686</u>

17.1.3 Unexpired risk reserve

As at December 31, 2016 and 2015, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the subsidiary amounting to Baht 816.17 million gross and Baht 549.26 million net of reinsurance (As at December 31, 2015 : amounting to Baht 743.54 million and Baht 578.60 million, respectively), is lower than the unearned premium reserve.

17.2 Claims development tables

17.2.1 Analysis of claims development - gross

	2012	2013	2014	2015	2016	Total
Unit: Baht						
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	<u>(1,104,732,463)</u>	<u>(1,371,250,805)</u>	<u>(1,243,398,193)</u>	<u>(1,224,925,754)</u>	<u>(993,772,560)</u>	<u>(5,938,079,775)</u>
Total Loss reserves	<u>7,373,777</u>	<u>14,178,703</u>	<u>54,151,413</u>	<u>129,655,495</u>	<u>584,015,785</u>	<u>789,375,173</u>
Loss reserves before year 2012						<u>29,727,546</u>
Total Loss reserves						<u>819,102,719</u>

17.2.2 Analysis of claims development - net

	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	843,096,103		
- 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	843,096,103	937,638,433	4,196,810,895
Accumulative claim paid	(726,611,623)	(883,050,019)	(799,440,519)	(797,154,420)	(639,482,604)	(3,845,739,185)
Total Loss reserves	1,196,699	2,668,912	3,108,587	45,941,683	298,155,829	351,071,710
Loss reserves before year 2012						13,821,294
Total Loss reserves						<u>364,893,004</u>

18. BANK OVERDRAFTS

As at December 31, 2016 and 2015, the Company and its subsidiary had credit lines for bank overdrafts and loans in the form of promissory notes which were guaranteed by deposits at bank of the Company and its subsidiary in the same amount of credit limit. The interest rate was as follows (see Note 10):

	Interest rate (% per annum)	Collateral	Baht: million			
			The Company		The subsidiary	
			As at December 31, 2016	2015	As at December 31, 2016	2015
Bank overdrafts	Fixed deposit rate of plus 2%	Deposits at bank	Credit Limit 20	20	Credit Limit 20	20
Loans in the form of promissory notes	Fixed deposit rate of plus 2%	Deposits at bank	10	10	-	-

19. DUE TO REINSURERS

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

	Consolidated financial statements	
	2016 Baht	2015 Baht
Premium ceded payables	402,551,575	401,914,568
Amount withheld on reinsurance	303,140,910	231,437,501
Total due to reinsurers	<u>705,692,485</u>	<u>633,352,069</u>

20. EMPLOYEE BENEFIT OBLIGATIONS

The Company 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, 2016 and 2015 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current service cost	8,472,072	11,442,545	613,604	5,042,587
Interest cost	1,543,920	2,089,544	92,664	144,824
Actuarial (gain) loss				
- From financial assumptions changes	3,041,239	-	123,820	-
- From demographic assumptions changes	(196,884)	-	(1,232)	-
- From experience adjustments	(1,178,633)	-	563,225	-
Total employee benefit expenses	<u>11,681,714</u>	<u>13,532,089</u>	<u>1,392,081</u>	<u>5,187,411</u>

For the years ended December 31, 2016 and 2015, the Company and its subsidiary recognized actuarial loss in the consolidated statement of profit or loss and other comprehensive income as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Actuarial loss	1,665,722	-	685,813	-
Deferred tax	(333,145)	-	(137,163)	-
Actuarial loss on defined employee benefit plans - net of income tax	<u>1,332,577</u>	<u>-</u>	<u>548,650</u>	<u>-</u>

Movements in the present value of the employee benefit obligations as at December 31, 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Present value of obligation at the beginning of the years	72,833,452	60,974,363	9,787,112	4,599,701
Current service cost of the years	8,472,072	11,442,545	613,604	5,042,587
Interest cost	1,543,920	2,089,544	92,664	144,824
Actuarial loss	1,665,722	-	685,813	-
Benefit paid during the years	(5,444,570)	(1,673,000)	(3,794,820)	-
Transfer benefit to subsidiary company	-	-	(326,693)	-
Present value of obligation at the ending of the years	<u>79,070,596</u>	<u>72,833,452</u>	<u>7,057,680</u>	<u>9,787,112</u>

