



*ALLIANZ AYUDHYA CAPITAL PUBLIC
COMPANY LIMITED
(FORMERLY "SRI AYUDHYA CAPITAL PUBLIC
COMPANY LIMITED")*

*Consolidated and Separate
Financial Statements*

Year ended December 31, 2019



บริษัท ดีลอยท์ ทูเช่ โทหมatsu ไซบยท
สอบบัญชี จำกัด
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED

(FORMERLY “SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED”)

Opinion

We have audited the consolidated financial statements of Allianz Ayudhya Capital Public Company Limited and its subsidiary (the “Group”) and the separate financial statements of Allianz Ayudhya Capital Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Allianz Ayudhya Capital Public Company Limited and its subsidiary and of Allianz Ayudhya Capital Public Company Limited as at December 31, 2019, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Recognition of premiums written</p> <p>Recognition of premiums written is a significant risk of material misstatement because the Group had a large number of policies which were derived from direct insurance, insurance brokers and reinsurers caused a variety of supporting documents. This may results that the Group records premium written in an inappropriate accounting period in which the transaction occurred. Key audit matter is whether the Group recognizes premiums written in a correct accounting period in which the transactions occurred in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policy for revenue recognition is disclosed in Note 3.2 to the financial statements.</p>	<p>Key audit procedures included;</p> <ul style="list-style-type: none"> • Understanding operating procedures and internal control related to recognition of premiums written. • Performing the design and implementation of internal controls procedures related to written premiums recognition. • Performing the operating effectiveness testing over the internal control procedures around revenue recognition of premiums written. • Performing substantive audit procedures consisted of: <ul style="list-style-type: none"> - Examining the documents for the recognition of premiums written before and after the reporting period by consideration the policies effective date that has been recognized in an appropriate accounting period. - Examining the documents that are made through the General Journal Entries (Journal Entries), especially in relation to the recognition of written premiums. - Performing analytical procedures on financial information relating premiums written.

Key Audit Matters	Audit Responses
<p>Loss reserves</p> <p>Loss reserves consists of liabilities from estimated loss incurred and reported and loss incurred but not reported (“IBNR”). Loss reserves are estimated based on the management’s judgement and an actuary using actuarial method which requires a number of key assumptions for estimation. Key audit matter is whether the measurement and recognition of loss reserves is in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policy for loss reserves and details of loss reserves were disclosed in Notes 3.14.2 and 17.1.1 to financial statements, respectively.</p>	<p>Key audit procedures included;</p> <ul style="list-style-type: none"> • Understanding the operating procedures and internal control related to recognition of loss reserves. • Performing the design and implementation of internal controls procedures related to loss reserves recognition. • Performing the operating effectiveness testing over the internal control procedures around the recognition of loss reserves. • Performing substantive audit procedures as follows: <ul style="list-style-type: none"> - Examining the loss reserves by considering the process of transaction approval and other significant supporting documents to determine whether loss reserves are recognized an appropriate value. - Inquiry of measurement criteria and key assumptions used in the estimation by actuary to assess an appropriateness of the calculation method and the key assumptions applied by the management and an actuary in assessing reserve for loss incurred and reported and loss incurred but not reported (“IBNR”), including evaluation of the reasonableness of key assumptions used together with evaluation of the actuary’s competency and independency. - Performing analytical procedures on financial information relating to loss reserves.
<p>Investment in an associated company</p> <p>Investment in an associated company represents 38.52% of the total amount of its asset and is identified to be quantitatively significant of operations and performance results of the Group. The Key audit matter is whether the Group recognizes its associated company portion under the equity method accurately in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policy for investment in an associated company and detail of financial information were disclosed in Notes 3.8 and 11 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditor of associated company included:</p> <ul style="list-style-type: none"> • Understood the financial information compilation process and related internal control procedures. • Collaboratively performed the work in accordance with Thai Standard on Auditing on the work performed from the planning through the conclusion process. • Verified the calculation and record of the share of profit of investment in an associate.

Key Audit Matters	Audit Responses
<p>Business acquisition and goodwill</p> <p>During the year ended December 31, 2019, the Group has acquired entire business of Allianz General Insurance Public Company Limited at the amount of Baht 848.80 million. The Group has appraised the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date.</p> <p>In addition, the Group recorded goodwill of Baht 508.88 million as a result of the acquisition as disclosed in Note 1 to the financial statements. The consideration of impairment of goodwill is depended on the Group's management judgements and assumptions.</p> <p>Key audit matter is the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation on business acquisition of Allianz General Insurance Public Company Limited at the acquisition date and whether the valuation of goodwill have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies in respect of the basis of preparation consolidated financial statements, goodwill and impairment and details of the business acquisition and goodwill were disclosed in Notes 3.11, 3.12, 1 and 13 to the financial statements, respectively.</p>	<p>Key audit procedures included;</p> <ul style="list-style-type: none"> • Understanding the business acquisition process and related internal control procedures. • Evaluating the design and implementation of the internal control procedures on the business acquisition and impairment of goodwill. • Performing the operating effectiveness testing of internal control procedures over the impairment consideration process on goodwill. • Performing substantive audit procedures consisted of: <ul style="list-style-type: none"> - Examining the terms and conditions of the Entire Business Transfer Agreement of Allianz General Insurance Public Company Limited, payment documents and related supporting documents. - Examining details of assets and liabilities of Allianz General Insurance Public Company Limited at the acquisition date. - Assessing the calculation of the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by an independent valuation specialist, by considering the methods and significant assumptions used by the independent valuation specialist in calculating the fair value of assets and liabilities and evaluating the competency and integrity of the independent valuation specialist. - Involving auditor's expert to evaluate the appropriateness of assumptions and process to determine the value of the intangible assets, valuation methodology and mathematical accuracy. - Testing the appropriateness of valuation of goodwill model and the significant assumptions in consideration the impairment of goodwill by using auditor's expert to compare those assumptions with information from both internal and external sources in order to evaluate the exercise of management judgement in estimating the cash flow projections. - Reviewing the presentation and related disclosures.

Other Information

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

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

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

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

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

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

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

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

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

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

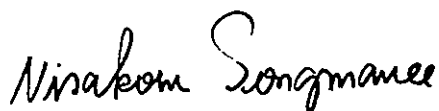
As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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



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

BANGKOK
February 21, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
ASSETS					
Cash and cash equivalents	5	4,497,249,893	1,341,339,977	179,669,304	101,355,834
Premium receivable - net	6	771,000,380	271,749,947	-	-
Accrued investment income		12,412,304	4,497,896	4,626,341	429,389
Reinsurance assets	7	2,741,203,960	1,070,310,191	-	-
Amounts due from reinsurers	8	496,238,862	114,461,388	-	-
Investments					
Investments in securities	9	7,352,462,337	6,896,384,905	4,318,475,965	4,125,890,014
Loans	10	13,684	28,723	-	-
Investment in an associate	11	10,715,017,755	2,977,370,666	5,455,863,220	1,487,263,618
Investment in a subsidiary	11	-	-	2,572,378,981	1,823,578,981
Property, plant and equipment - net	12	49,291,668	39,752,046	1,697,916	5,951,318
Goodwill	1 and 13	508,876,609	-	-	-
Intangible assets	14	85,075,256	51,029,363	1,968,410	24
Deferred tax assets - net	15	328,449,690	228,962,877	26,643,700	44,147,684
Deferred commissions expenses		72,513,895	66,858,470	-	-
Other assets	16	186,672,719	82,845,853	7,650,968	23,088,317
TOTAL ASSETS		27,816,479,012	13,145,592,302	12,568,974,805	7,611,705,179

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

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
LIABILITIES AND EQUITY					
Insurance contract liabilities	17	5,797,941,210	2,444,776,162	-	-
Amounts due to reinsurers	18	1,944,671,986	678,331,838	-	-
Payable from purchase of securities		992,852,860	1,977,333	-	981,610
Income tax payable		-	53,594,869	-	128,673
Employee benefit obligations	19	135,517,992	89,971,578	7,669,219	4,654,996
Premium written received in advance		421,446,053	370,220,202	-	-
Commissions and brokerages payables		107,767,460	54,202,201	-	-
Accrued expenses		389,469,094	75,250,906	15,088,170	21,742,382
Other liabilities	20	281,476,156	109,314,089	2,227,149	681,061
TOTAL LIABILITIES		10,071,142,811	3,877,639,178	24,984,538	28,188,722
EQUITY					
Share capital	21				
Authorized share capital					
463,473,361 ordinary shares of Baht 1.00 each		463,473,361	463,473,361	463,473,361	463,473,361
Issued and paid-up share capital					
384,964,961 ordinary shares of Baht 1.00 each		384,964,961		384,964,961	
296,416,925 ordinary shares of Baht 1.00 each			296,416,925		296,416,925
Premium on share capital		9,907,790,998	5,276,027,100	9,907,790,998	5,276,027,100
Retained earnings					
Appropriated					
Legal reserve	23	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		3,076,794,221	3,179,207,243	2,320,224,130	2,152,489,572
Other components of equity					
Deficit on available-for-sale securities		(113,644,826)	(207,771,879)	(118,989,822)	(191,417,140)
Share of other comprehensive income in an associate		4,439,430,847	674,073,735	-	-
TOTAL EQUITY		17,745,336,201	9,267,953,124	12,543,990,267	7,583,516,457
TOTAL LIABILITIES AND EQUITY		27,816,479,012	13,145,592,302	12,568,974,805	7,611,705,179

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

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenues					
Gross premium written		5,757,300,140	3,396,369,722	-	-
<u>Less</u> Premium ceded to reinsurers		2,290,389,853	1,435,936,031	-	-
Net premium written		3,466,910,287	1,960,433,691	-	-
<u>Less</u> Unearned premium reserve increase					
from previous year		59,253,900	191,260,303	-	-
Net premium earned		3,407,656,387	1,769,173,388	-	-
Fee and commission income		605,175,811	490,085,956	-	-
Net investment income		118,917,257	108,264,621	577,641,132	397,926,947
Gain (loss) on investment in securities	27	(98,099,133)	62,175,215	(69,562,724)	66,057,010
Loss on fair value adjustment		-	(29,493,533)	-	(15,263,967)
Share of profit on investment in an associate	11.1	553,245,448	507,683,013	-	-
Other income		32,398,955	2,862,420	9,474,955	16,670,662
Total revenues		4,619,294,725	2,910,751,080	517,553,363	465,390,652
Expenses					
Gross claim		2,695,108,570	1,439,765,185	-	-
<u>Less</u> Claim recovered from reinsurers		756,370,790	709,126,371	-	-
Commissions and brokerage		754,741,764	468,113,985	-	-
Other underwriting expenses		814,212,933	554,874,985	-	-
Operating expenses	25	906,279,561	359,762,937	60,770,120	71,185,147
Total expenses		4,413,972,038	2,113,390,721	60,770,120	71,185,147
Income before income tax expense		205,322,687	797,360,359	456,783,243	394,205,505
Income tax expense (benefit)	15	15,694,461	47,112,056	(409,048)	730,209
Net income		189,628,226	750,248,303	457,192,291	393,475,296

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Other comprehensive income (loss)					
Items that will not be reclassified subsequently					
to profit or loss					
Actuarial gain (loss) on defined employee benefits plans	19	6,069,205	-	(968,984)	-
Share of other comprehensive loss of an associate	11.1	(10,267,890)	(1,761,007)	-	-
Income tax relating to items that will not be reclassified subsequently		839,983	352,161	193,797	-
		<u>(3,358,702)</u>	<u>(1,408,846)</u>	<u>(775,187)</u>	<u>-</u>
Items that will be reclassified subsequently					
to profit or loss					
Gain (loss) on revaluation of available-for-sale securities		117,658,816	(210,938,029)	90,534,147	(187,968,745)
Share of other comprehensive income (loss) in an associate	11.1	4,706,696,390	(752,135,576)	-	-
Income tax relating to items that will be reclassified subsequently		(964,871,041)	198,396,817	(18,106,829)	37,593,749
		<u>3,859,484,165</u>	<u>(764,676,788)</u>	<u>72,427,318</u>	<u>(150,374,996)</u>
Other comprehensive income (loss) for the years, net of income tax		<u>3,856,125,463</u>	<u>(766,085,634)</u>	<u>71,652,131</u>	<u>(150,374,996)</u>
Total comprehensive income (loss) for the years		<u><u>4,045,753,689</u></u>	<u><u>(15,837,331)</u></u>	<u><u>528,844,422</u></u>	<u><u>243,100,300</u></u>
Earnings per share	29				
Basic earnings per share	Baht	0.53	2.75	1.28	1.44
Weighted average number of ordinary shares (Shares)		356,058,000	272,930,470	356,058,000	272,930,470
Diluted earnings per share	Baht	0.44	2.37	1.05	1.25
Weighted average number of ordinary shares (Shares)		434,566,207	315,989,583	434,566,207	315,989,583

