



*SRI AYUDHYA CAPITAL PUBLIC COMPANY
LIMITED AND SUBSIDIARY*

Interim Financial Statements

*Three-month and nine-month periods ended
September 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 September 30, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period ended September 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
November 13, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

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

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2018	2017	2018	2017
ASSETS					
Cash and cash equivalents	5	1,473,845	1,401,893	119,059	181,095
Premium due and uncollected - net	6	235,612	238,127	-	-
Accrued investment income		4,588	6,972	1,791	1,823
Reinsurance assets	7	1,124,860	892,038	-	-
Due from reinsurers	8	41,240	55,745	-	-
Investments					
Investment in securities	9	6,827,397	4,655,891	4,145,451	2,268,614
Loans	10	-	15	-	-
Investment in an associate	11	2,787,872	3,355,004	1,487,264	1,487,264
Investment in a subsidiary	11	-	-	1,823,579	1,823,579
Premises and equipment	12	42,830	53,236	6,225	7,476
Intangible assets		55,328	67,040	-	-
Deferred tax assets	13	192,380	167,169	18,552	6,482
Deferred commissions expenses		64,839	62,324	-	-
Other assets	14	141,671	99,517	47,134	7,920
TOTAL ASSETS		<u>12,992,462</u>	<u>11,054,971</u>	<u>7,649,055</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 SEPTEMBER 30, 2018

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2018	2017	2018	2017
LIABILITIES AND EQUITY					
Insurance contract liabilities	15	2,423,380	2,068,995	-	-
Due to reinsurers	16	817,855	667,859	-	-
Income tax payable		33,578	3,549	-	99
Employee benefit obligations		94,606	86,823	4,306	4,294
Premium written received in advance		355,625	348,346	-	-
Commissions and brokerages payables		48,081	46,327	-	-
Accrued expenses		52,516	50,493	18,008	13,377
Other liabilities	17	147,427	88,619	51,905	15,898
TOTAL LIABILITIES		3,973,068	3,361,011	74,219	33,668
EQUITY					
Share capital	18				
Authorized share capital					
375,000,000 ordinary shares of Baht 1.00 each		375,000		375,000	
500,000,000 ordinary shares of Baht 1.00 each			500,000		500,000
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		2,916,266	2,650,797	2,139,663	1,979,443
Other components of equity					
Surplus (deficit) on available-for-sale securities		(91,515)	(39,021)	(89,315)	(41,042)
Share of other comprehensive income					
of an associate		670,155	1,270,000	-	-
TOTAL EQUITY		9,019,394	7,693,960	7,574,836	5,750,585
TOTAL LIABILITIES AND EQUITY		12,992,462	11,054,971	7,649,055	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 SEPTEMBER 30, 2018
 "UNAUDITED"

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues					
Gross premium written		945,653	730,090	-	-
<u>Less</u> Premium ceded		423,585	324,034	-	-
Net premium written		522,068	406,056	-	-
<u>Less</u> Unearned premium reserve increase from previous period		66,016	1,360	-	-
Net premium earned		456,052	404,696	-	-
Fee and commission income		106,664	84,659	-	-
Net investment income		23,911	24,398	9,458	12,895
Gain on investment in securities		6,974	9,160	6,909	9,160
Fair value gain		19,268	-	10,239	-
Share of profit on investment in an associate	11.1	92,539	61,083	-	-
Other income		201	292	3,967	4,459
Total revenues		705,609	584,288	30,573	26,514
Expenses					
Loss incurred		283,460	269,186	-	-
<u>Less</u> Loss refundable from reinsurers		121,466	107,510	-	-
Commissions and brokerage expenses		118,606	99,808	-	-
Other underwriting expenses		142,924	111,832	-	-
Operating expenses		86,979	79,329	15,071	16,866
Total expenses		510,503	452,645	15,071	16,866
Income before income tax expense		195,106	131,643	15,502	9,648
Income tax expense (benefit)	13	16,899	12,148	(69)	(19)
Net income		178,207	119,495	15,571	9,667

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018
“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	(1,620)	-	-	-	
Income tax relating to items that will not be reclassified subsequently		324	-	-	-	
		(1,296)	-	-	-	
Items that will be reclassified subsequently to profit or loss						
Gain on revaluation of available-for-sale securities		90,128	43,471	73,897	43,343	
Share of other comprehensive income of an associate	11.1	71,057	503,606	-	-	
Income tax relating to items that will be reclassified subsequently		(34,788)	(110,778)	(14,779)	(8,669)	
		126,397	436,299	59,118	34,674	
Other comprehensive income for the periods, net of income tax		125,101	436,299	59,118	34,674	
Total comprehensive income for the periods		303,308	555,794	74,689	44,341	
Earnings per share	21					
Basic earnings per share		Baht	0.67	0.48	0.06	0.04
Weighted average number of ordinary shares (Thousand shares)			265,761	250,000	265,761	250,000
Diluted earnings per share		Baht	0.60	0.48	0.05	0.04
Weighted average number of ordinary shares (Thousand shares)			297,842	250,000	297,842	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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Revenues					
Gross premium written		2,488,906	2,167,518	-	-
<u>Less</u> Premium ceded		1,077,699	922,348	-	-
Net premium written		1,411,207	1,245,170	-	-
<u>Less</u> Unearned premium reserve increase (decrease) from previous period		109,665	(1,178)	-	-
Net premium earned		1,301,542	1,246,348	-	-
Fee and commission income		301,565	267,169	-	-
Net investment income		86,641	71,333	389,760	422,864
Gain on investment in securities		34,912	32,648	35,676	32,648
Fair value loss		(9,996)	-	(3,352)	-
Share of profit on investment in an associate	11.1	323,446	278,478	-	-
Other income		696	2,436	12,247	19,689
Total revenues		2,038,806	1,898,412	434,331	475,201
Expenses					
Loss incurred		1,137,469	1,058,132	-	-
<u>Less</u> Loss refundable from reinsurers		598,878	471,931	-	-
Commissions and brokerage expenses		340,599	310,266	-	-
Other underwriting expenses		387,638	340,222	-	-
Operating expenses		252,122	248,535	53,684	59,799
Total expenses		1,518,950	1,485,224	53,684	59,799
Income before income tax expense		519,856	413,188	380,647	415,402
Income tax expense (benefit)	13	31,206	21,772	(2)	510
Net income		488,650	391,416	380,649	414,892