The Company and its subsidiary 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 (%)	2.19	3.38	2.27	3.59
Expected rate of salary increase (%)	5	6	5	6
Demographic assumptions				
Turnover rate (%) subject to range of age of employees	4, 10, 17	4, 9, 21	4, 10, 17	4, 9, 21
Retirement age (years)	60	60	60	60

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Financial assumptions				
Discount rate - 1 % increase	(7,250,918)	(6,802,958)	(380,685)	(391,624)
Discount rate - 1 % decrease	8,376,955	7,318,554	421,074	414,452
Expected rate of salary - 1% increase	8,060,423	7,061,158	405,184	401,974
Expected rate of salary - 1% decrease	(7,138,214)	(6,636,880)	(374,378)	(383,970)
Demographic assumptions				
Turnover rate - 1% increase	(7,614,713)	(7,174,748)	(396,072)	(393,269)
Turnover rate - 1% decrease	2,402,944	2,382,818	31,381	41,130
Life expectancy - 1 year increase	603,620	576,740	28,012	53,710
Life expectancy - 1 year decrease	(598,127)	(571,431)	(27,855)	(53,370)

21. OTHER LIABILITIES

Other liabilities as at December 31, 2016 and 2015 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Other payables - promotion expense	25,632,769	16,881,679	-	-
Amount received in advance - premium	29,334,767	20,527,439	-	-
Payable from purchase of securities	-	1,991,755	-	1,991,755
Revenue Department payable	17,068,162	5,708,139	1,443,917	1,165,085
Undue output VAT	2,782,325	3,159,336	-	-
Others	13,114,056	22,712,471	-	-
Total other liabilities	87,932,079	70,980,819	1,443,917	3,156,840

22. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company and subsidiary 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, 2016 and 2015, the Company has legal reserve by 10% of the authorized capital

23. FINANCIAL INFORMATION BY SEGMENT

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

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

For the years ended December 31, 2016 and 2015, there was no revenue from a single external customer contributed 10% or more to the Company and its subsidiary's total revenue.

The financial information of the Company and its subsidiary for the years ended December 31, 2016 and 2015 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	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external	2,263,133,009	2,324,498,786	480,421,783	653,616,403	(374,256,761)	(537,577,011)	2,369,298,031	2,440,538,178
Share of profit of investment in an associate	-	-	388,469,249	392,747,092	-	-	388,469,249	392,747,092
Other income	7,281,461	6,270,325	130,691,784	37,021,115	(33,651,739)	(38,168,377)	104,321,506	5,123,063
Total revenues	<u>2,270,414,470</u>	<u>2,330,769,111</u>	<u>999,582,816</u>	<u>1,083,384,610</u>	<u>(407,908,500)</u>	<u>(575,745,388)</u>	<u>2,862,088,786</u>	<u>2,838,408,333</u>
Insurance business expenses	1,844,102,238	1,743,478,127	-	-	-	-	1,844,102,238	1,743,478,127
Directors and key management personnel's remuneration	37,497,086	32,608,982	44,436,231	49,264,949	-	-	81,933,317	81,873,931
Other expenses	270,581,989	268,445,657	38,794,012	44,807,172	(33,651,739)	(38,148,692)	275,724,262	275,104,137
Income tax expense	23,305,662	56,122,232	21,858,303	4,916,614	-	-	45,163,965	61,038,846
Net income	<u>94,927,495</u>	<u>230,114,113</u>	<u>894,494,270</u>	<u>984,395,875</u>	<u>(374,256,761)</u>	<u>(537,596,696)</u>	<u>615,165,004</u>	<u>676,913,292</u>

Assets and liabilities of the Company and its subsidiary as at December 31, 2016 and 2015 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	
	2016	2015	2016	2015	2016	2015	2016	2015
Total Assets	<u>5,389,205,370</u>	<u>5,255,943,939</u>	<u>5,263,013,461</u>	<u>5,437,409,385</u>	<u>(35,568,266)</u>	<u>(32,094,117)</u>	<u>10,616,650,565</u>	<u>10,661,259,207</u>
Total Liabilities	<u>3,552,445,705</u>	<u>3,510,134,636</u>	<u>38,110,857</u>	<u>134,210,672</u>	<u>(16,219,009)</u>	<u>(12,744,860)</u>	<u>3,574,337,553</u>	<u>3,631,600,448</u>

