
*ALLIANZ AYUDHYA CAPITAL PUBLIC
COMPANY LIMITED AND SUBSIDIARY*

Interim Financial Statements

*Three-month and nine-month periods ended
September 30, 2019*



บริษัท ดีลอยท์ ทูเช่ โทมัทสு ไซยอส
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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

TO THE BOARD OF DIRECTORS

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED

(FORMERLY "SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED")

We have reviewed the consolidated statement of financial position of Allianz Ayudhya Capital Public Company Limited and its subsidiary and the separate statement of financial position of Allianz Ayudhya Capital Public Company Limited as at September 30, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period ended September 30, 2019, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

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

BANGKOK
November 13, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2019	2018	2019	2018
ASSETS					
Cash and cash equivalents	5	7,185,515	1,341,340	1,189,195	101,356
Premium receivable - net	6	633,003	271,750	-	-
Accrued investment income		7,539	4,498	2,840	429
Reinsurance assets	7	3,007,765	1,070,310	-	-
Amounts due from reinsurers	8	449,840	114,461	-	-
Investments					
Investments in securities	9	5,227,411	6,896,385	3,366,245	4,125,890
Loans	10	33	29	-	-
Investment in an associate	11	11,140,132	2,977,371	5,455,863	1,487,264
Investment in a subsidiary	11	-	-	2,572,379	1,823,579
Property, plant and equipment - net	12	58,029	39,752	5,044	5,951
Goodwill	1	467,956	-	-	-
Intangible assets		148,025	51,029	-	-
Deferred tax assets - net	13	426,070	228,963	28,726	44,148
Deferred commissions expenses		72,398	66,858	-	-
Other assets	14	261,478	82,846	7,121	23,088
TOTAL ASSETS		29,085,194	13,145,592	12,627,413	7,611,705

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2019

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2019	2018	2019	2018
LIABILITIES AND EQUITY					
Insurance liabilities	15	6,060,265	2,444,776	-	-
Amounts due to reinsurers	16	1,872,031	678,332	-	-
Payable from purchase of securities		1,311,342	1,977	-	982
Income tax payable		90,021	53,595	-	129
Employee benefit obligations	17	144,014	89,972	7,547	4,655
Premium written received in advance		417,893	370,220	-	-
Commissions and brokerages payables		92,736	54,202	-	-
Accrued expenses		258,254	75,251	12,633	21,742
Other liabilities	18	287,074	109,314	27,977	681
TOTAL LIABILITIES		10,533,630	3,877,639	48,157	28,189
EQUITY					
Share capital	19				
Authorized share capital					
463,473,361 ordinary shares of					
Baht 1.00 each		463,473	463,473	463,473	463,473
Issued and paid-up share capital					
384,910,061 ordinary shares of					
Baht 1.00 each, fully paid		384,910		384,910	
296,416,925 ordinary shares of					
Baht 1.00 each, fully paid			296,417		296,417
Premium on share capital		9,905,705	5,276,027	9,905,705	5,276,027
Retained earnings					
Appropriated					
Legal reserve		50,000	50,000	50,000	50,000
Unappropriated		3,287,746	3,179,207	2,366,055	2,152,489
Other components of equity					
Deficit on available-for-sale securities		(122,660)	(207,772)	(127,414)	(191,417)
Share of other comprehensive income					
of an associate		5,045,863	674,074	-	-
TOTAL EQUITY		18,551,564	9,267,953	12,579,256	7,583,516
TOTAL LIABILITIES AND EQUITY		29,085,194	13,145,592	12,627,413	7,611,705

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenues					
Gross premium written		1,716,389	945,653	-	-
<u>Less</u> Premium ceded to reinsurers		714,807	423,585	-	-
Net premium written		1,001,582	522,068	-	-
<u>Less</u> Unearned premium reserve increase (decrease)					
from previous period		(22,045)	66,016	-	-
Net premium earned		1,023,627	456,052	-	-
Fee and commission income		179,653	106,664	-	-
Net investment income		32,551	23,911	548,762	9,458
Gain (loss) on investment in securities		(95,941)	6,974	(66,843)	6,909
Gain on fair value adjustment		5,032	19,268	10,066	10,239
Share of profit on investment in an associate	11.1	80,656	92,539	-	-
Other income		9,792	201	602	3,967
Total revenues		1,235,370	705,609	492,587	30,573
Expenses					
Gross claim		1,059,860	283,460	-	-
<u>Less</u> Claim recovered from reinsurers		448,194	121,466	-	-
Commissions and brokerage expenses		214,042	118,606	-	-
Other underwriting expenses		208,379	142,924	-	-
Operating expenses		248,324	86,979	9,343	15,071
Total expenses		1,282,411	510,503	9,343	15,071
Income (loss) before income tax expense		(47,041)	195,106	483,244	15,502
Income tax expense (benefit)		(15,472)	16,899	(1,311)	(69)
Net income (loss)		(31,569)	178,207	484,555	15,571

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED”

Baht: '000

	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					
Share of other comprehensive loss of an associate	11.1	(12,676)	(1,620)	-	-
Income tax relating to items that will not be reclassified subsequently		2,535	324	-	-
		(10,141)	(1,296)	-	-
Items that will be reclassified subsequently to profit or loss					
Gain on revaluation of available-for-sale securities		18,758	90,128	11,354	73,897
Share of other comprehensive income of an associate	11.1	3,452,196	71,057	-	-
Income tax relating to items that will be reclassified subsequently		(694,191)	(34,788)	(2,271)	(14,779)
		2,776,763	126,397	9,083	59,118
Other comprehensive income for the periods, net of income tax		2,766,622	125,101	9,083	59,118
Total comprehensive income for the periods		2,735,053	303,308	493,638	74,689
Earnings (loss) per share	22				
Basic earnings (loss) per share	Baht	(0.08)	0.67	1.26	0.06
Weighted average number of ordinary shares (Thousand shares)		384,910	265,761	384,910	265,761
Diluted earnings (loss) per share	Baht	(0.07)	0.60	1.05	0.05
Weighted average number of ordinary shares (Thousand shares)		463,473	297,842	463,473	297,842

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Revenues					
Gross premium written		3,998,219	2,488,906	-	-
<u>Less</u> Premium ceded to reinsurers		1,573,935	1,077,699	-	-
Net premium written		2,424,284	1,411,207	-	-
<u>Less</u> Unearned premium reserve increase from previous period		34,579	109,665	-	-
Net premium earned		2,389,705	1,301,542	-	-
Fee and commission income		440,634	301,565	-	-
Net investment income		90,651	86,641	566,671	389,760
Gain (loss) on investment in securities		(67,879)	34,912	(38,328)	35,676
Gain (loss) on fair value adjustment		14,964	(9,996)	15,264	(3,352)
Share of profit on investment in an associate	11.1	371,112	323,446	-	-
Other income		18,721	696	9,217	12,247
Total revenues		3,257,908	2,038,806	552,824	434,331
Expenses					
Gross claim		1,889,772	1,137,469	-	-
<u>Less</u> Claim recovered from reinsurers		676,697	598,878	-	-
Commissions and brokerage		521,410	340,599	-	-
Other underwriting expenses		538,591	387,638	-	-
Operating expenses		567,191	252,122	50,186	53,684
Total expenses		2,840,267	1,518,950	50,186	53,684
Income before income tax expense		417,641	519,856	502,638	380,647
Income tax expense (benefit)		17,877	31,206	(385)	(2)
Net income		399,764	488,650	503,023	380,649

