



*ALLIANZ AYUDHYA CAPITAL PUBLIC  
COMPANY LIMITED AND SUBSIDIARY*

*Interim Financial Statements*

*Three-month and six-month periods ended  
June 30, 2019*

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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 June 30, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2019, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period ended June 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**  
August 13, 2019

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

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

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
<b>ASSETS</b>					
Cash and cash equivalents	5	2,229,462	1,341,340	26,215	101,356
Premium receivable - net	6	706,586	271,750	-	-
Accrued investment income		9,993	4,498	363	429
Reinsurance assets	7	2,784,815	1,070,310	-	-
Amounts due from reinsurers	8	290,922	114,461	-	-
Investments					
Investments in securities	9	8,566,785	6,896,385	4,293,318	4,125,890
Loans	10	41	29	-	-
Investment in an associate	11	8,849,201	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	62,236	39,752	5,350	5,951
Goodwill	1	467,956	-	-	-
Intangible assets		147,480	51,029	-	-
Deferred tax assets	13	396,565	228,963	30,817	44,148
Deferred commissions expenses		70,696	66,858	-	-
Other assets	14	158,252	82,846	8,170	23,088
<b>TOTAL ASSETS</b>		<b>24,740,990</b>	<b>13,145,592</b>	<b>12,392,475</b>	<b>7,611,705</b>

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT JUNE 30, 2019

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		“Unaudited”		“Unaudited”	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2019	2018	2019	2018
<b>LIABILITIES AND EQUITY</b>					
Insurance liabilities	15	5,887,680	2,444,776	-	-
Amounts due to reinsurers	16	1,447,811	678,332	-	-
Income tax payable		74,875	53,595	886	129
Employee benefit obligations	17	140,905	89,972	6,652	4,655
Premium written received in advance		405,450	370,220	-	-
Commissions and brokerages payables		60,651	54,202	-	-
Accrued expenses		298,842	75,251	10,476	21,742
Other liabilities	18	319,583	111,291	161	1,663
<b>TOTAL LIABILITIES</b>		<b>8,635,797</b>	<b>3,877,639</b>	<b>18,175</b>	<b>28,189</b>
<b>EQUITY</b>					
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		3,618,137	3,179,207	2,170,182	2,152,489
Other components of equity					
Deficit on available-for-sale securities		(137,666)	(207,772)	(136,497)	(191,417)
Share of other comprehensive income					
of an associate		2,284,107	674,074	-	-
<b>TOTAL EQUITY</b>		<b>16,105,193</b>	<b>9,267,953</b>	<b>12,374,300</b>	<b>7,583,516</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>24,740,990</b>	<b>13,145,592</b>	<b>12,392,475</b>	<b>7,611,705</b>

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 JUNE 30, 2019  
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>Revenues</b>					
Gross written premium		1,371,230	780,036	-	-
<u>Less</u> Premium ceded to reinsurers		507,895	324,404	-	-
Net premium written		863,335	455,632	-	-
<u>Less</u> Unearned premium reserve increase from previous period		11,020	34,152	-	-
Net premium earned		852,315	421,480	-	-
Fee and commission income		147,190	97,250	-	-
Net investment income		38,349	24,145	13,197	352,596
Gain (loss) on investment in securities		17,906	(6,970)	18,350	3,209
Gain (loss) on fair value adjustment		2,241	(9,941)	707	(9,844)
Share of profit on investments in an associate	11.1	178,320	120,861	-	-
Other income		8,816	158	3,361	3,097
Total revenues		1,245,137	646,983	35,615	349,058
<b>Expenses</b>					
Gross Claim		291,136	346,288	-	-
<u>Less (Add)</u> Claim recovered from reinsurers		(103,104)	178,877	-	-
Commissions and brokerage		178,618	112,047	-	-
Other underwriting expenses		174,701	122,339	-	-
Operating expenses		219,346	80,934	17,722	18,343
Total expenses		966,905	482,731	17,722	18,343
Income before income tax expense		278,232	164,252	17,893	330,715
Income tax expense (benefit)		18,871	9,430	939	(1,564)
<b>Net income</b>		<b>259,361</b>	<b>154,822</b>	<b>16,954</b>	<b>332,279</b>

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019 (CONTINUED)  
“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 benefit plans		6,069	-	(969)	
Share of other comprehensive income (loss) of an associate	11.1	5,084	(1,614)	-	-
Income tax relating to items that will not be reclassified subsequently		(2,231)	323	194	-
		<u>8,922</u>	<u>(1,291)</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		20,345	(115,845)	13,536	(94,623)
Share of other comprehensive income (loss) of an associate	11.1	1,539,177	(541,987)	-	-
Income tax relating to items that will be reclassified subsequently		(311,904)	145,187	(2,707)	18,925
		<u>1,247,618</u>	<u>(512,645)</u>	<u>10,829</u>	<u>(75,698)</u>
Other comprehensive income (loss) for the periods, net of income tax		<u>1,256,540</u>	<u>(513,936)</u>	<u>10,054</u>	<u>(75,698)</u>
<b>Total comprehensive income (loss) for the periods</b>		<u><u>1,515,901</u></u>	<u><u>(359,114)</u></u>	<u><u>27,008</u></u>	<u><u>256,581</u></u>
<b>Earnings per share</b>	22				
<b>Basic earnings per share</b>	<b>Baht</b>	0.79	0.62	0.05	1.32
Weighted average number of ordinary shares (Thousand Shares)		326,723	251,455	326,723	251,455
<b>Diluted earnings per share</b>	<b>Baht</b>	0.64	0.60	0.04	1.28
Weighted average number of ordinary shares (Thousand Shares)		405,287	258,624	405,287	258,624

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019  
“UNAUDITED”

Baht: '000

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>Revenues</b>					
Gross written premium		2,281,830	1,543,253	-	-
<u>Less</u> Premium ceded to reinsurers		859,128	654,114	-	-
Net premium written		1,422,702	889,139	-	-
<u>Less</u> Unearned premium reserve increase from previous period		56,624	43,648	-	-
Net premium earned		1,366,078	845,491	-	-
Fee and commission income		260,981	194,901	-	-
Net investment income		58,100	62,730	17,909	380,302
Gain on investments in securities		28,062	757	28,515	28,766
Gain (loss) on fair value adjustment		9,932	(2,083)	5,198	(13,590)
Share of profit on investment in an associate	11.1	290,456	230,906	-	-
Other income		8,928	494	8,615	8,280
Total revenues		2,022,537	1,333,196	60,237	403,758
<b>Expenses</b>					
Gross Claim		829,912	854,009	-	-
<u>Less</u> Claim recovered from reinsurers		228,503	477,412	-	-
Commissions and brokerage		307,368	221,993	-	-
Other underwriting expenses		330,212	244,714	-	-
Operating expenses		318,866	165,143	40,843	38,613
Total expenses		1,557,855	1,008,447	40,843	38,613
Income before income tax expense		464,682	324,749	19,394	365,145
Income tax expense		33,349	14,307	926	67
<b>Net income</b>		431,333	310,442	18,468	365,078