24. OPERATING EXPENSES

Operating expenses for the years ended December 31, 2016 and 2015 consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Employee benefit expenses, excluded underwriting and loss adjustment expenses	147,624,282	150,441,750	47,388,198	53,840,538
Premises and equipment expense, excluded underwriting expenses	117,951,048	116,627,007	9,132,255	11,808,822
Taxes and duties	1,449,131	1,284,902	35,171	78,554
Bad debt and allowance for doubtful accounts (reverse)	1,108,802	(10,532,430)	-	-
Directors' remuneration	17,746,940	23,693,765	11,162,900	17,725,737
Marketing and promotion expenses	13,446,342	17,572,650	-	-
Other operating expense	58,331,034	57,890,424	15,511,719	10,618,470
Total operating expenses	<u>357,657,579</u>	<u>356,978,068</u>	<u>83,230,243</u>	<u>94,072,121</u>

25. EMPLOYEE EXPENSES

Employee expenses for the years ended December 31, 2016 and 2015 consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Salary and wage	197,206,124	196,425,938	22,498,625	28,383,983
Social fund expenses	3,754,094	3,817,230	83,250	101,040
Employee benefit expenses	10,015,992	13,532,089	706,268	5,187,411
Provident fund (see Note 31)	10,703,158	11,347,602	845,620	1,269,462
Other benefits	78,087,921	73,684,421	23,254,435	18,898,642
Total employee expenses	<u>299,767,289</u>	<u>298,807,280</u>	<u>47,388,198</u>	<u>53,840,538</u>

26. GAIN ON INVESTMENT IN SECURITIES

Gain on investment in securities for the years ended December 31, 2016 and 2015 consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Gain on sale of investment in available-for-sale securities				
- ordinary shares	16,081,794	3,949,865	16,081,794	3,949,865
- unit trusts	32,607,415	54,908,490	32,607,415	46,117,725
Gain on sale of general investment - ordinary shares	-	-	-	19,329,572
Total gain on investment in securities	<u>48,689,209</u>	<u>58,858,355</u>	<u>48,689,209</u>	<u>69,397,162</u>

27. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Net profit (Baht)	615,165,004	676,913,292	506,025,021	591,648,783
Issued and paid-up share capital (shares)	250,000,000	250,000,000	250,000,000	250,000,000
Basic earnings per share (Baht)	2.46	2.71	2.02	2.37

28. TRANSACTIONS WITH RELATED PARTIES

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

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

Companies	Relationship	Type of Business
Sri Ayudhya General Insurance Plc.	Some common shareholders and directors	Insurance
Bank of Ayudhya Plc.	Some common shareholders and directors	Banking
Krungsri Securities Plc.	Some common shareholders	Finance
Krungsri Asset Management Co., Ltd.	Some common shareholders	Fund Management
Ayudhya Development Leasing Co., Ltd.	Some common shareholders	Hire-purchase and leasing
Siam City Cement Plc.	Some common shareholders and directors	Construction Materials
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders and directors	Television Business
Great Luck Equity Co., Ltd.	Some common shareholders	Advertising
Great Fortune Co., Ltd.	Some common shareholders	Advertising
Super Asset Co., Ltd.	Some common shareholders and directors	Investments
BBTV Equity Co., Ltd.	Some common shareholders and directors	Office Space Rental
CKS Holding Co., Ltd.	Some common shareholders and directors	Investments
Sunrise Equity Co., Ltd.	Some common shareholders and directors	Consulting
Allianz Ayudhya Assurance Plc.	Some common shareholders and directors	Life Insurance
Grand Canal Land Plc.	Some common shareholders and directors	Advertising
Ayudhya Asset Management Co., Ltd.	Some common shareholders	Asset Management
Siam Realty and 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

