

*SRI AYUDHYA CAPITAL PUBLIC COMPANY
LIMITED AND SUBSIDIARY*

Interim Financial Statements

*Three-month and six-month periods ended
June 30, 2018*

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

**TO THE BOARD OF DIRECTORS
SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Sri Ayudhya Capital Public Company Limited and its subsidiary and the separate statement of financial position of Sri Ayudhya Capital Public Company Limited as at June 30, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period ended June 30, 2018, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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



Nisakorn Songmanee
Certified Public Accountant (Thailand)
Registration No. 5035

BANGKOK
August 8, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2018	2017	2018	2017
ASSETS					
Cash and cash equivalents	5	1,511,351	1,401,893	210,530	181,095
Premium due and uncollected - net	6	240,935	238,127	-	-
Accrued investment income		7,714	6,972	1,121	1,823
Reinsurance assets	7	1,057,241	892,038	-	-
Due from reinsurers	8	53,025	55,745	-	-
Investments					
Investment in securities	9	6,602,278	4,655,891	4,177,307	2,268,614
Loans	10	3	15	-	-
Investment in an associate	11	2,642,334	3,355,004	1,487,264	1,487,264
Investment in a subsidiary	11	-	-	1,823,579	1,823,579
Premises and equipment	12	44,841	53,236	6,630	7,476
Intangible assets		59,719	67,040	-	-
Deferred tax assets	13	209,125	167,169	33,263	6,482
Deferred commissions expenses		63,551	62,324	-	-
Other assets	14	64,297	99,517	4,423	7,920
TOTAL ASSETS		<u>12,556,414</u>	<u>11,054,971</u>	<u>7,744,117</u>	<u>5,784,253</u>

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2018

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
LIABILITIES AND EQUITY					
Insurance contract liabilities	15	2,301,413	2,068,995	-	-
Due to reinsurers	16	680,753	667,859	-	-
Income tax payable		20,851	3,549	-	99
Employee benefit obligations		91,649	86,823	3,958	4,294
Premium written received in advance		355,443	348,346	-	-
Commissions and brokerages payables		50,728	46,327	-	-
Accrued expenses		41,450	50,493	17,224	13,377
Other liabilities		77,613	88,619	2,360	15,898
TOTAL LIABILITIES		3,619,900	3,361,011	23,542	33,668
EQUITY					
Share capital	17				
Authorized share capital					
375,000,000 ordinary shares of Baht 1.00 each		<u>375,000</u>		<u>375,000</u>	
500,000,000 ordinary shares of Baht 1.00 each			<u>500,000</u>		<u>500,000</u>
Issued and paid-up share capital					
293,905,225 ordinary shares of Baht 1.00 each		293,905		293,905	
250,000,000 ordinary shares of Baht 1.00 each			250,000		250,000
Premium on share capital		5,180,583	3,512,184	5,180,583	3,512,184
Retained earnings					
Appropriated					
Statutory reserve		50,000	50,000	50,000	50,000
Unappropriated		2,959,783	2,650,797	2,344,521	1,979,443
Other components of equity					
Surplus (deficit) on available-for-sale securities		(163,618)	(39,021)	(148,434)	(41,042)
Share of other comprehensive income					
of an associate		615,861	1,270,000	-	-
TOTAL EQUITY		8,936,514	7,693,960	7,720,575	5,750,585
TOTAL LIABILITIES AND EQUITY		12,556,414	11,054,971	7,744,117	5,784,253

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues					
Gross premium written		780,036	703,486	-	-
<u>Less</u> Premium ceded		324,404	287,706	-	-
Net premium written		455,632	415,780	-	-
<u>Less</u> Unearned premium reserve increase from previous period		34,152	1,317	-	-
Net premium earned		421,480	414,463	-	-
Fee and commission income		97,250	82,524	-	-
Net investment income		24,145	25,130	352,596	400,688
Gain (loss) on investment in securities		(16,911)	7,558	(6,635)	7,558
Share of profit on investment in an associate	11.1	120,861	122,897	-	-
Other income		158	1,353	3,097	6,631
Total revenues		646,983	653,925	349,058	414,877
Expenses					
Loss incurred		346,288	324,087	-	-
<u>Less</u> Loss refundable from reinsurers		178,877	136,188	-	-
Commissions and brokerage expenses		112,047	101,206	-	-
Other underwriting expenses		122,339	115,488	-	-
Operating expenses		80,934	81,126	18,343	18,103
Total expenses		482,731	485,719	18,343	18,103
Income before income tax expense		164,252	168,206	330,715	396,774
Income tax expense (benefit)	13	9,430	7,275	(1,564)	6
Net income		154,822	160,931	332,279	396,768

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018 (CONTINUED)
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss					
Share of other comprehensive income of an associate	11.1	(1,614)	-	-	-
Income tax relating to items that will not be reclassified subsequently		323	-	-	-
		(1,291)	-	-	-
Items that will be reclassified subsequently to profit or loss					
Gain (loss) on revaluation of available-for-sale securities		(115,845)	1,556	(94,623)	1,484
Share of other comprehensive income of an associate	11.1	(541,987)	198,375	-	-
Income tax relating to items that will be reclassified subsequently		145,187	(40,613)	18,925	(297)
		(512,645)	159,318	(75,698)	1,187
Other comprehensive income (loss) for the periods, net of income tax		(513,936)	159,318	(75,698)	1,187
Total comprehensive income (loss) for the periods		(359,114)	320,249	256,581	397,955
Earnings per share	20				
Basic earnings per share	Baht	0.62	0.64	1.32	1.59
Weighted average number of ordinary shares (Thousand Shares)		251,455	250,000	251,455	250,000
Diluted earnings per share	Baht	0.60	0.64	1.28	1.59
Weighted average number of ordinary shares (Thousand Shares)		258,624	250,000	258,624	250,000

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues					
Gross premium written		1,543,253	1,437,428	-	-
<u>Less</u> Premium ceded		654,114	598,314	-	-
Net premium written		889,139	839,114	-	-
<u>Less</u> Unearned premium reserve increase (decrease) from previous period		43,648	(2,538)	-	-
Net premium earned		845,491	841,652	-	-
Fee and commission income		194,901	182,510	-	-
Net investment income		62,730	46,935	380,302	409,969
Gain (loss) on investment in securities		(1,326)	23,488	15,176	23,488
Share of profit on investment in an associate	11.1	230,906	217,395	-	-
Other income		494	2,144	8,280	15,230
Total revenues		1,333,196	1,314,124	403,758	448,687
Expenses					
Loss incurred		854,009	788,946	-	-
<u>Less</u> Loss refundable from reinsurers		477,412	364,421	-	-
Commissions and brokerage expenses		221,993	210,458	-	-
Other underwriting expenses		244,714	228,390	-	-
Operating expenses		165,143	169,206	38,613	42,933
Total expenses		1,008,447	1,032,579	38,613	42,933
Income before income tax expense		324,749	281,545	365,145	405,754
Income tax expense	13	14,307	9,624	67	529
Net income		310,442	271,921	365,078	405,225