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 (CONTINUED)  
“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 income (loss) of an associate	11.1	3,428	(1,820)	-	-
Income tax relating to items that will not be reclassified subsequently		(1,900)	364	194	-
		<u>7,597</u>	<u>(1,456)</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		87,633	(155,746)	68,650	(134,240)
Share of other comprehensive income (loss) of an associate	11.1	2,012,540	(828,090)	-	-
Income tax relating to items that will be reclassified subsequently		(420,034)	205,100	(13,730)	26,848
		<u>1,680,139</u>	<u>(778,736)</u>	<u>54,920</u>	<u>(107,392)</u>
Other comprehensive income (loss) for the periods, net of income tax		<u>1,687,736</u>	<u>(780,192)</u>	<u>54,145</u>	<u>(107,392)</u>
<b>Total comprehensive income for the periods</b>		<u><u>2,119,069</u></u>	<u><u>(469,750)</u></u>	<u><u>72,613</u></u>	<u><u>257,686</u></u>
<b>Earnings per share</b>	22				
<b>Basic earnings per share</b>	<b>Baht</b>	1.32	1.23	0.06	1.45
Weighted average number of ordinary shares (Thousand Shares)		326,723	251,455	326,723	251,455
<b>Diluted earnings per share</b>	<b>Baht</b>	1.06	1.20	0.05	1.41
Weighted average number of ordinary shares (Thousand Shares)		405,287	258,624	405,287	258,624

See condensed notes to financial statements



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

FOR THE SIX-MONTH PERIOD ENDED JUNE 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	Unappropriated		
Beginning balance as at January 1, 2018		250,000	3,512,184	50,000	2,650,797	1,270,000	7,693,960
Increase capital	19.3	43,905	1,668,399	-	-	-	1,712,304
Net income		-	-	-	310,442	-	310,442
Other comprehensive income (loss)		-	-	-	(1,456)	(654,139)	(780,189)
<b>Ending balance as at June 30, 2018</b>		<b>293,905</b>	<b>5,180,583</b>	<b>50,000</b>	<b>2,959,783</b>	<b>615,861</b>	<b>8,936,517</b>
Beginning balance as at January 1, 2019		296,417	5,276,027	50,000	3,179,207	674,074	9,267,953
Increase capital	19.6 and 19.7	88,493	4,629,678	-	-	-	4,718,171
Net income		-	-	-	431,333	-	431,333
Other comprehensive income		-	-	-	7,597	70,106	1,687,736
<b>Ending balance as at June 30, 2019</b>		<b>384,910</b>	<b>9,905,705</b>	<b>50,000</b>	<b>3,618,137</b>	<b>2,284,107</b>	<b>16,105,193</b>

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 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	Unappropriated	Surplus (deficit) on available-for-sale securities		
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		-	-	-	365,078	-	365,078	
Other comprehensive income (loss)		-	-	-	-	(107,392)	(107,392)	
<b>Ending balance as at June 30, 2018</b>		<b>293,905</b>	<b>5,180,583</b>	<b>50,000</b>	<b>2,344,521</b>	<b>(148,434)</b>	<b>7,720,575</b>	
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		-	-	-	18,468	-	18,468	
Other comprehensive income (loss)		-	-	-	(775)	54,920	54,145	
<b>Ending balance as at June 30, 2019</b>		<b>384,910</b>	<b>9,905,705</b>	<b>50,000</b>	<b>2,170,182</b>	<b>(136,497)</b>	<b>12,374,300</b>	

See condensed notes to financial statements

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

“UNAUDITED”

Baht: '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>CASH FLOWS PROVIDED BY (USED IN)</b>					
<b>OPERATING ACTIVITIES</b>					
Direct premium received		2,249,210	1,529,087	-	-
Cash received (paid) to reinsurance		103,475	(124,744)	-	-
Interest income		13,574	10,761	2,393	4,508
Dividend income		24,285	327,879	16,749	377,757
Other income		2,937	8,396	6,839	12,230
Loss incurred from direct insurance		(1,035,917)	(657,733)	-	-
Commission and brokerage paid from direct insurance		(302,727)	(215,717)	-	-
Other underwriting expenses		(331,522)	(244,804)	-	-
Operating expenses		(225,984)	(118,257)	(51,598)	(32,584)
Income tax expense		(61,080)	(8,232)	(375)	(519)
Investment in securities		(528,897)	(2,107,025)	(812,703)	(2,044,260)
Deposits at bank with maturity over 3 months and deposits used as collateral		36,843	(217)	14,000	-
Loans		(12)	12	-	-
Net cash used in operating activities		<u>(55,815)</u>	<u>(1,600,594)</u>	<u>(824,695)</u>	<u>(1,682,868)</u>
<b>CASH FLOWS PROVIDED BY (USED IN)</b>					
<b>INVESTING ACTIVITIES</b>					
<b>CASH FLOWS PROVIDED BY</b>					
Property, plant and equipment		21	2	-	-
Cash provided by investing activities		<u>21</u>	<u>2</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS USED IN</b>					
Paid for purchase entire business transfer		(848,800)	-	-	-
Property, plant and equipment		(3,986)	(1,727)	(17)	(1)
Intangible assets		(267)	(527)	-	-
Cash used in investing activities		<u>(853,053)</u>	<u>(2,254)</u>	<u>(17)</u>	<u>(1)</u>
Net cash used in investing activities		<u>(853,032)</u>	<u>(2,252)</u>	<u>(17)</u>	<u>(1)</u>

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019  
“UNAUDITED”

Baht: '000

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>					
<b>ACTIVITIES</b>					
Increase capital		749,571	1,712,304	749,571	1,712,304
Net cash provided by financing activities		<u>749,571</u>	<u>1,712,304</u>	<u>749,571</u>	<u>1,712,304</u>
Net increase (decrease) in cash and cash equivalents		(159,276)	109,458	(75,141)	29,435
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	-	-	-
<b>Cash and cash equivalents as at June 30,</b>		<u><u>2,229,462</u></u>	<u><u>1,511,351</u></u>	<u><u>26,215</u></u>	<u><u>210,530</u></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 SIX-MONTH PERIODS ENDED JUNE 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, 7<sup>th</sup> 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 Approval for 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 had received the increase in 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 had received the increase in share capital in cash from CPRNT amounting to Baht 748.80 million for the allocation of 14.04 million ordinary shares at Baht 53.32 per share, at par value of Baht 1.
- The Company had received the increase in share capital by receive 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, from Allianz SE and CPRNT as equivalent to Baht 3,968.60 million for sale of 74.43 million ordinary shares to Allianz SE and CPRNT at Baht 53.32 per share, at par value of Baht 1.