28.1 Investments

As at December 31, 2016

Companies	Consolidated and Separate financial statements			
	Paid-up share capital Baht	Shareholding %	Investment Baht	Dividend Baht
Investment - ordinary shares				
Siam City Cement Plc.	2,300,000,000	0.003	1,904,000	105,000
			1,904,000	105,000

Companies	Consolidated and Separate financial statements	
	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		Separate financial statements	
For the years ended December 31,		For the years ended December 31,	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
Gain on sale of general investment in securities - ordinary shares			
Sri Ayudhya General Insurance Plc. ⁽¹⁾			
-	-	-	19,329,572
-	-	-	19,329,572

- (1) On September 23, 2015, the Company entered into share purchase agreement of all investment in ordinary shares of Road Accident Victims Protection Co., Ltd. and full amount from sale of investments was paid to the Company on the same date.

The selling price of investment in ordinary shares has been determined by the independent appraisal value in compliance with the opinion of independent financial advisor of the Company or the specified rate between the Company and such related company.

As at December 31, 2015

Companies	Consolidated and Separate financial statements			
	Paid-up share capital Baht	Shareholding %	Investment Baht	Dividend Baht
Investment - ordinary shares				
Siam City Cement Plc.	2,300,000,000	0.003	2,226,000	105,000
			<u>2,226,000</u>	<u>105,000</u>

Companies	Consolidated and Separate financial statements	
	Investment Baht	Dividend Baht
Investment - unit trusts		
Unit trusts managed by		
Krungsri Asset Management Co., Ltd.		
- Krungsri Star Plus Fund	601,218,270	-
- Krungsri Cash Management Fund	598,198,079	-
- Krungsri Star Equity Dividend Fund	25,080,256	215,237
- Krungsri Dividend Stock Fund	136,297,929	16,409,904
- Krungsri Dynamic Dividend Fund	10,080,600	-
- Krungsri Flexible Dividend Fund	68,127,308	10,881,295
- Krungsri Financial Focus Dividend Fund	6,160,281	-
- Krungsri Global High Payout Fund	21,122,759	-
- Krungsri Europe Equity Fund	16,919,426	-
- Krungsri Global Small-Mid Cap Equity Dividend Fund	10,311,034	778,325
- Krungsri Global Healthcare Equity Dividend Fund	45,248,163	11,084,237
	<u>1,538,764,105</u>	<u>39,368,998</u>

28.2 Significant balances and transactions were as follows:

	Consolidated financial statements		Separate financial statements	
	As at December 31		As at December 31	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deposits at financial institution				
Bank of Ayudhya Plc.	379,947,661	596,449,560	53,496,254	117,368,096
Premium due and uncollected				
Bank of Ayudhya Plc.	542,014	255,180	-	-
Ayudhya Development Leasing Co., Ltd.	7,607	-	-	-
Siam City Cement Plc.	1,949,465	2,426,843	-	-
Bangkok Broadcasting & T.V. Co., Ltd.	205,804	198,894	-	-
CKS Holding Co., Ltd.	53,407	63,136	-	-
Allianz Ayudhya Assurance Plc.	33,851	18,193	-	-
Grand Canal Land Plc.	263,199	279,313	-	-
Siam Realty and Services Security Co., Ltd.	93,955	75,743	-	-
Ayudhya Capital Auto Lease Plc.	500	-	-	-
Eastern Star Real Estate Plc.	362,886	794,075	-	-
	<u>3,512,688</u>	<u>4,111,377</u>	<u>-</u>	<u>-</u>
Accrued interest income				
Bank of Ayudhya Plc.	1,339,551	1,846,482	245,203	258,148
Accrued income				
Sri Ayudhya General Insurance Plc.	-	-	16,219,009	12,744,860
Rental and facilities deposits				
BBTV Equity Co., Ltd.	5,718,926	5,718,926	1,303,093	1,303,093
Bank of Ayudhya Plc.	6,000	6,000	6,000	6,000
	<u>5,724,926</u>	<u>5,724,926</u>	<u>1,309,093</u>	<u>1,309,093</u>
Premium written received in advance				
Bank of Ayudhya Plc.	10,425,587	11,914,957	-	-
Payable from purchase of securities				
Krungsri Securities Plc.	-	1,991,755	-	1,991,755
Accrued expense - management fee				
Krungsri Securities Plc.	-	48,011	-	48,011
Accrued expense - custodian fee				
Bank of Ayudhya Plc.	16,065	18,060	-	1,402
Accrued expense - commissions and brokerages				
Bank of Ayudhya Plc.	13,700,281	15,836,066	-	-
Accrued expense - other underwriting expenses				
Bank of Ayudhya Plc.	20,279,107	15,674,545	-	-