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED”

Baht: '000

	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		6,069	-	(969)	-
Share of other comprehensive loss of an associate	11.1	(9,248)	(3,440)	-	-
Income tax relating to items that will not be reclassified subsequently		636	688	194	-
		<u>(2,543)</u>	<u>(2,752)</u>	<u>(775)</u>	<u>-</u>
Items that will be reclassified subsequently to profit or loss					
Gain (loss) on revaluation of available-for-sale securities		106,390	(65,618)	80,004	(60,341)
Share of other comprehensive income (loss) of an associate	11.1	5,464,736	(757,033)	-	-
Income tax relating to items that will be reclassified subsequently		(1,114,225)	170,312	(16,001)	12,068
		<u>4,456,901</u>	<u>(652,339)</u>	<u>64,003</u>	<u>(48,273)</u>
Other comprehensive income (loss) for the periods, net of income tax		<u>4,454,358</u>	<u>(655,091)</u>	<u>63,228</u>	<u>(48,273)</u>
Total comprehensive income (loss) for the periods		<u><u>4,854,122</u></u>	<u><u>(166,441)</u></u>	<u><u>566,251</u></u>	<u><u>332,376</u></u>
Earnings per share	22				
Basic earnings per share	Baht	1.15	1.84	1.45	1.43
Weighted average number of ordinary shares (Thousand shares)		346,332	265,761	346,332	265,761
Diluted earnings per share	Baht	0.94	1.64	1.18	1.28
Weighted average number of ordinary shares (Thousand shares)		424,895	297,842	424,895	297,842

See condensed notes to financial statements

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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Baht: '000

CONSOLIDATED FINANCIAL STATEMENTS

	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total equity
				Appropriated Statutory reserve	Unappropriated	Surplus (deficit) on available-for-sale securities	Share of other comprehensive income of an associate	
Beginning balance as at January 1, 2018		250,000	3,512,184	50,000	2,650,797	(39,021)	1,270,000	7,693,960
Increase capital	19.3	43,905	1,668,399	-	-	-	-	1,712,304
Net income		-	-	-	488,650	-	-	488,650
Other comprehensive loss		-	-	-	(2,752)	(52,494)	(599,845)	(655,091)
Interim dividends	25.1	-	-	-	(220,429)	-	-	(220,429)
Ending balance as at September 30, 2018		293,905	5,180,583	50,000	2,916,266	(91,515)	670,155	9,019,394
Beginning balance as at January 1, 2019		296,417	5,276,027	50,000	3,179,207	(207,772)	674,074	9,267,953
Increase capital	19.6 and 19.7	88,493	4,629,678	-	-	-	-	4,718,171
Net income		-	-	-	399,764	-	-	399,764
Other comprehensive income (loss)		-	-	-	(2,543)	85,112	4,371,789	4,454,358
Interim dividends	25.2	-	-	-	(288,682)	-	-	(288,682)
Ending balance as at September 30, 2019		384,910	9,905,705	50,000	3,287,746	(122,660)	5,045,863	18,551,564

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED”

Baht: '000

SEPARATE FINANCIAL STATEMENTS

	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	Total equity
				Appropriated Statutory reserve	Unappropriated		
Beginning balance as at January 1, 2018		250,000	3,512,184	50,000	1,979,443	(41,042)	5,750,585
Increase capital	19.3	43,905	1,668,399	-	-	-	1,712,304
Net income		-	-	-	380,649	-	380,649
Other comprehensive loss		-	-	-	-	(48,273)	(48,273)
Interim dividends	25.1	-	-	-	(220,429)	-	(220,429)
Ending balance as at September 30, 2018		293,905	5,180,583	50,000	2,139,663	(89,315)	7,574,836
Beginning balance as at January 1, 2019		296,417	5,276,027	50,000	2,152,489	(191,417)	7,583,516
Increase capital	19.6 and 19.7	88,493	4,629,678	-	-	-	4,718,171
Net income		-	-	-	503,023	-	503,023
Other comprehensive income (loss)		-	-	-	(775)	64,003	63,228
Interim dividends	25.2	-	-	-	(288,682)	-	(288,682)
Ending balance as at September 30, 2019		384,910	9,905,705	50,000	2,366,055	(127,414)	12,579,256

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED”

Baht: '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2019	2018	2019	2018
CASH FLOWS PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Direct premium received		3,968,001	2,472,924	-	-
Cash paid to reinsurance		(99,394)	(151,583)	-	-
Interest income		4,843	19,787	1,691	4,393
Dividend income		575,126	340,208	564,430	387,247
Other income		19,105	695	10,209	15,861
Loss incurred from direct insurance		(1,916,005)	(966,726)	-	-
Commission and brokerage paid from direct insurance		(526,613)	(336,799)	-	-
Other underwriting expenses		(538,009)	(385,422)	-	-
Operating expenses		(537,038)	(174,011)	(30,245)	(27,730)
Income tax expense		(67,964)	(13,791)	(1,370)	(625)
Investments in securities		4,085,807	(2,203,155)	68,252	(1,933,056)
Deposits at bank with maturity over 3 months and deposits used as collateral		228,767	(16,963)	14,000	-
Loans		(4)	15	-	-
Net cash provided by (used in) operating activities		<u>5,196,622</u>	<u>(1,414,821)</u>	<u>626,967</u>	<u>(1,553,910)</u>
CASH FLOWS PROVIDED BY (USED IN)					
INVESTING ACTIVITIES					
CASH FLOWS PROVIDED BY					
Property, plant and equipment		<u>22</u>	<u>466</u>	<u>-</u>	<u>-</u>
Cash provided by investing activities		<u>22</u>	<u>466</u>	<u>-</u>	<u>-</u>
CASH FLOWS USED IN					
Paid for purchase entire business transfer		(848,800)	-	-	-
Property, plant and equipment		(4,680)	(5,041)	(17)	(1)
Intangible assets		(7,276)	(527)	-	-
Cash used in investing activities		<u>(860,756)</u>	<u>(5,568)</u>	<u>(17)</u>	<u>(1)</u>
Net cash used in investing activities		<u>(860,734)</u>	<u>(5,102)</u>	<u>(17)</u>	<u>(1)</u>
CASH FLOWS PROVIDED BY (USED IN)					
FINANCING ACTIVITIES					
Increase capital		749,571	1,712,304	749,571	1,712,304
Dividends paid		(288,682)	(220,429)	(288,682)	(220,429)
Net cash provided by financing activities		<u>460,889</u>	<u>1,491,875</u>	<u>460,889</u>	<u>1,491,875</u>
Net increase (decrease) in cash and cash equivalents		4,796,777	71,952	1,087,839	(62,036)
Cash and cash equivalents as at January 1,		1,341,340	1,401,893	101,356	181,095
Cash received from the entire business transfer	1	1,047,398	-	-	-
Cash and cash equivalents as at September 30,		<u>7,185,515</u>	<u>1,473,845</u>	<u>1,189,195</u>	<u>119,059</u>

See condensed notes to financial statements

**ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONDENSED NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019
“UNAUDITED”**

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 4.2).
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 19.6), 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.