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

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT

CONSOLIDATED FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total equity
			Appropriated Legal reserve	Unappropriated	Surplus (deficit) on available-for-sale securities	Share of other comprehensive income in an associate	
Beginning balance as at January 1, 2018	250,000,000	3,512,183,950	50,000,000	2,650,796,710	(39,021,456)	1,270,000,100	7,693,959,304
Increase capital	46,416,925	1,763,843,150	-	-	-	-	1,810,260,075
Net income	-	-	-	750,248,303	-	-	750,248,303
Other comprehensive loss	-	-	-	(1,408,846)	(168,750,423)	(595,926,365)	(766,085,634)
Interim dividends	-	-	-	(220,428,924)	-	-	(220,428,924)
Ending balance as at December 31, 2018	296,416,925	5,276,027,100	50,000,000	3,179,207,243	(207,771,879)	674,073,735	9,267,953,124
Beginning balance as at January 1, 2019	296,416,925	5,276,027,100	50,000,000	3,179,207,243	(207,771,879)	674,073,735	9,267,953,124
Increase capital	88,548,036	4,631,763,898	-	-	-	-	4,720,311,934
Net income	-	-	-	189,628,226	-	-	189,628,226
Other comprehensive income (loss)	-	-	-	(3,358,702)	94,127,053	3,765,357,112	3,856,125,463
Interim dividends	-	-	-	(288,682,546)	-	-	(288,682,546)
Ending balance as at December 31, 2019	384,964,961	9,907,790,998	50,000,000	3,076,794,221	(113,644,826)	4,439,430,847	17,745,336,201

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

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	SEPARATE FINANCIAL STATEMENTS						Total equity
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total equity	
				Appropriated	Unappropriated			
				Leagl reserve		Surplus (deficit) on available-for-sale securities		
Beginning balance as at January 1, 2018		250,000,000	3,512,183,950	50,000,000	1,979,443,194	(41,042,144)	5,750,585,000	
Increase capital	21.3 and 21.5	46,416,925	1,763,843,150	-	-	-	1,810,260,075	
Net income		-	-	-	393,475,296	-	393,475,296	
Other comprehensive loss		-	-	-	-	(150,374,996)	(150,374,996)	
Interim dividends	32.1	-	-	-	(220,428,918)	-	(220,428,918)	
Ending balance as at December 31, 2018		296,416,925	5,276,027,100	50,000,000	2,152,489,572	(191,417,140)	7,583,516,457	
Beginning balance as at January 1, 2019		296,416,925	5,276,027,100	50,000,000	2,152,489,572	(191,417,140)	7,583,516,457	
Increase capital	21.6, 21.7 and 21.8	88,548,036	4,631,763,898	-	-	-	4,720,311,934	
Net income		-	-	-	457,192,291	-	457,192,291	
Other comprehensive income (loss)		-	-	-	(775,187)	72,427,318	71,652,131	
Interim dividends	32.2	-	-	-	(288,682,546)	-	(288,682,546)	
Ending balance as at December 31, 2019		384,964,961	9,907,790,998	50,000,000	2,320,224,130	(118,989,822)	12,543,990,267	

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

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ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Direct premium received		5,547,714,373	3,351,799,800	-	-
Cash received (paid) from reinsurance		224,594,552	(364,282,290)	-	-
Interest income		38,165,156	28,627,820	4,994,948	6,936,340
Dividend income		581,469,158	348,582,102	570,743,964	394,821,308
Other income		32,098,518	1,895,395	10,208,934	20,262,159
Loss incurred from direct insurance		(3,067,332,519)	(1,328,445,254)	-	-
Commission and brokerage paid from direct insurance		(740,427,778)	(458,907,830)	-	-
Other underwriting expenses		(778,130,092)	(531,444,133)	-	-
Operating expenses		(799,284,006)	(246,400,076)	(66,034,721)	(62,294,739)
Income tax expense		(72,215,131)	(16,673,068)	(1,650,789)	(772,940)
Investments in securities		1,546,839,399	(2,410,935,437)	12,608,686	(2,013,031,262)
Investment in a subsidiary		-	-	(748,800,000)	-
Deposits at bank with maturity over 3 months and deposits used as collateral		(12,318,531)	(3,517,812)	(170,189,175)	(186,407)
Loans		15,039	(13,663)	-	-
Cash paid from subscriptions payable		-	(15,242,115)	-	(15,242,115)
Net cash provided by (used in) operating activities		<u>2,501,188,138</u>	<u>(1,644,956,561)</u>	<u>(388,118,153)</u>	<u>(1,669,507,656)</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTMENT ACTIVITIES					
CASH FLOWS PROVIDED BY					
Premises and equipment		4,053,122	1,444,766	3,418,972	-
Cash provided by investing activities		<u>4,053,122</u>	<u>1,444,766</u>	<u>3,418,972</u>	<u>-</u>
CASH FLOWS USED IN					
Paid for purchase entire business transfer		(848,800,000)	-	-	-
Property, plant and equipment		(8,288,889)	(6,254,042)	(17,135)	(62,211)
Intangible assets		(2,670,500)	(618,206)	-	-
Cash used in investing activities		<u>(859,759,389)</u>	<u>(6,872,248)</u>	<u>(17,135)</u>	<u>(62,211)</u>
Net cash provided by (used in) investing activities		<u>(855,706,267)</u>	<u>(5,427,482)</u>	<u>3,401,837</u>	<u>(62,211)</u>
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES					
Increase capital		751,712,332	1,810,260,075	751,712,332	1,810,260,075
Dividends paid	32.2	(288,682,546)	(220,428,924)	(288,682,546)	(220,428,918)
Net cash used in financing activities		<u>463,029,786</u>	<u>1,589,831,151</u>	<u>463,029,786</u>	<u>1,589,831,157</u>
Net increase (decrease) in cash and cash equivalents		2,108,511,657	(60,552,892)	78,313,470	(79,738,710)
Cash and cash equivalents as at January 1,		1,341,339,977	1,401,892,869	101,355,834	181,094,544
Cash received from the entire business transfer	1	1,047,398,259	-	-	-
Cash and cash equivalents as at December 31,	5	<u>4,497,249,893</u>	<u>1,341,339,977</u>	<u>179,669,304</u>	<u>101,355,834</u>

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

**ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

1.1 The Company

Allianz Ayudhya Capital Public Company Limited (formerly “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, Allianz Ayudhya General Insurance Public Company Limited (formerly “Sri Ayudhya General Insurance Public Company Limited”) which operates non-life insurance business, holding by 99.99%.

1.2 The subsidiary

Allianz Ayudhya General Insurance Public Company Limited (the “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 1st Floor, Zone B, 7th Floor, Zone B, 8th Floor, Zones A and B, 9th Floor, Zones A2 and B2, and 18th Floor, Zones A, Ploenchit Tower, 898 Ploenchit Road, Lumpini subdistrict, Pathumwan District Bangkok.

On November 13, 2018, the Extraordinary General Meeting of the Shareholders of the Company passed the resolutions as follows:

1. Approval for Allianz 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”).
2. Approval for the Company to purchase ordinary shares of Allianz Ayudhya Assurance Public Company Limited (“AZAY”) of 34.81 million 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”), totalling Baht 3,968.60 million.
3. Approval for the allocation of 88.47 million newly issued ordinary shares, at the par value of Baht 1 each, for the offering price to Allianz SE and CPRNT at Baht 53.32 per share, totalling Baht 4,717.40 million, as following details:
 - 3.1 The allocation of 14.04 million newly issued ordinary shares to CPRNT at Baht 53.32 per share, at the par value of Baht 1, totalling Baht 748.80 million. 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.

- 3.2 The allocation of 74.43 million newly issued ordinary shares to Allianz SE and CPRNT at Baht 53.32 per share, at par value of Baht 1.00, totalling Baht 3,968.60 million. In this regard, Allianz SE and CPRNT paid for the newly issued ordinary shares in lieu of cash payment (see Note 4.3).
4. Agreement on Allianz SE and/or its affiliate who is a member of the Allianz Group which is designated by Allianz SE as a co-offer or to make a voluntary partial tender offer to purchase 56.93 million 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.

On April 26, 2019, the Annual General Meeting of Shareholders of the Company and its subsidiary passed resolution to change of the Company's name from "Sri Ayudhya Capital Public Company Limited" to "Allianz Ayudhya Capital Public Company Limited" and "Sri Ayudhya General Insurance Public Company Limited" to "Allianz Ayudhya General Insurance Public Company Limited". The Company and its subsidiary registered the amendments to its change in the Company's name with Ministry of Commerce on April 30, 2019.

On April 30, 2019, the Company increased share capital and registered the corresponding increase in its paid-up capital with the Ministry of Commerce, totalling Baht 4,717.40 million (see Note 21.6), as following details:

- The Company issued the increased share capital of 14.04 million ordinary shares at Baht 53.32 per share, at par value of Baht 1.00 as equivalent to Baht 748.80 million to CPRNT and received cash for the payment.
- The Company issued the increased share capital of 74.43 million ordinary shares to Allianz SE and CPRNT at Baht 53.32 per share, at par value of Baht 1.00 by swap with the ordinary shares of Allianz Ayudhya Assurance Public Company Limited ("AZAY") of 34.81 million shares at Baht 114 per share, at the par value of Baht 10.00, from Allianz SE and CPRNT as equivalent to Baht 3,968.60 million.

ACQUISITION OF BUSINESS

On April 30, 2019, the subsidiary completed purchase and acceptance of the entire business of AZTH, as per entire business transfer agreement dated September 24, 2018 for a cash consideration of Baht 848.80 million.

During the year 2019, the subsidiary engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the acquisition date. The subsidiary has applied Thai Financial Reporting Standard No. 3 (revised 2018) “Business Combinations” to recognize the business acquisition transaction. The subsidiary has considered the fair value of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the account “Goodwill” in the amount of Baht 508.88 million by considering the information from the purchase price allocation report of an independent appraiser and other relevant factors obtained within one year from the acquisition date. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business acquisition date:

	Baht:’000
	As at
	April 30,
	2019
Assets	
Cash and cash equivalents	1,047,398
Premium receivable - net	425,651
Accrued investment income	6,752
Reinsurance assets	2,194,326
Amounts due from reinsurers	258,971
Investments in securities	1,006,389
Premises and equipment	29,471
Intangible assets	106,158
Deferred tax assets - net	139,927
Other assets	111,512
Total Assets	<u>5,326,555</u>
Liabilities	
Insurance liabilities	3,669,779
Amounts due to reinsurers	849,617
Employee benefit obligations	19,934
Accrued expense	273,871
Other liabilities	173,431
Total liabilities	<u>4,986,632</u>
Identifiable assets and liabilities - net	339,923
Cash paid for purchase entire business transfer	<u>(848,800)</u>
Goodwill	<u>508,877</u>

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

- 2.1 The Company and its subsidiary (“the Group”) maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand.
- 2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2019 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business B.E. 2559 dated March 4, 2016.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 These consolidated financial statements include the financial statements of Allianz Ayudhya Capital Public Company Limited and Allianz Ayudhya General Insurance Public Company Limited which 99.99% owned by the Company (see Note 11). Significant transactions and balances between the Company and the subsidiary have been eliminated.

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

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

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. 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 material impact on the Group’s financial statements.

Thai Financial Reporting Standard No.4 (Revised 2018) “Insurance Contracts”

This revised financial reporting standard determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No. 9 “Financial Instruments”. An entity can elect to exempt from Thai Financial Reporting Standard No. 9 until annual periods beginning before January 1, 2023 or before Thai Financial Reporting Standard No. 17 “Insurance Contracts” is effective.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, 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. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

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

Thai Accounting Standard No.12 "Income Taxes"

This revised accounting standard clarifies about recognition the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. An entity shall apply those amendments to the income tax consequences of dividends recognized on or after the beginning of the earliest comparative period. Earlier application is permitted.

Thai Accounting Standard No.19 "Employee Benefits"

This revised accounting standard clarifies that the past service cost or of the gain or loss on settlement is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment or curtailment or settlement but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). This accounting standard requires prospective method for such amendment. It applies only to plan amendments, curtailments or settlements that occur on or after the beginning of the annual period in which it is first applied. Earlier application is permitted.

Thai Accounting Standard No.28 "Investments in Associates and Joint Ventures"

This revised accounting standard clarifies about the application of TFRS 9, including its impairment requirements, to long-term interests. An entity does not take into account adjustments to their carrying amount required by TAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with TAS 28). This accounting standard requires retrospective method for such amendment. Earlier application is permitted.

Thai Financial Reporting Standard No.3 “Business Combinations”

This revised financial reporting standard clarifies that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation at fair value. The previously held interest to be remeasured includes any unrecognized assets, liabilities and goodwill relating to the joint operation. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Group of Financial Instruments Standards

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

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 “Leases”

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether on Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group's management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

The accounting guidelines for financial instruments and disclosures on insurance business

The Federation of Accounting Professions issued the accounting guidelines for financial instruments and disclosures on insurance business, which has been announced in the Royal Gazette on March 11, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, which allowed the adoption on this accounting guideline prior to the effective date for the financial statements beginning on or after January 1, 2019 onwards only. If an entity adopts this accounting guideline prior to the effective date, the entity is required to disclose such adoption. However, the Company's management does not adopt such accounting guideline for financial instruments and disclosures on insurance business prior to the effective date.

Thai Financial Reporting Standard No.4 "Insurance Contracts"

The Federation of Accounting Professions issued Thai Financial Reporting Standard No.4 "Insurance Contracts", which has been announced in the Royal Gazette on September 24, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. This revised financial reporting standard determines the option for insurance industry to temporary exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" if an entity meets the criteria required by such revised Thai Financial Reporting Standard. An entity can elect to apply the accounting guidelines for financial instruments and disclosures on insurance business for the financial statements for the period beginning on or after January 1, 2020 until the period beginning on or after January 1, 2023 or before Thai Financial Reporting Standard No. 17 "Insurance Contracts" becomes effective. If an entity elects to adopt this exemption, the entity is required to disclose how the entity meets criteria for such temporary exemption and provide comparison information of the entity that applies temporary exemption with those that apply Thai Financial Reporting Standard No. 9 and Thai Financial Reporting Standard No. 7.