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018 (CONTINUED)
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss					
Share of other comprehensive income of an associate	11.1	(1,820)	-	-	-
Income tax relating to items that will not be reclassified subsequently		364	-	-	-
		<u>(1,456)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that will be reclassified subsequently to profit or loss					
Gain (loss) on revaluation of available-for-sale securities		(155,746)	19,266	(134,240)	19,538
Share of other comprehensive income of an associate	11.1	(828,090)	201,745	-	-
Income tax relating to items that will be reclassified subsequently		205,100	(46,845)	26,848	(3,908)
		<u>(778,736)</u>	<u>174,166</u>	<u>(107,392)</u>	<u>15,630</u>
Other comprehensive income (loss) for the periods, net of income tax		<u>(780,192)</u>	<u>174,166</u>	<u>(107,392)</u>	<u>15,630</u>
Total comprehensive income for the periods		<u><u>(469,750)</u></u>	<u><u>446,087</u></u>	<u><u>257,686</u></u>	<u><u>420,855</u></u>
Earnings per share	20				
Basic earnings per share	Baht	1.23	1.09	1.45	1.62
Weighted average number of ordinary shares (Thousand Shares)		251,455	250,000	251,455	250,000
Diluted earnings per share	Baht	1.20	1.09	1.41	1.62
Weighted average number of ordinary shares (Thousand Shares)		258,624	250,000	258,624	250,000

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED”

Baht: '000

CONSOLIDATED FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total equity
			Appropriated Statutory reserve	Unappropriated	Surplus (deficit) on available-for-sale securities	Share of other comprehensive income of an associate	
	250,000	3,512,184	50,000	2,630,188	(87,985)	687,926	7,042,313
	-	-	-	271,921	15,413	158,753	446,087
23	-	-	-	(250,000)	-	-	(250,000)
	250,000	3,512,184	50,000	2,652,109	(72,572)	846,679	7,238,400
	250,000	3,512,184	50,000	2,650,797	(39,021)	1,270,000	7,693,960
17.3	43,905	1,668,399	-	-	-	-	1,712,304
	-	-	-	308,986	(124,597)	(654,139)	(469,750)
	293,905	5,180,583	50,000	2,959,783	(163,618)	615,861	8,936,514

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED”

Baht: '000

SEPARATE FINANCIAL STATEMENTS

	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total equity
				Appropriated Statutory reserve	Unappropriated		
Beginning balance as at January 1, 2017		250,000	3,512,184	50,000	1,983,796	(90,709)	5,705,271
Comprehensive income		-	-	-	405,225	15,630	420,855
Dividends paid	23	-	-	-	(250,000)	-	(250,000)
Ending balance as at June 30, 2017		250,000	3,512,184	50,000	2,139,021	(75,079)	5,876,126
Beginning balance as at January 1, 2018		250,000	3,512,184	50,000	1,979,443	(41,042)	5,750,585
Increase capital		43,905	1,668,399	-	-	-	1,712,304
Comprehensive income	17.3	-	-	-	365,078	(107,392)	257,686
Ending balance as at June 30, 2018		293,905	5,180,583	50,000	2,344,521	(148,434)	7,720,575

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
“UNAUDITED”

Baht: '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Direct premium received	1,529,087	1,438,549	-	-
Cash paid to reinsurance	(124,744)	(71,541)	-	-
Interest income	10,761	19,616	4,508	4,675
Dividend income	327,879	19,360	377,757	19,354
Other income	8,396	1,615	12,230	24,818
Loss incurred from direct insurance	(657,733)	(787,089)	-	-
Commission and brokerage paid from direct insurance	(215,717)	(212,266)	-	-
Other underwriting expenses	(244,804)	(231,851)	-	-
Operating expenses	(118,257)	(206,252)	(32,584)	(66,168)
Income tax expense	(8,232)	(6,412)	(519)	(1,474)
Investment in securities	(2,107,025)	199,152	(2,044,260)	268,821
Deposits at bank with maturity over 3 months and deposits used as collateral	(217)	(220)	-	-
Loans	12	79	-	7
Net cash provided by (used in) operating activities	<u>(1,600,594)</u>	<u>162,740</u>	<u>(1,682,868)</u>	<u>250,033</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES				
CASH FLOWS PROVIDED BY				
Premises and equipment	2	705	-	-
Cash provided by investing activities	<u>2</u>	<u>705</u>	<u>-</u>	<u>-</u>
CASH FLOWS USED IN				
Premises and equipment	(1,727)	(3,326)	(1)	(27)
Intangible assets	(527)	(2,632)	-	-
Cash used in investing activities	<u>(2,254)</u>	<u>(5,958)</u>	<u>(1)</u>	<u>(27)</u>
Net cash provided by (used in) investing activities	<u>(2,252)</u>	<u>(5,253)</u>	<u>(1)</u>	<u>(27)</u>
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES				
Increase capital	1,712,304	-	1,712,304	-
Dividends paid	-	(250,000)	-	(250,000)
Net cash provided by (used in) financing activities	<u>1,712,304</u>	<u>(250,000)</u>	<u>1,712,304</u>	<u>(250,000)</u>
Net increase (decrease) in cash and cash equivalents	109,458	(92,513)	29,435	6
Cash and cash equivalents as at January 1,	<u>1,401,893</u>	<u>1,417,050</u>	<u>181,095</u>	<u>68,445</u>
Cash and cash equivalents as at June 30,	<u><u>1,511,351</u></u>	<u><u>1,324,537</u></u>	<u><u>210,530</u></u>	<u><u>68,451</u></u>

See condensed notes to financial statements

**SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONDENSED NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2018
“UNAUDITED”**

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

1.1 The Company

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

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

1.2 The subsidiary

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

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

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2017) “Interim Financial Reporting” and accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business B.E. 2559 dated March 4, 2016. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

2.2 These interim consolidated financial statements include the financial statements of Sri Ayudhya Capital Public Company Limited and Sri Ayudhya General Insurance Public Company Limited which 99.99% owned by the Company (see Note 11). Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month and six-month periods ended June 30, 2018 have included the subsidiaries’ interim financial statements for the three-month and six-month periods ended June 30, 2018 which were reviewed.

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

- 2.3 The consolidated and separate statements of financial position as at December 31, 2017, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.4 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2018 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.5 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2018 should be read in conjunction with the audited financial statements for the year ended December 31, 2017.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2017. Moreover, the Company issued warrants to purchase ordinary shares, which is specified warrant's holder and transferable type during this period so there is additional associate accounting policy as follows:

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

4. ADDITIONAL INFORMATION FOR CASH FLOWS

- 4.1 Non-cash items of premises and equipment for the six-month periods ended June 30, 2018 and 2017 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	For the six-month periods ended June 30,	
	2018	2017
Other payable - fixed assets as at January 1,	31	-
<u>Add</u> Purchases of fixed assets	1,696	3,359
<u>Less</u> Cash paid for purchase of fixed assets	(1,727)	(3,326)
Other payable - fixed assets as at June 30,	<u>-</u>	<u>33</u>

- 4.2 Non-cash items of intangible assets for the six-month periods ended June 30, 2018 and 2017 consisted of the following:

	Baht : '000	
	Consolidated financial statements	
	For the six-month periods ended June 30,	
	2018	2017
Other payable - intangible assets as at January 1,	-	20
<u>Add</u> Purchases of intangible assets	527	2,703
<u>Less</u> Cash paid for purchase of intangible assets	(527)	(2,632)
Other payable - intangible assets as at June 30,	<u>-</u>	<u>91</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2018 and December 31, 2017, consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
Cash	290	290	10	10
Cheques on hand	6,169	6,547	-	-
Deposits at bank - at call	569,882	436,892	180,523	151,088
Short-term investments	935,010	958,164	29,997	29,997
Cash and cash equivalents	1,511,351	1,401,893	210,530	181,095

Baht : '000

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at June 30, 2018 and December 31, 2017 consisted of the following:

	Consolidated	
	financial statements	
	From direct insurance	
	As at June 30, 2018	As at December 31, 2017
Within credit terms	182,060	181,204
Less than 30 days	21,472	25,576
31 - 60 days	24,661	10,480
61 - 90 days	6,768	3,459
Over 90 days	11,625	21,860
Total premium due and uncollected	246,586	242,579
Less Allowance for doubtful accounts	(5,651)	(4,452)
Premium due and uncollected - net	240,935	238,127

Baht: '000

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

7. REINSURANCE ASSETS

Reinsurance assets as at June 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2018	As at December 31, 2017
Insurance reserve refundable from reinsurers		
Loss reserves	526,079	367,078
Unearned premium reserve		
- Unearned reinsurance premium reserve	531,162	524,960
Total reinsurance assets (see Note 15)	<u>1,057,241</u>	<u>892,038</u>

8. DUE FROM REINSURERS

Due from reinsurers as at June 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2018	As at December 31, 2017
Due from reinsurers	<u>53,025</u>	<u>55,745</u>

9. INVESTMENT IN SECURITIES

Investment in securities as at June 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000			
	Consolidated financial statements			
	As at June 30, 2018		As at December 31, 2017	
	Cost/Amortized Cost	Fair value	Cost/Amortized Cost	Fair value
Held-for-trading securities				
Equity securities	174,852	149,660	92,565	93,670
<u>Add</u> Unrealized gain (loss)	(25,192)	-	1,105	-
Total held-for-trading-securities	<u>149,660</u>	<u>149,660</u>	<u>93,670</u>	<u>93,670</u>
Available-for-sale securities				
Government and state enterprise securities	432,017	431,900	466,422	469,329
Equity securities	4,258,827	4,054,421	2,168,388	2,116,704
Total	4,690,844	4,486,321	2,634,810	2,586,033
<u>Less</u> Unrealized losses	(204,523)	-	(48,777)	-
Total available-for-sale securities	<u>4,486,321</u>	<u>4,486,321</u>	<u>2,586,033</u>	<u>2,586,033</u>
Held-to-maturity securities				
Government securities used as collateral	1,492,362		1,493,571	
Deposits at bank with maturity over 3 months	204,843		190,842	
Deposits at bank used as collateral	232,802		246,585	
Premium saving certificates used as collateral	16,800		25,700	
Total held-to-maturity securities	<u>1,946,807</u>		<u>1,956,698</u>	

	Baht: '000			
	Consolidated financial statements			
	As at June 30, 2018		As at December 31, 2017	
	Cost/Amortized Cost	Fair value	Cost/Amortized Cost	Fair value
General investment				
Equity securities	20,997		20,997	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
Total general investment	<u>19,490</u>		<u>19,490</u>	
Total investment in securities - net	<u>6,602,278</u>		<u>4,655,891</u>	

Investment in securities as at June 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000			
	Separate financial statements			
	As at June 30, 2018		As at December 31, 2017	
	Cost/Amortized Cost	Fair value	Cost/Amortized cost	Fair value
Held-for-trading securities				
Equity securities	88,478	74,887	-	-
<u>Less</u> Unrealized losses	(13,591)	-	-	-
Total available-for-sale securities	<u>74,887</u>	<u>74,887</u>	<u>-</u>	<u>-</u>
Available-for-sale securities				
Government and state enterprise securities	138,294	137,627	132,145	133,032
Equity securities	4,075,118	3,890,242	2,113,221	2,061,031
Total	4,213,412	4,027,869	2,245,366	2,194,063
<u>Less</u> Unrealized losses	(185,543)	-	(51,303)	-
Total available-for-sale securities	<u>4,027,869</u>	<u>4,027,870</u>	<u>2,194,063</u>	<u>2,194,063</u>
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	26,553		12,553	
Deposits at bank used as collateral	30,000		44,000	
Total held-to-maturity securities	<u>56,553</u>		<u>56,553</u>	
General investment				
Equity securities	19,505		19,505	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
Total general investment	<u>17,998</u>		<u>17,998</u>	
Total investment in securities - net	<u>4,177,307</u>		<u>2,268,614</u>	

As at June 30, 2018 and December 31, 2017, certain investment in securities (certain government and state enterprise securities and certain deposits at bank) of the Group are deposited as collateral with Registrar (see Note 24).

As at June 30, 2018 and December 31, 2017, certain premium saving certificates of its subsidiary were used as collateral for insured driver amounting to Baht 4.30 million and Baht 3.55 million, respectively (see Note 25.1) (Company : Nil)

As at June 30, 2018 and December 31, 2017, certain deposits at bank of the Group were pledged as collateral for credit facilities for bank overdrafts and loans in the form of promissory notes amounting to Baht 40 million and Baht 10 million, respectively. (Company : Baht 20 million and Baht 10 million, respectively.) (see Note 25.2)

10. LOANS

Loans of the 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

11. INVESTMENT IN A SUBSIDIARY AND AN ASSOCIATE

11.1 Investments in an associate in the consolidated financial statements

As at June 30, 2018 and December 31, 2017, the Company had investment in an associated company accounted for under equity method in the consolidated financial statements as follows:

Consolidated financial statements								Baht: '000	
Company name	Nature of business	Place of incorporation and operation	Percentage of shareholding		Cost		Carrying value under equity method		
			As at June 30, 2018 (%)	As at December 31, 2017 (%)	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017	
Associated company									
Allianz Ayudhya Assurance Plc.	Life Insurance	Thailand	20.17	20.17	1,487,264	1,487,264	2,642,334	3,355,004	

As at June 30, 2018 and December 31, 2017, an associate had total assets and total liabilities as follows:

	As at June 30, 2018	Baht: million As at December 31, 2017
Total assets	180,248.19	178,024.98
Total liabilities	167,387.56	161,630.95

For the three-month and six-month periods ended June 30, 2018 and 2017, an associate had total revenues, net income and net of other comprehensive income as follows:

	Baht: million			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Total revenues	9,645.39	9,312.40	18,861.22	18,114.98
Net income	599.22	609.32	1,144.82	1,077.84
Items that will not be reclassified subsequently to profit or loss				
Actuarial losses on defined employee benefit plans	(8.00)	-	(9.03)	-
Income tax relating to items that will not be reclassified subsequently	1.60	-	1.81	-
Other comprehensive loss - net of income tax	<u>(6.40)</u>	<u>-</u>	<u>(7.22)</u>	<u>-</u>
Items that are or may be reclassified to profit or loss				
Gain (loss) on cash flow hedges	(90.35)	2.49	(101.66)	(1.70)
Gain (loss) on revaluation of available-for-sale securities	(2,596.80)	981.04	(4,003.98)	1,001.95
Income tax relating to items that will be reclassified subsequently	604.96	(199.82)	862.44	(213.15)
Other comprehensive income (loss) - net of income tax	<u>(2,082.19)</u>	<u>783.71</u>	<u>(3,243.20)</u>	<u>787.10</u>

The consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018 and 2017 recognized share of profit other, resulting from portion of holding of investment in an associate as follows:

	Baht: million			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Share of profit on investment in an associate	120.86	122.90	230.91	217.40
Items that are or may be reclassified to profit or loss				
Share of other comprehensive income (loss) of an associate	(1.61)	-	(1.82)	-
Income tax relating to share of other comprehensive income (loss) of an associate	0.32	-	0.36	-
Share of other comprehensive income (loss) of an associate - net of income tax	<u>(1.29)</u>	<u>-</u>	<u>(1.46)</u>	<u>-</u>
Items that will be reclassified subsequently to profit or loss				
Share of other comprehensive income (loss) of an associate	(541.99)	198.38	(828.09)	201.75
Income tax relating to items that will be reclassified subsequently	122.02	(40.30)	173.95	(42.99)
Share of other comprehensive income (loss) of an associate - net of income tax	<u>(419.97)</u>	<u>158.08</u>	<u>(654.14)</u>	<u>158.76</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:

	As at June 30, 2018	Baht: million As at December 31, 2017
Net assets of an associate	12,860.63	16,394.03
Proportion of the Group's ownership interest in an associate (%)	20.17	20.17
	<u>2,593.93</u>	<u>3,306.60</u>
Investment amount over net assets at investment date	48.40	48.40
Carrying amount of the Group's interest in an associate	<u>2,642.33</u>	<u>3,355.00</u>

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

As at June 30, 2018 and December 31, 2017, investment in a subsidiary and an associate were as follows:

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018 percent	As at December 31, 2017 percent	As at June 30, 2018	As at December 31, 2017	For the six-month periods ended June 30, 2018 2017	
Associated company								
Allianz Ayudhya Assurance Public Company Limited	2,950,000	2,950,000	20.17	20.17	1,487,264	1,487,264	287,981	387,942
Subsidiary company								
Sri Ayudhya General Insurance Public Company Limited	1,800,000	1,800,000	99.99	99.99	1,823,579	1,823,579	54,000	-

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

The resolution of ordinary shareholders' meeting for dividend payment			The endorsement of Office of Insurance Commission for dividend payment			Total dividend receive (Baht million)	Received date
Date	Dividend per share (Baht)	Total (Baht million)	Date	Dividend per share (Baht)	Total (Baht million)		
April 9, 2017	5.57	1,643.15	May 23, 2018	4.84	1,427.80	287.98	June 20, 2018
April 20, 2017	6.52	1,923.40	June 29, 2017	6.52	1,923.40	387.94	July 14, 2017

12. PREMISES AND EQUIPMENT

Premises and equipment as at June 30, 2018 and December 31, 2017 consisted of the following:

	Consolidated financial statements										Baht: '000
	Cost					Accumulated depreciation					
	As at January 1, 2018	Increase	Disposal/ Write off	Transfer in/ (transfer out)	As at June 30, 2018	As at January 1, 2018	Depreciation	Disposal/ Write off	As at June 30, 2018	Beginning balance of premises and equipment - net as at January 1, 2018	
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610
Building	774	-	-	-	774	(774)	-	(774)	-	-	-
Office equipment	65,413	139	(21)	-	65,531	(55,360)	(2,667)	21	(58,006)	10,053	7,525
Furniture and fixtures	55,509	277	(442)	560	55,904	(34,018)	(4,124)	407	(37,735)	21,491	18,169
Vehicles	39,315	-	-	-	39,315	(19,233)	(3,265)	-	(22,498)	20,082	16,817
Office equipment and furniture and fixtures - under installation	-	1,280	-	(560)	720	-	-	-	-	-	720
Total	162,621	1,696	(463)	-	163,854	(109,385)	(10,056)	428	(119,013)	53,236	44,841

	Consolidated financial statements										Baht: '000
	Cost					Accumulated depreciation					
	As at January 1, 2017	Increase	Disposal/ Write off	Transfer in/ (transfer out)	As at December 31, 2017	As at January 1, 2017	Depreciation	Disposal/ Write off	As at December 31, 2017	Beginning balance of premises and equipment - net as at January 1, 2017	
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610
Building	774	-	-	-	774	(774)	-	(774)	-	-	-
Office equipment	69,120	2,410	(6,117)	-	65,413	(55,783)	(5,679)	6,102	(55,360)	13,337	10,053
Furniture and fixtures	52,975	750	(100)	1,884	55,509	(25,654)	(8,464)	100	(34,018)	27,321	21,491
Vehicles	40,783	8,320	(9,788)	-	39,315	(22,517)	(5,953)	9,237	(19,233)	18,266	20,082
Office equipment and furniture and fixtures - under installation	-	1,884	-	(1,884)	-	-	-	-	-	-	-
Total	165,262	13,364	(16,005)	-	162,621	(104,728)	(20,096)	15,439	(109,385)	60,534	53,236

Baht: '000

		Separate financial statements						Ending balance of premises and equipment - net as at June 30, 2018
		Cost		Accumulated depreciation		Beginning balance of premises and equipment - net as at January 1, 2018		
As at January 1, 2018	Increase	Disposal / Write off	As at June 30, 2018	As at January 1, 2018	Depreciation	Disposal / Write off	As at June 30, 2018	
Land	-	-	1,610	-	-	-	1,610	
Building	-	-	774	(774)	-	-	-	
Office equipment	1	-	2,929	(2,680)	(107)	-	248	
Furniture and fixtures	-	-	4,456	(4,246)	(153)	-	210	
Vehicles	-	-	8,168	(2,760)	(587)	-	5,408	
Total	1	-	17,937	(10,460)	(847)	-	7,476	

Baht: '000

		Separate financial statements						Ending balance of premises and equipment - net as at December 31, 2017
		Cost		Accumulated depreciation		Beginning balance of premises and equipment - net as at January 1, 2017		
As at January 1, 2017	Increase	Disposal / Write off	As at December 31, 2017	As at January 1, 2017	Depreciation	Disposal / Write off	As at December 31, 2017	
Land	-	-	1,610	-	-	-	1,610	
Building	-	-	774	(774)	-	-	-	
Office equipment	63	(29)	2,928	(2,494)	(215)	29	400	
Furniture and fixtures	-	-	4,456	(3,939)	(307)	-	517	
Vehicles	5,760	(6,300)	8,168	(8,618)	(442)	6,300	90	
Total	5,823	(6,329)	17,936	(15,825)	(964)	6,329	2,617	

As at June 30, 2018 and December 31, 2017, certain premises and equipment of the Group at cost of Baht 62.39 million and Baht 56.38 million, respectively, were fully depreciated but still in use (Company : Baht 7.79 million).

13. DEFERRED TAX ASSETS

Deferred tax assets as at June 30, 2018 and December 31, 2017 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
Deferred tax assets	209,125	167,169	33,263	6,482

Movements of deferred tax assets for the six-month periods ended June 30, 2018 and 2017 consisted of tax effects from the following items:

	Consolidated financial statements			Baht: '000
	As at January 1, 2018	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2018
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	890	240	-	1,130
Allowance for doubtful accounts				
- Other receivable	567	-	-	567
Unearned premium reserve	86,046	4,728	-	90,774
Unrealized loss on the change in fair value of investment in available-for-sale securities	10,261	-	26,848	37,109
Loss reserve - net	46,072	3,765	-	49,837
Incurred but not reported claims	15,366	1,113	-	16,479
Employee benefit obligations	12,678	961	-	13,639
Allowance for impairment of general investment	301	-	-	301
Reinsurance payable	432	-	-	432
	<u>172,613</u>	<u>10,807</u>	<u>26,848</u>	<u>210,268</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(505)	-	4,301	3,796
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(5,444)</u>	<u>-</u>	<u>4,301</u>	<u>(1,143)</u>
Deferred tax assets	<u>167,169</u>	<u>10,807</u>	<u>31,149</u>	<u>209,125</u>