#### **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:

	<b>Baht: '000</b>
	<b>Book value</b>
	<b>as at</b>
	<b>April 30,</b>
	<b>2019</b>
<b>Assets</b>	
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
<b>Total Assets</b>	<u>5,326,555</u>
<b>Liabilities</b>	
Insurance liabilities	3,669,779
Amounts due to reinsurers	849,617
Employee benefit obligations	19,934
Accrued expense	232,950
Other liabilities	173,431
<b>Total liabilities</b>	<u>4,945,711</u>
Book values of assets and liabilities	380,844
Cash paid for purchase entire business transfer	<u>(848,800)</u>
<b>Goodwill</b>	<u>467,956</u>

As at June 30, 2019, the subsidiary is 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 99.99% owned by the Company (see Note 11). Material intercompany transactions between the Group have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month and six-month periods ended June 30, 2019 have included the subsidiaries’ interim financial statements for the three-month and six-month periods ended June 30, 2019 which were reviewed.
- The accounting periods 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 six-month periods ended June 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 six-month periods ended June 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 year 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 interim 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, 2022 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 on this accounting guidelines prior to the effective date for the financial statements beginning on or after January 1, 2019 onwards only. If an entity adopts this 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.

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

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

	Baht: '000	
	<u>Consolidated financial statements</u>	
	<u>For the six-month periods ended June 30,</u>	
	2019	2018
Other payable - fixed assets as at January 1,	480	31
<u>Add</u> Purchases of fixed assets	3,522	1,696
<u>Less</u> Cash paid for purchase of fixed assets	(3,986)	(1,727)
<u>Less</u> Loss from exchange of fixed assets	(15)	-
Other payable - fixed assets as at June 30,	<u>1</u>	<u>-</u>

4.2 For the six-month period ended June 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 3.2).

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at June 30, 2019 and December 31, 2018 consisted of the following:

	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Cash	528	290	10	10
Cheques on hand	61,755	11,046	-	-
Deposits at bank - at call	879,063	361,306	26,205	101,346
Short-term investments	1,288,116	968,698	-	-
	<u>2,229,462</u>	<u>1,341,340</u>	<u>26,215</u>	<u>101,356</u>

**6. PREMIUM RECEIVABLE - NET**

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

	Baht: '000	
	<b>Consolidated financial statements</b>	
	<b>From direct insurance</b>	
	<b>As at June 30, 2019</b>	<b>As at December 31, 2018</b>
Within credit terms	487,872	218,651
Less than 30 days	100,467	29,434
31 - 60 days	42,106	7,308
61 - 90 days	28,365	9,125
Over 90 days	66,497	12,883
Total premium receivable	<u>725,307</u>	<u>277,401</u>
Less Allowance for doubtful accounts	<u>(18,721)</u>	<u>(5,651)</u>
Premium receivable - net	<u>706,586</u>	<u>271,750</u>

**7. REINSURANCE ASSETS**

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

	Baht: '000	
	<b>Consolidated financial statements</b>	
	<b>As at June 30, 2019</b>	<b>As at December 31, 2018</b>
<b>Insurance reserve refundable from reinsurers</b>		
Loss reserves		
Unearned premium reserve	1,718,521	449,047
- Unearned reinsurance premium reserve	<u>1,066,294</u>	<u>621,263</u>
Total reinsurance assets (see Note 15)	<u>2,784,815</u>	<u>1,070,310</u>

**8. AMOUNTS DUE FROM REINSURERS**

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

	Baht: '000	
	<b>Consolidated financial statements</b>	
	<b>As at June 30, 2019</b>	<b>As at December 31, 2018</b>
Amounts due from reinsurers	<u>290,922</u>	<u>114,461</u>

## 9. INVESTMENTS IN SECURITIES

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

Baht: '000

	Consolidated financial statements			
	As at June 30, 2019		As at December 31, 2018	
	Cost/Amortized Cost	Fair value	Cost/Amortized Cost	Fair value
<b>Held-for-trading securities</b>				
Equity securities	182,447	167,214	185,244	156,855
<u>Less</u> Unrealized loss	(15,233)	-	(28,389)	-
<b>Total held-for-trading-securities</b>	<u>167,214</u>	<u>167,214</u>	<u>156,855</u>	<u>156,855</u>
<b>Available-for-sale securities</b>				
Government and state enterprise securities	593,533	593,652	431,692	430,892
Private debt securities	295,284	296,000	-	-
Foreign debt securities	59,919	60,038	-	-
Equity securities	4,471,907	4,298,856	4,344,156	4,085,241
Total	5,420,643	5,248,546	4,775,848	4,516,133
<u>Less</u> Unrealized loss	(172,097)	-	(259,715)	-
<b>Total available-for-sale securities</b>	<u>5,248,546</u>	<u>5,248,546</u>	<u>4,516,133</u>	<u>4,516,133</u>
<b>Held-to-maturity securities</b>				
Government and state enterprise securities	2,708,664		1,747,212	
Deposits at bank with maturity over 3 months	196,620		207,677	
Deposits at bank used as collateral	210,425		233,268	
Premium saving certificates used as collateral	15,250		15,750	
<b>Total held-to-maturity securities</b>	<u>3,130,959</u>		<u>2,203,907</u>	
<b>General investment</b>				
Equity securities	21,573		20,997	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
<b>Total general investment</b>	<u>20,066</u>		<u>19,490</u>	
<b>Total investments in securities - net</b>	<u>8,566,785</u>		<u>6,896,385</u>	