The Group's management has assessed eligibility to apply such temporary exemption and concluded that the Group is eligible to apply such temporary exemption. Therefore, the Group's management elects to apply such temporary exemption.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Insurance contract classification

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

3.2 Recognition of revenues and expenses

Premium written

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

Reinsurance premium

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

Commissions and brokerages income

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

Interest and dividends income

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

Claims and losses adjustment expenses

Claims and losses adjustment expenses consist of claims and losses adjustment expenses of direct insurance and reinsurance of both reported claims and not reported claims, and are stated at the amounts of the claims, related expenses, and claims adjustments of the current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claims and losses adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claims and losses adjustment expenses of reinsurance are recognised when the reinsurer places the loss advice with the Company.

Claim recovery from reinsurers

Claims recovery from reinsurers is recognised when claims and loss adjustment expenses are recorded. They are estimated as proportion and condition relevant to reinsurance contracts. The Company presents the claims recoverable amount as a deduction from gross claims

Commissions and brokerages and other expenses

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

3.3 Cash and cash equivalents

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

3.4 Premium due and uncollected and allowance for doubtful debt

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

3.5 Reinsurance assets

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

3.6 Due to and due from reinsurers

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

3.7 Investments in securities

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

General investments are stated at cost.

Held-to-maturity investments are stated at amortized cost.

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

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

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

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

3.8 Investments in a subsidiary and an associate

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

3.9 Loans

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

3.10 Property, plant and equipment

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

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

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

3.11 Business combinations and goodwill

The Group recognizes the Business combinations by using the acquisition method. The Group (acquirer) measures the cost of the acquisition by using the fair value at the acquisition date of consideration transferred.

The Group recognizes the acquisition-related cost as expenses in the periods of which the costs are incurred and the services are received

The measurement of goodwill at initial recognition is measured at the fair value of the acquisition less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment. The Group assesses an impairment of goodwill annually, without consideration of indication that such goodwill may be impaired.

Goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the business combination.

3.12 Intangible assets

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

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

Computer software	5 years
Bancassurance agreement	10 years

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

3.13 Impairment of assets

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

3.14 Insurance liabilities

3.14.1 Unearned premium reserve

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

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

3.14.2 Loss reserve and outstanding claims

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

3.14.3 Unexpired risks reserve

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

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

3.15 Foreign currency transactions

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

3.16 Employee benefits

3.16.1 Provident fund

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

3.16.2 Employee benefit obligations

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

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and othe comprehensive income when the plan amendment is effective.

3.17 Long-term leases

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

3.18 Income tax

Income tax expenses

Income tax expenses represent the sum of corporate income taxes currently payable and deferred income taxes.

Current income taxes

Current income taxes are provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred income taxes

Deferred income taxes are provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

The Group recognised deferred tax liabilities for all taxable temporary differences while the recognised deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred income taxes directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

3.19 Earnings per share

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

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

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

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

Key sources of estimation uncertainty

3.20.1 Loss reserves

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

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

3.20.2 Fair value measurement and valuation processes

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

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 39.2.6.1.

3.21 Fair value measurements

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4. ADDITIONAL INFORMATION FOR CASH FLOWS

4.1 Non-cash items of premises and equipment for the years ended December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements	
	2019	2018
	Baht	Baht
Other payable - fixed assets as at January 1,	479,789	31,431
<u>Add</u> Purchases of fixed assets	7,824,240	6,702,400
<u>Less</u> Cash paid for purchase of fixed assets	(8,288,889)	(6,254,042)
<u>Less</u> Loss from exchange of fixed assets	(15,140)	-
Other payable - fixed assets as at December 31,	-	479,789

	Separate financial statements	
	2019	2018
	Baht	Baht
Other payable - fixed assets as at January 1,	-	-
<u>Add</u> Purchases of fixed assets	32,275	62,211
<u>Less</u> Cash paid for purchase of fixed assets	(17,135)	(62,211)
<u>Less</u> Loss from exchange of fixed assets	(15,140)	-
Other payable - fixed assets as at December 31,	-	-

4.2 Non-cash items of intangible assets for the years ended December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements	
	2019	2018
	Baht	Baht
Other payable - intangible assets as at January 1,	-	-
<u>Add</u> Purchases of intangible assets	4,638,886	618,206
<u>Less</u> Cash paid for purchase of intangible assets	(2,670,500)	(618,206)
Other payable - intangible assets as at December 31,	1,968,386	-

	Separate financial statements	
	2019	2018
	Baht	Baht
Other payable - intangible assets as at January 1,	-	-
<u>Add</u> Purchases of intangible assets	1,968,386	-
<u>Less</u> Cash paid for purchase of intangible assets	-	-
Other payable - intangible assets as at December 31,	1,968,386	-

4.3 For the year ended December 31, 2019, the Company has received share capital increase each from Allianz SE and CPRNT by newly ordinary shares of AZAY as equivalent to Baht 3,968.60 million (see Note 1).

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2019 and 2018 consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cash	315,963	290,000	10,000	10,000
Cheque on hand	24,412,038	11,046,146	-	-
Deposits at bank - at call	502,407,148	361,305,850	16,721,979	101,345,834
Short-term investments	3,970,114,744	968,697,981	162,937,325	-
Cash and cash equivalents	<u>4,497,249,893</u>	<u>1,341,339,977</u>	<u>179,669,304</u>	<u>101,355,834</u>

6. PREMIUM RECEIVABLE - NET

Premium receivable - net as at December 31, 2019 and 2018 consisted of the following:

	Consolidated	
	financial statements	
	2019	2018
	Baht	Baht
Within credit terms	614,032,216	218,651,474
Less than 30 days	20,479,594	29,433,750
31 - 60 days	43,304,788	7,308,105
61 - 90 days	31,132,261	9,125,013
Over 90 days	95,153,102	12,882,849
Total premium due and uncollected	804,101,961	277,401,191
<u>Less</u> Allowance for doubtful accounts	<u>(33,101,581)</u>	<u>(5,651,244)</u>
Premium due and uncollected - net	<u>771,000,380</u>	<u>271,749,947</u>

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

7. REINSURANCE ASSETS

Reinsurance assets as at December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Insurance reserve refundable from reinsurers		
Loss reserves	1,535,683,599	449,046,925
Unearned premium reserve		
- Unearned reinsurance premium reserve	1,205,520,361	621,263,266
Total reinsurance assets (see Note 17)	2,741,203,960	1,070,310,191

8. AMOUNTS DUE FROM REINSURERS

Amounts due from reinsurers as at December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Deposit on reinsurance	840,534	48,717
Due from reinsurers	495,398,328	114,412,671
Total amounts due from reinsurers	496,238,862	114,461,388

Aging analyzes for due from reinsurers as at December 31, 2019 and 2018 were as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Within credit terms	436,308,459	100,640,423
Not over 12 months	46,473,751	10,635,160
Over 1 year to 2 years	6,754,073	1,200,850
Over 2 years	5,862,045	1,936,238
Total due from reinsures	495,398,328	114,412,671

9. INVESTMENTS IN SECURITIES

Investments in securities as at December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements			
	As at December 31, 2019		As at December 31, 2018	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
	Baht	Baht	Baht	Baht
Held-for-trading securities				
Equity securities	-	-	185,243,536	156,854,501
<u>Less</u> Unrealized loss	-	-	(28,389,035)	-
Total held for-trading-securities	-	-	156,854,501	156,854,501
Available-for-sale securities				
Government and state enterprise securities	2,181,429,080	2,186,309,389	431,691,662	430,891,551
Private debt securities	1,377,598,237	1,382,735,643	-	-
Foreign debt securities	59,933,963	60,670,915	-	-
Equity securities	<u>3,139,195,737</u>	<u>2,986,317,637</u>	<u>4,344,156,196</u>	<u>4,085,241,459</u>
Total	6,758,157,017	6,616,033,584	4,775,847,858	4,516,133,010
<u>Less</u> Unrealized loss	<u>(142,123,433)</u>	<u>-</u>	<u>(259,714,848)</u>	<u>-</u>
Total available-for-sale securities	<u>6,616,033,584</u>	<u>6,616,033,584</u>	<u>4,516,133,010</u>	<u>4,516,133,010</u>
Held-to-maturity securities				
Government and state enterprise securities	249,148,848		1,747,212,351	
Deposits at bank with maturity over 3 months	192,711,836		14,000,000	
Deposits at bank used as collateral	260,551,907		426,945,211	
Premium saving certificates used as collateral	<u>13,950,000</u>		<u>15,750,000</u>	
Total held-to-maturity securities	<u>716,362,591</u>		<u>2,203,907,562</u>	
General investment				
Equity securities	21,573,281		20,996,951	
<u>Less</u> Allowance for impairment	<u>(1,507,119)</u>		<u>(1,507,119)</u>	
Total general investment	<u>20,066,162</u>		<u>19,489,832</u>	
Total investments in securities - net	<u>7,352,462,337</u>		<u>6,896,384,905</u>	

	Separate financial statements			
	As at December 31, 2019		As at December 31, 2018	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
	Baht	Baht	Baht	Baht
Held-for-trading securities				
Equity securities	-	-	95,147,099	79,883,132
<u>Less</u> Unrealized loss	-	-	(15,263,967)	-
Total held-for-trading-securities	<u>-</u>	<u>-</u>	<u>79,883,132</u>	<u>79,883,132</u>
Available-for-sale securities				
Government and state enterprise securities	485,724,024	488,168,891	137,118,023	136,518,439
Private debt securities	597,367,895	599,063,027	-	-
Equity securities	<u>3,139,195,737</u>	<u>2,986,317,637</u>	<u>4,073,423,050</u>	<u>3,834,751,209</u>
Total	4,222,287,656	4,073,549,555	4,210,541,073	3,971,269,648
<u>Less</u> Unrealized loss	(148,738,101)	-	(239,271,425)	-
Total available-for-sale securities	<u>4,073,549,555</u>	<u>4,073,549,555</u>	<u>3,971,269,648</u>	<u>3,971,269,648</u>
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	184,000,000		14,000,000	
Deposits at bank used as collateral	<u>42,928,248</u>		<u>42,739,072</u>	
Total held-to-maturity securities	<u>226,928,248</u>		<u>56,739,072</u>	
General investment				
Equity securities	19,505,281		19,505,281	
<u>Less</u> Allowance for impairment	(1,507,119)		(1,507,119)	
Total general investment	<u>17,998,162</u>		<u>17,998,162</u>	
Total investments in securities - net	<u>4,318,475,965</u>		<u>4,125,890,014</u>	

Debt securities classified by the remaining maturity as at December 31, 2019 were as follows:

	Consolidated financial statements			
	Within 1 year Baht	Maturities		Total Baht
		1 - 5 years Baht	Over 5 years Baht	
Available-for-sale debt securities				
Government and state enterprise securities	1,180,283,950	995,630,189	5,514,941	2,181,429,080
Private debt securities	462,434,322	897,563,915	17,600,000	1,377,598,237
Foreign debt securities	-	59,933,963	-	59,933,963
<u>Add</u> Unrealized gain	1,228,659	9,173,996	352,012	10,754,667
Total available-for-sale debt securities	<u>1,643,946,931</u>	<u>1,962,302,063</u>	<u>23,466,953</u>	<u>3,629,715,947</u>
Held-to-maturity debt securities				
Government and state enterprise securities	249,148,848	-	-	249,148,848
Total held-to-maturity debt securities	<u>249,148,848</u>	<u>-</u>	<u>-</u>	<u>249,148,848</u>
Total debt securities - net	<u>1,893,095,779</u>	<u>1,962,302,063</u>	<u>23,466,953</u>	<u>3,878,864,795</u>

Debt securities classified by the remaining maturity as at December 31, 2018 were as follows:

	Consolidated financial statements			
	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	43,223,738	388,467,924	-	431,691,662
<u>Add Unrealized gain (loss)</u>	20,173	(820,284)	-	(800,111)
Total available-for-sale debt securities	43,243,911	387,647,640	-	430,891,551
Held-to-maturity debt securities				
Government and state enterprise securities	1,747,212,351	-	-	1,747,212,351
Total held-to-maturity debt securities	1,747,212,351	-	-	1,747,212,351
Total debt securities - net	1,790,456,262	387,647,640	-	2,178,103,902

Debt securities classified by the remaining maturity as at December 31, 2019 were as follows:

	Separate financial statements			
	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	19,899,617	460,309,466	5,514,941	485,724,024
Private debt securities	222,999,940	356,767,955	17,600,000	597,367,895
<u>Add Unrealized gain</u>	38,988	3,749,000	352,011	4,139,999
Total available-for-sale debt securities	242,938,545	820,826,421	23,466,952	1,087,231,918
Total debt securities - net	242,938,545	820,826,421	23,466,952	1,087,231,918

Debt securities classified by the remaining maturity as at December 31, 2018 were as follows:

	Separate financial statements			
	Within 1 year Baht	Maturities 1 - 5 years Baht	Over 5 years Baht	Total Baht
Available-for-sale debt securities				
Government and state enterprise securities	-	137,118,023	-	137,118,023
<u>Less Unrealized loss</u>	-	(599,584)	-	(599,584)
Total available-for-sale debt securities	-	136,518,439	-	136,518,439
Total debt securities - net	-	136,518,439	-	136,518,439

As at December 31, 2019 and 2018, certain investment in securities (certain government and state enterprise securities and certain deposits at bank) of the Group are pledged and used for assets reserved with the Registrar (see Note 34).