	Consolidated financial statements			Baht: '000
	As at January 1, 2017	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2017
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	890	-	-	890
Allowance for doubtful accounts				
- Other receivable	567	-	-	567
Unearned premium reserve	79,616	(508)	-	79,108
Unrealized loss on the change in fair value of investment in available-for-sale securities	22,677	-	(3,907)	18,770
Loss reserve - net	56,699	(2,156)	-	54,543
Incurred but not reported claims	15,818	(1,407)	-	14,411
Employee benefit obligations	10,944	391	-	11,335
Allowance for impairment of general investment	301	-	-	301
Reinsurance payable	4,067	(4,067)	-	-
	<u>191,579</u>	<u>(7,747)</u>	<u>(3,907)</u>	<u>179,925</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(681)	-	54	(627)
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(5,620)</u>	<u>-</u>	<u>54</u>	<u>(5,566)</u>
Deferred tax assets	<u>185,959</u>	<u>(7,747)</u>	<u>(3,853)</u>	<u>174,359</u>

	Separate financial statements			Baht: '000
	As at January 1, 2018	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2018
Deferred tax assets				
Unrealized loss on the change in value of investment in available-for-sale securities	10,261	-	26,848	37,109
Employee benefit obligations	859	(67)	-	792
Allowance for impairment of general investment	301	-	-	301
	<u>11,421</u>	<u>(67)</u>	<u>26,848</u>	<u>38,202</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
Deferred tax assets	<u>6,482</u>	<u>(67)</u>	<u>26,848</u>	<u>33,263</u>

	Separate financial statements			Baht: '000
	As at January 1, 2017	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at June 30, 2017
Deferred tax assets				
Unrealized loss on the change in value of investment in available-for-sale securities	22,677	-	(3,907)	18,770
Employee benefit obligations	1,412	(529)	-	883
Allowance for impairment of general investment	301	-	-	301
	<u>24,390</u>	<u>(529)</u>	<u>(3,907)</u>	<u>19,954</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
Deferred tax assets	<u>19,451</u>	<u>(529)</u>	<u>(3,907)</u>	<u>15,015</u>

Income tax expense for the three-month and six-month periods ended June 30, 2018 and 2017 consisted of the following:

	Consolidated financial statements				Baht: '000
	For the three-month periods ended June 30, 2018		For the six-month periods ended June 30, 2018		
	2018	2017	2018	2017	
Income tax expense (benefit) from taxable income per income tax return	14,158	(787)	25,114	1,877	
Deferred tax expenses relating to the origination and reversal of temporary differences	(4,728)	8,062	(10,807)	7,747	
Income tax expense per the statements of profit or loss and other comprehensive income	<u>9,430</u>	<u>7,275</u>	<u>14,307</u>	<u>9,624</u>	

	Separate financial statements				Baht: '000
	For the three-month periods ended June 30, 2018		For the six-month periods ended June 30, 2018		
	2018	2017	2018	2017	
Income tax benefit from taxable income per income tax return	(1,729)	(568)	-	-	
Deferred tax expenses relating to the origination and reversal of temporary differences	165	574	67	529	
Income tax expense (benefit) per the statements of profit or loss and other comprehensive income	<u>(1,564)</u>	<u>6</u>	<u>67</u>	<u>529</u>	

The reconciliation between income tax expense and accounting income for the three-month and six-month periods ended June 30, 2018 and 2017 was as follows:

	Consolidated financial statements				Baht: '000
	For the three-month periods ended June 30, 2018		For the six-month periods ended June 30, 2017		
	Tax Rate (%)	Amount	Tax Rate (%)	Amount	
Income before income tax expense		<u>164,252</u>		<u>168,206</u>	
Income tax using the corporation tax rate	20.00	32,850	20.00	33,641	
Tax effect of non-deductible expenses (benefits)	(14.26)	(23,420)	(15.67)	(26,366)	
Income tax expense per the statements of profit or loss and other comprehensive income	<u>5.74</u>	<u>9,430</u>	<u>4.33</u>	<u>7,275</u>	

Baht: '000

Consolidated financial statements				
For the six-month periods ended June 30,				
	2018		2017	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Income before income tax expense		324,749		281,545
Income tax using the corporation tax rate	20.00	64,950	20.00	56,309
Tax effect of non-deductible expenses (benefits)	(15.59)	(50,643)	(16.58)	(46,685)
Income tax expense per the statements of profit or loss and other comprehensive income	4.41	14,307	3.42	9,624

Baht: '000

Separate financial statements				
For the three-month periods ended June 30,				
	2018		2017	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Income before income tax expense		330,715		396,774
Income tax using the corporation tax rate	20.00	66,143	20.00	79,355
Tax effect of non-deductible expenses (benefits)	(20.47)	(67,707)	(20.00)	(79,349)
Income tax expense (benefit) per the statements of profit or loss and other comprehensive income	(0.47)	(1,564)	0.00	6

Baht: '000

Separate financial statements				
For the six-month periods ended June 30,				
	2018		2017	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Income before income tax expense		365,145		405,754
Income tax using the corporation tax rate	20.00	73,029	20.00	81,151
Tax effect of non-deductible expenses (benefits)	(19.98)	(72,962)	(19.87)	(80,622)
Income tax expense per the statements of profit or loss and other comprehensive income	0.02	67	0.13	529

14. OTHER ASSETS

Other assets as at June 30, 2018 and December 31, 2017 consisted of the following:

Baht: '000

	Consolidated financial statements		Separate financial statements	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
Other receivables	15,066	17,489	-	-
Less Allowance for doubtful accounts	(2,834)	(2,834)	-	-
	12,232	14,655	-	-
Revenue Department receivable	6,981	30,069	752	575
Refundable corporate income tax	14,247	13,827	420	-
Prepaid expenses	13,614	9,001	195	339
Due from rice field insurance scheme	7,388	20,976	-	-
Others	9,835	10,989	3,056	7,006
Total other assets	64,297	99,517	4,423	7,920

15 INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at June 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000		
	Consolidated financial statements		
	As at June 30, 2018		
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Loss reserves			
Loss incurred and reported	701,144	(449,882)	251,262
Loss incurred but not reported	158,594	(76,197)	82,397
Premium reserve			
Unearned Premium reserve	1,441,675	(531,162)	910,513
Total	<u>2,301,413</u>	<u>(1,057,241)</u>	<u>1,244,172</u>

	Baht: '000		
	Consolidated financial statements		
	As at December 31, 2017		
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Loss reserves			
Loss incurred and reported	560,142	(326,882)	233,260
Loss incurred but not reported	117,028	(40,196)	76,832
Premium reserve			
Unearned Premium reserve	1,391,825	(524,960)	866,865
Total	<u>2,068,995</u>	<u>(892,038)</u>	<u>1,176,957</u>

15.1 Insurance reserve for short term insurance contract

15.1.1 Loss reserves

Loss reserves as at June 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2018	As at December 31, 2017
Balance as at beginning period/year	677,170	819,103
Loss incurred during the period/year	864,717	1,475,255
Changing on estimated loss and assumptions used in calculating loss reserve	(10,708)	(86,674)
Loss paid during the period/year	(671,441)	(1,530,514)
Balance as at ending period/year	<u>859,738</u>	<u>677,170</u>

15.1.2 Unearned premium reserve

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2018	As at December 31, 2017
As at January 1,	1,391,825	1,430,786
Premium written for the period/year	1,543,253	2,953,655
Earned premium for the period/year	<u>(1,493,403)</u>	<u>(2,992,616)</u>
As at June 30, and December 31,	<u>1,441,675</u>	<u>1,391,825</u>

15.1.3 Unexpired risk reserve

As at June 30, 2018 and December 31, 2017, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Group amounting to Baht 766.97 million and Baht 759.41 million, respectively is lower than the unearned premium reserve.