Book values of assets and liabilities of AZTH transferred to the subsidiary on the date of acquisition were as follows:

	Baht: '000
	Book value 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
Leasehold improvement and equipment	29,471
Intangible assets	106,158
Deferred tax assets	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	232,950
Other liabilities	173,431
Total liabilities	<u>4,945,711</u>
Book values of assets and liabilities	380,844
Cash paid for purchase entire business transfer	<u>(848,800)</u>
Goodwill	<u>467,956</u>

As at September 30, 2019, the subsidiary was in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. It is to be completed within the period of twelve months from the acquisition date. The subsidiary will retrospectively adjust provisional amounts recognised at the acquisition date, recognise additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2018) "Interim Financial Reporting" and accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business B.E. 2559 dated March 4, 2016. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 These interim consolidated financial statements include the financial statements of Allianz Ayudhya Capital Public Company Limited and Allianz Ayudhya General Insurance Public Company Limited which is 99.99% owned by the Company (see Note 11). Material intercompany transactions between the Company and the subsidiary have been eliminated from these interim consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2019 have included the subsidiary's interim financial statements for the three-month and nine-month periods ended September 30, 2019 which were reviewed.

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

- 2.3 The consolidated and separate statements of financial position as at December 31, 2018, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.4 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.5 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2019 should be read in conjunction with the audited financial statements for the year ended December 31, 2018.
- 2.6 The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 (Revised 2018) also requires the Company's management to exercise judgements in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

2.7 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current period financial statements

During the period, the Company 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 significant impact on the Company'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.

2.8 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 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, as follows:

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 of 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 an 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 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 of these accounting guidelines prior to the effective date for the financial statements beginning on or after January 1, 2019 onwards only. If an entity adopts these accounting guidelines prior to the effective date, the entity is required to disclose such adoption. However, the Company’s management does not adopt such accounting guidelines for financial instruments and disclosures on insurance business prior to the effective date.

Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

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 is in the process to assess the impact of such TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2018. Moreover, the Group purchased the entire business transfer during this period so there is additional relevant accounting policy as follows:

Goodwill

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 Company assesses an impairment of goodwill annually, without consideration of indication that such goodwill may be impaired.

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

4. ADDITIONAL INFORMATION FOR CASH FLOWS

Non-cash items of premises and equipment for the nine-month periods ended September 30, 2019 and 2018 consisted of the following:

	Baht: '000	
	Consolidated	
	financial statements	
	For the nine-month periods	
	ended September 30,	
	2019	2018
Other payable - fixed assets as at January 1,	480	31
<u>Add</u> Purchases of fixed assets	7,448	5,052
<u>Less</u> Cash paid for purchase of fixed assets	(4,680)	(5,041)
<u>Less</u> Loss from exchange of fixed assets	(15)	-
Other payable - fixed assets as at September 30,	<u>3,233</u>	<u>42</u>

4.2 For the nine-month period ended September 30, 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 September 30, 2019 and December 31, 2018, consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Cash	374	290	10	10
Cheques on hand	35,296	11,046	-	-
Deposits at bank - at call	3,831,935	361,306	1,189,185	101,346
Short-term investments	3,317,910	968,698	-	-
Cash and cash equivalents	<u>7,185,515</u>	<u>1,341,340</u>	<u>1,189,195</u>	<u>101,356</u>

6. PREMIUM RECEIVABLE - NET

Premium receivable - net as at September 30, 2019 and December 31, 2018 consisted of the following:

	Consolidated	
	financial statements	
	From direct insurance As at September 30, 2019	As at December 31, 2018
Within credit terms	422,546	218,651
Less than 30 days	80,255	29,434
31 - 60 days	71,476	7,308
61 - 90 days	15,417	9,125
Over 90 days	78,898	12,883
Total premium receivable	<u>668,592</u>	<u>277,401</u>
Less Allowance for doubtful accounts	<u>(35,589)</u>	<u>(5,651)</u>
Premium receivable - net	<u>633,003</u>	<u>271,750</u>

7. REINSURANCE ASSETS

Reinsurance assets as at September 30, 2019 and December 31, 2018 consisted of the following:

	Consolidated	
	financial statements	
	As at September 30, 2019	As at December 31, 2018
Insurance reserve refundable from reinsurers		
Loss reserves		
Unearned premium reserve	1,904,510	449,047
- Unearned reinsurance premium reserve	1,103,255	621,263
Total reinsurance assets (see Note 15)	<u>3,007,765</u>	<u>1,070,310</u>

8. AMOUNTS DUE FROM REINSURERS

Amounts due from reinsurers as at September 30, 2019 and December 31, 2018 consisted of the following:

	Baht: '000 Consolidated financial statements	
	As at September 30, 2019	As at December 31, 2018
Amounts due from reinsurers	449,840	114,461

9. INVESTMENTS IN SECURITIES

Investments in securities as at September 30, 2019 and December 31, 2018 consisted of the following:

	Baht: '000 Consolidated financial statements			
	As at September 30, 2019		As at December 31, 2018	
	Cost/Amortized	Fair value	Cost/Amortized	Fair value
	Cost	Cost	Cost	Cost
Held-for-trading securities				
Equity securities	-	-	185,244	156,855
<u>Less</u> Unrealized loss	-	-	(28,389)	-
Total held for-trading-securities	-	-	156,855	156,855
Available-for-sale securities				
Government and state enterprise securities	1,492,065	1,495,663	431,692	430,892
Private debt securities	422,097	423,645	-	-
Foreign debt securities	59,926	60,547	-	-
Equity securities	2,855,036	2,695,903	4,344,156	4,085,241
Total	4,829,124	4,675,758	4,775,848	4,516,133
<u>Less</u> Unrealized loss	(153,366)	-	(259,715)	-
Total available-for-sale securities	4,675,758	4,675,758	4,516,133	4,516,133
Held-to-maturity securities				
Government and state enterprise securities	248,065		1,747,212	
Deposits at bank with maturity over 3 months	224,772		207,677	
Deposits at bank used as collateral	44,000		233,268	
Premium saving certificates used as collateral	14,750		15,750	
Total held-to-maturity securities	531,587		2,203,907	
General investment				
Equity securities	21,573		20,997	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
Total general investment	20,066		19,490	
Total investments in securities - net	5,227,411		6,896,385	