	Consolidated financial statements	
	For the years ended December 31,	
	2016 Baht	2015 Baht
Premium written		
Bank of Ayudhya Plc.	12,531,774	18,798,639
Krungsri Securities Plc.	50,918	32,889
Krungsri Asset Management Co., Ltd.	1,230,034	1,303,348
Ayudhya Development Leasing Co., Ltd.	95,568	93,745
Siam City Cement Plc.	48,619,416	72,653,635
Bangkok Broadcasting & T.V. Co., Ltd.	10,679,051	11,133,917
Great Luck Equity Co., Ltd.	47,458	86,023
Super Assets Co., Ltd.	74,509	79,422
BBTV Equity Co., Ltd.	902,683	902,489
CKS Holding Co., Ltd.	144,519	58,770
Allianz Ayudhya Assurance Plc.	451,478	539,248
Grand Canal Land Plc.	245,000	260,000
Ayudhya Asset Management Co., Ltd.	477,838	451,669
Siam Realty and Services Security Co., Ltd.	1,838,218	1,782,478
Ayudhya Capital Auto Lease Plc.	109,162	147,592
Krungsriayudhya Card Co., Ltd.	165,891	766,458
Eastern Star Real Estate Plc.	745,500	1,693,314
	78,409,017	110,783,636

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,	
	2016 Baht	2015 Baht
Commissions and brokerages		
Bank of Ayudhya Plc.	183,999,834	173,893,999
Other underwriting expenses		
Bank of Ayudhya Plc.	122,493,991	104,771,096

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 December 31,		For the years ended December 31,	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income				
Bank of Ayudhya Plc.	3,753,874	4,876,637	694,694	933,800
Management fees				
Sri Ayudhya General Insurance Plc.	-	-	33,171,739	37,688,377

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Commission paid				
Krungsri Securities Plc.	467,199	525,523	467,199	525,523
Management fees				
Krungsri Securities Plc.	438,566	630,661	438,566	630,661
Custodian fees				
Bank of Ayudhya Plc.	188,984	198,955	13,380	18,756

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,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Rental and service fees				
BBTV Equity Co., Ltd.	22,945,037	22,945,037	5,299,200	5,299,200
Other expense				
Sri Ayudhya General Insurance Plc.	-	-	480,000	480,000

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

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

29. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

The Company and its subsidiary had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses for the years ended December 31, 2016 and 2015, as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2016		2015	
	Baht		Baht	
Directors and key management personnel's remuneration				
Short-term benefits	77,114,928	72,159,852	41,971,850	41,913,475
Post-employment benefits	2,065,943	6,142,187	732,851	4,864,974
Directors' remuneration	2,976,219	3,571,892	1,731,530	2,486,500
	<u>82,157,090</u>	<u>81,873,931</u>	<u>44,436,231</u>	<u>49,264,949</u>

Directors' remuneration for the years ended December 31, 2016 and 2015 were approved by the ordinary shareholders' meeting of the Company held on April 26, 2016 and April 21, 2015, respectively.

Furthermore, directors' remuneration of the subsidiary for the years ended December 31, 2016 and 2015 were approved by the ordinary shareholders' meeting of the subsidiary held on April 25, 2016 and April 9, 2015, respectively.