16. DUE TO REINSURERS

Due to reinsurers as at June 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2018	As at December 31, 2017
Amount withheld on reinsurance	441,868	418,789
Reinsurance payables	<u>238,885</u>	<u>249,070</u>
Total due to reinsurers	<u>680,753</u>	<u>667,859</u>

17. SHARE CAPITAL

- 17.1 On April 20, 2018, the Annual general meeting of Shareholders of the Company passed resolutions to decrease its registered share capital from the amount of Baht 500 million to Baht 250 million by cancelling the registered shares that have not yet been sold, 250 ordinary shares at the par value of Baht 1.00 each. The Company registered the decrease of its share capital with Ministry of Commerce on April 24, 2018.
- 17.2 On April 20, 2018, the Annual general meeting of Shareholders of the Company passed resolutions to increase its registered share capital from the amount of Baht 250 million to Baht 375 million by issuing new 125 million ordinary shares at the par value of Baht 1.00 each, to support the exercise of the AYUD-W1. The Company registered the increase of its share capital with Ministry of Commerce on April 25, 2018.

17.3 On June 15, 2018, the Company's issued and fully paid share capital has increased from Baht 250 million (250 million ordinary shares with a par value of Baht 1 each) to Baht 293.91 million (293.91 million ordinary shares with a par value of Baht 1 each) as a result of the exercises of the warrants (AYUD-W1) to ordinary shares amounting to Baht 43.91 million (43.91 million ordinary shares with a value of Baht 1 each), resulting in an increase in total share premium to Baht 1,668.40 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on June 25, 2018.

18. WARRANTS

The Company allocated and issued warrants to purchase ordinary shares, which is specified warrant's holder and transferable type, of Sri Ayudhya Capital Public Company Limited. Terms of warrants are 2 years from initial issuance date. Exercise ratio is 1 warrant will be entitled to purchase 1 newly issued ordinary share at the determined exercise price (subject to change in case of the adjustment to the terms and conditions) and shall be able to exercise the warrants as identified period. The details of warrants are described as follows:

Warrant Series	Term	Exercise date	Exercise Period	Number of Allocated and Issued warrants (Unit)	Exercise ratio Per 1 warrant	Exercise price (Baht per share)
AYUD-W1	2 Years	April 27, 2018	On June 15 and December 15 every year throughout the term of warrants. The first exercise date is June 15, 2018 and the last exercise date is May 8, 2020.	124,999,807	1:1	39.00

Movements in warrants for the six-month periods ended June 30, 2018 and 2017 are as follows:

	2018		2017	
	Number of warrants (Unit)	Weighted average exercise price (Baht per share)	Number of warrants (Unit)	Weighted average exercise price (Baht per share)
Balance as at January 1,	-	-	-	-
Issued warrants	124,999,807	39.00	-	-
Forfeited warrants	-	-	-	-
Exercised warrants	(43,905,225)	39.00	-	-
Balance as at June 30,	81,094,582	39.00	-	-

As at June 30, 2018, the outstanding warrants of AYUD-W1 to purchase ordinary shares of the Company are 81,094,582 units. A weighted average exercise price is Baht 39 per share. A weighted average remaining warrants life is at 1.85 years. (As at June 30, 2017 : Nil)

19. FINANCIAL INFORMATION BY SEGMENT

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

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

For the three-month and six-month periods ended June 30, 2018 and 2017, there is no revenue from a single external customer contributed 10% or more to the Group's total revenue.

The financial information of the Group for the three-month and six-month periods ended June 30, 2018 and 2017 were presented by business segment as follows:

Baht: '000

	Consolidated financial statements							
	For the three-month periods ended June 30,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external	521,984	509,371	345,961	408,246	(341,981)	(387,942)	525,964	529,675
Share of profit on investment in an associate	-	-	120,861	122,897	-	-	120,861	122,897
Other income	308	1,473	3,097	6,631	(3,247)	(6,751)	158	1,353
Total revenues	<u>522,292</u>	<u>510,844</u>	<u>469,919</u>	<u>537,774</u>	<u>(345,228)</u>	<u>(394,693)</u>	<u>646,983</u>	<u>653,925</u>
Insurance business expense	401,797	404,593	-	-	-	-	401,797	404,593
Directors and key management personnel's remuneration	12,357	9,704	4,618	6,633	-	-	16,975	16,337
Other expense	53,481	60,070	13,725	11,470	(3,247)	(6,751)	63,959	64,789
Income tax expense	10,994	7,269	(1,564)	6	-	-	9,430	7,275
Net income	<u>43,663</u>	<u>29,208</u>	<u>453,140</u>	<u>519,665</u>	<u>(341,981)</u>	<u>(387,942)</u>	<u>154,822</u>	<u>160,931</u>

Baht: '000

	Consolidated financial statements							
	For the six-month periods ended June 30,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external	1,048,299	1,049,070	395,478	433,457	(341,981)	(387,942)	1,101,796	1,094,585
Share of profit on investment in an associate	-	-	230,906	217,395	-	-	230,906	217,395
Other income	794	2,196	8,280	15,230	(8,580)	(15,282)	494	2,144
Total revenues	<u>1,049,093</u>	<u>1,051,266</u>	<u>634,664</u>	<u>666,082</u>	<u>(350,561)</u>	<u>(403,224)</u>	<u>1,333,196</u>	<u>1,314,124</u>
Insurance business expense	843,304	863,373	-	-	-	-	843,304	863,373
Directors and key management personnel's remuneration	23,798	19,077	10,582	16,994	-	-	34,380	36,071
Other expense	111,312	122,478	28,031	25,939	(8,580)	(15,282)	130,763	133,135
Income tax expense	14,240	9,095	67	529	-	-	14,307	9,624
Net income	<u>56,439</u>	<u>37,243</u>	<u>595,984</u>	<u>622,620</u>	<u>(341,981)</u>	<u>(387,942)</u>	<u>310,442</u>	<u>271,921</u>

20. BASIC EARNINGS PER SHARE

Details of calculation of earnings per share for the three-month and six-month periods ended June 30, 2018 and 2017 are as below.

	Consolidated financial statements					
	For the three-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
Basic earnings per share						
Profit attributable to shareholders of the Company	154,822	160,931	251,455,422	250,000,000	0.62	0.64
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	7,168,582	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	154,822	160,931	258,624,004	250,000,000	0.60	0.64

	Consolidated financial statements					
	For the six-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
Basic earnings per share						
Profit attributable to shareholders of the Company	310,442	271,921	251,455,422	250,000,000	1.23	1.09
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	7,168,582	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	310,442	271,921	258,624,004	250,000,000	1.20	1.09

Details of calculation of earnings per share for the three-month and six-month periods ended June 30, 2018 and 2017 are as below.