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018
 "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	(3,440)	-	-	-	
Income tax relating to items that will not be reclassified subsequently		688	-	-	-	
		(2,752)	-	-	-	
Items that will be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of available-for-sale securities		(65,618)	62,737	(60,341)	62,881	
Share of other comprehensive income (loss) of an associate	11.1	(757,033)	705,351	-	-	
Income tax relating to items that will be reclassified subsequently		170,312	(157,624)	12,068	(12,576)	
		(652,339)	610,464	(48,273)	50,305	
Other comprehensive income (loss) for the periods, net of income tax		(655,091)	610,464	(48,273)	50,305	
Total comprehensive income (loss) for the periods		(166,441)	1,001,880	332,376	465,197	
Earnings per share	21					
Basic earnings per share		Baht	1.84	1.57	1.43	1.66
Weighted average number of ordinary shares (Thousand shares)			265,761	250,000	265,761	250,000
Diluted earnings per share		Baht	1.64	1.57	1.28	1.66
Weighted average number of ordinary shares (Thousand shares)			297,842	250,000	297,842	250,000

See condensed notes to financial statements

SRI AVUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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
	-	-	-	391,416	50,190	560,274	1,001,880
24.1	-	-	-	(250,000)	-	-	(250,000)
24.2	-	-	-	(187,500)	-	-	(187,500)
	250,000	3,512,184	50,000	2,584,104	(37,795)	1,248,200	7,606,693
	250,000	3,512,184	50,000	2,650,797	(39,021)	1,270,000	7,693,960
18.3	43,905	1,668,399	-	-	-	-	1,712,304
	-	-	-	485,898	(52,494)	(599,845)	(166,441)
24.3	-	-	-	(220,429)	-	-	(220,429)
	293,905	5,180,583	50,000	2,916,266	(91,515)	670,155	9,019,394

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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		
	250,000	3,512,184	50,000	1,983,796	(90,709)	5,705,271
24.1	-	-	-	414,892	50,305	465,197
24.2	-	-	-	(250,000)	-	(250,000)
	-	-	-	(187,500)	-	(187,500)
Ending balance as at September 30, 2017	250,000	3,512,184	50,000	1,961,188	(40,404)	5,732,968
	250,000	3,512,184	50,000	1,979,443	(41,042)	5,750,585
18.3	43,905	1,668,399	-	-	-	1,712,304
24.3	-	-	-	380,649	(48,273)	332,376
	-	-	-	(220,429)	-	(220,429)
Ending balance as at September 30, 2018	293,905	5,180,583	50,000	2,139,663	(89,315)	7,574,836

See condensed notes to financial statements

SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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	2,472,924	2,154,707	-	-
Cash paid to reinsurance	(151,583)	(109,554)	-	-
Interest income	19,787	35,899	4,393	7,412
Dividend income	340,208	418,872	387,247	418,866
Other income	695	1,780	15,861	31,449
Loss incurred from direct insurance	(966,726)	(1,125,085)	-	-
Commission and brokerage paid from direct insurance	(336,799)	(311,829)	-	-
Other underwriting expenses	(385,422)	(341,755)	-	-
Operating expenses	(174,011)	(245,214)	(27,730)	(61,805)
Income tax expense	(13,791)	(10,063)	(625)	(1,699)
Investment in securities	(2,203,155)	6,467	(1,933,056)	71,858
Deposits at bank with maturity over 3 months and deposits used as collateral	(16,963)	(2,945)	-	-
Loans	15	105	-	7
Net cash provided by (used in) operating activities	<u>(1,414,821)</u>	<u>471,385</u>	<u>(1,553,910)</u>	<u>466,088</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES				
CASH FLOWS PROVIDED BY				
Premises and equipment	466	1,217	-	-
Cash provided by investing activities	<u>466</u>	<u>1,217</u>	<u>-</u>	<u>-</u>
CASH FLOWS USED IN				
Premises and equipment	(5,041)	(11,540)	(1)	(5,823)
Intangible assets	(527)	(2,822)	-	-
Cash used in investing activities	<u>(5,568)</u>	<u>(14,362)</u>	<u>(1)</u>	<u>(5,823)</u>
Net cash used in investing activities	<u>(5,102)</u>	<u>(13,145)</u>	<u>(1)</u>	<u>(5,823)</u>
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES				
Increase capital	1,712,304	-	1,712,304	-
Dividends paid	(220,429)	(437,500)	(220,429)	(437,500)
Net cash provided by (used in) financing activities	<u>1,491,875</u>	<u>(437,500)</u>	<u>1,491,875</u>	<u>(437,500)</u>
Net increase (decrease) in cash and cash equivalents	71,952	20,740	(62,036)	22,765
Cash and cash equivalents as at January 1,	1,401,893	1,417,050	181,095	68,445
Cash and cash equivalents as at September 30,	<u><u>1,473,845</u></u>	<u><u>1,437,790</u></u>	<u><u>119,059</u></u>	<u><u>91,210</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 NINE-MONTH PERIODS ENDED SEPTEMBER 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 nine-month periods ended September 30, 2018 have included the subsidiaries’ interim financial statements for the three-month and nine-month periods ended September 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 nine-month periods ended September 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 nine-month periods ended September 30, 2018 should be read in conjunction with the audited financial statements for the year ended December 31, 2017.
- 2.6 The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 (Revised 2017) also requires the Company's management to exercise judgements 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 end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.
- 2.7 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.