30. DIVIDENDS

- 30.1 On April 21, 2015, the ordinary shareholders' meeting of the Company passed a resolution to pay the dividend of Baht 1.50 per share from the second half of 2014 operating result and unappropriated retained earnings for 250 million shares, totaling Baht 375 million which was paid on May 6, 2015.
- 30.2 On August 11, 2015, the Board of Directors' meeting passed a resolution to pay an interim dividend for the operation result from January 1, to June 30, 2015 of Baht 1.00 per share for 250 million shares, totaling Baht 250 million. Such dividend was paid on September 7, 2015.
- 30.3 On April 26, 2016, the ordinary shareholders' meeting of the Company passed a resolution to pay the dividend of Baht 2.00 per share from the operating result of 2015 for 250 million shares, totaling Baht 500 million, of which Baht 1.00 per share totalling Baht 250 million was paid as an interim dividend for the first half year of 2015 on September 7, 2015. Consequently, the dividend remained of Baht 1.00 per share, totalling Baht 250 million was paid on May 9, 2016.
- 30.4 On August 15, 2016, the Board of Directors' meeting passed a resolution to pay an interim dividend for the operation 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

31. PROVIDENT FUND

The Company and its subsidiary 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 Company 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, 2016 and 2015, the Company's and its subsidiary's contributions recorded as expenses were Baht 10.70 million and Baht 11.35 million, respectively (Company: Baht 0.85 million and Baht 1.27 million, respectively) (see Note 25).

32. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 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	<u>385,690,150</u>	<u>393,672,620</u>	<u>134,604,175</u>	<u>139,031,945</u>
Total investment in securities of pledged	<u>413,690,150</u>	<u>421,672,620</u>	<u>148,604,175</u>	<u>153,031,945</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.

33. 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, 2016 and 2015, are as follows:

	Consolidated financial statements					
	2016			2015		
	Before tax Baht	Income tax - surplus (deficit) Baht	Net of tax Baht	Before tax Baht	Income tax - surplus (deficit) Baht	Net of tax Baht
Item that will not be reclassified subsequently to profit or loss						
Actuarial loss on deficit employee benefit plans	(1,665,722)	333,145	(1,332,577)	-	-	-
Share of other comprehensive income (loss) of an associate	(3,508,966)	701,793	(2,807,173)	1,136,207	(227,241)	908,966
Item that will be reclassified subsequently to profit or loss						
Change in fair value of available-for-sale securities	34,154,353	(6,830,871)	27,323,482	(190,127,928)	38,025,586	(152,102,342)
Share of other comprehensive income (loss) of an associate	(157,629,211)	31,934,728	(125,694,483)	440,248,776	(88,049,755)	352,199,021
Total	<u>(128,649,546)</u>	<u>26,138,795</u>	<u>(102,510,751)</u>	<u>251,257,055</u>	<u>(50,251,410)</u>	<u>201,005,645</u>

	Seperate financial statements					
	2016			2015		
	Before tax	Income tax - surplus (deficit)	Net of tax	Before tax	Income tax - surplus (deficit)	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	(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	38,145,860	(7,629,172)	30,516,688	(180,351,334)	36,070,267	(144,281,067)
Total	<u>37,460,047</u>	<u>(7,492,009)</u>	<u>29,968,038</u>	<u>(180,351,334)</u>	<u>36,070,267</u>	<u>(144,281,067)</u>

34. 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, 2016 and 2015 amounting to Baht 40.71 million and Baht 33.00 million, respectively.

35. CONTINGENT LIABILITIES AND COMMITMENT

35.1 As at December 31, 2016 and 2015, lawsuits have been brought against the Company and its subsidiary, as insurer, from which the Company and its subsidiary estimate losses totaling Baht 22.31 million and Baht 150.99 million, respectively, (Company: Nil and Baht 97.87 million, respectively). The Company and its subsidiary's management believes that such estimation is adequate to losses and do not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Company and its subsidiary's operating results.