	Separate financial statements					
	For the three-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
Basic earnings per share						
Profit attributable to equity holders of the Company	332,279	396,768	251,455,422	250,000,000	1.32	1.59
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	7,168,582	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	332,279	396,768	258,624,004	250,000,000	1.28	1.59

	Separate financial statements					
	For the six-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
Basic earnings per share						
Profit attributable to shareholders of the Company	365,078	405,225	251,455,422	250,000,000	1.45	1.62
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	7,168,582	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	365,078	405,225	258,624,004	250,000,000	1.41	1.62

21. 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
Super Asset Co., Ltd.	Some common shareholders and directors	Investment
BBTV Equity Co., Ltd.	Some common shareholders and directors	Office Space Rental
CKS Holding Co., Ltd.	Some common shareholders and directors	Investments
Allianz Ayudhya Assurance Plc.	Some common shareholders and directors	Life Insurance
Grand Canal Land Plc.	Some common shareholders and directors	Advertising
Krungsri Ayudhya AMC Ltd.	Some common shareholders	Asset Management
Siam Realty and Service Co., Ltd.	Some common shareholders	Services
Ayudhya Capital Auto Lease Plc.	Some common shareholders	Hire-purchase and auto leasing
Krungsri Factoring Co., Ltd.	Some common shareholders	Factoring
Krungsriayudhya Card Co., Ltd.	Some common shareholders	Services
Eastern Star Real Estate Plc.	Some common shareholders and directors	Property
Tummy Tech Co., Ltd.	Some directors	Consulting
Khao Kheow Country Club Co., Ltd.	Some directors	Golf club
Nirvana Co.,Ltd.	Some directors	Training and Computer Sales

21.1 Investments

Companies	Baht: '000	
	Consolidate and Separate financial statements	
	As at June 30, 2018	As at December 31, 2017
Investment - unit trusts		
Unit trusts managed by		
Krungsri Asset Management Co., Ltd.		
- Krungsri Star Plus Fund	2,067,258	159,011
- Krungsri Smart Fixed Income Fund	991,803	985,926
- Krungsri Star Equity Dividend Fund	21,208	31,893
- Krungsri Dividend Stock Fund	136,435	153,962
- Krungsri Dynamic Dividend Fund	-	16,466
- Krungsri Flexible Dividend Fund	59,456	82,041
- Krungsri Financial Focus Dividend Fund	6,287	8,370
- Krungsri Global High Payout Fund	22,380	22,807
- Krungsri Europe Equity Fund	18,693	18,298
- Krungsri Global Small-Mid Cap Equity Dividend Fund	9,683	10,390
- Krungsri Global Healthcare Equity Dividend Fund	37,703	37,709
	<u>3,370,906</u>	<u>1,526,873</u>

Companies	Baht: '000			
	Consolidated and Separate financial statements			
	For the three-month periods ended June 30, 2018		For the six-month periods ended June 30, 2017	
Dividends - ordinary shares				
Siam City Cement Plc.	-	49	-	49
	<u>-</u>	<u>49</u>	<u>-</u>	<u>49</u>
Dividends - unit trusts				
Unit trusts managed by				
Krungsri Asset Management Co., Ltd.				
- Krungsri Dividend Stock Fund	1,368	3,418	6,838	4,786
- Krungsri Dynamic Dividend Fund	-	660	-	660
- Krungsri Star Equity Dividend Fund	-	-	5,572	1,253
- Krungsri Flexible Dividend Fund	-	-	13,361	-
- Krungsri Financial Focus Dividend Fund	-	-	945	894
- Krungsri Global Small-Mid Cap Equity Dividend Fund	-	197	246	197
- Krungsri Global Healthcare Equity Dividend Fund	-	1,155	-	2,310
	<u>1,368</u>	<u>5,430</u>	<u>26,962</u>	<u>10,100</u>

21.2 Significant balances and transactions were as follows:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
Deposits at bank				
Bank of Ayudhya Plc.	764,701	643,460	224,522	195,088
Premium due and uncollected				
Bank of Ayudhya Plc.	3,255	720	-	-
Ayudhya Development Leasing Co., Ltd.	2	-	-	-
Siam City Cement Plc.	532	1,497	-	-
Bangkok Broadcasting & T.V. Co., Ltd.	2,809	101	-	-
Allianz Ayudhya Assurance Plc.	197	25	-	-
Grand Canal Land Plc.	-	242	-	-
Siam Realty and Services Co., Ltd.	151	65	-	-
Ayudhya Capital Auto Lease Plc.	15	7	-	-
Eastern Star Real Estate Plc.	26	20	-	-
Khao Kheow Country Club Co., Ltd.	164	-	-	-
	<u>7,151</u>	<u>2,677</u>	<u>-</u>	<u>-</u>
Accrued interest income				
Bank of Ayudhya Plc.	1,868	1,132	119	197
Krungsri Securities Plc.	5	3	-	-
Accrued income				
Sri Ayudhya General Insurance Plc.	-	-	623	4,574
Rental and facilities deposits				
BBTV Equity Co., Ltd.	6,260	6,260	1,427	1,427
Bank of Ayudhya Plc.	2	2	2	2
	<u>6,262</u>	<u>6,262</u>	<u>1,429</u>	<u>1,429</u>
Deposits for purchase of securities				
Krungsri Securities Plc.	1,003	1,000	-	-
Premium written received in advance				
Bank of Ayudhya Plc.	7,447	8,936	-	-
Accrued expense - custodian fee				
Bank of Ayudhya Plc.	38	41	13	16
Accrued expense - commissions and brokerages				
Bank of Ayudhya Plc.	13,062	11,237	-	-
Accrued expense - other underwriting expenses				
Bank of Ayudhya Plc.	15,976	18,851	-	-

	Baht: '000			
	Consolidated financial statements			
	For the three-month Periods ended June 30, 2018		For the six-month periods ended June 30, 2018	
	2017	2018	2017	
Premium written				
Bank of Ayudhya Plc.	915	4,127	6,065	11,946
Krungsri Securities Plc.	-	30	-	30
Krungsri Asset Management Co., Ltd.	-	14	1,348	1,267
Ayudhya Development Leasing Co., Ltd.	2	15	5	22
Siam City Cement Plc.	690	655	2,048	2,207
Bangkok Broadcasting & T.V. Co., Ltd.	5,867	5,408	6,515	5,912
Great Luck Equity Co., Ltd.	-	-	34	41

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Premium written (continued)				
Super Assets Co., Ltd.	-	-	67	70
BBTV Equity Co., Ltd.	92	44	154	73
CKS holding Co., Ltd.	-	-	46	-
Allianz Ayudhya Assurance Plc.	184	195	354	374
Krungsri Ayudhya AMC Ltd.	-	-	359	401
Siam Realty and Services Co., Ltd.	383	416	680	833
Ayudhya Capital Auto Lease Plc.	-	94	308	94
Krungsriayudhya Card Co.,Ltd.	-	-	38	-
Eastern Star Real Estate Plc.	205	51	645	282
Tummy Tech Co., Ltd.	-	-	13	14
Khao Kheow Country Club Co., Ltd.	159	-	245	70
Nirvana Co., Ltd.	15	-	15	-
	<u>8,512</u>	<u>11,049</u>	<u>18,939</u>	<u>23,636</u>

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

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Commission and brokerage expenses				
Bank of Ayudhya Plc.	38,494	37,229	77,889	80,623
Other underwriting expenses				
Bank of Ayudhya Plc.	23,976	20,206	49,480	46,816

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.