Baht: '000

	Separate financial statements			
	As at September 30, 2019		As at December 31, 2018	
	Cost/Amortized cost	Fair value	Cost/Amortized cost	Fair value
Held-for-trading securities				
Equity securities	-	-	95,147	79,883
<u>Less</u> Unrealized loss	-	-	(15,264)	-
Total held-for-trading securities	-	-	79,883	79,883
Available-for-sale securities				
Government and state enterprise securities	503,897	505,096	137,118	136,519
Private debt securities	131,219	131,152	-	-
Equity securities	2,829,659	2,669,260	4,073,423	3,834,751
Total	3,464,775	3,305,508	4,210,541	3,971,270
<u>Less</u> Unrealized loss	(159,267)	-	(239,271)	-
Total available-for-sale securities	3,305,508	3,305,508	3,971,270	3,971,270
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	12,739		26,739	
Deposits at bank used as collateral	30,000		30,000	
Total held-to-maturity securities	42,739		56,739	
General investment				
Equity securities	19,505		19,505	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
Total general investment	17,998		17,998	
Total investments in securities - net	3,366,245		4,125,890	

As at September 30, 2019 and December 31, 2018, certain investments in securities (certain government and state enterprise securities and certain deposits at bank) of the Group are deposited as collateral and reserve with Registrar (see Note 26).

As at September 30, 2019 and December 31, 2018, certain premium saving certificates of its subsidiary were used as collateral for insured driver amounting to Baht 4.30 million and Baht 4.50 million, respectively (see Note 27.1) (Company: Nil).

As at September 30, 2019 and December 31, 2018, certain deposits at a 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 27.2).

10. LOANS

Loans of the subsidiary were loans to employees with personal guarantee in accordance with the welfare policy of 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 September 30, 2019 and December 31, 2018, the Company had investment in an associated company accounted for under equity method in the consolidated financial statements as follows:

Baht: '000								
Consolidated financial statements								
Company name	Nature of business	Place of incorporation and operation	Percentage of shareholding		Cost		Carrying value under equity method	
			As at September 30, 2019 (%)	As at December 31, 2018 (%)	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Associated company								
Allianz Ayudhya Assurance Plc.	Life Insurance	Thailand	31.97	20.17	5,455,863	1,487,264	11,140,132	2,977,371

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 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. Subsequently, the Company had the total investment as at September 30, 2019 of 94,310,280 ordinary shares or 31.97% of the paid-up capital of AZAY.

As at September 30, 2019 and December 31, 2018, an associate had total assets and total liabilities as follows:

	As at September 30, 2019	Baht: million As at December 31, 2018
Total assets	218,067.57	189,124.25
Total liabilities	189,454.92	174,602.51

For the three-month and nine-month periods ended September 30, 2019 and 2018, an associate had total revenues, net income and net of other comprehensive income as follows:

	Baht: million			
	For the three-month periods ended September 30, 2019		For the nine-month periods ended September 30, 2018	
Total revenues	9,216.97	9,343.77	28,068.63	28,204.98
Net income	252.29	458.81	1,474.75	1,603.63
Items that will not be reclassified subsequently to profit or loss				
Actuarial losses on defined employee benefit plans	(39.65)	(8.03)	(31.96)	(17.06)
Income tax relating to items that will not be reclassified subsequently	7.93	1.61	6.39	3.41
Other comprehensive loss - net of income tax	<u>(31.72)</u>	<u>(6.42)</u>	<u>(25.57)</u>	<u>(13.65)</u>
Items that are or may be reclassified to profit or loss				
Gain on cash flow hedges	1,001.09	115.14	1,509.00	13.48
Gain (loss) on revaluation of available-for-sale securities	9,797.29	237.16	16,409.79	(3,766.82)
Income tax relating to items that will be reclassified subsequently	<u>(2,159.68)</u>	<u>(83.11)</u>	<u>(3,583.76)</u>	<u>779.33</u>
Other comprehensive income (loss) - net of income tax	<u>8,638.70</u>	<u>269.19</u>	<u>14,335.03</u>	<u>(2,974.01)</u>

The consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019 and 2018 recognized share of profit other, resulting from portion of holding of investment in an associate as follows:

	Baht: million			
	For the three-month periods ended September 30, 2019		For the nine-month periods ended September 30, 2018	
Share of profit on investment in an associate	80.66	92.54	371.11	323.45
Items that are or may be reclassified to profit or loss				
Share of other comprehensive loss of an associate	(12.68)	(1.62)	(9.25)	(3.44)
Income tax relating to items that will not be reclassified subsequently of an associate	2.54	0.32	1.85	0.69
Share of other comprehensive loss of an associate - net of income tax	<u>(10.14)</u>	<u>(1.30)</u>	<u>(7.40)</u>	<u>(2.75)</u>
Items that will be reclassified subsequently to profit or loss				
Share of other comprehensive income (loss) of an associate	3,452.20	71.06	5,464.74	(757.03)
Income tax relating to items that will be reclassified subsequently of an associate	<u>(690.44)</u>	<u>(16.76)</u>	<u>(1,092.95)</u>	<u>157.19</u>
Share of other comprehensive income (loss) of an associate - net of income tax	<u>2,761.76</u>	<u>54.30</u>	<u>4,371.79</u>	<u>(599.84)</u>

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

	As at September 30, 2019	Baht: million As at December 31, 2018
Net assets of an associate	28,612.65	14,521.74
Proportion of the Group's ownership interest in an associate (%)	31.97	20.17
	<u>9,147.34</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>11,140.13</u>	<u>2,977.37</u>

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

As at September 30, 2019 and December 31, 2018, investments in a subsidiary and an associate were as follows:

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019 percent	As at December 31, 2018 percent	As at September 30, 2019	As at December 31, 2018	For the nine-month periods ended September 30, 2019 2018	
Associate company								
Allianz Ayudhya Assurance Plc.	2,950,000	2,950,000	31.97	20.17	5,455,863	1,487,264	541,341	287,981
Subsidiary company								
Allianz Ayudhya General Insurance Plc.	2,548,800	1,800,000	99.99	99.99	2,572,379	1,823,579	-	54,000

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.