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

On March 14, 2018, 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 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

On September 21, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Group’s management will adopt such TFRSs in the preparation of the Company’s financial statements when they become effective. The Group’s management is in the process to assess the impact of these TFRSs 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

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

	Baht: '000	
	Consolidated	
	financial statements	
	For the nine-month periods	
	ended September 30,	
	2018	2017
Other payable - fixed assets as at January 1,	31	-
<u>Add</u> Purchases of fixed assets	5,052	11,545
<u>Less</u> Cash paid for purchase of fixed assets	(5,041)	(11,540)
Other payable - fixed assets as at September 30,	<u>42</u>	<u>5</u>

5. CASH AND CASH EQUIVALENTS

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

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2018	2017	2018	2017
Cash	290	290	10	10
Cheques on hand	12,702	6,547	-	-
Deposits at bank - at call	641,313	436,892	119,049	151,088
Short-term investments	819,540	958,164	-	29,997
Cash and cash equivalents	<u>1,473,845</u>	<u>1,401,893</u>	<u>119,059</u>	<u>181,095</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

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

	Baht: '000	
	Consolidated financial statements	
	From direct insurance	
	As at September 30, 2018	As at December 31, 2017
Within credit terms	162,785	181,204
Less than 30 days	31,692	25,576
31 - 60 days	24,358	10,480
61 - 90 days	5,698	3,459
Over 90 days	16,730	21,860
Total premium due and uncollected	241,263	242,579
<u>Less</u> Allowance for doubtful accounts	(5,651)	(4,452)
Premium due and uncollected - net	<u>235,612</u>	<u>238,127</u>

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

7. REINSURANCE ASSETS

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

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2018	As at December 31, 2017
Insurance reserve refundable from reinsurers		
Loss reserves	510,165	367,078
Unearned premium reserve		
- Unearned reinsurance premium reserve	614,695	524,960
Total reinsurance assets (see Note 15)	<u>1,124,860</u>	<u>892,038</u>

8. DUE FROM REINSURERS

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

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2018	As at December 31, 2017
Due from reinsurers	41,240	55,745

9. INVESTMENT IN SECURITIES

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

	Baht: '000			
	Consolidated financial statements			
	As at September 30, 2018		As at December 31, 2017	
	Cost/Amortized Cost	Fair value	Cost/Amortized Cost	Fair value
Held-for-trading securities				
Equity securities	178,945	174,023	92,565	93,670
Add Unrealized gain (loss)	(4,922)	-	1,105	-
Total held-for-trading-securities	<u>174,023</u>	<u>174,023</u>	<u>93,670</u>	<u>93,670</u>
Available-for-sale securities				
Government and state enterprise securities	432,711	430,840	466,422	469,329
Equity securities	4,148,719	4,036,195	2,168,388	2,116,704
Total	4,581,430	4,467,035	2,634,810	2,586,033
Less Unrealized loss	(114,395)	-	(48,777)	-
Total available-for-sale securities	<u>4,467,035</u>	<u>4,467,035</u>	<u>2,586,033</u>	<u>2,586,033</u>
Held-to-maturity securities				
Government securities	1,696,709		1,493,571	
Deposits at bank with maturity over 3 months	221,189		190,842	
Deposits at bank used as collateral	233,201		246,585	
Premium saving certificates used as collateral	15,750		25,700	
Total held-to-maturity securities	<u>2,166,849</u>		<u>1,956,698</u>	
General investment				
Equity securities	20,997		20,997	
Less Allowance for impairment	(1,507)		(1,507)	
Total general investment	<u>19,490</u>		<u>19,490</u>	
Total investment in securities - net	<u>6,827,397</u>		<u>4,655,891</u>	

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

	Baht: '000			
	Separate financial statements			
	As at September 30, 2018		As at December 31, 2017	
	Cost/Amortized Cost	Fair value	Cost/Amortized cost	Fair value
Held-for-trading securities				
Equity securities	90,431	87,079	-	-
<u>Less</u> Unrealized loss	(3,352)	-	-	-
Total available-for-sale securities	<u>87,079</u>	<u>87,079</u>	<u>-</u>	<u>-</u>
Available-for-sale securities				
Government and state enterprise securities	137,707	136,216	132,145	133,032
Equity securities	3,957,758	3,847,606	2,113,221	2,061,031
Total	4,095,465	3,983,822	2,245,366	2,194,063
<u>Less</u> Unrealized loss	(111,644)	-	(51,303)	-
Total available-for-sale securities	<u>3,983,821</u>	<u>3,983,822</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>4,145,451</u>		<u>2,268,614</u>	

As at September 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 25).

As at September 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 26.1) (Company : Nil)

As at September 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 26.2)

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:

<u>Types of loans</u>	<u>Credit line of loans</u>	<u>Interest rate per year</u>
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 September 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:

Company name	Nature of business	Place of incorporation and operation	Consolidated financial statements				Baht: '000	
			Percentage of shareholding		Cost		Carrying value under equity method	
			As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 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	2,787,872	3,355,004

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

	As at September 30, 2018	Baht: million As at December 31, 2017
Total assets	184,622.80	178,024.98
Total liabilities	171,040.59	161,630.95

For the three-month and nine-month periods ended September 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 September 30,		For the nine-month periods ended September 30,	
	2018	2017	2018	2017
Total revenues	9,343.77	9,102.58	28,204.98	27,217.56
Net income	458.81	302.85	1,603.63	1,380.69
Items that will not be reclassified subsequently to profit or loss				
Actuarial losses on defined employee benefit plans	(8.03)	-	(17.06)	-
Income tax relating to items that will not be reclassified subsequently	1.61	-	3.41	-
Other comprehensive loss - net of income tax	<u>(6.42)</u>	<u>-</u>	<u>(13.65)</u>	<u>-</u>
Items that are or may be reclassified to profit or loss				
Gain (loss) on cash flow hedges	115.14	(3.23)	13.48	(4.93)
Gain (loss) on revaluation of available-for-sale securities	237.16	2,500.09	(3,766.82)	3,502.03
Income tax relating to items that will be reclassified subsequently	(83.11)	(506.13)	779.33	(719.28)
Other comprehensive income (loss) - net of income tax	<u>269.19</u>	<u>1,990.73</u>	<u>(2,974.01)</u>	<u>2,777.82</u>

The consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 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 September 30,		For the nine-month periods ended September 30,	
	2018	2017	2018	2017
Share of profit on investment in an associate	92.54	61.08	323.45	278.48
Items that are or may be reclassified to profit or loss				
Share of other comprehensive loss of an associate	(1.62)	-	(3.44)	-
Income tax relating to items that will not be reclassified subsequently of an associate	0.32	-	0.69	-
Share of other comprehensive loss of an associate - net of income tax	<u>(1.30)</u>	<u>-</u>	<u>(2.75)</u>	<u>-</u>
Items that will be reclassified subsequently to profit or loss				
Share of other comprehensive income (loss) of an associate	71.06	503.61	(757.03)	705.35
Income tax relating to items that will be reclassified subsequently of an associate	(16.76)	(102.08)	(157.19)	(145.08)
Share of other comprehensive income (loss) of an associate - net of income tax	<u>54.30</u>	<u>401.53</u>	<u>(599.84)</u>	<u>560.27</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 September 30, 2018	Baht: million As at December 31, 2017
Net assets of an associate	13,582.21	16,394.03
Proportion of the Group's ownership interest in an associate (%)	20.17	20.17
	<u>2,739.47</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>2,787.87</u>	<u>3,355.00</u>

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

As at September 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 September 30, 2018	As at December 31, 2017	As at September 30, 2018 percent	As at December 31, 2017 percent	As at September 30, 2018	As at December 31, 2017	For the nine-month periods ended September 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, 2018	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 September 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	As at September 30, 2018	As at January 1, 2018	Depreciation	Disposal/ Write off	As at September 30, 2018	Beginning balance of premises and equipment - net as at January 1, 2018	Ending balance of premises and equipment - net as at September 30, 2018	
Land	1,610	-	-	1,610	-	-	-	-	1,610	1,610	
Building	774	-	-	774	(774)	-	(774)	-	-	-	
Office equipment	65,413	1,197	(21)	66,589	(55,360)	(3,892)	(59,231)	10,053	10,053	7,358	
Furniture and fixtures	55,509	900	(441)	55,968	(34,018)	(6,135)	(39,746)	21,491	21,491	16,222	
Vehicles	39,315	2,955	(1,300)	40,970	(19,233)	(4,954)	(23,330)	20,082	20,082	17,640	
Total	162,621	5,052	(1,762)	165,911	(109,385)	(14,981)	(123,081)	53,236	53,236	42,830	

	Consolidated financial statements										Baht: '000
	Cost					Accumulated depreciation					
	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	Beginning balance of premises and equipment - net as at January 1, 2017	Ending balance of premises and equipment - net as at December 31, 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)	(55,360)	13,337	13,337	10,053	
Furniture and fixtures	52,975	2,634	(100)	55,509	(25,654)	(8,464)	(34,018)	27,321	27,321	21,491	
Vehicles	40,783	8,320	(9,788)	39,315	(22,517)	(5,953)	(19,233)	18,266	18,266	20,082	
Total	165,262	13,364	(16,005)	162,621	(104,728)	(20,096)	(109,385)	60,534	60,534	53,236	

Baht: '000

Separate financial statements									
Cost				Accumulated depreciation			Ending balance of		
As at	Increase	Disposal /	As at	As at	Depreciation	Write off	As at	Beginning balance	Ending balance of
January 1,		Write off	September 30,	January 1,		September 30,	September 30,	of premises and	premises and
2018		2018	2018	2018		2018	2018	equipment - net	equipment - net
								as at	as at
								January 1, 2018	September 30, 2018
Land	-	-	1,610	-	-	-	-	1,610	1,610
Building	-	-	774	(774)	-	-	(774)	-	-
Office equipment	1	-	2,928	(2,680)	(161)	-	(2,841)	248	88
Furniture and fixtures	-	-	4,456	(4,246)	(206)	-	(4,452)	210	4
Vehicles	-	-	8,168	(2,760)	(885)	-	(3,645)	5,408	4,523
Total	1	-	17,937	(10,460)	(1,252)	-	(11,712)	7,476	6,225

Baht: '000

Separate financial statements									
Cost				Accumulated depreciation			Ending balance of		
As at	Increase	Disposal /	As at	As at	Depreciation	Write off	As at	Beginning balance	Ending balance of
January 1,		Write off	December 31,	January 1,		December 31,	December 31,	of premises and	premises and
2017		2017	2017	2017		2017	2017	equipment - net	equipment - net
								as at	as at
								January 1, 2017	December 31, 2017
Land	-	-	1,610	-	-	-	-	1,610	1,610
Building	-	-	774	(774)	-	-	(774)	-	-
Office equipment	63	(29)	2,928	(2,494)	(215)	29	(2,680)	400	248
Furniture and fixtures	-	-	4,456	(3,939)	(307)	-	(4,246)	517	210
Vehicles	5,760	(6,300)	8,168	(8,618)	(442)	6,300	(2,760)	90	5,408
Total	5,823	(6,329)	17,936	(15,825)	(964)	6,329	(10,460)	2,617	7,476

As at September 30, 2018 and December 31, 2017, certain premises and equipment of the Group at cost of Baht 69.99 million and Baht 56.38 million, respectively, were fully depreciated but still in use (Company : Baht 9.30 and Baht 7.79 million, respectively).

13. DEFERRED TAX ASSETS

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

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Deferred tax assets	192,380	167,169	18,552	6,482

Movements of deferred tax assets for the nine-month periods ended September 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 September 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	8,650	-	94,696
Unrealized loss on the change in fair value of investment in available-for-sale securities	10,261	-	12,068	22,329
Loss reserve - net	46,072	1,506	-	47,578
Incurred but not reported claims	15,366	577	-	15,943
Employee benefit obligations	12,678	1,547	-	14,225
Allowance for impairment of general investment	301	-	-	301
Reinsurance payable	432	(432)	-	-
Unrealized (gain) loss on the change in value of investment in available-for-sale securities	(505)	-	1,055	550
	<u>172,108</u>	<u>12,088</u>	<u>13,123</u>	<u>197,319</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities				
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>167,169</u>	<u>12,088</u>	<u>13,123</u>	<u>192,380</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 September 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	(236)	-	79,380
Unrealized loss on the change in fair value of investment in available-for-sale securities	22,677	-	(12,576)	10,101
Loss reserve - net	56,699	(8,899)	-	47,800
Incurred but not reported claims	15,818	(1,896)	-	13,922
Employee benefit obligations	10,945	869	-	11,814
Allowance for impairment of general investment	301	-	-	301
Reinsurance payable	4,066	(4,066)	-	-
	<u>191,579</u>	<u>(14,228)</u>	<u>(12,576)</u>	<u>164,775</u>
Deferred tax liabilities				
Unrealized gain on the change in value of investment in available-for-sale securities	(681)	-	29	(652)
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(5,620)</u>	<u>-</u>	<u>29</u>	<u>(5,591)</u>
Deferred tax assets	<u>185,959</u>	<u>(14,228)</u>	<u>(12,547)</u>	<u>159,184</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 September 30, 2018
Deferred tax assets				
Unrealized loss on the change in value of investment in available-for-sale securities	10,261	-	12,068	22,329
Employee benefit obligations	859	2	-	861
Allowance for impairment of general investment	301	-	-	301
	<u>11,421</u>	<u>2</u>	<u>12,068</u>	<u>23,491</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>2</u>	<u>12,068</u>	<u>18,552</u>