As at December 31, 2019 and 2018, premium saving certificates of its subsidiary were used as collateral for insured drivers are the alleged offenders amounting to Baht 3.15 million and Baht 4.50 million, respectively (see Note 35.1) (Company: Nil).

As at December 31, 2019 and 2018, 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 35.2).

As at December 31, 2019 and 2018, certain of bank deposits are pledged as collateral for loans to employees amounting to Baht 196.55 million and Baht 193.64 million, respectively. (Company: Baht 12.93 million and Baht 12.74 million, respectively) (see Note 35.3).

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
Loans to employee	Not exceed Baht 100,000 per person	3.85

11. INVESTMENTS IN A SUBSIDIARY AND AN ASSOCIATE

11.1 Investment in an associate in the consolidated financial statements

As at December 31, 2019 and 2018, 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					
			Percentage of shareholding		Cost		Carrying value under equity method	
			2019	2018	2019	2018	2019	2018
			percent	percent	Baht	Baht	Baht	Baht
Associated company								
Allianz Ayudhya Assurance Ptc.	Life Insurance	Thailand	31.97	20.17	5,455,863,220	1,487,263,618	10,715,017,755	2,977,370,666

On April 30, 2019, the Company issued the increased share capital of 74.43 million ordinary shares to Allianz SE and CPRN (Thailand) Limited (“CPRNT”) at Baht 53.32 per share, at par value of Baht 1.00 per share by swap with the ordinary shares of Allianz Ayudhya Assurance Public Company Limited (“AZAY”) of 34.81 million shares at Baht 114 per share, at the par value of Baht 10.00 per share, from Allianz SE and CPRNT as equivalent to Baht 3,968.60 million. Subsequently, the Company had the total investment as at December 31, 2019 of 94,310,280 ordinary shares or 31.97% of the paid-up capital of AZAY.

As at December 31, 2019 and 2018, an associate had total assets and total liabilities as follows:

	As at December 31, 2019	Baht: million As at December 31, 2018
Total assets	217,956.31	189,124.25
Total liabilities	190,673.41	174,602.51

For the years ended December 31, 2019 and 2018, an associate had total revenues, net income and net of other comprehensive income as follows:

	Baht: million	
	For the years ended December 31,	
	2019	2018
Total revenues	38,982.13	39,131.41
Net income	2,044.46	2,517.07
Items that will not be reclassified subsequently to profit or loss		
Actuarial losses on defined employee benefit plans	(35.15)	(8.73)
Income tax relating to items that will not be reclassified subsequently	7.03	1.75
Other comprehensive loss - net of income tax	<u>(28.12)</u>	<u>(6.98)</u>
Items that will be reclassified subsequently to profit or loss		
Gain on cash flow hedges	754.69	186.47
Gain (loss) on revaluation of available-for-sale securities	14,792.97	(3,915.53)
Income tax relating to items that will be reclassified subsequently	<u>(3,109.53)</u>	<u>774.48</u>
Other comprehensive income (loss) - net of income tax	<u>12,438.13</u>	<u>(2,954.58)</u>

The consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2019 and 2018 recognized share of profit, resulting from portion of holding of investment in an associate as follows:

	Baht: million	
	For the years ended December 31,	
	2019	2018
Share of profit on investment in an associate	553.25	507.68
Items that will not be reclassified subsequently to profit or loss		
Share of other comprehensive loss in an associate	(10.27)	(1.76)
Income tax relating to items that will not be reclassified subsequently	2.05	0.35
Share of other comprehensive loss in an associate - net of income tax	<u>(8.22)</u>	<u>(1.41)</u>
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) in an associate	4,706.70	(752.14)
Income tax relating to items that will be reclassified subsequently	<u>(941.34)</u>	<u>156.21</u>
Share of other comprehensive income (loss) in an associate - net of income tax	<u>3,765.36</u>	<u>(595.93)</u>

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

	Baht: million	
	As at	
	December 31,	
	2019	2018
Net assets of an associate	27,282.90	14,521.74
Proportion of the Group's ownership interest in an associate (%)	31.97	20.17
	<u>8,722.23</u>	<u>2,928.97</u>
Investment amount over net assets at investment date	1,992.79	48.40
Carrying amount of the Group's interest in an associate	<u>10,715.02</u>	<u>2,977.37</u>

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

As at December 31, 2019 and 2018, investments in a subsidiary and an associate were as follows:

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend	
	2019	2018	2019	2018	2019	2018	2019	2018
	Baht	Baht	(%)	(%)	Baht	Baht	Baht	Baht
Associated company								
Allianz Ayudhya								
Assurance Plc.	2,950,000,000	2,950,000,000	31.97	20.17	5,455,863,220	1,487,263,618	541,341,007	287,981,355
Subsidiary company								
Allianz Ayudhya								
General Insurance Plc.	2,548,800,000	1,800,000,000	99.99	99.99	2,572,378,981	1,823,578,981	-	53,999,994

On April 30, 2019, the subsidiary increased share capital of Baht 748.80 million. The subsidiary received the payment of the increased share capital and registered the corresponding increase in its paid-up capital with the Ministry of Commerce on the same date.

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 income	Received date
Date	Dividend per share (Baht)	Total (Baht million)	Date	Dividend per share (Baht)	Total (Baht million)	(Baht million)	
April 9, 2018	5.57	1,643.15	May 23, 2018	4.84	1,427.80	287.98	June 20, 2018
August 15, 2019	5.74	1,693.30	July 3, 2019	5.74	1,693.30	541.34	September 19, 2019

12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment - net as at December 31, 2019 and 2018 consisted of the following

	Consolidated financial statements											
	Cost					Accumulated depreciation						
	As at January 1, 2019	Increase	Disposal/ Write off	Transfer from AZTH (see Note 1)	As at December 31, 2019	As at January 1, 2019	Depreciation	Disposal/ Write off	Transfer from AZTH (see Note 1)	As at December 31, 2019	Beginning balance of property, plant and equipment - net as at January 1, 2019	Ending balance of property, plant and equipment - net as at December 31, 2019
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Land	1,610,500	-	-	-	1,610,500	-	-	-	-	-	1,610,500	1,610,500
Building	773,500	-	-	-	773,500	(773,498)	-	-	(773,498)	2	2	2
Leasehold improvement	56,012,687	3,078,501	(7,119,558)	15,423,015	67,394,645	(41,672,254)	6,499,730	(5,625,794)	(50,299,744)	14,340,433	17,094,901	17,094,901
Furniture, fixtures and office equipment	66,114,030	4,207,359	(16,164,989)	57,358,213	111,514,613	(58,365,080)	(8,022,375)	15,898,299	(37,684,527)	7,748,950	23,340,930	23,340,930
Vehicles	37,037,748	-	(10,549,825)	-	26,487,923	(20,985,587)	(6,184,456)	7,389,075	(19,780,968)	16,052,161	6,706,955	6,706,955
Leasehold improvement under installation	-	538,380	-	-	538,380	-	-	-	-	-	-	538,380
Total	161,548,465	7,824,240	(33,834,372)	72,781,228	208,319,561	(121,796,419)	(23,708,257)	29,787,104	(43,310,321)	(159,027,893)	39,752,046	49,291,668

	Consolidated financial statements											
	Cost					Accumulated depreciation						
	As at January 1, 2018	Increase	Disposal/ Write off	Transfer from AZTH (see Note 1)	As at December 31, 2018	As at January 1, 2018	Depreciation	Disposal/ Write off	Transfer from AZTH (see Note 1)	As at December 31, 2018	Beginning balance of property, plant and equipment - net as at January 1, 2018	Ending balance of property, plant and equipment - net as at December 31, 2018
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Land	1,610,500	-	-	-	1,610,500	-	-	-	-	-	1,610,500	1,610,500
Building	773,500	-	-	-	773,500	(773,498)	-	-	(773,498)	2	2	2
Leasehold improvement	55,508,764	961,779	(457,856)	(457,856)	56,012,687	(34,017,912)	(8,077,140)	422,798	(41,672,254)	21,490,852	14,340,433	14,340,433
Furniture, fixtures and office equipment	65,412,583	2,785,621	(2,084,174)	(2,084,174)	66,114,030	(55,360,806)	(5,088,356)	2,084,082	(58,365,080)	10,051,777	7,748,950	7,748,950
Vehicles	39,315,393	2,955,000	(5,232,645)	(5,232,645)	37,037,748	(19,233,018)	(6,542,623)	4,790,054	(20,985,587)	20,082,375	16,052,161	16,052,161
Total	162,620,740	6,702,400	(7,774,675)	(7,774,675)	161,548,465	(109,385,234)	(19,708,119)	7,296,934	(121,796,419)	53,235,506	39,752,046	39,752,046

Separate financial statements

	Cost				Accumulated depreciation				Ending balance of property, plant and equipment - net as at December 31, 2019
	As at January 1, 2019	Increase	Disposal / Write off	As at December 31, 2019	Depreciation	Disposal / Write off	As at December 31, 2019	Beginning balance of property, plant and equipment - net as at January 1, 2019	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Land	1,610,500	-	-	1,610,500	-	-	-	1,610,500	1,610,500
Building	773,500	-	-	773,500	(773,498)	-	(773,498)	2	2
Leasehold improvement	4,455,947	-	(4,112,371)	343,576	(1,283)	4,111,416	(343,433)	2,381	143
Furniture, fixtures and office equipment	2,989,759	32,275	(1,963,741)	1,058,293	(34,412)	1,939,375	(971,022)	113,774	87,271
Vehicles	8,167,825	-	(8,167,825)	-	(1,063,914)	5,007,078	-	4,224,661	-
Total	17,997,531	32,275	(14,243,937)	3,785,869	(1,099,609)	11,057,869	(2,087,953)	5,951,318	1,697,916

Separate financial statements

	Cost				Accumulated depreciation				Ending balance of property, plant and equipment - net as at December 31, 2018
	As at January 1, 2018	Increase	Disposal / Write off	As at December 31, 2018	Depreciation	Disposal / Write off	As at December 31, 2018	Beginning balance of property, plant and equipment - net as at January 1, 2018	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Land	1,610,500	-	-	1,610,500	-	-	-	1,610,500	1,610,500
Building	773,500	-	-	773,500	(773,498)	-	(773,498)	2	2
Leasehold improvement	4,455,947	-	-	4,455,947	(4,246,231)	(207,335)	(4,453,566)	209,716	2,381
Furniture, fixtures and office equipment	2,927,548	62,211	-	2,989,759	(2,679,602)	(196,383)	(2,875,985)	247,946	113,774
Vehicles	8,167,825	-	-	8,167,825	(2,760,248)	(1,182,916)	(3,943,164)	5,407,577	4,224,661
Total	17,935,320	62,211	-	17,997,531	(10,459,579)	(1,586,634)	(12,046,213)	7,475,741	5,951,318

Depreciation of the Group for the years ended December 31, 2019 and 2018, amounting to Baht 23.71 million and Baht 19.71 million, respectively, were included in operating expenses (Company: for the years ended December 31, 2019 and 2018 Baht 1.10 million and Baht 1.59 million, respectively).

As at December 31, 2019 and 2018, certain property, plant and equipment of the Group at cost of Baht 84.07 million and Baht 67.29 million, respectively, were fully depreciated but still in use (Company: Baht 2.05 million and Baht 9.91 million, respectively).

13. GOODWILL

During the year 2019, the subsidiary has considered the fair value of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the account "Goodwill" in the amount of Baht 508.88 million (see Note 1) by considering the information from the purchase price allocation report of an independent appraiser and other relevant factors obtained within from the acquisition date to the purchase price allocation report date.

Separate financial statements

	Cost			Accumulated amortization			Ending balance of intangible assets - net as at December 31, 2019
	As at January 1, 2019	Increase	Transfer in (transfer out)	As at January 1, 2019	Amortization	As at December 31, 2019	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Purchase/subsequently acquire							
Computer software	40,800	-	-	(40,776)	-	(40,776)	24
Computer software in process	-	1,968,386	-	-	-	-	1,968,386
Total	40,800	1,968,386	-	(40,776)	-	(40,776)	1,968,410

Separate financial statements

	Cost			Accumulated amortization			Ending balance of intangible assets - net as at December 31, 2018
	As at January 1, 2018	Increase	Transfer in (transfer out)	As at January 1, 2018	Amortization	As at December 31, 2018	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Purchase/subsequently acquire							
Computer software	40,800	-	-	(40,776)	-	(40,776)	24
Total	40,800	-	-	(40,776)	-	(40,776)	24

Amortization of the Group for the years ended December 31, 2019 and 2018, amounting to Baht 22.91 million and Baht 16.63 million, respectively, were included in operating expenses (Company: Nil).

As at December 31, 2019 and 2018, certain intangible assets of the Group at cost of Baht 54.18 million and Baht 53.11 million, respectively, were fully amortized but still in use (Company : Baht 0.04 million).