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

The resolution of ordinary shareholders' meeting for dividend payment			The endorsement of Office of Insurance Commission for dividend payment			Total dividend receive (Baht million)	Received date
Date	Dividend per share (Baht)	Total (Baht million)	Date	Dividend per share (Baht)	Total (Baht million)		
April 9, 2018	5.57	1,643.15	May 23, 2018	4.84	1,427.80	287.98	June 20, 2018
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 September 30, 2019 and December 31, 2018 consisted of the following:

Consolidated financial statements										Baht: '000			
	Cost			Accumulated depreciation			Beginning balance of property, plant and equipment - net as at	Ending balance of property, plant and equipment - net as at					
	As at January 1, 2019	Increase	Disposal/Write off	Transfer from AZTH (see Note 1)	As at September 30, 2019	As at January 1, 2019					Depreciation	Disposal/Write off	Transfer from AZTH (see Note 1)
Land	1,610	-	-	-	1,610	-	-	-	-	-	1,610	1,610	
Building	774	-	-	-	774	(774)	-	-	-	(774)	-	-	
Leasehold improvement	56,013	3,421	(4,250)	15,423	70,607	(41,672)	(6,974)	2,954	(5,625)	(51,317)	14,341	19,290	
Furniture, fixtures and office equipment	66,114	4,027	(5,062)	57,358	122,437	(58,364)	(5,533)	4,938	(37,685)	(96,644)	7,750	25,793	
Vehicles	37,037	-	-	-	37,037	(20,986)	(4,715)	-	-	(25,701)	16,051	11,336	
Total	161,548	7,448	(9,312)	72,781	232,465	(121,796)	(17,222)	7,892	(43,310)	(174,436)	39,752	58,029	

Consolidated financial statements										Baht: '000		
	Cost			Accumulated depreciation			Beginning balance of property, plant and equipment - net as at	Ending balance of property, plant and equipment - net as at				
	As at January 1, 2018	Increase	Disposal/Write off	As at December 31, 2018	As at January 1, 2018	Depreciation					Disposal/Write off	As at December 31, 2018
Land	1,610	-	-	1,610	-	-	-	-	-	1,610	1,610	
Building	774	-	-	774	(774)	-	(774)	-	-	-	-	
Leasehold improvement	55,509	962	(458)	56,013	(34,018)	(8,077)	(41,672)	423	(41,672)	21,491	14,341	
Furniture, fixtures and office equipment	65,413	2,785	(2,084)	66,114	(55,360)	(5,088)	(58,364)	2,084	(58,364)	10,053	7,750	
Vehicles	39,315	2,955	(5,233)	37,037	(19,233)	(6,543)	(20,986)	4,790	(20,986)	20,082	16,051	
Total	162,621	6,702	(7,775)	161,548	(109,383)	(19,708)	(121,796)	7,297	(121,796)	53,236	39,752	

Baht: '000

Separate financial statements									
	Cost			Accumulated depreciation			Ending balance of property, plant and equipment - net as at September 30, 2019	Beginning balance of property, plant and equipment - net as at January 1, 2019	Ending balance of property, plant and equipment - net as at September 30, 2019
	As at January 1, 2019	Increase	As at September 30, 2019	As at January 1, 2019	Depreciation	Disposal / Write off			
Land	1,610	-	1,610	-	-	-	-	1,610	1,610
Building	774	-	774	(774)	-	-	(774)	-	-
Leasehold improvement	4,456	-	3,118	(4,453)	(1)	1,338	(3,116)	3	2
Furniture, fixtures and office equipment	2,990	32	2,138	(2,876)	(28)	859	(2,045)	114	93
Vehicles	8,168	-	8,168	(3,944)	(885)	-	(4,829)	4,224	3,339
Total	17,998	32	15,808	(12,047)	(914)	2,197	(10,764)	5,951	5,044

Baht: '000

Separate financial statements									
	Cost			Accumulated depreciation			Ending balance of property, plant and equipment - net 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
	As at January 1, 2018	Increase	As at December 31, 2018	As at January 1, 2018	Depreciation	Disposal / Write off			
Land	1,610	-	1,610	-	-	-	-	1,610	1,610
Building	774	-	774	(774)	-	-	(774)	-	-
Leasehold improvement	4,456	-	4,456	(4,246)	(207)	-	(4,453)	210	3
Furniture, fixtures and office equipment	2,928	62	2,990	(2,680)	(196)	-	(2,876)	248	114
Vehicles	8,168	-	8,168	(2,760)	(1,184)	-	(3,944)	5,408	4,224
Total	17,936	62	17,998	(10,460)	(1,587)	-	(12,047)	7,476	5,951

Depreciation of the Group for the three-month periods ended September 30, 2019 and 2018 amounting to Baht 6.77 million and Baht 4.92 million, respectively, and depreciation of the Group for the nine-month periods ended September 30, 2019 and 2018 amounting to Baht 17.22 million and Baht 14.98 million, respectively, were included in operating expenses (Company) for three-month periods ended September 30, 2019 and 2018 Baht 0.30 million and Baht 0.40 million, respectively, and for the nine-month periods ended September 30, 2019 and 2018 Baht 0.91 million and 1.25 million, respectively).

As at September 30, 2019 and December 31, 2018, certain premises and equipment of the Group at cost of Baht 100.38 million and Baht 67.29 million, respectively, were fully depreciated but still in use (Company : Baht 9.49 million and Baht 9.91 million, respectively).

13. DEFERRED TAX ASSETS - NET

Deferred tax assets - net as at September 30, 2019 and December 31, 2018 were as follows:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Deferred tax assets - net	426,070	228,963	28,726	44,148

Movements of deferred tax assets for the nine-month periods ended September 30, 2019 and 2018 consisted of tax effects from the following items:

	Consolidated financial statements				Baht: '000
	As at January 1, 2019	Transactions recognized in profit or loss	Transactions recognized in other comprehensive income or loss	Deferred tax assets transfer from AZTH (see Note 1)	As at September 30, 2019
Deferred tax assets					
Allowance for doubtful accounts					
- Premium receivables	1,130	3,763	-	2,225	7,118
Allowance for doubtful accounts					
- Other receivables	567	-	-	-	567
Unearned premium reserve	102,450	39,989	-	56,047	198,486
Claim reserve - net	47,163	42,396	-	53,925	143,484
Claims incurred but not reported	15,737	(13,465)	-	6,120	8,392
Employee benefit obligations	13,731	8,179	(1,214)	-	20,696
Reinsurance payables	880	(880)	-	-	-
Accrued expense	-	-	-	18,628	18,628
Unrealized loss (gain) on the change in fair value of investment in available-for-sale securities	51,943	-	(21,278)	-	30,665
Allowance for impairment of general investment	301	-	-	-	301
Others	-	(310)	-	2,982	2,672
	<u>233,902</u>	<u>79,672</u>	<u>(22,492)</u>	<u>139,927</u>	<u>431,009</u>
Deferred tax liabilities					
Unrealized gain on transfer of investments	(4,939)	-	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
Deferred tax assets - net	<u>228,963</u>	<u>79,672</u>	<u>(22,492)</u>	<u>139,927</u>	<u>426,070</u>