Baht: '000

	Separate financial statements			As at September 30, 2017
	As at January 1, 2017	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	
Deferred tax assets				
Unrealized loss on the change in value of investment in available-for-sale securities	22,677	-	(12,576)	10,101
Employee benefit obligations	1,412	(510)	-	902
Allowance for impairment of general investment	301	-	-	301
	<u>24,390</u>	<u>(510)</u>	<u>(12,576)</u>	<u>11,304</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>(510)</u>	<u>(12,576)</u>	<u>6,365</u>

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

Baht: '000

	Consolidated financial statements			
	For the three-month periods ended September 30, 2018		For the nine-month periods ended September 30, 2017	
Income tax expense (benefit) from taxable income per income tax return	18,179	5,668	43,294	7,544
Deferred tax expenses relating to the origination and reversal of temporary differences	(1,280)	6,480	(12,088)	14,228
Income tax expense per the statements of profit or loss and other comprehensive income	<u>16,899</u>	<u>12,148</u>	<u>31,206</u>	<u>21,772</u>

Baht: '000

	Separate financial statements			
	For the three-month periods ended September 30, 2018		For the nine-month periods ended September 30, 2017	
Income tax benefit from taxable income per income tax return	-	-	-	-
Deferred tax expenses relating to the origination and reversal of temporary differences	(69)	(19)	(2)	510
Income tax expense (benefit) per the statements of profit or loss and other comprehensive income	<u>(69)</u>	<u>(19)</u>	<u>(2)</u>	<u>510</u>

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

Baht: '000

	Consolidated financial statements			
	For the three-month periods ended September 30, 2018		2017	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Income before income tax expense		195,106		131,643
Income tax using the corporation tax rate	20.00	39,021	20.00	26,329
Tax effect of non-deductible expenses (benefits)	(11.34)	(22,122)	(10.77)	(14,181)
Income tax expense per the statements of profit or loss and other comprehensive income	<u>8.66</u>	<u>16,899</u>	<u>9.23</u>	<u>12,148</u>

Baht: '000				
Consolidated financial statements				
For the nine-month periods ended September 30,				
	2018		2017	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Income before income tax expense		519,856		413,188
Income tax using the corporation tax rate	20.00	103,971	20.00	82,638
Tax effect of non-deductible expenses (benefits)	(14.00)	(72,765)	(14.73)	(60,866)
Income tax expense per the statements of profit or loss and other comprehensive income	6.00	31,206	5.27	21,772
				Baht: '000
Separate financial statements				
For the three-month periods ended Srptember 30,				
	2018		2017	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Income before income tax expense		15,502		9,648
Income tax using the corporation tax rate	20.00	3,100	20.00	1,930
Tax effect of non-deductible expenses (benefits)	(20.45)	(3,169)	(20.20)	(1,949)
Income tax benefit per the statements of profit or loss and other comprehensive income	(0.45)	(69)	(0.20)	(19)
				Baht: '000
Separate financial statements				
For the nine-month periods ended September 30,				
	2018		2017	
	Tax Rate (%)	Amount	Tax Rate (%)	Amount
Income before income tax expense		380,647		415,402
Income tax using the corporation tax rate	20.00	76,129	20.00	83,080
Tax effect of non-deductible expenses (benefits)	(20.00)	(76,131)	(19.88)	(82,570)
Income tax expense (benefit) per the statements of profit or loss and other comprehensive income	0.00	(2)	0.12	510

14. OTHER ASSETS

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

Baht: '000				
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Other receivables	14,952	17,489	-	-
<u>Less Allowance for doubtful accounts</u>	<u>(2,834)</u>	<u>(2,834)</u>	<u>-</u>	<u>-</u>
	<u>12,118</u>	<u>14,655</u>	<u>-</u>	<u>-</u>
Revenue Department receivable	1,011	30,069	1,011	575
Receivable from sell of securities	41,945	-	41,945	-
Refundable corporate income tax	14,353	13,827	526	-
Prepaid expenses	12,026	9,001	238	339
Due from rice field insurance scheme	50,197	20,976	-	-
Others	10,021	10,989	3,414	7,006
Total other assets	<u>141,671</u>	<u>99,517</u>	<u>47,134</u>	<u>7,920</u>

15 INSURANCE CONTRACT LIABILITIES

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

	Baht: '000		
	Consolidated financial statements		
	As at September 30, 2018		
	Insurance contract Liabilities	Reinsurance liabilities (see Note 7)	Net
Loss reserves			
Loss incurred and reported	690,468	(448,193)	242,275
Loss incurred but not reported	141,687	(61,972)	79,715
Premium reserve			
Unearned Premium reserve	1,591,225	(614,695)	976,530
Total	<u>2,423,380</u>	<u>(1,124,860)</u>	<u>1,298,520</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 September 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2018	As at December 31, 2017
Balance as at beginning period/year	677,170	819,103
Loss incurred during the period/year	1,157,685	1,475,255
Changing on estimated loss and assumptions used in calculating loss reserve	(20,216)	(86,674)
Loss paid during the period/year	<u>(982,484)</u>	<u>(1,530,514)</u>
Balance as at ending period/year	<u>832,155</u>	<u>677,170</u>

15.1.2 Unearned premium reserve

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2018	As at December 31, 2017
As at January 1,	1,391,825	1,430,786
Premium written for the period/year	2,488,906	2,953,655
Earned premium for the period/year	<u>(2,289,506)</u>	<u>(2,992,616)</u>
As at September 30, and December 31,	<u>1,591,225</u>	<u>1,391,825</u>

15.1.3 Unexpired risk reserve

As at September 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 802.10 million and Baht 759.41 million, respectively is lower than the unearned premium reserve.