15. DEFERRED TAX ASSETS - NET

Deferred tax assets - net as at December 31, 2019 and 2018 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Deferred tax assets - net	328,449,690	228,962,877	26,643,700	44,147,684

Movements of deferred tax assets for the years ended December 31, 2019 and 2018 consisted of tax effects from the following items:

	Consolidated financial statements				
	As at January 1, 2019	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Deferred tax assets transfer from AZTH (See Note 1)	As at December 31, 2019
	Baht	Baht	Baht	Baht	Baht
Deferred tax assets					
Allowance for doubtful accounts					
- Premium due and uncollected	1,130,249	3,265,422	-	2,224,645	6,620,316
Allowance for doubtful accounts					
- Other receivable	566,723	-	-	-	566,723
Unearned premium reserve	102,450,347	(58,436,298)	-	56,047,041	100,061,090
Claim reserve - net	47,163,272	35,921,040	-	53,924,596	137,008,908
Claim incurred but not reported	15,737,219	4,047,930	-	6,119,788	25,904,937
Employee benefit obligations	13,730,193	7,244,348	(1,213,841)	-	19,760,700
Reinsurance payable	879,504	(879,504)	-	-	-
Accrued expense	-	(6,788,460)	-	18,628,693	11,840,233
Unrealized loss on the change in fair value of investment in available-for-sale securities	51,942,970	-	(23,531,763)	-	28,411,207
Allowance for impairment of general investment	301,424	-	-	-	301,424
Others	-	(68,939)	-	2,982,115	2,913,176
	<u>233,901,901</u>	<u>(15,694,461)</u>	<u>(24,745,604)</u>	<u>139,926,878</u>	<u>333,388,714</u>
Deferred tax liabilities					
Unrealized gain on transfer of investments	(4,939,024)	-	-	-	(4,939,024)
	<u>(4,939,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,939,024)</u>
Deferred tax assets - net	<u>228,962,877</u>	<u>(15,694,461)</u>	<u>(24,745,604)</u>	<u>139,926,878</u>	<u>328,449,690</u>

	Consolidated financial statements			
	As at	Transactions	Transaction	As at
	January 1,	recognized in	recognized in	December 31,
	2018	profit or loss	other	2018
		comprehensive		
		income or loss		
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	890,249	240,000	-	1,130,249
Allowance for doubtful accounts				
- Other receivable	566,723	-	-	566,723
Unearned premium reserve	86,045,459	16,404,888	-	102,450,347
Unrealized loss on the change in fair value of investment in available-for-sale securities	10,260,536	-	41,682,434	51,942,970
Loss reserve - net	46,072,365	1,090,907	-	47,163,272
Incurred but not reported claims	15,366,479	370,740	-	15,737,219
Employee benefit obligations	12,677,762	1,052,431	-	13,730,193
Allowance for impairment of general investment	301,424	-	-	301,424
Reinsurance payable	431,500	448,004	-	879,504
	<u>172,612,497</u>	<u>19,606,970</u>	<u>41,682,434</u>	<u>233,901,901</u>
Deferred tax liabilities				
Unrealized (gain) loss on the change in value of investment in available-for-sale securities	(505,172)	-	505,172	-
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	<u>(5,444,196)</u>	<u>-</u>	<u>505,172</u>	<u>(4,939,024)</u>
Deferred tax assets - net	<u>167,168,301</u>	<u>19,606,970</u>	<u>42,187,606</u>	<u>228,962,877</u>

	Separate financial statements			
	As at	Transactions	Transaction	As at
	January 1,	recognized in	recognized in	December 31,
	2019	profit or loss	other	2019
		comprehensive		
		income or loss		
	Baht	Baht	Baht	Baht
Deferred tax assets				
Unrealized loss on the change in fair value of investment in available-for-sale securities	47,854,285	-	(18,106,829)	29,747,456
Employee benefit obligations	930,999	409,048	193,797	1,533,844
Allowance for impairment of general investment	301,424	-	-	301,424
	<u>49,086,708</u>	<u>409,048</u>	<u>(17,913,032)</u>	<u>31,582,724</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	<u>(4,939,024)</u>	<u>-</u>	<u>-</u>	<u>(4,939,024)</u>
Deferred tax assets - net	<u>44,147,684</u>	<u>409,048</u>	<u>(17,913,032)</u>	<u>26,643,700</u>

	Separate financial statements			
	As at January 1, 2018	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	As at December 31, 2018
	Baht	Baht	Baht	Baht
Deferred tax assets				
Unrealized loss on the change in fair value of investment in available-for-sale securities	10,260,536	-	37,593,749	47,854,285
Employee benefit obligations	858,781	72,218	-	930,999
Allowance for impairment of general investment	301,424	-	-	301,424
	<u>11,420,741</u>	<u>72,218</u>	<u>37,593,749</u>	<u>49,086,708</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939,024)	-	-	(4,939,024)
	<u>(4,939,024)</u>	<u>-</u>	<u>-</u>	<u>(4,939,024)</u>
Deferred tax assets - net	<u>6,481,717</u>	<u>72,218</u>	<u>37,593,749</u>	<u>44,147,684</u>

Income tax expense for the years ended December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Income tax expense from taxable income per income tax return	-	66,719,026	-	802,427
Deferred tax expenses relating to the origination and reversal of temporary differences	15,694,461	(19,606,970)	(409,048)	(72,218)
Income tax expense (benefit) per the statements of profit or loss and other comprehensive income	<u>15,694,461</u>	<u>47,112,056</u>	<u>(409,048)</u>	<u>730,209</u>

Reconciliation of effective tax rate for the years ended December 31, 2019 and 2018 are as follows:

	Consolidated financial statements			
	2019		2018	
	Tax Rate (%)	Amount (Baht)	Tax Rate (%)	Amount (Baht)
Income before income tax expense		<u>205,322,687</u>		<u>797,360,359</u>
Income tax using the corporation tax rate	20.00	41,064,537	20.00	159,472,072
Tax effect of non-deductible expenses (benefits)	(49.45)	(101,542,068)	(14.09)	(112,360,016)
Reversal unutilized deferred tax assets in the future	23.21	47,659,958	-	-
Effect of tax losses not recognized as deferred tax assets	13.88	28,512,034	-	-
Income tax expense per the statements of profit or loss and other comprehensive income	<u>7.64</u>	<u>15,694,461</u>	<u>5.91</u>	<u>47,112,056</u>

	Separate financial statements			
	2019		2018	
	Tax Rate (%)	Amount Baht	Tax Rate (%)	Amount Baht
Income before income tax expense		456,783,243		394,205,505
Income tax using the corporation tax rate	20.00	91,356,649	20.00	78,841,101
Tax effect of non-deductible expenses (benefits)	(24.50)	(111,895,667)	(19.81)	(78,110,892)
Effect of tax losses not recognized as deferred tax asset	4.41	20,129,970	-	-
Income tax expense per the statements of profit or loss and other comprehensive income	(0.09)	(409,048)	0.19	730,209

16. OTHER ASSETS

Other assets as at December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Other receivables	29,590,069	12,358,709	-	-
<u>Less</u> Allowance for doubtful accounts	<u>(2,833,615)</u>	<u>(2,833,615)</u>	-	-
	<u>26,756,454</u>	<u>9,525,094</u>	-	-
Revenue Department receivable	20,282,633	8,862,972	3,154,855	1,128,325
Receivable from sale of securities	-	19,438,686	-	17,310,381
Refundable corporate income tax	15,349,099	13,826,983	1,522,116	-
Prepaid expenses	9,606,655	9,985,662	541,089	1,147,460
Due from rice field insurance scheme	47,482,809	10,499,920	-	-
Accrued loss recovery	48,801,003	-	-	-
Deposits	10,021,517	8,118,253	1,431,493	1,431,493
Undue input value added tax	7,246,027	221,866	254	87,515
Others	1,126,522	2,366,417	1,001,161	1,983,143
Total other assets	<u>186,672,719</u>	<u>82,845,853</u>	<u>7,650,968</u>	<u>23,088,317</u>

17. INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		
	As at December 31, 2019		
	Insurance contract liabilities Baht	Reinsurance liabilities (see Note 7) Baht	Net Baht
Loss reserves			
Loss incurred and agreed	2,273,230,637	(1,477,735,884)	795,494,753
Loss incurred but not reported	187,472,400	(57,947,715)	129,524,685
	<u>2,460,703,037</u>	<u>(1,535,683,599)</u>	<u>925,019,438</u>
Premium reserve			
Unearned Premium reserve	3,337,238,173	(1,205,520,361)	2,131,717,812
Total	<u>5,797,941,210</u>	<u>(2,741,203,960)</u>	<u>3,056,737,250</u>

Consolidated financial statements			
As at December 31, 2018			
	Insurance contract liabilities Baht	Reinsurance liabilities (see Note 7) Baht	Net Baht
Loss reserves			
Loss incurred and agreed	650,631,275	(412,976,971)	237,654,304
Loss incurred but not reported	114,756,048	(36,069,954)	78,686,094
	<u>765,387,323</u>	<u>(449,046,925)</u>	<u>316,340,398</u>
Premium reserve			
Unearned Premium reserve	1,679,388,839	(621,263,266)	1,058,125,573
Total	<u>2,444,776,162</u>	<u>(1,070,310,191)</u>	<u>1,374,465,971</u>

17.1 Insurance reserve for short term insurance contract

17.1.1 Claim reserves

Claim reserves as at December 31, 2019 and 2018 consisted of the following:

Consolidated financial statements			
	2019		
	Gross Baht	Reinsurance Baht	Net Baht
Balance as at beginning year	765,387,323	(449,046,925)	316,340,398
Loss incurred and loss adjustment expenses during the year	3,141,502,831	(1,153,339,890)	1,988,162,941
Changing on estimated loss and assumptions used in calculating loss reserve	(621,815,563)	550,123,456	(71,692,107)
Loss paid during the year	(2,909,908,470)	1,141,002,197	(1,768,906,273)
Loss reserves and outstanding claim transfer from AZTH (see Note 1)	2,085,536,916	(1,624,422,437)	461,114,479
Balance as at ending year	<u>2,460,703,037</u>	<u>(1,535,683,599)</u>	<u>925,019,438</u>

Consolidated financial statements			
	2018		
	Gross Baht	Reinsurance Baht	Net Baht
Balance as at beginning year	677,169,649	(367,077,629)	310,092,020
Loss incurred and loss adjustment expenses during the year	1,471,680,175	(739,478,802)	732,201,373
Changing on estimated loss and assumptions used in calculating loss reserve	(31,914,990)	30,352,430	(1,562,560)
Loss paid during the year	(1,351,547,511)	627,157,076	(724,390,435)
Balance as at ending year	<u>765,387,323</u>	<u>(449,046,925)</u>	<u>316,340,398</u>

17.1.2 Unearned premium reserve

Consolidated financial statements			
2019			
	Gross Baht	Reinsurance Baht	Net Baht
As at January 1,	1,679,388,839	(621,263,266)	1,058,125,573
Premium written for the year	5,757,300,140	(2,290,389,853)	3,466,910,287
Earned premium for the year	(5,683,692,992)	2,276,036,605	(3,407,656,387)
Premium reserves and transfer from AZTH (see Note 1)	1,584,242,186	(569,903,847)	1,014,338,339
As at December 31,	<u>3,337,238,173</u>	<u>(1,205,520,361)</u>	<u>2,131,717,812</u>

Consolidated financial statements			
2018			
	Gross Baht	Reinsurance Baht	Net Baht
As at January 1,	1,391,825,555	(524,960,285)	866,865,270
Premium written for the year	3,396,369,722	(1,435,936,031)	1,960,433,691
Earned premium for the year	(3,108,806,438)	1,339,633,050	(1,769,173,388)
As at December 31,	<u>1,679,388,839</u>	<u>(621,263,266)</u>	<u>1,058,125,573</u>

17.1.3 Unexpired risk reserve

As at December 31, 2019, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Group amounting to Baht 1,868.91 million gross and Baht 1,387.45 million net of reinsurance (As at December 31, 2018: Baht 800.00 million and Baht 614.83 million, respectively), is lower than the unearned premium reserve.