	Consolidated financial statements			Baht: '000
	As at January 1, 2018	Transactions recognized in profit or loss	Transactions recognized in other comprehensive income or loss	As at September 30, 2018
Deferred tax assets				
Allowance for doubtful accounts				
- Premium receivables	890	240	-	1,130
Allowance for doubtful accounts				
- Other receivables	567	-	-	567
Unearned premium reserve	86,046	8,650	-	94,696
Unrealized loss on the change in fair value of investment in available-for-sale securities	10,261	-	12,068	22,329
Claim reserve - net	46,072	1,506	-	47,578
Claims incurred but not reported	15,366	577	-	15,943
Employee benefit obligations	12,678	1,547	-	14,225
Allowance for impairment of general investment	301	-	-	301
Reinsurance payables	432	(432)	-	-
Unrealized gain on the change in value of investment in available-for-sale securities	(505)	-	1,055	550
	<u>172,108</u>	<u>12,088</u>	<u>13,123</u>	<u>197,319</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
Deferred tax assets - net	<u>167,169</u>	<u>12,088</u>	<u>13,123</u>	<u>192,380</u>
				Baht: '000
	Separate financial statements			
	As at January 1, 2019	Transactions recognized in profit or loss	Transactions recognized in other comprehensive income or loss	As at September 30, 2019
Deferred tax assets				
Unrealized loss on the change in value of investment in available-for-sale securities	47,854	-	(16,001)	31,853
Employee benefit obligations	932	385	194	1,511
Allowance for impairment of general investment	301	-	-	301
	<u>49,087</u>	<u>385</u>	<u>(15,807)</u>	<u>33,665</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
Deferred tax assets - net	<u>44,148</u>	<u>385</u>	<u>(15,807)</u>	<u>28,726</u>

	Separate financial statements			Baht: '000
	As at January 1, 2018	Transactions recognized in profit or loss	Transactions recognized in other comprehensive income or loss	As at September 30, 2018
Deferred tax assets				
Unrealized loss on the change in value of investment in available-for-sale securities	10,261	-	12,068	22,329
Employee benefit obligations	859	2	-	861
Allowance for impairment of general investment	301	-	-	301
	<u>11,421</u>	<u>2</u>	<u>12,068</u>	<u>23,491</u>
Deferred tax liabilities				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
Deferred tax assets - net	<u>6,482</u>	<u>2</u>	<u>12,068</u>	<u>18,552</u>

14. OTHER ASSETS

Other assets as at September 30, 2019 and December 31, 2018 consisted of the following:

	Consolidated		Separate		Baht: '000
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	
Other receivables	27,398	12,359	-	-	
<u>Less</u> Allowance for doubtful accounts	<u>(2,834)</u>	<u>(2,834)</u>	<u>-</u>	<u>-</u>	
	<u>24,564</u>	<u>9,525</u>	<u>-</u>	<u>-</u>	
Revenue Department receivable	9,420	8,863	3,820	1,128	
Receivable from sale of securities	47,545	19,439	-	17,311	
Refundable corporate income tax	13,827	13,827	-	-	
Prepaid expenses	15,522	9,986	348	1,147	
Due from rice field insurance scheme	64,121	10,500	-	-	
Loss recovery	56,988	-	-	-	
Deposits	11,410	8,118	1,431	1,431	
Undue input value added tax	16,253	222	510	88	
Others	1,828	2,366	1,012	1,983	
Total other assets	<u>261,478</u>	<u>82,846</u>	<u>7,121</u>	<u>23,088</u>	

15 INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as at September 30, 2019 and December 31, 2018 consisted of the following:

	Baht: '000		
	Consolidated financial statements		
	As at September 30, 2019		
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Claim reserves			
Claim incurred and reported	2,724,369	(1,848,099)	876,270
Claim incurred but not reported	98,373	(56,411)	41,962
	<u>2,822,742</u>	<u>(1,904,510)</u>	<u>918,232</u>
Premium reserve			
Unearned premium reserve	3,237,523	(1,103,255)	2,134,268
Total	<u>6,060,265</u>	<u>(3,007,765)</u>	<u>3,052,500</u>

	Baht: '000		
	Consolidated financial statements		
	As at September 30, 2018		
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Claim reserves			
Claim incurred and reported	650,631	(412,977)	237,654
Claim incurred but not reported	114,756	(36,070)	78,686
	<u>765,387</u>	<u>(449,047)</u>	<u>316,340</u>
Premium reserve			
Unearned premium reserve	1,679,389	(621,263)	1,058,126
Total	<u>2,444,776</u>	<u>(1,070,310)</u>	<u>1,374,466</u>

15.1 Insurance reserve for short term insurance contract

15.1.1 Claim reserves

Claim reserves as at September 30, 2019 and December 31, 2018 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2019	As at December 31, 2018
Balance as at beginning period/year	765,387	677,170
Loss incurred during the period/year	1,989,993	1,471,680
Changing on estimated loss and assumptions used in calculating loss reserve	(80,431)	(31,915)
Loss paid during the period/year	(1,937,745)	(1,351,548)
Loss reserves and outstanding claims transfer from AZTH (see Note 1)	2,085,538	-
Balance as at ending period/year	<u>2,822,742</u>	<u>765,387</u>

15.1.2 Unearned premium reserve

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2019	As at December 31, 2018
Balance as at beginning period/year	1,679,389	1,391,826
Premium written for the period/year	3,998,219	3,396,370
Earned premium for the period/year	(4,024,326)	(3,108,807)
Premium reserves transfer from AZTH (see Note 1)	1,584,241	-
Balance as at ending period/year	<u>3,237,523</u>	<u>1,679,389</u>

15.1.3 Unexpired risk reserve

As at September 30, 2019 and December 31, 2018, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Group amounting to Baht 1,711.92 million and Baht 800.00 million, respectively is lower than the unearned premium reserve.

16. AMOUNTS DUE TO REINSURERS

Amounts due to reinsurers as at September 30, 2019 and December 31, 2018 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at September 30, 2019	As at December 31, 2018
Amounts withheld on reinsurance	1,109,808	523,912
Reinsurance payables	762,223	154,420
Total amounts due to reinsurers	<u>1,872,031</u>	<u>678,332</u>

17. 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 September 30, 2019 and December 31, 2018 were as follows:

	Baht: '000			
	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Present value of obligation at the beginning of the period/year	89,972	86,824	4,655	4,294
Current service cost of the period/year	41,565	8,693	1,870	316
Interest cost	1,768	2,052	98	96
Actuarial (gain) loss	(6,069)	-	969	-
Benefits paid during the period/year	(3,156)	(7,597)	-	-
Transferred benefits to a subsidiary company	-	-	(45)	(51)
Transferred benefits from AZTH (see Note 1)	19,934	-	-	-
Present value of obligations at the ending of the period/year	<u>144,014</u>	<u>89,972</u>	<u>7,547</u>	<u>4,655</u>

For the nine-month periods ended September 30, 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:

	Baht: '000			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Actuarial gain (loss)	6,069	-	(969)	-
Deferred tax	(1,214)	-	194	-
Actuarial gain (loss) on defined employee benefit plans - net of income tax	<u>4,855</u>	<u>-</u>	<u>(775)</u>	<u>-</u>

18. OTHER LIABILITIES

Other liabilities as at September 30, 2019 and December 31, 2018 consisted of the following:

	Consolidated		Separate		Baht: '000
	financial statements		financial statements		
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	
Other payables - promotion expenses	90,380	38,209	-	-	
Premium received in advance	78,397	41,107	-	-	
Revenue Department payable	54,433	8,079	27,977	681	
Undue output value added tax	4,817	2,107	-	-	
Contribution to non-life guarantee fund	10,900	8,359	-	-	
Others	48,147	11,453	-	-	
Total other liabilities	287,074	109,314	27,977	681	

19. SHARE CAPITAL

- 19.1 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.
- 19.2 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.
- 19.3 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 par value of Baht 1 each), resulting in an increase in total share premium to Baht 1,668.40 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on June 25, 2018.
- 19.4 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.

