
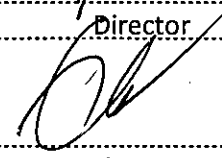


Information Disclosure Allianz Ayudhya Assurance Public Company Limited

The Company has cautiously reviewed the disclosed information and has verified that the information is completed, accurate and is not misleading or lack of essence .

This is to certify the accuracy of all disclosed information reported by the Company.

Sign 
Name Mr. Bryan James Smith.....
Position Director.....

Sign 
Name Mr. PUNCHAI SATAYAPORN.....
Position Director.....

Disclosed on 1 November 2018.....
Quarterly 2 Year 2018.....



1. Adequacy of Capital

Allianz Ayudhya Assurance Public Company Limited holds a strong RBC Solvency Ratio. At the end of second quarter in 2018, the Company's capital adequacy ratio is at the 340 percent which is significant high comparing to the minimum ratio required by the OIC at the 140 percent. The Company also conducts the regular tests of its financial status under crisis at every quarter end to ensure that the Company is capable of confronting and coping with any economic change in the event of uncontrollable or undesired situation.

Disclosed on 1 November 2018

Unit: million baht

Item	Quarter 1		Quarter 2		Quarter 3	
	2018	2017	2018	2017	2018	2017
Capital Adequacy Ratio (%)	376%	388%	340%	351%		340%
Total Capital Availability	26,475.29	26,134.21	25,383.28	23,803.26		24,121.92
Total Capital Requirement	7,040.89	6,743.35	7,462.86	6,779.00		7,093.89

- Remark**
- Notification of the Office of Insurance Commission (OIC): Specification of Type and Category of the Capital including Rules, Procedures and Conditions of the Capital Calculation in Life Insurance Companies. For legal requirement, the Capital adequacy ratio shall not be lower than 140 percent.
 - Capital is based on appraisal value aligned with the announcement of OIC regarding the Life Insurance Company's asset and liability assessment
 - The second quarter is the six-months operating results while the third quarter is the nine-months operating results
 - In 2018 the Company has replaced its external auditor and made some reclassifications. The disclosed financial information therefore may not be comparable to the previous years.

2. Financial Statement

ALLIANZ AYUDHYA ASSURANCE PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2018



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Allianz Ayudhya Assurance Public Company Limited

I have reviewed the interim financial information of Allianz Ayudhya Assurance Public Company Limited, which comprises the statement of financial position as at 30 June 2018, and the related statements of comprehensive income for the three-month and six-month periods then ended, changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my 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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read "A. Leekitwattana", written over a horizontal line.

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
Bangkok
7 August 2018

Allianz Ayudhya Assurance Public Company Limited
Statement of Financial Position
As at 30 June 2018

		(Unaudited) 30 June 2018	(Audited and reclassified) 31 December 2017
	Notes	Thousand Baht	Thousand Baht
Assets			
Cash and cash equivalents	6, 25	5,453,749	5,181,609
Premiums due and uncollected	3, 7	1,975,372	1,636,966
Accrued investment income		2,910,579	2,758,776
Reinsurance receivables	8, 25	370,774	313,049
Investment receivables		177,670	9,748
Derivative assets	9	234,376	217,921
Investment assets			
Investments in securities, net	10, 25, 26	159,312,662	158,718,869
Loans, net	11	8,058,327	7,871,797
Investment assets held to cover linked liabilities		139,891	96,140
Premises and equipment, net	12	570,601	603,429
Intangible assets, net	13	600,496	283,027
Other assets	14, 25	443,689	218,847
Total assets		180,248,186	177,910,178

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2018

		(Unaudited) 30 June 2018	(Audited and reclassified) 31 December 2017
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Liabilities			
Insurance contract liabilities	3, 15	159,535,044	152,195,072
Investment contract liabilities	16	3,319,566	3,864,111
Reinsurance payables	17, 25	596,842	525,926
Investment payables		259,579	541,065
Derivative liabilities	9	358,176	33,494
Income tax payable		116,539	184,890
Accrued expenses	3, 18, 25	1,818,584	1,836,009
Employee benefit obligations	3	406,736	434,482
Provisions		134,387	195,971
Deferred tax liabilities	19	485,307	1,241,549
Other liabilities	20	356,792	463,580
Total liabilities		167,387,552	161,516,149
Equity			
Share capital			
Authorised share capital			
400,000,000 ordinary shares of 10 Baht each		4,000,000	4,000,000
Issued and paid-up share capital			
295,000,000 ordinary shares of 10 Baht each		2,950,000	2,950,000
Retained earnings			
Appropriated			
Legal reserve		400,000	400,000
Unappropriated		5,963,307	6,253,505
Other components of equity		3,547,327	6,790,524
Total equity		12,860,634	16,394,029
Total liabilities and equity		180,248,186	177,910,178