17.2 Claims development tables

17.2.1 Analysis of claims development - gross

As at December 31, 2019

Accident year/ reported year	2015	2016	2017	2018	2019	Unit: Baht
						Total
Estimate of ultimates:						
- End of accident year	2,841,657,249	2,812,467,386	2,899,142,575	4,024,019,113	3,807,601,944	
- One year later	3,001,651,739	2,774,378,566	2,758,138,863	3,632,050,153		
- Two year later	2,908,908,132	2,733,171,858	2,764,663,032			
- Three year later	2,912,881,061	2,725,205,702				
- Four year later	2,851,960,509					
Absolute estimated loss						
reserve and outstanding claim	2,851,960,509	2,725,205,702	2,764,663,032	3,632,050,153	3,807,601,944	15,781,481,340
Accumulative claim paid	<u>(2,831,821,574)</u>	<u>(2,674,889,372)</u>	<u>(2,676,761,997)</u>	<u>(3,126,116,853)</u>	<u>(2,197,769,676)</u>	<u>(13,507,359,472)</u>
Total Loss reserves	<u>20,138,935</u>	<u>50,316,330</u>	<u>87,901,035</u>	<u>505,933,300</u>	<u>1,609,832,268</u>	<u>2,274,121,868</u>
Loss reserves before year 2015						<u>186,581,169</u>
Total Loss reserves						<u>2,460,703,037</u>

As at December 31, 2018

Accident year/ reported year	2014	2015	2016	2017	2018	Unit: Baht Total
Estimate of ultimates:						
- End of accident year	1,212,296,655	1,254,927,855	1,577,788,345	1,475,254,921	1,471,680,175	
- One year later	1,348,431,604	1,354,581,249	1,495,751,219	1,421,699,758		
- Two year later	1,297,549,606	1,345,364,241	1,485,429,012			
- Three year later	1,260,772,359	1,359,655,800				
- Four year later	1,250,171,970					
Absolute estimated loss reserve and outstanding claim	1,250,171,970	1,359,655,800	1,485,429,012	1,421,699,758	1,471,680,175	6,988,636,715
Accumulative claim paid	(1,222,617,736)	(1,269,884,711)	(1,480,765,162)	(1,371,522,402)	(895,903,470)	(6,240,693,481)
Total Loss reserves	27,554,234	89,771,089	4,663,850	50,177,356	575,776,705	747,943,234
Loss reserves before year 2014						17,444,089
Total Loss reserves						765,387,323

17.2.2 Analysis of claims development - net

As at December 31, 2019

Accident year/ reported year	2015	2016	2017	2018	2019	Unit: Baht Total
Estimate of ultimates:						
- End of accident year	1,537,625,093	1,654,966,787	1,698,005,441	2,027,943,956	2,341,471,895	
- One year later	1,610,661,315	1,606,463,847	1,649,769,231	1,956,230,406		
- Two year later	1,524,981,353	1,589,684,575	1,653,168,450			
- Three year later	1,525,177,142	1,589,927,058				
- Four year later	1,511,100,590					
Absolute estimated loss reserve and outstanding claim	1,511,100,590	1,589,927,058	1,653,168,450	1,956,230,406	2,341,471,895	9,051,898,399
Accumulative claim paid	(1,502,339,162)	(1,588,171,344)	(1,641,276,549)	(1,860,031,883)	(1,561,975,218)	(8,153,794,156)
Total Loss reserves	8,761,428	1,755,714	11,891,901	96,198,523	779,496,677	898,104,243
Loss reserves before year 2015						26,915,195
Total Loss reserves						925,019,438

As at December 31, 2018

Accident year/ reported year	2014	2015	2016	2017	2018	Unit: Baht Total
Estimate of ultimates:						
- End of accident year	768,730,145	776,824,943	937,638,433	789,687,000	732,201,373	
- One year later	827,187,455	843,209,923	910,224,015	755,132,564		
- Two year later	802,549,106	839,193,110	903,888,981			
- Three year later	803,571,388	842,613,661				
- Four year later	803,279,080					
Absolute estimated loss reserve and outstanding claim	803,279,080	842,613,661	903,888,981	755,132,564	732,201,373	4,037,115,659
Accumulative claim paid	(798,761,562)	(813,318,662)	(901,835,021)	(733,993,717)	(478,186,897)	(3,726,095,859)
Total Loss reserves	4,517,518	29,294,999	2,053,960	21,138,847	254,014,476	311,019,800
Loss reserves before year 2014						5,320,598
Total Loss reserves						316,340,398

18. AMOUNTS DUE TO REINSURERS

Amounts due to reinsurers as at December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Amounts withheld on reinsurance	1,152,998,234	523,912,151
Reinsurance payables	791,673,752	154,419,687
Total amounts due to reinsurers	1,944,671,986	678,331,838

19. EMPLOYEE BENEFIT OBLIGATIONS

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

Movements in the present value of the employee benefit obligations as at December 31, 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Present value of obligation at the beginning of the years	89,971,578	86,823,217	4,654,996	4,293,904
Current service cost of the years	46,350,181	8,693,209	1,959,245	316,153
Interest cost	2,473,065	2,052,152	130,720	96,180
Actuarial loss	(6,069,205)	-	968,984	-
Benefit paid during the years	(17,141,301)	(7,597,000)	-	-
Transfer benefit to subsidiary company	-	-	(44,726)	(51,241)
Transferred benefits from AZTH (see Note 1)	19,933,674	-	-	-
Present value of obligation at the ending of the years	135,517,992	89,971,578	7,669,219	4,654,996

The expenses that were recorded in the statement of profit or loss and other comprehensive income for employee benefit obligations for the years ended December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current service cost	46,350,181	8,693,209	1,959,245	316,153
Interest cost	2,473,065	2,052,152	130,720	96,180
Actuarial (gain) loss				
- From financial assumptions changes	1,738,767	-	91,496	-
- From demographic assumptions changes	(12,195,162)	-	818,226	-
- From experience adjustments	4,387,190	-	59,262	-
Total employee benefit expenses	42,754,041	10,745,361	3,058,949	412,333

For the years ended December 31, 2019 and 2018, the Group recognized actuarial gain (loss) in the consolidated and separate statements of profit or loss and other comprehensive income as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Actuarial gain (loss)	6,069,205	-	(968,984)	-
Deferred tax	(1,213,841)	-	193,797	-
Actuarial gain (loss) on defined employee benefit plans - net of income tax	4,855,364	-	(775,187)	-

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

	The Company		The subsidiary	
	2019	2018	2019	2018
Financial assumptions				
Discount rate (%)	2.04	2.24	2.16	2.37
Expected rate of salary increase (%)	5	5	5	5
Demographic assumptions				
Turnover rate (%) subject to range of age of employees	3,10,13	3,10,17	10,15,25	3,10,17
Retirement age (years)	60	60	60	60

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

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Financial assumptions				
Discount rate - 1 % increase	(12,349,727)	(8,245,262)	(417,787)	(275,891)
Discount rate - 1 % decrease	14,030,014	9,483,336	452,594	301,414
Expected rate of salary - 1% increase	13,027,666	9,995,059	364,014	349,924
Expected rate of salary - 1% decrease	(11,714,162)	(8,834,791)	(343,061)	(325,879)
Demographic assumptions				
Turnover rate - 1% increase	(13,056,462)	(8,621,672)	(432,101)	(285,784)
Turnover rate - 1% decrease	3,236,061	2,476,217	5,409	3,975
Life expectancy - 1 year increase	729,777	467,211	19,370	12,488
Life expectancy - 1 year decrease	(725,562)	(464,368)	(19,324)	(12,452)

The sensitivity analysis presented above may not be representative of the actual change in the employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the employee benefit obligations at the end of the report period have been calculated using the Projected Unit Credit Method, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

Maturity analysis of the benefit payments of the post-employment benefits obligation as at December 31, 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	3,238,073	1,741,223	773,520	-
Over 1 to 5 years	31,423,122	23,373,365	5,016,503	735,000
Over 5 years	100,856,797	64,856,990	1,879,196	3,919,996
Total	<u>135,517,992</u>	<u>89,971,578</u>	<u>7,669,219</u>	<u>4,654,996</u>

On April 5, 2019, the Labor Protection Act (No. 7) B.E. 2562 had been announced in the Royal Gazette which will be effective after 30 days from the date announced in the Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Group reflected the effect of such change by recognizing past service cost as an expense for the years ended December 31, 2019 in the consolidated and separate statements of profit or loss and other comprehensive income in amount of Baht 29.60 million and Baht 1.60 million, respectively.

20. OTHER LIABILITIES

Other liabilities as at December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Other payables - promotion expense	69,342,696	38,209,288	-	-
Amount received in advance - premium	95,127,051	41,107,006	-	-
Revenue Department payable	11,103,566	8,079,044	258,763	681,061
Undue output VAT	23,791,106	2,107,300	-	-
Contribution to non-life guarantee fund	15,809,567	8,358,595	-	-
Others	66,302,170	11,452,856	1,968,386	-
Total other liabilities	<u>281,476,156</u>	<u>109,314,089</u>	<u>2,227,149</u>	<u>681,061</u>

21. SHARE CAPITAL

21.1 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 million 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.

- 21.2 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.
- 21.3 On June 15, 2018, the Company's issued and fully paid share capital has been 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.
- 21.4 On November 13, 2018, the Extraordinary general meeting of Shareholders of the Company passed resolutions to increase its registered share capital from the amount of Baht 375 million to Baht 463.47 million by issuing new 88.47 million ordinary shares at the par value of Baht 1.00 each, for the offering for sale to Allianz SE and CPRN (Thailand) Limited, The Company registered the increase of its share capital with Ministry of Commerce on November 23, 2018.
- 21.5 On December 17, 2018, the Company's issued and fully paid share capital has been increased from Baht 293.91 million (293.91 million ordinary shares with a par value of Baht 1 each) to Baht 296.42 million (296.42 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 2.51 million (2.51 million ordinary shares with a value of Baht 1 each), resulting in an increase in total share premium to Baht 95.44 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on December 21, 2018.
- 21.6 On April 30, 2019, the Company received capital increase each from Allianz SE and CPRN (Thailand) Co., Ltd. of Baht 4,717.40 million (88.47 million shares at Baht 53.32 per share, at a par value of Baht 1). The fully paid share capital has been increased from Baht 296.42 million (296.42 million ordinary shares with a par value of Baht 1 each) to Baht 384.89 million (384.89 million ordinary shares with a par value of Baht 1 each), resulting in an increase in total share premium to Baht 4,628.93 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on April 30, 2019 (see Note 1).

- 21.7 On June 17, 2019, the Company's issued and fully paid share capital has been increased from Baht 384.89 million (384.89 million ordinary shares with a par value of Baht 1 each) to Baht 384.91 million (384.91 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 19,775 (19,775 ordinary shares with a par value of Baht 1 each), resulting in an increase in total share premium to Baht 0.75 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on June 24, 2019.
- 21.8 On December 16, 2019, the Company's issued and fully paid share capital has been increased from Baht 384.91 million (384.91 million ordinary shares with a par value of Baht 1 each) to Baht 384.96 million (384.96 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 54,900 (54,900 ordinary shares with a par value of Baht 1 each), resulting in an increase in total share premium to Baht 2.09 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on December 18, 2019.

22. WARRANTS

The Company allocated and issued warrants to purchase ordinary shares, which is specified warrant's holder and transferable type, 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 years ended December 31, 2019 and 2018 were as follows:

	2019		2018	
	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,	78,582,882	39.00	-	-
Issued warrants	-	-	124,999,807	39.00
Forfeited warrants	-	-	-	-
Exercised warrants	(74,675)	39.00	(46,416,925)	39.00
Balance as at December 31,	78,508,207	39.00	78,582,882	39.00

As at December 31, 2019 and 2018, the outstanding warrants of AYUD-W1 to purchase ordinary shares of the Company are 78,508,207 units and 78,582,882 units, respectively. A weighted average exercise price is Baht 39 per share. A weighted average remaining warrants life is at 0.35 years and 1.35 years, respectively.

23. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Group must allocate to a reserve fund from the annual net profit of the year, not less than 5% of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than 10% of the authorized capital. Such reserve fund is not available for distribution as dividend.

As at December 31, 2019 and 2018, the Company already had legal reserve of not less than 10% of the authorized capital.

24. FINANCIAL INFORMATION BY SEGMENT

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

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

For the years ended December 31, 2019 and 2018, there was no revenue from a single external customer contributed 10% or more to the Group's total revenue.

The financial information of the Group for the years ended December 31, 2019 and 2018 were presented by business segment as follows:

Unit: Baht

	Consolidated financial statements							
	For the years ended December 31,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external	4,066,912,921	2,293,467,006	508,078,408	448,719,990	(541,341,007)	(341,981,349)	4,033,650,322	2,400,205,647
Share of profit on investment in an associate	-	-	553,245,448	507,683,013	-	-	553,245,448	507,683,013
Other income	34,126,713	3,462,420	9,474,955	16,670,662	(11,202,713)	(17,270,662)	32,398,955	2,862,420
Total revenues	4,101,039,634	2,296,929,426	1,070,798,811	973,073,665	(552,543,720)	(359,252,011)	4,619,294,725	2,910,751,080
Insurance business expenses	3,507,692,477	1,753,627,784	-	-	-	-	3,507,692,477	1,753,627,784
Directors and key management personnel's remuneration	114,879,769	45,528,715	13,008,059	20,657,523	-	-	127,887,828	66,186,238
Other expenses	782,753,175	260,319,737	47,762,061	50,527,624	(11,202,713)	(17,270,662)	819,312,523	293,576,699
Income tax expense (benefit)	16,103,509	46,381,847	(409,048)	730,209	-	-	15,694,461	47,112,056
Net income (loss)	(320,389,296)	191,071,343	1,010,437,739	901,158,309	(541,341,007)	(341,981,349)	148,707,436	750,248,303

Assets and liabilities of the Group as at December 31, 2019 and 2018 were presented by business segment as follows:

Unit: Baht

	Consolidated financial statements							
	As at December 31,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets	12,581,777,910	5,887,690,338	15,255,750,359	7,278,233,246	(21,049,257)	(20,331,282)	27,816,479,012	13,145,592,302
Liabilities	10,047,858,273	3,850,432,481	24,984,538	28,188,722	(1,700,000)	(982,025)	10,071,142,811	3,877,639,178

25. OPERATING EXPENSES

Operating expenses for the years ended December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Employee benefit expenses, excluded underwriting and loss adjustment expenses	390,778,748	151,022,529	16,532,008	20,838,327
Premises and equipment expense, excluded underwriting expenses	151,780,633	110,441,376	8,579,229	8,643,817
Taxes and duties	1,308,304	1,281,831	25,439	30,775
Bad debt and allowance for doubtful accounts	23,257,122	1,543,819	-	-
Directors' remuneration	14,484,941	16,374,346	10,044,133	11,142,767
Management fee	46,757,506	-	-	-
Marketing and promotion expenses	13,149,695	12,291,793	-	-
Professional fee	207,408,587	29,782,637	18,499,817	25,426,613
Other operating expense	57,354,025	37,024,606	7,089,494	5,102,848
Total operating expenses	906,279,561	359,762,937	60,770,120	71,185,147