35.2 As at December 31, 2016 and 2015, the subsidiary had a capital commitment to pay computer program development expenses in amount of approximately Baht 14.03 million and Baht 11.84 million, respectively

36. LONG-TERM LEASES AND SERVICE AGREEMENTS

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

Type of leases	Consolidated 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	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>

Consolidated financial statements			
As at December 31, 2015			
Type of leases	Remaining periods		Total rental
	Within 1 year	Over 1 year to 5 years	payments for the remaining periods
	Baht	Baht	Baht
Building			
- related company	6,914,477	4,222,070	11,136,547
- others	4,066,088	5,262,812	9,328,900
Service - related company	6,870,240	4,181,520	11,051,760
Equipment - related company	9,160,320	5,575,360	14,735,680
	<u>27,011,125</u>	<u>19,241,762</u>	<u>46,252,887</u>

Separate financial statements			
As at December 31, 2016			
Type of leases	Remaining periods		Total rental
	Within 1 year	Over 1 year to 5 years	payments for the remaining periods
	Baht	Baht	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>

Separate financial statements			
As at December 31, 2015			
Type of leases	Remaining periods		Total rental
	Within 1 year	Over 1 year to 5 years	payments for the remaining periods
	Baht	Baht	Baht
Building - related company	1,589,760	927,360	2,517,120
Service - related company	1,589,760	927,360	2,517,120
Equipment - related company	2,119,680	1,236,480	3,356,160
	<u>5,299,200</u>	<u>3,091,200</u>	<u>8,390,400</u>

For the years ended December 31, 2016 and 2015, the Company and its subsidiary recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follow:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Rental and service fees	30,717,247	30,981,047	5,299,200	5,299,200

37. INSURANCE AND FINANCIAL RISK MANAGEMENT

37.1 Insurance risk

37.1.1 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.

37.1.2 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, 2016 and 2015 are as follows:

	<u>Consolidated financial statements</u>	
	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 of reinsurance		
Loss ratio - 10% increase	105,996,227	(105,996,227)
Loss ratio - 10% decrease	(100,155,093)	100,155,093

37.1.3 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 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
31 December 2015					
Gross	88,235,952	176,252,716	190,852,344	375,625,897	830,966,909
Net of reinsurance	43,644,571	34,111,786	130,002,069	171,988,465	379,746,891

37.2 Financial risk

37.2.1 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 4.

37.2.2 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 2016					
Insurance contract liabilities					
Loss reserves and outstanding claims	507,843,686	294,876,979	16,382,054		819,102,719
31 December 2015					
Insurance contract liabilities					
Loss reserves and outstanding claims	515,199,484	299,148,087	16,619,338		830,966,909

37.2.3 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, 2016, the Group has receivable from reinsurance contracts of Baht 58.57 million, consists of local reinsurers in amount of Baht 31.98 million which maintain Capital Adequacy Ratio according to Office of Insurance Commission criteria. In addition, the 90.97% of Foreign reinsurers in amount of Baht 26.59 million have financial rating not lower than A.

37.2.4 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, 2016 and 2015, significant financial assets classified by type of interest rate were as follows:

	Consolidated financial statements			
	Balance as at			
	December 31, 2016		December 31, 2015	
	Variable interest rate Baht	Fixed interest rate Baht	Variable interest rate Baht	Fixed interest rate Baht
Cash and cash equivalents				
Saving accounts	192,335,146	-	290,360,526	-
Deposits at bank with maturity not over 3 months	-	28,214,757	-	-
Short-term investments	-	1,184,081,264	-	699,888,062
Investment in securities				
Available-for-sale securities				
Government and state enterprise securities	-	494,225,155	-	607,540,558
Private enterprise debt securities	-	-	-	3,092,929
Held-to-maturity investment				
Government and state enterprise securities used as collateral	-	1,497,711,448	-	1,399,664,483
Deposits at bank with maturity over 3 months	197,902,544	-	174,951,292	-
Deposits at bank used as collateral	-	245,902,763	-	303,290,739
Total	<u>390,237,690</u>	<u>3,450,135,387</u>	<u>465,311,818</u>	<u>3,013,476,771</u>
	Separate financial statements			
	Balance as at			
	December 31, 2016		December 31, 2015	
	Variable interest rate Baht	Fixed interest rate Baht	Variable interest rate Baht	Fixed interest rate Baht
Cash and cash equivalents				
Saving accounts	33,567,087	-	74,369,791	-
Short-term investments	-	34,995,702	-	-
Investment in securities				
Available-for-sale securities				
Government and state enterprise securities	-	134,604,175	-	139,031,945
Held-to-maturity investment				
Deposits at bank with maturity over 3 months	22,239,399	-	21,879,071	-
Deposits at bank used as collateral	-	44,000,000	-	44,000,000
Total	<u>55,806,486</u>	<u>213,599,877</u>	<u>96,248,862</u>	<u>183,031,945</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, 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
Total	3,143,864,268	306,271,119	-	3,450,135,387	