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2018

		(Reclassified)	
		2018	2017
	Notes	Thousand Baht	Thousand Baht
Revenues			
Gross premiums written	25	7,665,697	7,444,745
<u>Less</u> premiums ceded	25	<u>(163,985)</u>	<u>(150,996)</u>
Net premiums written		7,501,712	7,293,749
<u>Add</u> unearned premium reserve decreased from previous period		<u>169,442</u>	<u>243,330</u>
Net premiums earned		7,671,154	7,537,079
Fees and commission income	25	27,711	31,047
Net investment income	3, 25	1,727,792	1,594,184
Gains on investment		212,579	132,453
Gains (losses) on fair value		(5,298)	(3,709)
Other income		<u>11,452</u>	<u>14,674</u>
Total revenues		<u>9,645,390</u>	<u>9,305,728</u>
Expenses			
Long-term technical reserve increased from previous period		2,884,431	3,194,548
Benefits payments and insurance claims expenses	25	4,239,617	3,553,974
<u>Less</u> benefits payments and insurance claims expenses recovered from reinsurers	25	<u>(98,823)</u>	<u>(65,685)</u>
Net benefits payment and insurance claims expenses		4,140,794	3,488,289
Commissions and brokerages		883,221	873,311
Other underwriting expenses	3	397,310	356,531
Operating expenses	3, 21, 25	600,416	644,634
Other expenses		<u>5</u>	<u>520</u>
Total expenses		<u>8,906,177</u>	<u>8,557,833</u>
Profit before income tax		739,213	747,895
Income tax	22	<u>139,989</u>	<u>138,573</u>
Net profit		<u>599,224</u>	<u>609,322</u>

The accompanying condensed notes to interim financial information are an integral part of these Interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 June 2018

	2018	2017
Note	Thousand Baht	Thousand Baht
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss		
Losses on remeasurements of post-employment benefit obligations	(8,005)	-
Income tax on items that will not be reclassified to profit or loss	1,601	-
Total items that will not be subsequently reclassified to profit or loss	(6,404)	-
Items that will be subsequently reclassified to profit or loss		
Change in fair value of available-for-sale investments	(2,596,796)	981,045
Change in fair value of cash flow hedges	(90,356)	2,492
Income tax on items that will be reclassified subsequently to profit or loss	604,959	(199,819)
Total items that will be subsequently reclassified to profit or loss	(2,082,193)	783,718
Other comprehensive income (loss) for the period, net of income tax	(2,088,597)	783,718
Total comprehensive income (loss) for the period	(1,489,373)	1,393,040
Basic earnings per share (Baht)	24	2.03
		2.07

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the six-month period ended 30 June 2018

		(Reclassified)	
		2018	2017
	Notes	Thousand Baht	Thousand Baht
Revenues			
Gross premiums written	25	15,866,491	15,355,396
<u>Less</u> premiums ceded	25	<u>(389,160)</u>	<u>(385,541)</u>
Net premiums written		15,477,331	14,969,855
<u>Less</u> unearned premium reserve (increased) from previous period		<u>(461,189)</u>	<u>(311,275)</u>
Net premiums earned		15,016,142	14,658,580
Fees and commission income	25	77,989	79,982
Net investment income	3, 25	3,337,518	3,120,712
Gains on investment		420,696	218,610
Gains (losses) on fair value		(12,819)	(3,538)
Other income		<u>21,692</u>	<u>27,277</u>
Total revenues		<u>18,861,218</u>	<u>18,101,623</u>
Expenses			
Long-term technical reserve increased from previous period		6,059,349	6,558,076
Benefits payments and insurance claims expenses	25	7,837,016	6,625,186
<u>Less</u> benefits payments and insurance claims expenses recovered from reinsurers	25	<u>(202,715)</u>	<u>(138,717)</u>
Net benefits payment and insurance claims expenses		7,634,301	6,486,469
Commissions and brokerages		1,707,686	1,692,022
Other underwriting expenses	3	793,565	686,985
Operating expenses	3, 21, 25	1,249,091	1,342,824
Other expenses		<u>5</u>	<u>520</u>
Total expenses		<u>17,443,997</u>	<u>16,766,896</u>
Profit before income tax		1,417,221	1,334,727
Income tax	22	<u>272,398</u>	<u>256,891</u>
Net profit		<u>1,144,823</u>	<u>1,077,836</u>

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the six-month period ended 30 June 2018

	2018	2017
Note	Thousand Baht	Thousand Baht
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss		
Losses on remeasurements of post-employment benefit obligations	(9,026)	-
Income tax on items that will not be reclassified to profit or loss	1,805	-
Total items that will not be subsequently reclassified to profit or loss	(7,221)	-
Items that will be subsequently reclassified to profit or loss		
Change in fair value of available-for-sale investments	(4,003,981)	1,001,947
Change in fair value of cash flow hedges	(101,658)	(1,700)
Income tax on items that will be reclassified subsequently to profit or loss	862,442	(213,155)
Total items that will be subsequently reclassified to profit or loss	(3,243,197)	787,092
Other comprehensive income (loss) for the period, net of income tax	(3,250,418)	787,092
Total comprehensive income (loss) for the period	(2,105,595)	1,864,928
Basic earnings per share (Baht)	24	3.88
		3.65

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Changes in Equity (Unaudited)
For the six-month period ended 30 June 2018

	Retained earnings		Other components of equity				Total equity Thousand Baht
	Issued and paid-up share capital Thousand Baht	Legal reserve Thousand Baht	Unappropriated Thousand Baht	Change in fair value of available-for-sale investments Thousand Baht	Change in fair value of cash flow hedges Thousand Baht	Total other components of equity Thousand Baht	
Balance as at 1 January 2017	2,950,000	400,000	6,538,808	3,889,352	15,272	3,904,624	13,793,432
Transaction with shareholders, recorded directly in equity							
Distributions to shareholders of the Company							
Dividends to shareholders of the Company (note 23)	-	-	(1,923,400)	-	-	-	(1,923,400)
Total transaction with shareholders, recorded directly in equity	-	-	(1,923,400)	-	-	-	(1,923,400)
Comprehensive income (loss) for the period							
Net profit	-	-	1,077,836	-	-	-	1,077,836
Other comprehensive income (loss)							
Change in fair value of cash flow hedges	-	-	-	-	(14,465)	(14,465)	(14,465)
Change in fair value of available-for-sale investments	-	-	-	801,557	-	801,557	801,557
Total comprehensive income (loss) for the period	-	-	1,077,836	801,557	(14,465)	787,092	1,864,928
Balance as at 30 June 2017	2,950,000	400,000	5,693,244	4,690,909	807	4,691,716	13,734,960