26. EMPLOYEE EXPENSES

Employee expenses for the years ended December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salary and wage	349,747,934	212,158,161	9,797,018	15,455,448
Social fund expenses	4,803,604	3,697,727	39,000	48,750
Employee benefit expenses	59,504,100	10,745,361	2,089,965	412,333
Provident fund (see Note 33)	13,682,373	10,941,886	402,084	188,357
Other benefits	127,670,767	77,144,457	4,203,941	4,733,439
Total employee expenses	<u>555,408,778</u>	<u>314,687,592</u>	<u>16,532,008</u>	<u>20,838,327</u>

27. GAIN (LOSS) ON INVESTMENT

Gain (loss) on investment for the years ended December 31, 2019 and 2018 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Gain (loss) on sale of investment in available-for-sale securities				
- government bonds	(18,396)	-	(1,693)	-
- ordinary shares	(125,349,098)	31,356,565	(98,089,103)	30,706,052
- unit trusts	32,587,174	37,182,142	31,273,072	37,182,142
Loss on sale of investment in held-for-trading securities				
- ordinary shares	(5,318,813)	(6,363,492)	(2,745,000)	(1,831,184)
Total gain (loss) on investment in securities	<u>(98,099,133)</u>	<u>62,175,215</u>	<u>(69,562,724)</u>	<u>66,057,010</u>

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

Effect from income tax relating to components of other comprehensive income for the years ended December 31, 2019 and 2018, are as follows:

	Consolidated financial statements					
	2019			2018		
	Before tax Baht	Benefit (expense) of tax Baht	Net of tax Baht	Before tax Baht	Benefit (expense) of tax Baht	Net of tax Baht
Item that will not be reclassified subsequently to profit or loss						
Actuarial loss on deficit employee benefit plans	6,069,205	(1,213,841)	4,855,364	-	-	-
Share of other comprehensive income (loss) in an associate	(10,267,890)	2,053,824	(8,214,066)	(1,761,007)	352,161	(1,408,846)
Item that will be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of available-for-sale securities	117,658,816	(23,531,763)	94,127,053	(210,938,029)	42,187,606	(168,750,423)
Share of other comprehensive income (loss) in an associate	4,706,695,390	(941,339,278)	3,765,356,112	(752,135,576)	156,209,211	(595,926,365)
Total	<u>4,820,155,521</u>	<u>(964,031,058)</u>	<u>3,856,124,463</u>	<u>(964,834,612)</u>	<u>198,748,978</u>	<u>(766,085,634)</u>

	Seperate financial statements					
	2019			2018		
	Before tax	Benefit (expense) of tax	Net of tax	Before tax	Benefit (expense) of tax	Net of tax
Baht	Baht	Baht	Baht	Baht	Baht	
Item that will not be reclassified subsequently to profit or loss						
Actuarial loss on deficit employee benefit plans	(968,984)	193,797	(775,187)	-	-	-
Item that will be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of available-for-sale securities	<u>90,534,147</u>	<u>(18,106,829)</u>	<u>72,427,318</u>	<u>(187,968,745)</u>	<u>37,593,749</u>	<u>(150,374,996)</u>
Total	<u>89,565,163</u>	<u>(17,913,032)</u>	<u>71,652,131</u>	<u>(187,968,745)</u>	<u>37,593,749</u>	<u>(150,374,996)</u>

29. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended December 31, 2019 and 2018 were as follows:

	Consolidated financial statements					
	For the years ended December 31,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
2019	2018	2019	2018	2019	2018	
Baht	Baht	shares	shares	Baht	Baht	
Basic earnings per share						
Profit attributable to shareholders of the Company	189,628,226	750,248,303	356,058,000	272,930,470	<u>0.53</u>	<u>2.75</u>
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	78,508,207	43,059,113		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>189,628,226</u>	<u>750,248,303</u>	<u>434,566,207</u>	<u>315,989,583</u>	<u>0.44</u>	<u>2.37</u>
	Separate financial statements					
	For the years ended December 31,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
2019	2018	2019	2018	2019	2018	
Baht	Baht	shares	shares	Baht	Baht	
Basic earnings per share						
Profit attributable to shareholders of the Company	457,192,291	393,475,296	356,058,000	272,930,470	<u>1.28</u>	<u>1.44</u>
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	78,508,207	43,059,113		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>457,192,291</u>	<u>393,475,296</u>	<u>434,566,207</u>	<u>315,989,583</u>	<u>1.05</u>	<u>1.25</u>

30. 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
Allianz SE	Ultimate parent company	Insurance
Allianz SE Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Technology SE	Related company of ultimate parent company	Information technology
Allianz Global Corporate&Speciality SE	Related company of ultimate parent company	Insurance
Allianz Global Corporate&Speciality AG	Related company of ultimate parent company	Insurance
Allianz Australia Limited	Related company of ultimate parent company	Insurance
Euler Hermes Deutschland	Related company of ultimate parent company	Insurance
Euler Hermes Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Fire and Marine Insurance Japan Ltd.	Related company of ultimate parent company	Insurance
Allianz General Insurance Malaysia Berhad	Related company of ultimate parent company	Insurance
Allianz Global Risks US Insurance Company	Related company of ultimate parent company	Insurance
AWP P&C S.A.	Related company of ultimate parent company	Service
Allianz Suisse Versicherungs-Gesellschaft AG	Related company of ultimate parent company	Insurance
Allianz China General Insurance Company Ltd.	Related company of ultimate parent company	Insurance
Allianz Benelux S.A	Related company of ultimate parent company	Insurance
AWP Services (Thailand) Co., Ltd.	Related company of ultimate parent company	Service
Allianz Technology (Thailand) Co., Ltd.	Related company of ultimate parent company	Information technology
Allianz General Insurance Plc.	Related company of ultimate parent company	Insurance
Allianz Investment Management Singapore Pte. Ltd.	Related company of ultimate parent company	Service
Allianz Global Investors Singapore Ltd.	Related company of ultimate parent company	Service
Allianz Ayudhya General Insurance Plc. (Formerly "Sri Ayudhya General Insurance Plc.")	Subsidiary	Insurance
Allianz Ayudhya Assurance Plc.	Associate	Life Insurance
CPRN (Thailand) Co., Ltd.	Related company of shareholders	Holding
Bangkok Broadcasting & Television Co., Ltd.	Related company of shareholders	Television
BBTV Equity Co., Ltd.	Related company of shareholders	Office Space Rental
Great Luck Equity Co., Ltd.	Related company of shareholders	Advertising
Bank of Ayudhya Plc.	Related company of shareholders	Banking
Krungsri Asset Management Co., Ltd.	Related company of shareholders	Fund management
Krungsri Securities Plc.	Related company of shareholders	Finance
Ayudhya Development Leasing Co., Ltd.	Related company of shareholders	Hire-purchase and leasing
Ayudhya Capital Auto Lease Plc.	Related company of shareholders	Hire-purchase and auto leasing
Siam City Cement Plc.	Related company of shareholders	Construction Materials
Eastern Star Real Estate Plc.	Related company of shareholders	Property
Super Asset Co., Ltd.	Related company of shareholders	Investments
CKS Holding Co., Ltd.	Related company of shareholders	Investments
Grand Canal Land Plc.	Related company of shareholders	Advertising
Krungsri Ayudhya AMC Ltd.	Related company of shareholders	Asset Management
Siam Realty and Service Co., Ltd.	Related company of shareholders	Services
Krungsri Factoring Co., Ltd.	Related company of shareholders	Factoring
Krungsriayudhya Card Co., Ltd.	Related company of shareholders	Services
Khao Kheow Country Club Co., Ltd.	Related company of shareholders	Golf club

Significant balances as at December 31, 2019 and December 31, 2018 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2019 Baht	As at December 31, 2018 Baht	As at December 31, 2019 Baht	As at December 31, 2018 Baht
Assets				
Related company of ultimate parent company				
Premium receivable	20,566	51,112	-	-
Amounts due from reinsurers	283,190,066	-	-	-
Other assets	24,969,450	-	-	-
Related company of shareholders				
Deposits at financial institutions	324,316,002	566,960,986	34,320,465	145,345,834
Premium receivable	2,816,843	7,121,209	-	-
Investment	2,390,751,938	3,172,101,057	2,390,751,938	3,170,061,057
Other assets	7,143,839	8,590,627	1,478,170	1,626,685
Subsidiary				
Other assets	-	-	-	982,023
Liabilities				
Related company of ultimate parent				
Amount withheld on reinsurance	453,859,713	-	-	-
Due to reinsurers	403,537,629	-	-	-
Other liabilities	67,371,702	-	-	-
Related company of shareholders				
Commission and brokerage payable	13,284,102	13,629,079	-	-
Accrued other - underwrite expenses	29,170,810	24,567,240	-	-
Other liabilities	5,957,478	7,876,333	-	182,542
Subsidiary				
Other liabilities	-	-	1,700,000	-

Significant transactions for the years ended December 31, 2019 and 2018 with related parties were as follows:

	Consolidated financial statements	
	For the year ended December 31, 2019 Baht	2018 Baht
Revenues		
Related company of ultimate parent company		
Claim recovered from reinsurers	71,763,827	-
Fee and commission income	97,463,782	-
Written Premium	386,928	399,573
Other income	25,749,300	-

	<u>Consolidated financial statements</u>	
	For the year ended December 31,	
	2019	2018
	Baht	Baht
Related company of shareholders		
Premium written	94,614,641	83,306,701
Net investment income	8,423,809	36,722,439
Other income	1,207,742	3,050,605
Expenses		
Related company of ultimate parent company		
Premiums ceded to reinsurers	544,093,616	-
Commission and brokerage expenses	187,319,959	-
Other expenses	311,245	-
Related company of shareholders		
Commission and brokerage expenses	195,209,135	173,968,044
Underwriting expenses	128,159,031	118,749,497
Other expenses	27,146,884	27,625,452
Associate		
Other expenses	1,026,048	-
	<u>Separate financial statements</u>	
	For the year ended December 31,	
	2019	2018
	Baht	Baht
Revenues		
Related company of shareholders		
Net investment income	8,423,809	36,722,439
Subsidiary		
Other income	9,152,712	16,670,662
Expenses		
Related company of ultimate parent company		
Other expenses	311,245	-
Related company of shareholders		
Other expenses	7,536,432	7,178,547
Associate		
Other expense	1,026,048	-
Subsidiary		
Other expense	2,050,000	600,000

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

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.

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

The Company and related companies enter into a management service agreement with the subsidiary company for providing managerial, investment 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.

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

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 managerial, investment 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.

31. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

The Group had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses for the years ended December 31, 2019 and 2018, as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Directors and key management personnel's remuneration				
Short-term benefits	123,319,289	60,745,591	12,251,864	18,175,642
Post-employment benefits	4,093,539	2,691,522	488,028	1,004,148
Directors' remuneration	<u>475,000</u>	<u>2,749,125</u>	<u>268,167</u>	<u>1,477,733</u>
	<u>127,887,828</u>	<u>66,186,238</u>	<u>13,008,059</u>	<u>20,657,523</u>

Directors' remuneration for the years 2019 and 2018 were approved by the ordinary shareholders' meeting of the Company held on April 26, 2019 and April 20, 2018, respectively.

Furthermore, directors' remuneration of the subsidiary for the years 2019 and 2018 were approved by the ordinary shareholders' meeting of the subsidiary held on April 26, 2019 and April 2, 2018, respectively.

32. DIVIDENDS

- 32.1 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.
- 32.2 On August 13, 2019, the Board of Directors' meeting passed a resolution to pay an interim dividend for the operating result from January 1, 2019 to June 30, 2019 of Baht 0.75 per share for 384.91 million shares, totaling Baht 288.68 million. Such dividend was paid on September 6, 2019.

33. PROVIDENT FUND

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

Year of services	Percentage
Less than 5 years	5
5 years and above	7

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

For the years ended December 31, 2019 and 2018, the Group's contributions recorded as expenses were Baht 13.68 million and Baht 10.94 million, respectively (Company: Baht 0.40 million and Baht 0.19 million, respectively) (see Note 26).

34. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2019 and 2018, certain investments 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	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Investments in securities used to secure the facilities collateral with the Office of Insurance Commission				
Securities pledged with the registrar				
Deposits at banks	14,000,000	14,000,000	-	-
Government and state enterprise securities	14,000,000	-	-	-
Assets reserved with the registrar				
Government and state enterprise securities	553,828,813	332,415,709	1,119,289	31,504,255
Total investments in securities of pledged	<u>581,828,813</u>	<u>346,415,709</u>	<u>1,119,289</u>	<u>31,504,255</u>

35. RESTRICTED ASSETS AND COMMITMENT

35.1 As at December 31, 2019 and 2018, the subsidiary has premium saving certificates amount of Baht 3.15 million and Baht 4.50 million, respectively were used as collateral in case where the insured drivers are the alleged offenders (see Note 9).