Baht: '000

	Separate financial statements			
	As at June 30, 2019		As at December 31, 2018	
	Cost/Amortized cost	Fair value	Cost/Amortized cost	Fair value
<b>Held-for-trading securities</b>				
Equity securities	95,297	85,231	95,147	79,883
<u>Less</u> Unrealized loss	(10,066)	-	(15,264)	-
<b>Total held-for-trading securities</b>	<u>85,231</u>	<u>85,231</u>	<u>79,883</u>	<u>79,883</u>
<b>Available-for-sale securities</b>				
Government and state enterprise securities	137,006	137,018	137,118	136,519
Equity securities	4,180,965	4,010,332	4,073,423	3,834,751
Total	4,317,971	4,147,350	4,210,541	3,971,270
<u>Less</u> Unrealized loss	(170,621)	-	(239,271)	-
<b>Total available-for-sale securities</b>	<u>4,147,350</u>	<u>4,147,350</u>	<u>3,971,270</u>	<u>3,971,270</u>
<b>Held-to-maturity securities</b>				
Deposits at bank with maturity over 3 months	12,739		26,739	
Deposits at bank used as collateral	30,000		30,000	
<b>Total held-to-maturity securities</b>	<u>42,739</u>		<u>56,739</u>	
<b>General investment</b>				
Equity securities	19,505		19,505	
<u>Less</u> Allowance for impairment	(1,507)		(1,507)	
<b>Total general investment</b>	<u>17,998</u>		<u>17,998</u>	
<b>Total investments in securities - net</b>	<u>4,293,318</u>		<u>4,125,890</u>	

As at June 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 with Registrar (see Note 25).

As at June 30, 2019 and December 31, 2018, certain premium saving certificates of its subsidiary were used as collateral for insured driver amounting to Baht 5.35 million and Baht 4.50 million, respectively (see Note 26.1) (Company : Nil).

As at June 30, 2019 and December 31, 2018, certain deposits at bank of the Group were pledged as collateral for credit facilities for bank overdrafts and loans in the form of promissory notes amounting to Baht 40 million and Baht 10 million, respectively (Company : Baht 20 million and Baht 10 million, respectively) (see Note 26.2).

## 10. LOANS

Loans of the subsidiary were loans to employees with personal guarantor in accordance with the welfare policy, consisted of the following:

Type of loans	Credit line of loans	Interest rate per year
General loans	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 June 30, 2019 and December 31, 2018, the Company had investment in an associate company accounted for under equity method in the consolidated financial statements as follows:

Consolidated financial statements								Baht: '000	
Company name	Nature of business	Place of incorporation and operation	Percentage of shareholding		Cost		Carrying value under equity method		
			As at June 30, 2019 (%)	As at December 31, 2018 (%)	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	
<b>Associate company</b>									
Allianz Ayudhya Assurance Plc.	Life Insurance	Thailand	31.97	20.17	5,455,863	1,487,264	8,849,201	2,977,371	

On April 30, 2019, the Company had received the ordinary shares of Allianz Ayudhya Assurance Public Company Limited (“AZAY”) approximate of 34.81 million shares at Baht 114 per share, at the par value of Baht 10, from Allianz SE and CPRNT as equivalent to Baht 3,968.60 million for the increase in 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. Subsequently, as at June 30, 2019, the Company had the total investment of 94,310,280 ordinary shares or 31.97% of the paid-up capital of AZAY.

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

	<b>As at June 30, 2019</b>	<b>Baht: million As at December 31, 2018</b>
Total assets	203,947.25	189,124.25
Total liabilities	182,500.57	174,602.51

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

	<b>For the three-month periods ended June 30,</b>		<b>Baht: million For the six-month periods ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Total revenues	9,667.38	9,645.39	18,851.66	18,861.22
Net income	666.49	599.22	1,222.46	1,144.82
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain (loss) on defined employee benefit plans	15.90	(8.00)	7.69	(9.03)
Income tax relating to items that will not be reclassified subsequently	(3.18)	1.60	(1.54)	1.81
Other comprehensive income (loss) - net of income tax	<u>12.72</u>	<u>(6.40)</u>	<u>6.15</u>	<u>(7.22)</u>
Items that will be reclassified subsequently to profit or loss				
Gain (loss) on cash flow hedges	459.96	(90.35)	507.91	(101.66)
Gain (loss) on revaluation of available-for-sale securities	4,313.53	(2,596.80)	6,612.50	(4,003.98)
Income tax relating to items that will be reclassified subsequently	(954.70)	604.96	(1,424.08)	862.44
Other comprehensive income (loss) - net of income tax	<u>3,818.79</u>	<u>(2,082.19)</u>	<u>5,696.33</u>	<u>(3,243.20)</u>

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

	<b>For the three-month periods ended June 30,</b>		<b>Baht: million For the six-month periods ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Share of profit on investment in an associate	178.32	120.86	290.46	230.91
Items that are or may be reclassified to profit or loss				
Share of other comprehensive income (loss) of an associate	5.08	(1.61)	3.43	(1.82)
Income tax relating to items that will be reclassified subsequently	(1.02)	0.32	(0.69)	0.36
Share of other comprehensive income (loss) of an associate - net of income tax	<u>4.06</u>	<u>(1.29)</u>	<u>2.74</u>	<u>(1.46)</u>

	For the three-month periods ended		Baht: million For the six-month periods ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Items that will be reclassified subsequently to profit or loss				
Share of other comprehensive income (loss) of an associate	1,539.18	(541.99)	2,012.54	(828.09)
Income tax relating to items that will be reclassified subsequently	(307.84)	122.02	(402.51)	173.95
Share of other comprehensive income (loss) of an associate - net of income tax	<u>1,231.34</u>	<u>(419.97)</u>	<u>1,610.03</u>	<u>(654.14)</u>

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

	As at June 30, 2019	Baht: million As at December 31, 2018
Net assets of an associate	21,446.68	14,521.74
Proportion of the Group's ownership interest in an associate (%)	<u>31.97</u>	<u>20.17</u>
	6,856.41	2,928.97
Investment amount over net assets at investment date	<u>1,992.79</u>	<u>48.40</u>
Carrying amount of the Group's interest in an associate	<u>8,849.20</u>	<u>2,977.37</u>