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Changes in Equity (Unaudited) (Cont'd)
For the six-month period ended 30 June 2018

	Retained earnings		Other components of equity				Total equity Thousand Baht
	Issued and paid-up share capital Thousand Baht	Legal reserve Thousand Baht	Unappropriated Thousand Baht	Change in fair value of available-for-sale investments Thousand Baht	Change in fair value of cash flow hedges Thousand Baht	Total other components of equity Thousand Baht	
Balance as at 1 January 2018	2,950,000	400,000	6,253,505	6,786,316	4,208	6,790,524	16,394,029
Transaction with shareholders, recorded directly in equity							
Distributions to shareholders of the Company	-	-	(1,427,800)	-	-	-	(1,427,800)
Dividends to shareholders of the Company (note 23)	-	-	(1,427,800)	-	-	-	(1,427,800)
Total transaction with shareholders, recorded directly in equity	-	-	(1,427,800)	-	-	-	(1,427,800)
Comprehensive income (loss) for the period							
Net profit	-	-	1,144,823	-	-	-	1,144,823
Other comprehensive income (loss)							
Change in fair value of cash flow hedges	-	-	-	-	(40,013)	(40,013)	(40,013)
Change in fair value of available-for-sale investments	-	-	-	(3,203,184)	-	(3,203,184)	(3,203,184)
Losses from remeasurements of post-employment benefit obligations	-	-	(7,221)	-	-	-	(7,221)
Total comprehensive income (loss) for the period	-	-	1,137,602	(3,203,184)	(40,013)	(3,243,197)	(2,105,595)
Balance as at 30 June 2018	2,950,000	400,000	5,963,307	3,583,132	(35,805)	3,547,327	12,860,634

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

Allianz Ayudhya Assurance Public Company Limited
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2018

		(Reclassified)
		2018
	Notes	Thousand Baht
		Thousand Baht
Cash flows from operating activities		
Premiums written	3	15,464,742
Cash paid relating to reinsurance		(95,266)
Interest received		3,002,742
Dividends received		383,610
Other income		21,891
Benefits payments and insurance claims expenses		(7,554,694)
Commissions and brokerages		(1,820,579)
Other underwriting expenses	3	(731,898)
Operating expenses	3	(1,455,274)
Income tax paid		(232,743)
Cash received from selling and redeeming investments in securities	3	8,080,743
Cash paid for purchasing investments in securities	3	(12,723,506)
Cash received from loans	3	3,157
Cash paid from loans	3	(228,211)
Net cash flow provided from (used in) operating activities		2,114,714
Cash flows from investing activities		
Cash flows used		
Cash paid for purchasing premises and equipment		(5,480)
Cash paid for purchasing intangible assets		(409,294)
Net cash flow used in investing activities		(414,774)
Cash flows from financing activities		
Cash flows used		
Dividend paid	23	(1,427,800)
Net cash flow used in financing activities		(1,427,800)
Net increase (decrease) in cash and cash equivalents		272,140
Cash and cash equivalents as at 1 January		5,181,609
Cash and cash equivalents as at 30 June	6	5,453,749
Supplemental cash flows information		
Non-cash items		
Receivables from selling investments		177,670
Payables from purchasing investments		259,579
Accrued dividend payment	23	-
		1,923,400

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

1 General information

Allianz Ayudhya Assurance Public Company Limited, ("the Company"), was first incorporated in Thailand under the name of Sri Ayudhya Life Assurance Company Limited on 11 April 1951 and the Company was granted its license to operate as a life insurance company on 20 April 1951.

Its registered office is located at Ploenchit Tower, 1st floor Zone B, 2nd floor Zone B (Mezzanine), 5th floor Zone B, 6th floor, 14th floor and 17th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The immediate and ultimate parent companies during the financial period were CPRN (Thailand) Limited and Allianz SE, respectively. The immediate parent company was incorporated in Thailand and the ultimate parent company was incorporated in Germany.

The principal business of the Company is the provision of life insurance business.

This interim financial information was approved by the Board of Directors on 7 August 2018.

This interim financial information has been reviewed, not audited.

2 Basis of preparation and accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statements of comprehensive income, changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. In addition, the interim financial information presentation are based on the formats of life insurance interim financial information attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for life insurance company B.E. 2559" dated on 4 March 2016 ("OIC Notification"). The notes to the interim financial information are prepared in a condensed format. Additional notes are presented as required by the aforementioned OIC Notification.

The interim financial information should be read together with the annual financial statements for the year ended 31 December 2017.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

2.2 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2017. The Company has also applied the new accounting policy as discussed in note 2.2.1.

Expenses that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such expenses at the end of the financial year.

2 Basis of preparation and accounting policies (Cont'd)

2.2 Accounting policies (Cont'd)

Income tax in the interim periods are accrued by using the expected income taxes in the interim period.