16. DUE TO REINSURERS

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

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2018	As at December 31, 2017
Amount withheld on reinsurance	459,308	418,789
Reinsurance payables	<u>358,547</u>	<u>249,070</u>
Total due to reinsurers	<u>817,855</u>	<u>667,859</u>

17. OTHER LIABILITIES

Other liabilities as at September 30, 2018 and December 31, 2017 consisted of the following:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Other payables - promotion expense	21,632	26,245	-	-
Amount received in advance - premium	36,359	23,913	-	-
Payable from purchase of securities	32,044	15,242	30,834	15,242
Revenue Department payable	39,241	6,934	20,571	656
Undue output VAT	1,714	1,798	-	-
Others	<u>16,437</u>	<u>14,487</u>	<u>500</u>	<u>-</u>
Total other liabilities	<u>147,427</u>	<u>88,619</u>	<u>51,905</u>	<u>15,898</u>

18. SHARE CAPITAL

- 18.1 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.
- 18.2 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.
- 18.3 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.

19. 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 nine-month periods ended September 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 September 30,	81,094,582	39.00	-	-

As at September 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 1.60 years. (As at September 30, 2017 : Nil)

20. 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 nine-month periods ended September 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 nine-month periods ended September 30, 2018 and 2017 were presented by business segment as follows:

	Consolidated financial statements								Baht: '000
	Non-life insurance business		For the three-month periods ended September 30,				Total		
	2018	2017	Investment business	Investment business	Elimination of inter-segment	Elimination of inter-segment	2018	2017	
Revenue from external	586,263	500,858	26,606	22,055	-	-	612,869	522,913	
Share of profit on investment in an associate	-	-	92,539	61,083	-	-	92,539	61,083	
Other income	351	442	3,967	4,459	(4,117)	(4,609)	201	292	
Total revenues	586,614	501,300	123,112	87,597	(4,117)	(4,609)	705,609	584,288	
Insurance business expense	423,524	373,316	-	-	-	-	423,524	373,316	
Directors and key management personnel's remuneration	11,285	9,797	5,078	5,225	-	-	16,363	15,022	
Other expense	64,740	57,275	9,993	11,641	(4,117)	(4,609)	70,616	64,307	
Income tax expense (benefit)	16,968	12,167	(69)	(19)	-	-	16,899	12,148	
Net income	70,097	48,745	108,110	70,750	-	-	178,027	119,495	

Baht: '000

	Consolidated financial statements							
	For the nine-month periods ended September 30,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
2018	2017	2018	2017	2018	2017	2018	2017	
Revenue from external	1,634,562	1,549,928	422,084	455,512	(341,981)	(387,942)	1,714,665	1,617,498
Share of profit on investment in an associate	-	-	323,446	278,478	-	-	323,446	278,478
Other income	1,145	2,638	12,247	19,689	(12,697)	(19,891)	695	2,436
Total revenues	<u>1,635,707</u>	<u>1,552,566</u>	<u>757,777</u>	<u>753,679</u>	<u>(354,678)</u>	<u>(407,833)</u>	<u>2,038,806</u>	<u>1,898,412</u>
Insurance business expense	1,266,828	1,236,689	-	-	-	-	1,266,828	1,236,689
Directors and key management personnel's remuneration	35,154	28,874	15,660	22,084	-	-	50,814	50,958
Other expense	175,981	179,753	38,024	37,715	(12,697)	(19,891)	201,308	197,577
Income tax expense (benefit)	31,208	21,262	(2)	510	-	-	31,206	21,772
Net income	<u>126,536</u>	<u>85,988</u>	<u>704,095</u>	<u>693,370</u>	<u>(341,981)</u>	<u>(387,942)</u>	<u>488,650</u>	<u>391,416</u>

21. BASIC EARNINGS PER SHARE

Details of calculation of earnings per share for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows,

	Consolidated financial statements					
	For the three-month periods ended 30 September,					
	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	178,207	119,495	265,760,850	250,000,000	<u>0.67</u>	<u>0.48</u>
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	32,081,373	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>178,207</u>	<u>119,495</u>	<u>297,842,223</u>	<u>250,000,000</u>	<u>0.60</u>	<u>0.48</u>
	Consolidated financial statements					
	For the nine-month periods ended 30 September,					
	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	488,650	391,416	265,760,850	250,000,000	<u>1.84</u>	<u>1.57</u>
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	32,081,373	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>488,650</u>	<u>391,416</u>	<u>297,842,223</u>	<u>250,000,000</u>	<u>1.64</u>	<u>1.57</u>

Details of calculation of earnings per share for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows,

	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	15,571	9,667	265,760,850	250,000,000	0.06	0.04
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	32,081,373	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	15,571	9,667	297,842,223	250,000,000	0.05	0.04

	Separate financial statements					
	For the nine-month periods ended 30 September,					
	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	380,649	414,892	265,760,850	250,000,000	1.43	1.66
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	32,081,373	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	380,649	414,892	297,842,223	250,000,000	1.28	1.66

22. 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
Krungsri Ayudhya 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

22.1 Investments

Companies	Baht: '000	
	Consolidate and Separate financial statements	
	As at September 30, 2018	As at December 31, 2017
Investment - unit trusts		
Unit trusts managed by		
Krungsri Asset Management Co., Ltd.		
- Krungsri Star Plus Fund	2,094,036	159,011
- Krungsri Smart Fixed Income Fund	774,707	985,926
- Krungsri Star Equity Dividend Fund	23,970	31,893
- Krungsri Dividend Stock Fund	149,456	153,962
- Krungsri Dynamic Dividend Fund	-	16,466
- Krungsri Flexible Dividend Fund	66,344	82,041
- Krungsri Financial Focus Dividend Fund	7,334	8,370
- Krungsri Global High Payout Fund	22,370	22,807
- Krungsri Europe Equity Fund	18,244	18,298
- Krungsri Global Small-Mid Cap Equity Dividend Fund	9,569	10,390
- Krungsri Global Healthcare Equity Dividend Fund	38,587	37,709
	<u>3,204,617</u>	<u>1,526,873</u>