35.2 As at December 31, 2019 and 2018, the Group has credit facilities which was secured by deposit at bank of the Group in the same amount of credit limit as follows:

	Consolidated		Unit: Baht	
	financial statements		Separate	
	2019	2018	2019	2018
Overdraft facilities (see Note 9)	40,000,000	40,000,000	20,000,000	20,000,000
Borrowing facilities (Domestic Bill) (see Note 9)	10,000,000	10,000,000	10,000,000	10,000,000

35.3 As at December 31, 2019 and 2018, the Group had deposits at banks amounting to Baht 196.55 million and Baht 193.64 million, respectively were pledged as collateral for loans to employees (Company: Baht 12.93 million and Baht 12.74 million, respectively) (See Note 9).

36. CONTRIBUTION TO NON-LIFE GUARANTEE FUND

The subsidiary has accumulated funding amount which was paid into contribution to non-life guarantee fund as at December 31, 2019 and 2018 amounting to Baht 70.38 million and Baht 56.34 million, respectively.

37. LONG - TERM LEASES AND SERVICE AGREEMENTS

Long - term leases and service agreements as at December 31, 2019 and 2018 consisted of the following:

Type of leases	Consolidated financial statements		
	As at December 31, 2019		
	Remaining periods		Total rental
	Within	Over 1 year	payments for the
	1 year	to 5 years	remaining periods
	Baht	Baht	Baht
Building			
- related company	4,063,620	1,800,243	5,863,863
- others	3,154,405	4,381,893	7,536,298
Service			
- related company	2,636,220	207,900	2,844,120
- others	956,004	1,832,341	2,788,345
Equipment - related company	3,514,960	277,200	3,792,160
Vehicle - others	1,901,700	1,456,000	3,357,700
	<u>16,226,909</u>	<u>9,955,577</u>	<u>26,182,486</u>

Consolidated financial statements			
As at December 31, 2018			
Type of leases	Remaining periods		Total rental payments for the remaining periods Baht
	Within 1 year Baht	Over 1 year to 5 years Baht	
Building			
- related company	7,538,155	1,256,359	8,794,514
- others	8,025,895	6,135,035	14,160,930
Service			
- related company	7,538,155	1,256,359	8,794,514
Equipment - related company	10,050,874	1,675,146	11,726,020
	<u>33,153,079</u>	<u>10,322,899</u>	<u>43,475,978</u>

Separate financial statements			
As at December 31, 2019			
Type of leases	Remaining periods		Total rental payments for the remaining periods Baht
	Within 1 year Baht	Over 1 year to 5 years Baht	
Building			
- related company	289,800	-	289,800
Service			
- related company	289,800	-	289,800
Equipment			
- related company	386,400	-	386,400
	<u>966,000</u>	<u>-</u>	<u>966,000</u>

Separate financial statements			
As at December 31, 2018			
Type of leases	Remaining periods		Total rental payments for the remaining periods Baht
	Within 1 year Baht	Over 1 year to 5 years Baht	
Building			
- related company	1,738,800	289,800	2,028,600
Service			
- related company	1,738,800	289,800	2,028,600
Equipment			
- related company	2,318,400	386,400	2,704,800
	<u>5,796,000</u>	<u>966,000</u>	<u>6,762,000</u>

For the years ended December 31, 2019 and 2018, the Group recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental and service fees	42,737,036	33,793,236	5,796,000	5,796,000

38. CONTINGENT LIABILITIES AND COMMITMENT

- 38.1 As at December 31, 2019 and 2018, lawsuits have been brought against the subsidiary, as insurer, from which the subsidiary estimates losses totaling Baht 47.96 million and Baht 37.00 million, respectively. Such amount has been set aside in the loss reserve and outstanding claims accounts. The subsidiary's management believes that such estimation is adequate to losses and does not expect the outcome of the litigation to result in losses that materially differ from the recorded liability.
- 38.2 As at December 31, 2019 and 2018, the subsidiary had a commitment in respect of computer program development expenses in the amount of approximately Baht 10.57 million.

39. INSURANCE AND FINANCIAL RISK MANAGEMENT

39.1 Insurance risk

39.1.1 Insurance risk management policy

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

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

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

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

Product Design and Development and Price Structure

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

Underwriting strategy

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

Reinsurance strategy

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

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

39.1.2 Sensitivity analysis

The sensitivity analysis is performed on the net loss reserve and outstanding claims, based on changes in assumptions that may affect the level of liabilities. Effect of risk that changes in assumptions as at December 31, 2019 and 2018 are as follows:

	Consolidated financial statements	
	2019	
	Increase (decrease) in insurance contract liabilities Baht	Increase (decrease) in profit and equity Baht
Gross		
Loss ratio - 10% increase	430,558,072	(430,558,072)
Loss ratio - 10% decrease	(396,097,375)	396,097,375
Net		
Loss ratio - 10% increase	257,930,711	(257,930,711)
Loss ratio - 10% decrease	(228,283,060)	228,283,060

	Consolidated financial statements	
	2018	
	Increase (decrease) in insurance contract liabilities Baht	Increase (decrease) in profit and equity Baht
Gross		
Loss ratio - 10% increase	154,215,678	(154,215,678)
Loss ratio - 10% decrease	(148,944,399)	148,944,399
Net		
Loss ratio - 10% increase	81,447,496	(81,447,496)
Loss ratio - 10% decrease	(76,176,216)	76,176,216

39.1.3 Concentration of insurance risks

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

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

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

	Consolidated financial statements				
	Fire Baht	Marine Baht	Motor Baht	Miscellaneous Baht	Total Baht
December 31, 2019					
Gross	23,060,373	110,289,974	802,776,541	1,524,576,149	2,460,703,037
Net of reinsurance	15,315,526	15,765,102	682,321,637	211,617,173	925,019,438
December 31, 2018					
Gross	195,784,471	107,586,430	220,022,636	241,993,786	765,387,323
Net of reinsurance	56,970,494	23,300,623	146,553,110	89,516,171	316,340,398

39.2 Financial risk

39.2.1 Accounting policies

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

39.2.2 Liquidity risk

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

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

	Consolidated financial statements			
	Payment periods			
	Less than 1 year Baht	1 - 5 years Baht	5 - 10 years Baht	Total Baht
31 December 2019				
Insurance contract liabilities				
Loss reserves and outstanding claims	1,674,898,193	608,099,615	177,705,229	2,460,703,037
31 December 2018				
Insurance contract liabilities				
Loss reserves and outstanding claims	494,024,629	261,887,499	9,475,195	765,387,323

39.2.3 Credit risk

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

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

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

As at December 31, 2019 and 2018, the Group has receivable from reinsurance contracts of Baht 496.24 million and Baht 114.46 million, respectively, consists of local reinsurers in amount of Baht 96.34 million and Baht 19.10 million, respectively, which maintain Capital Adequacy Ratio according to Office of Insurance Commission criteria. In addition, the 96.97 and 99.77% of Foreign reinsurers in amount of Baht 399.90 million and Baht 95.36 million have financial rating not lower than A.

39.2.4 Interest rate risk

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

As at December 31, 2019 and 2018, significant financial assets classified by type of interest rate were as follows:

	Consolidated financial statements			
	Carrying amount as at			
	December 31, 2019		December 31, 2018	
	Variable interest rate Baht	Fixed interest rate Baht	Variable interest rate Baht	Fixed interest rate Baht
Cash and cash equivalents				
Saving accounts	499,558,384	-	358,772,327	-
Short-term investments	-	3,970,114,744	-	968,697,981
Investment in securities				
Available-for-sale securities				
Government and state enterprise securities	-	2,186,309,389	-	430,891,551
Private enterprise debt securities	-	1,382,735,643	-	-
Foreign debt securities	-	60,670,915	-	-
Held-to-maturity investment				
Government and state enterprise securities	-	249,148,848	-	1,747,212,351
Deposits at bank with maturity over 3 months	-	192,711,836	-	14,000,000
Deposits at bank used as collateral	12,928,248	247,623,659	193,676,866	233,268,345
Premium saving certificates used as collateral	-	13,950,000	-	15,750,000
Total	512,486,632	8,303,265,034	552,449,193	3,409,820,228
	Separate financial statements			
	Carrying amount as at			
	December 31, 2019		December 31, 2018	
	Variable interest rate Baht	Fixed interest rate Baht	Variable interest rate Baht	Fixed interest rate Baht
Cash and cash equivalents				
Saving accounts	14,369,266	-	101,432,485	-
Short-term investments	-	162,937,325	-	-
Investment in securities				
Available-for-sale securities				
Government and state enterprise securities	-	488,168,891	-	136,518,439
Private enterprise debt securities	-	599,063,027	-	-
Held-to-maturity investment				
Deposits at bank with maturity over 3 months	-	184,000,000	-	14,000,000
Deposits at bank used as collateral	12,928,248	30,000,000	12,739,072	30,000,000
Total	27,297,514	1,464,169,243	114,171,557	180,518,439

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

Consolidated financial statements					
As at December 31, 2019					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Cash and cash equivalents					
Short-term investments	3,970,114,744	-	-	3,970,114,744	1.29
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	1,181,279,795	999,433,147	5,596,447	2,186,309,389	1.53
Private enterprise debt securities	462,667,138	902,198,000	17,870,505	1,382,735,643	1.99
Foreign debt securities	-	60,670,915	-	60,670,915	3.00
Held-to-maturity securities					
Government and state enterprise securities	249,148,848	-	-	249,148,848	1.75
Deposits at bank with maturity over 3 months	191,993,125	718,711	-	192,711,836	1.59
Deposits at bank used as collateral	247,623,659	-	-	247,623,659	1.45
Premium saving certificates used as collateral	13,950,000	-	-	13,950,000	0.40
Total	6,316,777,309	1,963,020,773	23,466,952	8,303,265,034	
Consolidated financial statements					
As at December 31, 2018					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Cash and cash equivalents					
Short-term investments	968,697,981	-	-	968,697,981	1.19
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	43,243,912	387,647,639	-	430,891,551	1.94
Held-to-maturity securities					
Government and state enterprise securities	1,747,212,351	-	-	1,747,212,351	1.50
Deposits at bank with maturity over 3 months	14,000,000	-	-	14,000,000	1.10
Deposits at bank used as collateral	219,268,345	14,000,000	-	233,268,345	1.31
Premium saving certificates used as collateral	2,750,000	13,000,000	-	15,750,000	0.60
Total	2,995,172,589	414,647,639	-	3,409,820,228	
Separate financial statements					
As at December 31, 2019					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Cash and cash equivalents					
Short-term investments	162,937,325	-	-	162,937,325	1.13
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	19,922,844	462,649,600	5,596,447	488,168,891	1.51
Debentures	24,023,085	358,176,821	17,870,505	400,070,411	1.89
Bill of exchange	198,992,616	-	-	198,992,616	1.70
Held-to-maturity securities					
Deposits at bank	184,000,000	-	-	184,000,000	1.60
Deposits at bank used as collateral	30,000,000	-	-	30,000,000	0.80
Total	619,875,870	820,826,421	23,466,952	1,464,169,243	

Separate financial statements					
As at December 31, 2018					
	Period specified for fixing new interest rate			Total Baht	Average interest rate %
	Within 1 year Baht	1-5 years Baht	Over 5 years Baht		
Investment in securities					
Available-for-sale securities					
Government and state enterprise securities	-	136,518,439	-	136,518,439	1.75
Held-to-maturity securities					
Deposits at bank	14,000,000	-	-	14,000,000	1.10
Deposits at bank used as collateral	30,000,000	-	-	30,000,000	0.80
Total	44,000,000	136,518,439	-	180,518,439	

39.2.5 Equity risk

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

39.2.6 Fair value measurements

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

39.2.6.1 Financial assets or financial liabilities measured at fair value

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

	Consolidated financial statements			
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2019 Baht	2018 Baht		
Financial assets				
Government and state enterprise securities	2,186,309,389	430,891,551	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate.
Private debt securities	1,382,735,643	-	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate.
Foreign debt securities	60,670,915	-	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate.

Consolidated financial statements				
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2019 Baht	2018 Baht		
Equity securities	521,361,006	951,855,461	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	2,464,956,631	3,290,240,499	Level 2	The unit trust's net asset value of the last working day of the reporting period
Separate financial statements				
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2019 Baht	2018 Baht		
<u>Financial assets</u>				
Government and state enterprise securities	488,168,891	136,518,439	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Private debt securities	599,063,027	-	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	521,361,006	650,751,774	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	2,464,956,631	3,263,882,567	Level 2	The unit trust's net asset value of the last working day of the reporting period

39.2.6.2 Financial assets or financial liabilities not measured at fair value

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

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

	Fair value hierarchy	Consolidated financial statements			
		As at December 31, 2019		As at December 31, 2018	
		Carrying amount Baht	Fair value Baht	Carrying amount Baht	Fair value Baht
<u>Financial assets</u>					
Held-to-maturity securities	Level 2	716,362,591	716,875,303	2,203,907,562	2,204,389,440

Fair value hierarchy		Separate financial statements			
		As at December 31, 2019		As at December 31, 2018	
		Carrying amount Baht	Fair value Baht	Carrying amount Baht	Fair value Baht
<u>Financial assets</u>					
Held-to-maturity securities	Level 2	226,928,248	226,928,248	56,739,072	56,739,072

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

39.3 Capital management

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

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

As at December 31, 2019 and 2018, the Company's capital level is maintained according such notifications.

40. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for issuance by the Company's Board of Directors on February 21, 2020.