The interim financial information is prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

2.2.1 New Accounting policy:

The Company has adopted new accounting policy for the right to utilise benefits in accordance with agreement. The right is presented as intangible assets and recognised at cost incurred to acquire the right. The right is amortised over its estimated useful life within the utilization period according to the agreement.

2.2.2 Revised financial reporting standards are effective on or after 1 January 2018 which have significant changes and are relevant to the Company:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Company's management has adopted the revised standards and considered that the above revised standards do not have a material impact on the Company.

2.2.3 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Company. The Company has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

2 Basis of preparation and accounting policies (Cont'd)

2.2 Accounting policies (Cont'd)

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Company will first apply this standard for annual reporting periods beginning on or after 1 January 2019.

The management is currently assessing the impact from initial application of this standard in detail.

3 Reclassifications

The comparative amounts have reclassified to conform to the current period presentation of the interim financial information.

	31 December 2017		
	As previously reported Thousand Baht	Reclassification Thousand Baht	Reclassified Thousand Baht
Statement of financial position			
Premiums due and uncollected	1,751,765	(114,799)	1,636,966
Insurance contract liabilities	152,309,871	(114,799)	152,195,072
Accrued expenses	2,060,138	(224,129)	1,836,009
Employee benefit obligations	210,353	224,129	434,482

Allianz Ayudhya Assurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2018

3 Reclassifications (Cont'd)

	(Unaudited) For the three-month period ended 30 June 2017		
	As previously reported Thousand Baht	Reclassification Thousand Baht	Reclassified Thousand Baht
Statement of comprehensive income			
Revenues			
Net investment income	1,601,372	(7,188)	1,594,184
Other income	14,154	520	14,674
Expenses			
Other underwriting expenses	248,495	108,036	356,531
Operating expenses	759,858	(115,224)	644,634
Other expenses	-	520	520

	(Unaudited) For the six-month period ended 30 June 2017		
	As previously reported Thousand Baht	Reclassification Thousand Baht	Reclassified Thousand Baht
Statement of comprehensive income			
Revenues			
Net investment income	3,134,587	(13,875)	3,120,712
Other income	26,757	520	27,277
Expenses			
Other underwriting expenses	476,883	210,102	686,985
Operating expenses	1,566,801	(223,977)	1,342,824
Other expenses	-	520	520

	(Unaudited) For the six-month period ended 30 June 2017		
	As previously reported Thousand Baht	Reclassification Thousand Baht	Reclassified Thousand Baht
Statement of cash flow			
Premiums written	15,194,586	(88,917)	15,105,669
Other underwriting expenses	(476,883)	(210,102)	(686,985)
Operating expenses	(1,427,486)	210,169	(1,217,317)
Investments in securities	(11,398,627)	11,398,627	-
Cash received from selling and redeeming investments in securities	-	11,593,092	11,593,092
Cash paid for purchasing investments in securities	-	(22,991,719)	(22,991,719)
Loans	(249,233)	249,233	-
Cash received from loans	-	2,872	2,872
Cash paid from loans	-	(163,188)	(163,188)
Deposits	67	(67)	-

4 Estimates

The preparation of interim financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

5 Fair value

5.1 Fair value estimation

The table below presents financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities, and the Company is able to access that market on valuation date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The following table presents the Company's financial assets and liabilities that are measured and recognised at fair value on the interim financial information as at 30 June 2018.

	(Unaudited) 30 June 2018			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Financial assets				
Derivative assets	-	234,376	-	234,376
Investment in securities				
Available-for-sale investments				
Debt securities	-	96,729,256	-	96,729,256
Equity securities	11,265,352	-	-	11,265,352
Foreign equity securities	3,243,384	-	-	3,243,384
Investment assets held to cover linked liabilities	-	139,891	-	139,891
Total	14,508,736	97,103,523	-	111,612,259
Financial liabilities				
Derivative liabilities	-	358,176	-	358,176
Total	-	358,176	-	358,176

5 Fair value (Cont'd)

5.1 Fair value estimation (Cont'd)

The following table presents the fair values of the Company's financial assets that are not measured at fair value on the interim financial information as at 30 June 2018.

	(Unaudited)			Total Thousand Baht
	30 June 2018			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Financial assets				
Investment in securities				
Held-to-maturity investments				
Debt securities	-	46,799,055	-	46,799,055
Deposit at financial institutions with maturities over 3 months from acquisition date	4,900,000	-	-	4,900,000
Total	4,900,000	46,799,055	-	51,699,055

The following table presents the Company's financial assets and liabilities that are measured and recognised at fair value on the financial statements as at 31 December 2017.

	(Audited)			Total Thousand Baht
	31 December 2017			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Financial assets				
Derivative assets	-	217,921	-	217,921
Investment in securities				
Available-for-sale investments				
Debt securities	-	93,975,615	-	93,975,615
Equity securities	10,268,287	-	-	10,268,287
Foreign equity securities	3,636,380	-	-	3,636,380
Investment assets held to cover linked liabilities	-	96,140	-	96,140
Total assets	13,904,667	94,289,676	-	108,194,343
Liabilities				
Derivative liabilities	-	33,494	-	33,494
Total Liabilities	-	33,494	-	33,494

5 Fair value (Cont'd)

5.1 Fair value estimation (Cont'd)

The following table presents the fair values of the Company's financial assets that are not measured at fair value on the financial statement as at 31 December 2017.