Companies	Baht: '000			
	Consolidated and Separate financial statements			
	For the three-month periods ended September 30, 2018		For the nine-month periods ended September 30, 2017	
Dividends - ordinary shares				
Siam City Cement Plc.	-	54	-	103
	<u>-</u>	<u>54</u>	<u>-</u>	<u>103</u>
Dividends - unit trusts				
Unit trusts managed by				
Krungsri Asset Management Co., Ltd.				
- Krungsri Dividend Stock Fund	-	2,735	6,838	7,521
- Krungsri Dynamic Dividend Fund	-	-	-	660
- Krungsri Star Equity Dividend Fund	-	1,363	5,572	2,616
- Krungsri Flexible Dividend Fund	-	2,960	13,361	2,960
- Krungsri Financial Focus Dividend Fund	-	644	945	1,538
- Krungsri Global Small-Mid Cap Equity Dividend Fund	-	246	246	443
- Krungsri Global Healthcare Equity Dividend Fund	2,309	-	2,309	2,310
	<u>2,309</u>	<u>7,948</u>	<u>29,271</u>	<u>18,048</u>

22.2 Significant balances and transactions were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
				Baht: '000
Deposits at bank				
Bank of Ayudhya Plc.	842,014	643,460	163,049	195,088
Premium due and uncollected				
Bank of Ayudhya Plc.	3,496	720	-	-
Siam City Cement Plc.	7,877	1,497	-	-
Bangkok Broadcasting & T.V. Co., Ltd.	131	101	-	-
Allianz Ayudhya Assurance Plc.	-	25	-	-
Grand Canal Land Plc.	-	242	-	-
Siam Realty and Services Co., Ltd.	653	65	-	-
Ayudhya Capital Auto Lease Plc.	11	7	-	-
Eastern Star Real Estate Plc.	38	20	-	-
Khao Kheow Country Club Co., Ltd.	9	-	-	-
Nirvana Co., Ltd.	1	-	-	-
	<u>12,216</u>	<u>2,677</u>	<u>-</u>	<u>-</u>
Accrued interest income				
Bank of Ayudhya Plc.	976	1,132	159	197
Krungsri Securities Plc.	3	3	-	-
Accrued income				
Sri Ayudhya General Insurance Plc.	-	-	959	4,574
Receivable from sell of securities				
Krungsri Securities Plc.	20,291	-	20,291	-
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.	1,008	1,000	-	-
Premium written received in advance				
Bank of Ayudhya Plc.	7,447	8,936	-	-
Accrued expense - custodian fee				
Bank of Ayudhya Plc.	64	41	14	16
Accrued expense - commissions and brokerages				
Bank of Ayudhya Plc.	14,690	11,237	-	-
Accrued expense - other underwriting expenses				
Bank of Ayudhya Plc.	19,137	18,851	-	-
				Baht: '000
	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Premium written				
Bank of Ayudhya Plc.	1,076	1,906	7,141	13,852
Krungsri Securities Plc.	-	-	-	30
Krungsri Asset Management Co., Ltd.	-	-	1,348	1,267
Ayudhya Development Leasing Co., Ltd.	-	1	5	23
Siam City Cement Plc.	46,240	42,825	48,288	45,031
Bangkok Broadcasting & T.V. Co., Ltd.	1,745	2,838	8,259	8,750

Baht: '000

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Premium written (continued)				
Great Luck Equity Co., Ltd.	-	-	34	41
Super Assets Co., Ltd.	-	-	67	70
BBTV Equity Co., Ltd.	58	29	212	102
CKS holding Co., Ltd.	55	73	101	73
Allianz Ayudhya Assurance Plc.	-	-	354	374
Krungsri Ayudhya AMC Ltd.	-	-	359	401
Siam Realty and Services Co., Ltd.	979	815	1,659	1,648
Ayudhya Capital Auto Lease Plc.	-	-	308	94
Krungsriayudhya Card Co.,Ltd.	-	76	38	76
Eastern Star Real Estate Plc.	133	146	777	428
Tummy Tech Co., Ltd.	-	-	13	-
Khao Kheow Country Club Co., Ltd.	37	-	282	-
Nirvana Co., Ltd.	2	-	17	-
	<u>50,325</u>	<u>48,709</u>	<u>69,262</u>	<u>72,260</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		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Commission and brokerage expenses				
Bank of Ayudhya Plc.	47,406	36,722	125,295	117,345
Other underwriting expenses				
Bank of Ayudhya Plc.	30,880	21,173	80,360	67,598

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		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Interest income				
Bank of Ayudhya Plc.	1,097	657	2,623	2,217

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2018	2017	2018	2017
Interest income				
Bank of Ayudhya Plc.	100	99	419	341
Management income				
Sri Ayudhya General Insurance Plc.	3,967	4,459	12,247	19,501

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 September 30,		For the nine-month periods ended September 30,	
	2018	2017	2018	2017
Custodian fee				
Bank of Ayudhya Plc.	94	88	268	235
Commission paid				
Krungsri Securities Plc.	73	34	980	34
Management fee				
Krungsri Asset Management Co., Ltd.	127	-	412	-

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2018	2017	2018	2017
Custodian fee				
Bank of Ayudhya Plc.	18	13	51	33
Commission paid				
Krungsri Securities Plc.	72	27	633	27
Management fee				
Krungsri Asset Management Co., Ltd.	58	-	213	-

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 nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Rental and service fees				
BBTV Equity Co., Ltd.	6,282	6,045	24,656	17,728
Bank of Ayudhya Plc.	-	-	3	3

	Baht: '000			
	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Rental and service fees				
BBTV Equity Co., Ltd.	1,449	1,408	4,347	4,057
Bank of Ayudhya Plc.	-	-	3	3
Other expense				
Sri Ayudhya General Insurance Plc.	150	150	450	390

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.

23. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and nine-month periods ended September 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 nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Directors and key management personnel's remuneration				
Short-term benefits	14,950	14,235	47,256	48,697
Post-employment benefits	750	450	1,926	1,474
Directors' remuneration	663	337	1,632	787
	16,363	15,022	50,814	50,958

	Baht: '000			
	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2018	2017	2018	2017
Directors and key management personnel's remuneration				
Short-term benefits	4,442	4,926	14,197	21,205
Post-employment benefits	332	85	672	380
Directors' remuneration	304	214	791	499
	<u>5,078</u>	<u>5,225</u>	<u>15,660</u>	<u>22,084</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.

24. DIVIDENDS

- 24.1 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.
- 24.2 On August 11, 2017, the Board of Directors' meeting passed a resolution to pay an interim dividend for the operating result from January 1 to June 30, 2017 of Baht 0.75 Baht per share for 250 million shares, totaling Baht 187.50 million. Such dividend was paid on September 8, 2017.
- 24.3 On August 10, 2018, the Board of Directors' meeting passed a resolution to pay an interim dividend for the operating result from January 1, 2018 to June 30, 2018 of Baht 0.75 per share for 293.91 million shares, totaling Baht 220.43 million. Such dividend was paid on September 7, 2018

25. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at September 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:

	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2018	As at December 31, 2017	As at September 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	282,351	383,973	31,434	133,032
Total investment in securities of pledged	<u>296,351</u>	<u>411,973</u>	<u>31,434</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.

26. RESTRICTED ASSETS AND COMMITMENT

- 26.1 As at September 30, 2018 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).
- 26.2 As at September 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 (see Note 9):

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

27. LONG-TERM LEASES AND SERVICE AGREEMENTS

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

Type of leases	Consolidated financial statement		
	Remaining periods		Total rental payments for the remaining periods
	Within 1 year	Over 1 year to 5 years	
As at September 30, 2018			
Building			
- related company	7,538	3,141	10,679
- others	7,862	6,968	14,830
Service - related company	7,538	3,141	10,679
Equipment - related company	10,050	4,187	14,237
	<u>32,988</u>	<u>17,437</u>	<u>50,425</u>

Type of leases	Consolidated financial statement		
	Remaining periods		Total rental payments for the remaining periods
	Within 1 year	Over 1 year to 5 years	
As at 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		
	<u>Separate financial statement</u>		
	Remaining periods		Total rental
	Within 1 year	Over 1 year to 5 years	payments for the remaining periods
As at September 30, 2018			
Building - related company	1,739	725	2,464
Service - related company	1,739	725	2,464
Equipment - related company	2,318	965	3,283
	<u>5,796</u>	<u>2,415</u>	<u>8,211</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 nine-month periods ended September 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			
	<u>Consolidated financial statements</u>			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2018	2017	2018	2017
Rental and service fees	8,438	8,049	25,255	23,688

	Baht: '000			
	<u>Separate financial statements</u>			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2018	2017	2018	2017
Rental and service fees	1,449	1,408	4,347	4,057

28. CONTINGENT LIABILITIES AND COMMITMENT

28.1 As at September 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 September 30, 2018	As at December 31, 2017
Estimate losses from lawsuits	32,840	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.

- 28.2 As at September 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.

29. 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:

	Consolidated financial statements			
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at	As at		
	September 30, 2018 Baht : '000	December 31, 2017 Baht : '000		
<u>Financial assets</u>				
Government and state enterprise securities	430,840	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	880,898	524,419	Level 1	Latest bid prices of common stock on the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	3,329,320	1,685,955	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	As at		
	September 30, 2018 Baht : '000	December 31, 2017 Baht : '000		
	<u>Financial assets</u>			
Government and state enterprise securities	136,216	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	631,645	401,165	Level 1	Latest bid prices of the common stock on last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	3,303,040	1,659,866	Level 2	The unit trust's net asset value of the last working day of the reporting period

30. EVENTS AFTER THE REPORTING PERIOD

On November 13, 2018, the Extra-general meeting of the Shareholders of the Company passed the resolutions as follows:

1. Approval for Sri Ayudhya General Insurance Public Company Limited (“SAGI”) to purchase and accept the transfer of the entire business from Allianz General Insurance Public Company Limited (“AZTH”) totaling Baht 748,800,000.
2. Approval for the Company to purchase ordinary shares of Allianz Ayudhya Assurance Public Company Limited (“AZAY”) of 34,810,000 shares at Baht 114 per share, at the par value of Baht 10, or 11.80% of the paid-up capital in AZAY from Allianz SE and CPRN (Thailand) Limited (“CPRNT”), totaling Baht 3,968,599,600.
3. Approval for the amendment of Company’s Articles of Association for of the payment for newly issued ordinary shares in kind to enable the Company to accept payment for newly issued ordinary shares in kind, in addition to the payment in cash or otherwise.
4. Approval for the Company to increase its registered capital from the amount of Baht 375,000,000 to Baht 463,473,361 by issuing new ordinary shares of 88,473,361 at the par value of Baht 1 each.
5. Approval for the allocation of 88,473,361 newly issued ordinary shares, at the par value of Baht 1 each, for the offering for sale to Allianz SE and CPRNT at Baht 53.32 per share, totaling Baht 4,717,399,600 as follows:
 - 5.1. The allocation and offering for sale of 14,043,511 newly issued ordinary shares to CPRNT at Baht 53.32 per share, totaling Baht 748,800,000. In this regard, CPRNT will pay for the newly issued ordinary shares in cash. The Company will use such payment to purchase the newly issued ordinary shares of SAGI, in order to provide SAGI to purchase and accept the transfer of the entire business from AZTH.
 - 5.2. The allocation for the offering for sale of 74,429,850 newly issued ordinary shares to Allianz SE and CPRNT at Baht 53.32 per share, totaling Baht 3,968,599,600. In this regard, Allianz SE and CPRNT will transfer 34,810,000 ordinary shares of AZAY to pay for the newly issued ordinary shares in lieu of cash payment.
6. Approval for Allianz SE and/or the Designated Person wish to make a voluntary partial tender offer to purchase 56,930,000 ordinary shares, representing 19.37% of the total issued shares with voting rights of the Company at present in the offering price of Baht 53.32 per share.

31. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company’s authorized executive director on November 13, 2018.