## 11.2 Investment in a subsidiary and an associate in the separate financial statements

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

Company's name	Separate financial statements							Baht: '000	
	Paid-up capital		Shareholding percentage		Cost		Dividend		
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019 percent	As at December 31, 2018 percent	As at June 30, 2019	As at December 31, 2018	For the six-month periods ended June 30, 2019 2018		
<b>Associate company</b>									
Allianz Ayudhya Assurance Public Company Limited	2,950,000	2,950,000	31.97	20.17	5,455,863	1,487,264	-	287,981	
<b>Subsidiary company</b>									
Allianz Ayudhya General Insurance Public Company Limited	2,548,800	1,800,000	99.99	99.99	2,572,379	1,823,579	-	54,000	

On April 30, 2019, the subsidiary has received and registered the increase in share capital amounting to Baht 748.80 million. The subsidiary 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	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

**12. PROPERTY, PLANT AND EQUIPMENT - NET**

Property, plant and equipment - net as at June 30, 2019 and December 31, 2018 consisted of the following:

	Consolidated financial statements										Baht: '000	
	Cost					Accumulated depreciation						
	As at January 1, 2019	Increase	Disposal/ Write off	Transfer from AZTH (see Note 1)	As at June 30, 2019	As at January 1, 2019	Depreciation	Disposal/ Write off	Transfer from AZTH (see Note 1)	As at June 30, 2019		Beginning balance of property, plant and equipment - net as at January 1, 2019
Land	1,610	-	-	-	1,610	-	-	-	-	-	1,610	1,610
Building	774	-	-	-	774	(774)	-	-	(774)	-	-	-
Leasehold improvement	56,013	2,185	(1,004)	15,423	72,617	(41,672)	972	(5,625)	(50,679)	14,341	14,341	21,938
Furniture, fixtures and office equipment	66,114	1,337	(1,767)	57,358	123,042	(58,364)	1,735	(37,685)	(97,281)	7,750	7,750	25,761
Vehicles	37,037	-	-	-	37,037	(20,986)	-	-	(24,110)	16,051	16,051	12,927
Total	161,548	3,522	(2,771)	72,781	235,080	(121,796)	2,707	(43,310)	(172,844)	39,752	39,752	62,236

	Consolidated financial statements										Baht: '000
	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	As at December 31, 2018	Beginning balance of property, plant and equipment - net as at January 1, 2018	
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610
Building	774	-	-	-	774	(774)	-	(774)	-	-	-
Leasehold improvement	55,509	962	(458)	423	56,013	(34,018)	423	(41,672)	21,491	21,491	14,341
Furniture, fixtures and office equipment	65,413	2,785	(2,084)	2,084	66,114	(55,360)	2,084	(58,364)	10,053	10,053	7,750
Vehicles	39,315	2,955	(5,233)	37,037	37,037	(19,233)	4,790	(20,986)	20,082	20,082	16,051
Total	162,621	6,702	(7,775)	72,781	161,548	(109,385)	7,297	(121,796)	53,236	53,236	39,752

Baht: '000

Separate financial statements									
	Cost			Accumulated depreciation			Beginning balance of property, plant and equipment - net as at January 1, 2019	Ending balance of property, plant and equipment - net as at June 30, 2019	
	As at January 1, 2019	Increase	As at June 30, 2019	As at January 1, 2019	Depreciation	Disposal / Write off			As at June 30, 2019
Land	1,610	-	1,610	-	-	-	1,610	1,610	
Building	774	-	774	(774)	-	-	(774)	-	
Leasehold improvement	4,456	-	4,456	(4,453)	(1)	-	(4,454)	2	
Furniture, fixtures and office equipment	2,990	32	2,141	(2,876)	(22)	857	(2,041)	100	
Vehicles	8,168	-	8,168	(3,944)	(586)	-	(4,530)	3,638	
Total	17,998	32	17,149	(12,047)	(609)	857	(11,799)	5,350	

Separate financial statements									
	Cost			Accumulated depreciation			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			As at December 31, 2018
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)	3	
Furniture, fixtures and office equipment	2,928	62	2,990	(2,680)	(196)	-	(2,876)	114	
Vehicles	8,168	-	8,168	(2,760)	(1,184)	-	(3,944)	4,224	
Total	17,936	62	17,998	(10,460)	(1,587)	-	(12,047)	5,951	

Depreciation of the Group for the three-month periods ended June 30, 2019 and 2018 amounting to Baht 6.15 million and Baht 4.98 million, respectively, and depreciation of the Group for the six-month periods ended June 30, 2019 and 2018 amounting to Baht 10.45 million and Baht 10.06 million, respectively, were included in operating expenses (Company) for three-month periods ended June 30, 2019 and 2018 Baht 0.30 million and Baht 0.43 million, respectively, and for the six-month periods ended June 30, 2019 and 2018 Baht 0.61 million and 0.85 million, respectively).

As at June 30, 2019 and December 31, 2018, certain premises and equipment of the Group at cost of Baht 98.03 million and Baht 67.29 million, respectively, were fully depreciated but still in use (Company : Baht 9.49 million and Baht 9.91 million).

### 13. DEFERRED TAX ASSETS

Deferred tax assets as at June 30, 2019 and December 31, 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
	Baht: '000			
Deferred tax assets	396,565	228,963	30,817	44,148

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

	Consolidated financial statements				As at June 30, 2019
	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)	
<b>Deferred tax assets</b>					
Allowance for doubtful accounts					
- Premium receivables	1,130	389	-	2,225	3,744
Allowance for doubtful accounts					
- Other receivables	567	-	-	-	567
Unearned premium reserve	102,450	(5,049)	-	56,047	153,448
Claim reserve - net	47,163	57,929	-	53,925	159,017
Claims incurred but not reported	15,737	(14,145)	-	6,120	7,712
Employee benefit obligations	13,731	7,404	(1,214)	-	19,921
Reinsurance payables	880	93	-	-	973
Accrued expense	-	-	-	18,628	18,628
Unrealized loss (gain) on the change in fair value of investment in available-for-sale securities	51,943	-	(17,526)	-	34,417
Allowance for impairment of general investment	301	-	-	-	301
Others	-	(206)	-	2,982	2,776
	<u>233,902</u>	<u>46,415</u>	<u>(18,740)</u>	<u>139,927</u>	<u>401,504</u>
<b>Deferred tax liabilities</b>					
Unrealized gain on transfer of investments	(4,939)	-	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
<b>Deferred tax assets</b>	<u>228,963</u>	<u>46,415</u>	<u>(18,740)</u>	<u>139,927</u>	<u>396,565</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 June 30, 2018
<b>Deferred tax assets</b>				
Allowance for doubtful accounts				
- Premium receivables	890	240	-	1,130
Allowance for doubtful accounts				
- Other receivables	567	-	-	567
Unearned premium reserve	86,046	4,728	-	90,774
Unrealized loss on the change in fair value of investment in available-for-sale securities	10,261	-	26,848	37,109
Claim reserve - net	46,072	3,765	-	49,837
Claims incurred but not reported	15,366	1,113	-	16,479
Employee benefit obligations	12,678	961	-	13,639
Allowance for impairment of general investment	301	-	-	301
Reinsurance payables	432	-	-	432
	<u>172,613</u>	<u>10,807</u>	<u>26,848</u>	<u>210,268</u>