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Interest income				
Bank of Ayudhya Plc.	916	853	1,527	1,560

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2018		For the six-month periods ended June 30, 2018	
	2017	2017	2017	2017
Interest income				
Bank of Ayudhya Plc.	222	143	319	242
Management income				
Sri Ayudhya General Insurance Plc.	3,097	6,631	8,280	15,042

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

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

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2018		For the six-month periods ended June 30, 2018	
	2017	2017	2017	2017
Commission paid				
Krungsri Securities Plc.	349	-	906	-
Management fee				
Krungsri Asset Management Co., Ltd.	70	-	155	-
Custodian fee				
Bank of Ayudhya Plc.	87	83	174	145

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2018		For the six-month periods ended June 30, 2018	
	2017	2017	2017	2017
Commission paid				
Krungsri Securities Plc.	172	-	561	-
Management fee				
Krungsri Securities Plc.	70	-	155	-
Custodian fee				
Bank of Ayudhya Plc.	17	13	33	20

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

Baht: '000

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended June 30,	periods ended June 30,	periods ended June 30,	periods ended June 30,
	2018	2017	2018	2017
Rental and service fees				
BBTV Equity Co., Ltd.	8,398	5,924	16,817	11,683
Bank of Ayudhya Plc.	-	-	3	-

Baht: '000

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended June 30,	periods ended June 30,	periods ended June 30,	periods ended June 30,
	2018	2017	2018	2017
Rental and service fees				
BBTV Equity Co., Ltd.	1,449	1,325	2,898	2,650
Bank of Ayudhya Plc.	-	-	3	-
Other expense				
Sri Ayudhya General Insurance Plc.	150	120	300	240

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

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

22. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and six-month periods ended June 30, 2018 and 2017, the Group had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

Baht: '000

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended June 30,	periods ended June 30,	periods ended June 30,	periods ended June 30,
	2018	2017	2018	2017
Directors and key management personnel's remuneration				
Short-term benefits	16,099	15,743	32,306	34,597
Post-employment benefits	314	481	1,175	1,024
Directors' remuneration	562	113	899	450
	<u>16,975</u>	<u>16,337</u>	<u>34,380</u>	<u>36,071</u>

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Directors and key management personnel's remuneration				
Short-term benefits	4,448	6,445	9,755	16,414
Post-employment benefits	(104)	116	339	295
Directors' remuneration	274	72	488	285
	<u>4,618</u>	<u>6,633</u>	<u>10,582</u>	<u>16,994</u>

Directors' remunerations for the years 2018 and 2017 were approved by the ordinary shareholders' meeting of the Company held on April 20, 2018 and April 24, 2017, respectively.

Furthermore, directors' remuneration of the subsidiary for the years 2018 and 2017 were approved by the ordinary shareholders' meeting of the subsidiary held on April 2, 2018 and April 17, 2017, respectively.

23. DIVIDENDS

On April 24, 2017, the ordinary shareholders' meeting of the Company passed a resolution to pay the dividend of Baht 2.00 per share from the operating result of 2016 for 250 million shares, totaling Baht 500 million, of which Baht 1.00 per share totaling Baht 250 million was paid as an interim dividend for the first half year of 2016 on September 13, 2016. Consequently, the dividend remained of Baht 1.00 per share, totaling Baht 250 million was paid on May 8, 2017.

24. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at June 30, 2018 and December 31, 2017, certain investment in securities of the Group were pledged and used for assets reserved with the Registrar (see Note 9) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557", respectively as follows:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission				
Securities pledged with the registrar				
Deposits at banks	14,000	28,000	-	14,000
Assets reserved with the registrar				
Government and state enterprise securities	281,891	383,973	31,760	133,032
Total investment in securities of pledged	<u>295,891</u>	<u>411,973</u>	<u>31,760</u>	<u>147,032</u>

On January 13, 2012, the Company requested to return deposits with the Registrar from the Notification of the Office of Insurance Commission. According to, the Company returned insurance license on October 17, 2011 and this license had been terminated since December 20, 2011. Subsequently on November 1, 2012, the Notification of the Office of Insurance Commission refused the appeal because the Company has contingent liabilities about insurance policies under considering by court. Such creditors of insurance policies have a preferential right on unearned premium reserve of the Company which deposit placed with the Registrar from the Notification of 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.

On June 11, 2018, the Company requested to returned deposits with the Registrar as amount of Baht 14 million and Government and state enterprise securities with the Registrar as amount of face value Baht 100 million. As such amount, the Company received the return on June 20, 2018.

25. RESTRICTED ASSETS AND COMMITMENT

25.1 As at June 30 and December 31, 2017, the subsidiary has Premium saving certificates amount of Baht 4.30 million and Baht 3.55 million, respectively were used as collateral in case where the insured driver is an alleged offender (see Note 9).

25.2 As at June 30, 2018 and December 31, 2017, the Group has the undrawn committed borrowing facilities which is pledged as collateral by deposit at bank of the Group in the same amount of credit limit as follows:

	Baht: '000			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2018	2017	2018	2017
Overdraft facilities	40,000	40,000	20,000	20,000
Borrowing facilities (Domestic Bill)	10,000	10,000	10,000	10,000

26. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at June 30, 2018 and December 31, 2017 consisted of the following:

Type of leases	Baht: '000		
	Consolidated financial statement		
	Remaining periods		Total rental
	Within 1 year	Over 1 year to 5 years	payments for the remaining periods
As at June 30, 2018			
Building			
- related company	7,538	5,025	12,563
- others	7,610	7,540	15,150
Service - related company	7,538	5,025	12,563
Equipment - related company	10,050	6,701	16,751
	<u>32,736</u>	<u>24,291</u>	<u>57,027</u>

Type of leases	Baht: '000		
	Consolidated financial statement		
	Remaining periods		Total rental payments for the remaining periods
Within 1 year	Over 1 year to 5 years		
As at December 31, 2017			
Building			
- related company	7,538	8,795	16,333
- others	6,350	6,674	13,024
Service - related company	7,538	8,795	16,333
Equipment - related company	10,051	11,726	21,777
	<u>31,477</u>	<u>35,990</u>	<u>67,467</u>

Type of leases	Baht: '000		
	Separate financial statement		
	Remaining periods		Total rental payments for the remaining periods
Within 1 year	Over 1 year to 5 years		
As at June 30, 2018			
Building - related company	1,739	1,159	2,898
Service - related company	1,739	1,159	2,898
Equipment - related company	2,318	1,546	3,864
	<u>5,796</u>	<u>3,864</u>	<u>9,660</u>
As at December 31, 2017			
Building - related company	1,739	2,029	3,768
Service - related company	1,739	2,029	3,768
Equipment - related company	2,318	2,705	5,023
	<u>5,796</u>	<u>6,763</u>	<u>12,559</u>

For the three-month and six-month periods ended June 30, 2018 and 2017, the Group recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follows:

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Rental and service fees	8,398	8,010	16,817	15,641

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Rental and service fees	1,449	1,325	2,898	2,650

27. CONTINGENT LIABILITIES AND COMMITMENT

- 27.1 As at June 30, 2018 and December 31, 2017, lawsuits have been brought against the subsidiary, as insurer, from which the subsidiary estimate losses which has been set aside in the loss reserve and outstanding claims accounts as follows:

	Baht: '000	
	<u>Consolidated financial statement</u>	
	As at June 30, 2018	As at December 31, 2017
Estimate losses from lawsuits	30,061	24,649

The Group's management do not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Company and its subsidiary's operating results.

- 27.2 As at June 30, 2018 and December 31, 2017, the subsidiary had a capital commitment to pay computer program development expenses in the amount of approximately Baht 10.57 million.

28. FAIR VALUE MEASUREMENT

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

	<u>Consolidated financial statements</u>					
	<u>Fair Value</u>		Fair value hierarchy			Valuation techniques and key inputs
	As at June 30, 2018 Baht : '000	As at December 31, 2017 Baht : '000				
<u>Financial assets</u>						
Government and state enterprise securities	431,900	469,329	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	714,290	524,419	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand		
Equity securities	3,489,791	1,685,955	Level 2	The unit trust's net asset value of the last working day of the reporting period		

	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at	As at		
	June 30, 2018 Baht : '000	December 31, 2017 Baht : '000		
<u>Financial assets</u>				
Government and state enterprise securities	137,627	133,032	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	501,548	401,165	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	3,463,581	1,659,866	Level 2	The unit trust's net asset value of the last working day of the reporting period

29. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on August 8, 2018.