	(Audited)			Total Thousand Baht
	31 December 2017			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Financial assets				
Investment in securities				
Held-to-maturity Investments				
Debt securities	-	50,491,306	-	50,491,306
Deposit at financial institutions with maturities over 3 months from acquisition date	4,900,000	-	-	4,900,000
Total	4,900,000	50,491,306	-	55,391,306

There was no transfer between Levels 1 and 2 during the period.

There was no change in valuation techniques during the periods.

5.2 Valuation techniques used to derive Level 2 fair values

The Company determines Level 2 fair values for debt securities using the prices on the last business day of the period provided by the Thai Bond Market Association which using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

The Company determines Level 2 fair values for unit trusts using the net asset value (NAV) on the last business day of the period provided by assets management companies.

The Company determines Level 2 for simple over-the-counter hedging derivatives which comprise cross currency swap and bond forward contracts based on broker quotes. The cross currency swap have been fair valued based on exchange rates that are quoted in an active market. The bond forward contracts have been fair valued based on forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

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6 Cash and cash equivalents

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Cash on hand	-	123
Deposits at banks - call deposits	2,769,483	1,806,315
Deposits at banks - time deposits	-	650,000
Short-term investments	2,684,266	2,725,171
Total	5,453,749	5,181,609

As at 30 June 2018, cash and cash equivalents were denominated in foreign currencies amounting to Baht 2,296 million (31 December 2017: Baht 179 million).

7 Premiums due and uncollected

As at 30 June 2018 and 31 December 2017, the balances of premiums due and uncollected were aged as follows:

	From direct insurance	
	(Unaudited) 30 June 2018 Thousand Baht	(Audited and reclassified) 31 December 2017 Thousand Baht
Within credit terms	1,920,473	1,602,104
Overdue:		
Less than 30 days	178,768	176,407
31 - 60 days	5,971	12,867
61 - 90 days	11,553	9,825
91 days - 1 year	22,063	3,451
Over 1 year	14,897	15,908
Total	2,153,725	1,820,562
<u>Less</u> Allowance for doubtful accounts	<u>(178,353)</u>	<u>(183,596)</u>
Net premiums due and uncollected	1,975,372	1,636,966

In case of individual policies, premiums due and uncollected represent those amounts that are within the grace period, which is 30 days. For policies with cash values having amounts overdue longer than the grace period, the premiums due and uncollected will be settled by granting automatic policy loans. For policies without cash values and overdue longer than the grace period, the policies are lapsed.

In case of group policies, the credit term is 90 days. For overdue premium due and uncollected, the Company is processing the collection in accordance with the Company's policy.

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8 Reinsurance receivables

The details of reinsurance assets are as follows:

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Due from reinsurance (Note 25)	370,774	313,049
Total reinsurance receivable	370,774	313,049

9 Derivative assets and liabilities

All derivatives are for the purpose of hedging activities.

The details of derivative assets are as follow:

		(Unaudited) 30 June 2018	Notional value Thousand Baht	Derivative book value Thousand Baht	(Unaudited) Change in fair value for the six- month period- ended 30 June 2018 Thousand Baht
Type of contract	Purpose	Number of contracts			
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	22	3,230,970	232,957	17,431
Bond forward	To hedge reinvestment risk	2	300,000	1,419	1,419
Total		24	3,530,970	234,376	18,850

		(Audited) 31 December 2017	Notional value Thousand Baht	Derivative book value Thousand Baht	(Audited) Change in fair value for the year- ended 31 December 2017 Thousand Baht
Type of contract	Purpose	Number of contracts			
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	22	3,230,970	215,525	200,891
Bond forward	To hedge reinvestment risk	2	400,000	2,396	2,396
Total		24	3,630,970	217,921	203,287

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9 Derivative assets and liabilities (Cont'd)

The details of derivative liabilities are as follow:

(Unaudited) 30 June 2018					(Unaudited) Change in fair value for the six- month period- ended 30 June 2018 Thousand Baht
Type of contract	Purpose	Number of contracts	Notional value Thousand Baht	Derivative book value Thousand Baht	
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	19	2,971,420	151,354	151,354
Bond forward	To hedge reinvestment risk	34	10,010,000	206,822	175,724
Total		53	12,981,420	358,176	327,078

(Audited) 31 December 2017					(Audited) Change in fair value for the year- ended 31 December 2017 Thousand Baht
Type of contract	Purpose	Number of contracts	Notional value Thousand Baht	Derivative book value Thousand Baht	
Bond forward	To hedge reinvestment risk	12	4,100,000	33,494	33,494
Total		12	4,100,000	33,494	33,494

As at 30 June 2018, the Company has hedged the risk on foreign currency offshore bonds and debentures by entering into cross currency swap contracts with local banks. The notional value of these hedges is U.S. Dollar 188 million (31 December 2017: U.S. Dollar 94 million).

The notional value is the amount used as a reference for calculation of the settlements made on the derivatives.