<b>Deferred tax liabilities</b>				
Unrealized gain on the change in value of investment in available-for-sale securities	(505)	-	4,301	3,796
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(5,444)</u>	<u>-</u>	<u>4,301</u>	<u>(1,143)</u>
<b>Deferred tax assets</b>	<u>167,169</u>	<u>10,807</u>	<u>31,149</u>	<u>209,125</u>

	Separate financial statements			Baht: '000
	As at January 1, 2019	Transactions recognized in profit or loss	Transactions recognized in other comprehensive income or loss	As at June 30, 2019
<b>Deferred tax assets</b>				
Unrealized loss on the change in value of investment in available-for-sale securities	47,854	-	(13,730)	34,124
Employee benefit obligations	932	205	194	1,331
Allowance for impairment of general investment	301	-	-	301
	<u>49,087</u>	<u>205</u>	<u>(13,536)</u>	<u>35,756</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
<b>Deferred tax assets</b>	<u>44,148</u>	<u>205</u>	<u>(13,536)</u>	<u>30,817</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 June 30, 2018
<b>Deferred tax assets</b>				
Unrealized loss on the change in value of investment in available-for-sale securities	10,261	-	26,848	37,109
Employee benefit obligations	859	(67)	-	792
Allowance for impairment of general investment	301	-	-	301
	<u>11,421</u>	<u>(67)</u>	<u>26,848</u>	<u>38,202</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
<b>Deferred tax assets</b>	<u>6,482</u>	<u>(67)</u>	<u>26,848</u>	<u>33,263</u>

#### 14. OTHER ASSETS

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

	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Other receivables	56,240	12,359	-	-
<u>Less</u> Allowance for doubtful accounts	<u>(2,834)</u>	<u>(2,834)</u>	<u>-</u>	<u>-</u>
	<u>53,406</u>	<u>9,525</u>	<u>-</u>	<u>-</u>
Revenue Department receivable	5,256	8,863	2,661	1,128
Receivable from sale of securities	89	19,439	-	17,311
Refundable corporate income tax	13,827	13,827	-	-
Prepaid expenses	17,441	9,986	298	1,147
Due from rice field insurance scheme	6,258	10,500	-	-
Loss recovery	38,315	-	-	-
Others	23,660	10,706	5,211	3,502
Total other assets	<u>158,252</u>	<u>82,846</u>	<u>8,170</u>	<u>23,088</u>

#### 15. INSURANCE LIABILITIES

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

	Consolidated financial statements		
	As at June 30, 2019		
	Insurance contract liabilities	Reinsurance liabilities (see Note 7)	Net
Claim reserves			
Claim incurred and reported	2,593,529	(1,685,536)	907,993
Claim incurred but not reported	71,544	(32,985)	38,559
	<u>2,665,073</u>	<u>(1,718,521)</u>	<u>946,552</u>
Premium reserve			
Unearned Premium reserve	3,222,607	(1,066,294)	2,156,313
Total	<u>5,887,680</u>	<u>(2,784,815)</u>	<u>3,102,865</u>

	Baht: '000		
	<b>Consolidated financial statements</b>		
	<b>As at December 31, 2018</b>		
	<b>Insurance contract liabilities</b>	<b>Reinsurance liabilities (see Note 7)</b>	<b>Net</b>
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 June 30, 2019 and December 31, 2018 consisted of the following:

	Baht: '000	
	<b>Consolidated financial statements</b>	
	<b>As at June 30, 2019</b>	<b>As at December 31, 2018</b>
Balance as at beginning period/year	765,387	677,170
Loss incurred during the period/year	1,070,044	1,471,680
Changing on estimated loss and assumptions used in calculating loss reserve	(177,916)	(31,915)
Loss paid during the period/year	(1,077,980)	(1,351,548)
Loss reserves and outstanding claims transfer from AZTH (see Note 1)	2,085,538	-
Balance as at ending period/year	<u>2,665,073</u>	<u>765,387</u>

15.1.2 Unearned premium reserve

	Baht: '000	
	<b>Consolidated financial statements</b>	
	<b>As at June 30, 2019</b>	<b>As at December 31, 2018</b>
As at January 1,	1,679,389	1,391,826
Premium written for the period/year	2,281,830	3,396,370
Earned premium for the period/year	(2,322,853)	(3,108,807)
Premium reserves transfer from AZTH (see Note 1)	1,584,241	-
As at June 30, and December 31,	<u>3,222,607</u>	<u>1,679,389</u>

15.1.3 Unexpired risk reserve

As at June 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 1,734.54 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 June 30, 2019 and December 31, 2018 consisted of the following:

	Baht: '000	
	Consolidated financial statements	
	As at June 30, 2019	As at December 31, 2018
Amounts withheld on reinsurance	1,040,420	523,912
Reinsurance payables	407,391	154,420
Total amounts due to reinsurers	<u>1,447,811</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 June 30, 2019 and December 31, 2018 were as follows:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 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	36,000	8,693	1,008	316
Interest cost	1,068	2,052	65	96
Actuarial (gain) loss	(6,069)	-	969	-
Benefit paid during the period/year	-	(7,597)	-	-
Transfer benefit to a subsidiary company	-	-	(45)	(51)
Transfer benefit from AZTH (see Note 1)	19,934	-	-	-
Present value of obligation at the ending of the period/year	<u>140,905</u>	<u>89,972</u>	<u>6,652</u>	<u>4,655</u>

For the six-month periods ended June 30, 2019 and 2018, the Group recognized actuarial gain (loss) in the consolidated and separate statement of profit or loss and other comprehensive income as follows:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended June 30,		For the six-month periods ended June 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 June 30, 2019 and December 31, 2018 consisted of the following:

	Consolidated		Separate		Baht: '000
	financial statements		financial statements		
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	
Other payables - promotion expenses	74,188	38,209	-	-	
Premium received in advance	144,050	41,107	-	-	
Payable from purchase of securities	-	1,977	-	982	
Revenue Department payable	27,081	8,079	161	681	
Undue output value added tax	5,921	2,107	-	-	
Others	68,343	19,812	-	-	
Total other liabilities	319,583	111,291	161	1,663	

## 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 June 30, 2019 and December 31, 2018 are as follows:

	As at June 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 January 1,	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 June 30,	78,563,107	39.00	78,582,882	39.00

As at June 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 0.86 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 six-month periods ended June 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 six-month periods ended June 30, 2019 and 2018 were presented by business segment as follows:

	Consolidated financial statements							
	For the three-month periods ended June 30,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external	1,025,747	521,984	32,254	345,961	-	(341,981)	1,058,001	525,964
Share of profit on investment in an associate	-	-	178,320	120,861	-	-	178,320	120,861
Other income	8,911	308	3,361	3,097	(3,456)	(3,247)	8,816	158
Total revenues	1,034,658	522,292	213,935	469,919	(3,456)	(345,228)	1,245,137	646,983
Insurance business expense	747,559	401,797	-	-	-	-	747,559	401,797
Directors and key management personnel's remuneration	26,408	12,357	2,190	4,618	-	-	28,598	16,975
Other expense	178,672	53,481	15,532	13,725	(3,456)	(3,247)	190,748	63,959
Income tax expense	17,932	10,994	939	(1,564)	-	-	18,871	9,430
Net income	64,087	43,663	195,274	453,140	-	(341,981)	259,361	154,822

Baht: '000

Baht: '000

	Consolidated financial statements							
	For the six-month periods ended June 30,							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
2019	2018	2019	2018	2019	2018	2019	2018	
Revenue from external	1,671,531	1,048,299	51,622	395,478	-	(341,981)	1,723,153	1,101,796
Share of profit on investment in an associate	-	-	290,456	230,906	-	-	290,456	230,906
Other income	9,182	794	8,615	8,280	(8,869)	(8,580)	8,928	494
Total revenues	<u>1,680,713</u>	<u>1,049,093</u>	<u>350,693</u>	<u>634,664</u>	<u>(8,869)</u>	<u>(350,561)</u>	<u>2,022,537</u>	<u>1,333,196</u>
Insurance business expense	1,238,989	843,304	-	-	-	-	1,238,989	843,304
Directors and key management personnel's remuneration	39,905	23,798	8,094	10,582	-	-	47,999	34,380
Other expense	246,987	111,312	32,749	28,031	(8,869)	(8,580)	270,867	130,763
Income tax expense	32,423	14,240	926	67	-	-	33,349	14,307
Net income	<u>122,409</u>	<u>56,439</u>	<u>308,924</u>	<u>595,984</u>	<u>-</u>	<u>(341,981)</u>	<u>431,333</u>	<u>310,442</u>

## 22. BASIC EARNINGS PER SHARE

Details of calculation of earnings per share for the three-month and six-month periods ended June 30, 2019 and 2018 are as below:

	Consolidated financial statements					
	For the three-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
2019	2018	2019	2018	2019	2018	
Baht: '000	Baht: '000	shares	shares	Baht	Baht	
<b>Basic earnings per share</b>						
Profit attributable to shareholders of the Company	259,361	154,822	326,723,482	251,455,422	<u>0.79</u> <u>0.62</u>	
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (AYUD-W1)	-	-	78,563,107	7,168,582		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>259,361</u>	<u>154,822</u>	<u>405,286,589</u>	<u>258,624,004</u>	<u>0.64</u> <u>0.60</u>	
	Consolidated financial statements					
	For the six-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
2019	2018	2019	2018	2019	2018	
Baht: '000	Baht: '000	shares	shares	Baht	Baht	
<b>Basic earnings per share</b>						
Profit attributable to shareholders of the Company	431,333	310,442	326,723,482	251,455,422	<u>1.32</u> <u>1.23</u>	
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (AYUD-W1)	-	-	78,563,107	7,168,582		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>431,333</u>	<u>310,442</u>	<u>405,286,589</u>	<u>258,624,004</u>	<u>1.06</u> <u>1.20</u>	

Details of calculation of earnings per share for the three-month and six-month periods ended June 30, 2019 and 2018 are as below:

	Separate financial statements					
	For the three-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	16,954	332,279	326,723,482	251,455,422	0.05	1.32 <sup>*</sup>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (AYUD-W1)	-	-	78,563,107	7,168,582		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	16,954	332,279	405,286,589	258,624,004	0.04	1.28

	Separate financial statements					
	For the six-month periods ended 30 June,					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	Baht: '000	Baht: '000	shares	shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to shareholders of the Company	18,468	365,078	326,723,423	251,455,422	0.06	1.45
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (AYUD-W1)	-	-	78,563,107	7,168,582		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	18,468	365,078	405,286,589	258,624,004	0.05	1.41

## 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 Public Company Ltd.	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 Public Company Ltd. (Formerly "Sri Ayudhya General Insurance Public Company Ltd.")	Subsidiary	Insurance
Allianz Ayudhya Assurance Public Company Ltd.	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 Public Company Ltd.	Related company of shareholders	Banking
Krungsri Asset Management Co., Ltd.	Related company of shareholders	Fund management
Krungsri Securities Public Company Ltd.	Related company of shareholders	Finance
Ayudhya Development Leasing Co., Ltd.	Related company of shareholders	Hire-purchase and leasing
Ayudhya Capital Auto Lease Public Company Ltd.	Related company of shareholders	Hire-purchase and auto leasing
Siam City Cement Public Company Ltd.	Related company of shareholders	Construction Materials
Eastern Star Real Estate Public Company Ltd.	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 Public Company Ltd.	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 June 30, 2019 and December 31, 2018 with related parties were as follows:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
<b>Assets</b>				
<b>Related company of ultimate parent company</b>				
Premium due and uncollected	391	51	-	-
Amount due from reinsurers	56,088	-	-	-
Other assets	23,038	-	-	-
<b>Related company of shareholders</b>				
Deposits at financial institutions	675,832	566,961	48,482	145,346
Premium due and uncollected	8,901	7,121	-	-
Investment	3,181,512	3,172,101	3,181,512	3,172,101
Other assets	8,601	9,383	1,477	1,626
<b>Subsidiary</b>				
Other assets	-	-	2,767	982