- 19.5 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.
- 19.6 On April 30, 2019, the Company received capital increase each from Allianz SE and CPRN (Thailand) Co., Ltd. of 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).
- 19.7 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.

20. 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 as at September 30, 2019 and December 31, 2018 are as follows:

	As at September 30, 2019		As at December 31, 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 beginning period/year	78,582,882	39.00	-	-
Issued warrants	-	-	124,999,807	39.00
Forfeited warrants	-	-	-	-
Exercised warrants	(19,775)	39.00	(46,416,925)	39.00
Balance as at ending period/year	<u>78,563,107</u>	<u>39.00</u>	<u>78,582,882</u>	<u>39.00</u>

As at September 30, 2019 and December 31, 2018, the outstanding warrants of AYUD-W1 to purchase ordinary shares of the Company are 78,563,107 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 0.61 years and 1.35 years, respectively.

21. FINANCIAL INFORMATION BY SEGMENT

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

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

For the three-month and nine-month periods ended September 30, 2019 and 2018, there is no revenue from a single external customer contributed 10% or more to the Group's total revenue.

The financial information of the Group for the three-month and nine-month periods ended September 30, 2019 and 2018 were presented by business segment as follows:

	Consolidated financial statements							
	Non-life insurance business		For the three-month periods ended September 30,				Total	
	2019	2018	Investment business		Elimination of inter-segment		2019	2018
		2019	2018	2019	2018	2019	2018	
Revenue from external	1,194,278	586,263	491,985	26,606	(541,341)	-	1,144,922	612,869
Share of profit on investment in an associate	-	-	80,656	92,539	-	-	80,656	92,539
Other income	10,250	351	602	3,967	(1,060)	(4,117)	9,792	201
Total revenues	<u>1,204,528</u>	<u>586,614</u>	<u>573,243</u>	<u>123,112</u>	<u>(542,401)</u>	<u>(4,117)</u>	<u>1,235,370</u>	<u>705,609</u>
Insurance business expense	1,034,087	423,524	-	-	-	-	1,034,087	423,524
Directors and key management personnel's remuneration	33,584	11,285	2,212	5,078	-	-	35,796	16,363
Other expense	206,457	64,740	7,131	9,993	(1,060)	(4,117)	212,528	70,616
Income tax expense (benefit)	(14,161)	16,968	(1,311)	(69)	-	-	(15,472)	16,899
Net income (loss)	<u>(55,439)</u>	<u>70,097</u>	<u>565,211</u>	<u>108,110</u>	<u>(541,341)</u>	<u>-</u>	<u>(31,569)</u>	<u>178,027</u>

Baht: '000

Baht: '000

	Consolidated financial statements							
	Non-life insurance business		For the nine-month periods ended September 30,				Total	
	2019	2018	Investment business		Elimination of inter-segment		2019	2018
		2019	2018	2019	2018	2019	2018	
Revenue from external	2,865,809	1,634,562	543,607	422,084	(541,341)	(341,981)	2,868,075	1,714,665
Share of profit on investment in an associate	-	-	371,112	323,446	-	-	371,112	323,446
Other income	19,432	1,145	9,217	12,247	(9,928)	(12,697)	18,721	695
Total revenues	2,885,241	1,635,707	923,936	757,777	(551,269)	(354,678)	3,257,908	2,038,806
Insurance business expense	2,273,076	1,266,828	-	-	-	-	2,273,076	1,266,828
Directors and key management personnel's remuneration	73,489	35,154	10,305	15,660	-	-	83,794	50,814
Other expense	453,444	175,981	39,881	38,024	(9,928)	(12,697)	483,397	201,308
Income tax expense (benefit)	18,262	31,208	(385)	(2)	-	-	17,877	31,206
Net income	66,970	126,536	874,135	704,095	(541,341)	(341,981)	399,764	488,650

22. BASIC EARNINGS (LOSS) PER SHARE

Basic per share for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows,

	Consolidated financial statements					
	For the three-month periods ended 30 September,					
	Profit (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
2019	2018	2019	2018	2019	2018	
Baht: '000	Baht: '000	shares	shares	Baht	Baht	
Basic earnings (loss) per share						
Profit (loss) attributable to shareholders of the Company	(31,569)	178,207	384,910,061	265,760,850	(0.08)	0.67
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	78,563,107	32,081,373		
Diluted earnings (loss) per share						
Profit (loss) of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	(31,569)	178,207	463,473,168	297,842,223	(0.07)	0.60

	Consolidated financial statements					
	For the nine-month periods ended 30 September,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
2019	2018	2019	2018	2019	2018	
Baht: '000	Baht: '000	shares	shares	Baht	Baht	
Basic earnings per share						
Profit attributable to shareholders of the Company	399,764	488,650	346,332,146	265,760,850	1.15	1.84
Effect of dilutive potential ordinary shares						
Warrants (AYUD-W1)	-	-	78,563,107	32,081,373		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	399,764	488,650	424,895,253	297,842,223	0.94	1.64

Details of calculation of earnings per share for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows,

	Separate financial statements					
	For the three-month periods ended 30 September,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
Basic earnings per share						
Profit attributable to equity holders of the Company	484,555	15,571	384,910,061	265,760,850	1.26	0.06
Effect of dilutive potential ordinary shares Warrants (AYUD-W1)	-	-	78,563,107	32,081,373		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	484,555	15,571	463,473,168	297,842,223	1.05	0.05

	Separate financial statements					
	For the nine-month periods ended 30 September,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
Basic earnings per share						
Profit attributable to shareholders of the Company	503,023	380,649	346,332,146	265,760,850	1.45	1.43
Effect of dilutive potential ordinary shares Warrants (AYUD-W1)	-	-	78,563,107	32,081,373		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	503,023	380,649	424,895,253	297,842,223	1.18	1.28

23. 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

Companies	Relationship	Type of Business
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

Balances as at September 30, 2019 and December 31, 2018 with related parties were as follows:

	Baht: '000			
	Consolidated		Separate	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 2018
Assets				
Related company of ultimate parent company				
Premium due and uncollected	-	51	-	-
Amount due from reinsurers	60,867	-	-	-
Other assets	23,895	-	-	-
Related company of shareholders				
Deposits at financial institutions	395,579	566,961	65,151	145,346
Premium due and uncollected	42,045	7,121	-	-
Investment	2,383,244	3,172,101	2,383,244	3,172,101
Other assets	7,013	9,383	1,478	1,626
Subsidiary				
Other assets	-	-	-	982