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10 Investments in securities, net

The details of investments in securities as at 30 June 2018 and 31 December 2017 are as follows:

	(Unaudited) 30 June 2018		(Audited) 31 December 2017	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Available-for-sale Investments				
Government and state enterprise debt securities	80,674,235	82,832,414	80,246,849	84,988,153
Private debt securities	7,594,375	7,738,949	5,583,258	5,806,133
Foreign debt securities	6,279,356	6,157,893	3,303,733	3,181,329
Equity securities	9,063,129	11,265,352	6,974,873	10,268,287
Foreign equity securities	3,158,092	3,243,384	3,474,871	3,636,380
Total	106,769,187	111,237,992	99,583,584	107,880,282
Add Unrealised gain	4,479,045		8,306,938	
Less Allowance for impairment	(10,240)		(10,240)	
Total available-for-sale investments, net	111,237,992	111,237,992	107,880,282	107,880,282
Held-to-maturity Investments				
Government and state enterprise debt securities	40,090,088		42,623,431	
Private debt securities	3,042,730		3,274,018	
Deposits at financial Institutions with original maturities more than 3 months	4,900,000		4,900,000	
Total held-to-maturity Investments	48,032,818		50,797,449	
General Investments				
Equity securities	41,852		41,138	
Total general Investments	41,852		41,138	
Total investments in securities	159,312,662		158,718,869	

During the three-month period ended 30 June 2018, the Company recognised interest income and dividend income with amounting to Baht 1,499 million and Baht 257 million, respectively (2017: Baht 1,445 million and Baht 175 million, respectively).

During the six-month period ended 30 June 2018, the Company recognised interest income and dividend income with amounting to Baht 2,984 million and Baht 396 million, respectively (2017: Baht 2,850 million and Baht 316 million, respectively).

During the three-month period ended 30 June 2018, the Company received consideration from selling available-for-sale investments with totaling amounting to Baht 2,791 million (2017: Baht 614 million).

During the six-month period ended 30 June 2018, the Company received consideration from selling available-for-sale investments with totaling amounting to Baht 3,679 million (2017: Baht 1,132 million).

As at 30 June 2018, the Company had investment in securities deposited with the Office of Insurance Commission in order to comply with the Life Insurance Act with a fair value amounting to Baht 35,418 million (31 December 2017: Baht 34,823 million) (Note 26).

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11 Loans, net

As at 30 June 2018 and 31 December 2017, the details of loans and accrued interests are aged by outstanding period as follows:

Outstanding periods	(Unaudited) 30 June 2018							
	Policy loans			Mortgage loans			Total	
	Principle Thousand Baht	Accrued Interest Thousand Baht		Principle Thousand Baht	Accrued Interest Thousand Baht			
Within credit terms	8,033,973	1,321,593		17,914	23	8,051,887	1,321,616	9,373,503
Overdue	-	-		6,440	44	6,440	44	6,484
Less than 3 months	-	-		-	-	-	-	-
Over 3 - 6 months	-	-		-	-	-	-	-
Over 6 - 12 months	-	-		-	-	-	-	-
Over 12 months	-	-		49,101	4,597	49,101	4,597	53,698
Total	8,033,973	1,321,593		73,455	4,664	8,107,428	1,326,257	9,433,685
Less Allowance for doubtful accounts	-	-		(49,101)	(4,597)	(49,101)	(4,597)	(53,698)
Loans and accrued interests, net	8,033,973	1,321,593		24,354	67	8,058,327	1,321,660	9,379,987

Allianz Ayudhya Assurance Public Company Limited
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11 Loans, net (Cont'd)

	(Audited)						
	31 December 2017						
	Policy loans		Mortgage loans		Total		
Outstanding periods	Principle Thousand Baht	Accrued Interest Thousand Baht	Principle Thousand Baht	Accrued Interest Thousand Baht	Principle Thousand Baht	Accrued Interest Thousand Baht	Total Thousand Baht
Within credit terms	7,844,286	1,266,323	24,077	44	7,868,363	1,266,367	9,134,730
Overdue	-	-	-	-	-	-	-
Less than 3 months	-	-	3,434	22	3,434	22	3,456
Over 3 - 6 months	-	-	-	-	-	-	-
Over 6 - 12 months	-	-	430	40	430	40	470
Over 12 months	-	-	48,671	4,557	48,671	4,557	53,228
Total	7,844,286	1,266,323	76,612	4,663	7,920,898	1,270,986	9,191,884
Less Allowance for doubtful accounts	-	-	(49,101)	(4,597)	(49,101)	(4,597)	(53,698)
Loans and accrued interests, net	7,844,286	1,266,323	27,511	66	7,871,797	1,266,389	9,138,186

Accrued interests are presented under "Accrued income on investments" on the statement of financial position.

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest rate are not more than 8% per annum, as approved by the Office of Insurance Commission.

Mortgage loans are loans secured by real estates. The Company stopped providing any new mortgage loans since 2010.

As at 30 June 2018, the Company had mortgage loans to staffs amounting to Baht 4 million (31 December 2017: Baht 5 million) with interest rates at 5% per annum (2017: 5% per annum) and were issued in accordance with the Company's welfare policy.

12 Premises and equipment, net

As at 30 June 2018, the Company had cost for premises and equipment amounting to Baht 1,499 million (31 December 2017: Baht 1,531 million) and had accumulated depreciation amounting to Baht 929 million (31 December 2017: Baht 928 million).

For the six-month period ended 30 June 2018, the Company had depreciation for building improvement and equipment amounting to Baht 38 million, purchases amounting to Baht 6 million and disposal net amounting to Baht 1 million which had cost for premises and equipment amounting to Baht 38 million and had accumulated depreciation amounting to Baht 37 million.

As at 30 June 2018, the gross carrying amount of the fully depreciated assets still in use are Baht 586 million (31 December 2017: Baht 604 million).