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
<b>Liabilities</b>				
<b>Related company of ultimate parent company</b>				
Amount withheld on reinsurance	376,349	-	-	-
Due to reinsurers	180,278	-	-	-
Other liabilities	39,327	-	-	-
<b>Related company of shareholders</b>				
Other liabilities	47,327	47,069	111	183

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

	Baht: '000			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2019		For the six-month periods ended June 30, 2019	
	2018	2018	2018	2018
<b>Revenues</b>				
<b>Related company of ultimate parent company</b>				
Claim recovered from reinsurers	60,602	-	60,602	-
Fee and commission income	30,877	-	30,877	-
Written Premium	-	184	364	354
Other income	8,221	-	8,221	-
<b>Related company of shareholders</b>				
Premium written	9,286	8,313	17,893	18,557
Other income	861	694	1,466	1,208
Net investment income	3,618	1,590	3,683	27,281
<b>Expense</b>				
<b>Related company of ultimate parent company</b>				
Premiums ceded to reinsurers	251,769	-	251,769	-
Other expenses	15,028	-	15,028	-
<b>Related company of shareholders</b>				
Commission and brokerage expenses	46,235	38,494	97,201	77,889
Underwriting expenses	31,818	23,976	65,911	49,480
Other expenses	6,352	6,543	13,023	13,321

	<b>Baht: '000</b>			
	<b>Separate financial statements</b>			
	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>				
<b>Related company of shareholders</b>				
Net investment income	3,618	1,590	3,683	27,281
<b>Subsidiary</b>				
Other income	3,305	3,097	8,568	8,280
<b>Expense</b>				
<b>Related company of shareholders</b>				
Other expenses	1,517	1,708	3,352	3,650
<b>Subsidiary</b>				
Other expense	150	150	300	300

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.

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 services of personnel, internal audit and information technology. Services rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.



## 24. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and six-month periods ended June 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 June 30, 2019		For the six-month periods ended June 30, 2018	
Directors and key management personnel's remuneration				
Short-term benefits	27,254	16,099	45,823	32,306
Post-employment benefits	1,229	314	1,700	1,175
Directors' remuneration	115	562	475	899
	<u>28,598</u>	<u>16,975</u>	<u>47,998</u>	<u>34,380</u>

  

	Baht: '000			
	Separate financial statements			
	For the three-month periods ended June 30, 2019		For the six-month periods ended June 30, 2018	
Directors and key management personnel's remuneration				
Short-term benefits	1,985	4,448	7,582	9,755
Post-employment benefits	132	(104)	244	339
Directors' remuneration	73	274	268	488
	<u>2,190</u>	<u>4,618</u>	<u>8,094</u>	<u>10,582</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 ordinary shareholders' meeting of the subsidiary held on April 26, 2019 and April 2, 2018, respectively.

## 25. SECURITIES PLEDGED AND ASSETS RESERVED WITH THE REGISTRAR

As at June 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:

	Baht: '000			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Investment in securities used to secure the facilities collateral with the Office of Insurance Commission				
Securities pledged with the registrar				
Deposits at banks	14,000	14,000	-	-
Government and state enterprise securities	14,000	-	-	-
Assets reserved with the registrar				
Government and state enterprise securities	<u>529,137</u>	<u>332,416</u>	<u>31,374</u>	<u>31,505</u>
Total investment in securities of pledged	<u>557,137</u>	<u>346,416</u>	<u>31,374</u>	<u>31,505</u>

## 26. RESTRICTED ASSETS AND COMMITMENT

- 26.1 As at June 30, 2019 and December 31, 2018, the subsidiary has premium saving certificates amount of Baht 5.35 million and Baht 4.50 million, respectively were used as collateral in case where the insured driver is an alleged offender (see Note 9).
- 26.2 As at June 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 June 30, 2019	As at December 31, 2018	As at June 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

## 27. LONG-TERM LEASES AND SERVICE AGREEMENTS

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

Type of leases	Consolidated financial statements		
	Remaining periods		Total rental payments for the remaining periods
	Within 1 year	Over 1 year to 5 years	
<b>As at June 30, 2019</b>			
Building			
- related company	8,216	2,732	10,948
- others	7,509	3,699	11,208
Service			
- related company	6,797	430	7,227
- others	340	-	340
Equipment - related company	9,063	573	9,636
	<u>31,925</u>	<u>7,434</u>	<u>39,359</u>

Type of leases	Consolidated financial statements		
	Remaining periods		Total rental payments for the remaining periods
	Within 1 year	Over 1 year to 5 years	
<b>As at December 31, 2018</b>			
Building			
- related company	7,538	1,256	8,794
- others	8,026	6,135	14,161
Service - related company			
- 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		
<b>As at June 30, 2019</b>				
Building - related company	1,159	-	1,159	
Service - related company	1,159	-	1,159	
Equipment - related company	1,546	-	1,546	
	<u>3,864</u>	<u>-</u>	<u>3,864</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		
<b>As at December 31, 2018</b>				
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 six-month periods ended June 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				Baht: '000
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2019	2018	2019	2018	
Rental and service fees	<u>10,177</u>	<u>8,398</u>	<u>18,718</u>	<u>16,817</u>	

  

	Separate financial statements				Baht: '000
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2019	2018	2019	2018	
Rental and service fees	<u>1,449</u>	<u>1,449</u>	<u>2,898</u>	<u>2,898</u>	

## 28. CONTINGENT LIABILITIES AND COMMITMENT

28.1 As at June 30, 2019 and December 31, 2018, lawsuits have been brought against the subsidiary, as insurer, from which the subsidiary estimates losses totaling Baht 21.29 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.

28.2 As at June 30, 2019 and December 31, 2018, the subsidiary had a commitment in respect of computer program development expenses in the amount of approximately Baht 10.57 million.

## 29. FAIR VALUE MEASUREMENT

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

	Consolidated financial statements			
	Fair Value		Fair value hierarchy	Valuation techniques and key inputs
	As at June 30, 2019 Baht : '000	As at December 31, 2018 Baht : '000		
Financial assets				
Government and state enterprise securities	593,652	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	296,000	-	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	60,038	-	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	1,044,785	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	3,421,285	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 June 30, 2019 Baht : '000	As at December 31, 2018 Baht : '000		
	Financial assets			
Government and state enterprise securities	137,018	136,519	Level 2	Latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate
Equity securities	700,810	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	3,394,753	3,263,882	Level 2	The unit trust's net asset value of the last working day of the reporting period

## 30. AUTHORIZATION OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on August 13, 2019.

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