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Liabilities				
Related company of ultimate parent company				
Amount withheld on reinsurance	392,256	-	-	-
Due to reinsurers	611,712	-	-	-
Other liabilities	36,264	-	-	-
Related company of shareholders				
Other liabilities	49,156	47,069	-	183
Subsidiary				
Other liabilities	-	-	425	-

Significant transactions for the three-month and nine-month periods ended September 30, 2019 and 2018 with related parties were as follows:

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended September 30, 2019		For the nine-month periods ended September 30, 2018	
Revenues				
Related company of ultimate parent company				
Claim recovered from reinsurers	81,800	-	142,402	-
Fee and commission income	39,185	-	70,062	-
Written Premium	-	-	364	-
Other income	9,077	-	17,298	-
Related company of shareholders				
Premium written	71,375	50,325	89,285	69,262
Net investment income	5,416	3,406	9,530	31,894
Expenses				
Related company of ultimate parent company				
Premiums ceded to reinsurers	48,259	-	306,078	-
Other expenses	23,743	-	38,771	-
Related company of shareholders				
Commission and brokerage expenses	50,549	47,406	147,750	125,295
Underwriting expenses	30,024	30,880	98,034	80,360
Other expenses	6,483	6,576	19,733	26,319

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Revenues				
Related company of shareholders				
Net investment income	4,684	2,409	8,327	29,690
Subsidiary				
Other income	585	3,967	9,153	12,247
Expenses				
Related company of shareholders				
Other expenses	1,595	1,595	4,948	5,247
Subsidiary				
Other expense	475	150	775	450

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

The Group paid commission, management fee and custodian fee 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 and a related company enter into a management service agreement with a subsidiary for receiving about services of personnel, internal audit and information technology. Services rates are agreed by both parties which are determined based on estimated time spent and cost incurred.

24. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and nine-month periods ended September 30, 2019 and 2018, the Group had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Directors and key management personnel's remuneration				
Short-term benefits	34,540	14,950	80,363	47,256
Post-employment benefits	1,256	750	2,956	1,926
Directors' remuneration	-	663	475	1,632
	<u>35,796</u>	<u>16,363</u>	<u>83,794</u>	<u>50,814</u>
				Baht: '000
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Directors and key management personnel's remuneration				
Short-term benefits	2,090	4,442	9,671	14,197
Post-employment benefits	122	332	366	672
Directors' remuneration	-	304	268	791
	<u>2,212</u>	<u>5,078</u>	<u>10,305</u>	<u>15,660</u>

Directors' remunerations 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 General Shareholders' Meeting of the subsidiary held on April 26, 2019 and April 2, 2018, respectively.

25. DIVIDENDS

- 25.1 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.
- 25.2 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.

26. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at September 30, 2019 and December 31, 2018, certain investment in securities of the Group were pledged and used for assets reserved with the Registrar (see Note 9) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding “Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557”, respectively as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
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	14,000	-	-
Government and state enterprise securities	66,510	-	-	-
Assets reserved with the registrar				
Government and state enterprise securities	500,637	332,416	1,121	31,505
Total investments in securities of pledged	581,147	346,416	1,121	31,505

27. RESTRICTED ASSETS AND COMMITMENT

27.1 As at September 30, 2019 and December 31, 2018, the subsidiary has premium saving certificates amount of Baht 4.30 million and Baht 4.50 million, respectively were used as collateral in case where the insured driver is an alleged offender (see Note 9).

27.2 As at September 30, 2019 and December 31, 2018, the Group has borrowing facilities which was secured by deposit at bank of the Group in the same amount of credit limit as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Overdraft facilities (see Note 9)	40,000	40,000	20,000	20,000
Borrowing facilities (Promissory note) (see Note 9)	10,000	10,000	10,000	10,000

28. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at September 30, 2019 and December 31, 2018 consisted of the following:

Type of leases	Consolidated financial statements			Baht: '000
	Remaining periods		Total rental payments for the remaining periods	
	Within 1 year	Over 1 year to 5 years		
As at September 30, 2019				
Building				
- related company	6,243	2,286		8,529
- others	7,555	4,435		11,990
Service				
- related company	4,824	338		5,162
- others	136	-		136
Equipment - related company	6,434	451		6,885
	<u>25,192</u>	<u>7,510</u>		<u>32,702</u>

Type of leases	Consolidated financial statements			Baht: '000
	Remaining periods		Total rental payments for the remaining periods	
	Within 1 year	Over 1 year to 5 years		
As at December 31, 2018				
Building				
- related company	7,538	1,256		8,794
- others	8,026	6,135		14,161
Service				
- related company	7,538	1,257		8,795
- others	450	-		450
Equipment - related company	10,051	1,675		11,726
	<u>33,603</u>	<u>10,323</u>		<u>43,926</u>

Type of leases	Separate financial statements			Baht: '000
	Remaining periods		Total rental payments for the remaining periods	
	Within 1 year	Over 1 year to 5 years		
As at September 30, 2019				
Building - related company	724	-		724
Service - related company	724	-		724
Equipment - related company	967	-		967
	<u>2,415</u>	<u>-</u>		<u>2,415</u>

Type of leases	Separate financial statements			Baht: '000
	Remaining periods		Total rental payments for the remaining periods	
	Within 1 year	Over 1 year to 5 years		
As at December 31, 2018				
Building - related company	1,739	290		2,029
Service - related company	1,739	290		2,029
Equipment - related company	2,318	386		2,704
	<u>5,796</u>	<u>966</u>		<u>6,762</u>

For the three-month and nine-month periods ended September 30, 2019 and 2018, the Group recorded the rental and service fees under operating agreements as expenses in statement of profit or loss and other comprehensive income as follows:

	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Rental and service fees	11,181	8,438	29,899	25,255

Baht: '000

	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Rental and service fees	1,449	1,449	4,347	4,347

Baht: '000

29. CONTINGENT LIABILITIES AND COMMITMENT

- 29.1 As at September 30, 2019 and December 31, 2018, lawsuits have been brought against the subsidiary, as insurer, from which the subsidiary estimates losses totaling Baht 16.44 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 differ from the recorded liability by amounts that would be material to the subsidiary's operating results.
- 29.2 As at September 30, 2019 and December 31, 2018, the subsidiary had a commitment in respect of computer program development expenses in the amount of approximately Baht 17.37 million and 10.57 million, respectively.

30. FAIR VALUE MEASUREMENT

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

	Consolidated financial statements			
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at September 30, 2019 Baht: '000	As at December 31, 2018 Baht: '000		
Financial assets				
Government and state enterprise securities	1,495,663	430,892	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	423,645	-	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	60,547	-	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	209,781	951,856	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	2,486,122	3,290,240	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 September 30, 2019 Baht: '000	As at December 31, 2018 Baht: '000		
Financial assets				
Government and state enterprise securities	505,096	136,519	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	131,152	-	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	209,781	650,752	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Equity securities	2,459,479	3,263,882	Level 2	The unit trust's net asset value of the last working day of the reporting period

31. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's Board of Directors on November 13, 2019.

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