Consolidated financial statements					
As at December 31, 2015					
	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	699,888,062	-	-	699,888,062	1.46
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	202,216,562	405,323,996	-	607,540,558	2.91
Private enterprise debt securities	3,092,929	-	-	3,092,929	5.39
Held-to-maturity securities					
Government and state enterprise securities used as collateral	1,399,664,483	-	-	1,399,664,483	1.46
Deposits at bank used as collateral	289,290,739	14,000,000	-	303,290,739	1.91
Total	2,594,152,775	419,323,996	-	3,013,476,771	

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	

Separate financial statements					
As at December 31, 2015					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	-	139,031,945	-	139,031,945	3.31
Held-to-maturity securities					
Deposits at bank used as collateral	44,000,000	-	-	44,000,000	1.02
Total	44,000,000	139,031,945	-	183,031,945	

37.2.5 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.

37.2.6 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.

37.2.6.1 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, 2016 Baht	2015 Baht		
<u>Financial assets</u>				
Government and state enterprise securities				
Thai government bonds	293,817,470	405,767,892	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
State enterprise bonds	200,407,685	201,772,666	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
Debentures	-	3,092,929	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

Consolidated financial statements				
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2016	2015		
	Baht	Baht		
<u>Financial assets</u>				
Equity securities	73,606,040	76,665,567	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	-	55,035,727	Level 2	The unit trust's net asset value of the last working day of the reporting period
Private enterprises securities				
Equity securities	213,782,945	299,485,227	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	1,838,731,892	1,703,515,685	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, 2016	2015		
	Baht	Baht		
<u>Financial assets</u>				
Government and state enterprise securities				
Thai government bonds	134,604,175	139,031,945	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	73,606,040	76,665,567	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	-	55,035,727	Level 2	The unit trust's net asset value of the last working day of the reporting period
Private enterprises securities				
Equity securities	213,782,945	299,485,227	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	1,812,945,519	1,678,052,417	Level 2	The unit trust's net asset value of the last working day of the reporting period

37.2.6.2 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 follow:

		Consolidated financial statements			
Fair value hierarchy		As at December 31, 2016		As at December 31, 2015	
		Carrying amount Baht	Fair value Baht	Carrying amount Baht	Fair value Baht
<u>Financial assets</u>					
Held-to-maturity securities	Level 2	1,954,366,755	1,954,728,250	1,891,156,514	1,891,575,387
		Separate financial statements			
Fair value hierarchy		As at December 31, 2016		As at December 31, 2015	
		Carrying amount Baht	Fair value Baht	Carrying amount Baht	Fair value Baht
<u>Financial assets</u>					
Held-to-maturity securities	Level 2	66,239,399	66,239,399	65,879,071	65,879,071

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

37.3 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, 2016 and 2015, the Company's capital level is maintained according such notifications.

38. EVENTS AFTER THE REPORTING PERIOD

38.1 At the meeting of the Board of Director of the associate held on 16 February 2017, the board of Directors agreed to propose a dividend payment of Baht 6.52 per share on 295 million shares amounting to Baht 1,923.40 million, to the 2017 annual general meeting of the shareholders of the Company and subject to the Office of Insurance commission's endorsement.

38.2 At the meeting of the Board of Directors held on February 27, 2017 agreed to propose a dividend payment of Baht 2 per share on 250 million shares amounting to Baht 500 million, to the 2017 annual general meeting of the shareholders of the Company which was allocated from the operating result of 2016. The Company has already paid for the interim dividend of Baht 1.00 per share for 250 million shares, totaling Baht 250 million on September 13, 2016. The remaining dividend of Baht 1.00 per share for 250 million shares, totaling Baht 250 million will be paid to shareholders on May 8, 2017.

39. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Company's authorized executive director on February 27, 2017.