13 Intangible assets, net

As at 30 June 2018, the Company had cost for intangible assets which consist of computer software and right amounting to Baht 817 million (31 December 2017: Baht 470 million) and had accumulated amortisation for intangible assets amounting to Baht 217 million (31 December 2017: Baht 187 million).

For the six-month period ended 30 June 2018, the Company had amortization for intangible assets from computer software and right amounting to Baht 30 million and Baht 63 million, respectively and increase in intangible assets from computer software and right amounting to Baht 40 million and Baht 370 million, respectively.

14 Other assets

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Cash collateral from derivative contracts	171,000	-
Other account receivables	109,064	108,221
Prepaid expenses	63,939	63,461
Others	99,686	47,165
Total	443,689	218,847

Cash collateral from derivative contracts is cash collateral which the Company has pledged under the derivative contracts with financial institutions.

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15 Insurance contract liabilities

	(Unaudited) 30 June 2018			(Audited and reclassified) 31 December 2017		
	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht
Long-term technical reserves	150,568,325	-	150,568,325	143,920,680	-	143,920,680
Short-term technical reserves						
Loss reserves and outstanding claims						
- Reported claims	234,818	-	234,818	277,409	-	277,409
- Claims Incurred but not reported	240,296	-	240,296	256,023	-	256,023
Total Loss reserves and outstanding claims	475,114	-	475,114	533,432	-	533,432
Unearned premium reserves	3,001,216	-	3,001,216	2,540,027	-	2,540,027
Total short-term technical reserves	3,476,330	-	3,476,330	3,073,459	-	3,073,459
Unpaid policy benefits	4,673,554	-	4,673,554	4,434,678	-	4,434,678
Due to insured	816,835	-	816,835	766,255	-	766,255
Total	159,535,044	-	159,535,044	152,195,072	-	152,195,072

15.1 Long-term technical reserves

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Beginning balances for the period/year	143,920,680	130,332,657
Reserves increased from new and inforce policies in the period/year	10,186,391	21,008,702
Reserves released for benefits payment under insurance policies, lapse and cancelled policies in the period/year	(3,538,746)	(8,316,288)
Change in assumption	-	895,609
Closing balances at the end of period/year	150,568,325	143,920,680

15 Insurance contract liabilities (Cont'd)

15.2 Short-term technical reserves

15.2.1 Loss reserves and outstanding claims

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Beginning balances for the period/year	533,432	488,472
Claims incurred during the period/year	2,252,613	4,199,766
Claims paid during the period/year	<u>(2,310,931)</u>	<u>(4,154,806)</u>
Closing balances at the end of period/year	<u>475,114</u>	<u>533,432</u>

15.2.2 Unearned premium reserves

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Beginning balances for the period/year	2,540,027	2,412,172
Premiums written for the period/year	4,680,174	7,647,265
Premiums earned in the period/year	<u>(4,218,985)</u>	<u>(7,519,410)</u>
Closing balances at the end of period/year	<u>3,001,216</u>	<u>2,540,027</u>

15.2.3 Unexpired risk reserve

No reserve for unexpired risks was established as at 30 June 2018 as the unexpired risk reserve estimated by the Company of Baht 2,024 million (31 December 2017: Baht 1,634 million) was lower than the unearned premium reserve.

15.3 Unpaid policy benefits

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Death benefits	99,604	116,857
Dividend	3,754,665	3,603,428
Others	<u>819,285</u>	<u>714,393</u>
Total	<u>4,673,554</u>	<u>4,434,678</u>

15 Insurance contract liabilities (Cont'd)

15.4 Due to insured

	(Unaudited) 30 June 2018 Thousand Baht	(Audited and reclassified) 31 December 2017 Thousand Baht
Uncashed cheques	546,023	522,492
Premiums received during underwriting	269,682	240,673
Others	1,130	3,090
Total	816,835	766,255

16 Investment contract liabilities

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Investment contract liabilities with discretionary participation features	3,179,675	3,767,971
Unit-linked contract liabilities	139,891	96,140
Total	3,319,566	3,864,111

Investment contract liabilities with discretionary participation features

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Beginning balance for the period/year	3,767,971	4,249,416
Reserves increased from inforce policies in the period/year	131,704	325,856
Reserves released for benefits payment, lapse, and cancelled policies in the period/year	(720,000)	(807,301)
Closing balance at the end of period/year	3,179,675	3,767,971

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17 Reinsurance payables

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Due to reinsurers	596,842	525,926
Total reinsurance payables	<u>596,842</u>	<u>525,926</u>

18 Accrued expenses

	(Unaudited) 30 June 2018 Thousand Baht	(Audited and reclassified) 31 December 2017 Thousand Baht
Accrued commission expenses	322,548	333,545
Accrued production cost	511,861	605,405
Accrued administration expenses	338,867	300,645
Accrued agency overhead	456,268	438,559
Others	189,040	157,855
Total	<u>1,818,584</u>	<u>1,836,009</u>

19 Deferred tax

As at 30 June 2018 and 31 December 2017, deferred tax assets and liabilities were as follows:

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Deferred tax assets	1,152,669	973,688
Deferred tax liabilities	<u>(1,637,976)</u>	<u>(2,215,237)</u>
Deferred tax liabilities, net	<u>(485,307)</u>	<u>(1,241,549)</u>

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19 Deferred tax (Cont'd)

Movements in deferred tax assets and liabilities during the six-month period ended 30 June 2018 were as follows:

	(Unaudited) 30 June 2018			
	As at 1 January 2018 Thousand Baht	Increase (decrease) in profit (loss) Thousand Baht	Increase (decrease) in other comprehensive income Thousand Baht	As at 30 June 2018 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	83,883	(969)	-	82,914
Provisions	310,070	(53,368)	-	256,702
Insurance reserves	367,988	(27,046)	-	360,942
Employee benefit obligations	42,070	4,120	1,805	47,995
Unrealised loss on derivative instruments	6,699	-	64,936	71,635
Unrealised loss on available-for-sale investments	165,763	-	166,717	332,480
Total	996,473	(77,263)	233,458	1,152,668
Deferred tax liabilities				
Unrealised gain on derivative instruments	(43,584)	-	(3,290)	(46,874)
Unrealised gain on available-for-sale investments	(1,862,342)	-	634,079	(1,228,263)
Premium due and uncollected	(332,096)	(22,550)	-	(354,646)
Others	-	(8,192)	-	(8,192)
Total	(2,238,022)	(30,742)	630,789	(1,637,975)
Net	(1,241,549)	(108,005)	864,247	(485,307)

20 Other liabilities

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Cash collateral from derivative contract	-	136,300
Other creditors	150,480	179,272
Others	206,312	148,008
Total	356,792	463,580

Cash collateral from derivative contracts is cash collateral which financial institutions have pledged under the derivative contracts with the Company.

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21 Operating expenses

	For the three-month period ended	
	(Unaudited) 30 June 2018	(Unaudited and reclassified) 30 June 2017
	Thousand Baht	Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	264,162	273,724
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	73,148	67,160
Tax expenses	47,997	44,593
Bad debt and doubtful debt expenses	26,061	25,320
Other operating expenses	189,048	233,837
Total	600,416	644,634

	For the six-month period ended	
	(Unaudited) 30 June 2018	(Unaudited and reclassified) 30 June 2017
	Thousand Baht	Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	512,674	518,303
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	148,014	133,273
Tax expenses	91,600	81,323
Bad debt and doubtful debt expenses	160,068	145,143
Other operating expenses	336,735	464,782
Total	1,249,091	1,342,824

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22 Income tax

Income tax recognised in profit or loss

	(Unaudited) For the three-month period ended	
	30 June 2018 Thousand Baht	30 June 2017 Thousand Baht
Current tax		
Current period	134,821	183,180
Prior year tax adjustment	3,711	(1,200)
Deferred tax		
Movements in temporary differences	1,457	(43,407)
Total	139,989	138,573

	(Unaudited) For the six-month period ended	
	30 June 2018 Thousand Baht	30 June 2017 Thousand Baht
Current tax		
Current period	164,393	232,825
Prior year tax adjustment	3,711	(1,200)
Deferred tax		
Movements in temporary differences	104,294	25,266
Total	272,398	256,891

23 Dividend

At the annual general meeting of the shareholders of the Company held on 9 April 2018, the shareholders approved the appropriation of dividend payment of Baht 5.57 per share, on 295 million shares, amounting to Baht 1,643.2 million. (2017: At the annual general meeting of the shareholders of the Company held on 20 April 2017, the shareholders approved the appropriation of dividend payment of Baht 6.52 per share, on 295 million shares, amounting to Baht 1,923.4 million.) On 23 May 2018, the Office of Insurance Commission endorsed for distribution of profit for the year 2017 for dividend payments within an amount of Baht 1,430 million (2017: On 29 June 2017, the Office of Insurance Commission endorsed for distribution of profit for the year 2016 for dividend payments within an amount of Baht 1,923.4 million) Therefore, the Company appropriated the dividend of Baht 4.84 per share on 295 million shares, amounting to Baht 1,427.8 million and the dividend payment was made on 20 June 2018.

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24 Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2018 and 2017 were based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	(Unaudited) 2018	(Unaudited) 2017
For the three-month period ended 30 June		
Profit for the period attributable to ordinary shareholders of the Company (Thousand Baht)	599,224	609,322
Number of ordinary shares outstanding (Thousand shares)	295,000	295,000
Basic earnings per share (Baht per share)	2.03	2.07
For the six-month period ended 30 June		
Profit for the period attributable to ordinary shareholders of the Company (Thousand Baht)	1,144,823	1,077,837
Number of ordinary shares outstanding (Thousand shares)	295,000	295,000
Basic earnings per share (Baht per share)	3.88	3.65

25 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with key management and related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai/foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Allianz SE	Germany	Ultimate parent, 24.99% shareholding
Allianz SE, Singapore Branch	Singapore	Related company of ultimate parent
Allianz Technology SE	Germany	Related company of ultimate parent
Allianz Investment Management Singapore Pte. Ltd.	Singapore	Related company of ultimate parent
Allianz Global Investors Singapore Limited	Singapore	Related company of ultimate parent
Allianz Technology (Thailand) Company Limited	Thailand	Related company of ultimate parent
CPRN (Thailand) Limited	Thailand	Immediate parent, 37.66% shareholding
Sri Ayudhya Capital Public Company Limited	Thailand	Major shareholder, 20.17% shareholding and common director
Bangkok Broadcasting & Television Company Limited	Thailand	Shareholders, 2.79% shareholding and common director

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25 Related parties (Cont'd)

Relationships with key management and related parties were as follows: (Cont'd)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Bank of Ayudhya Public Company Limited	Thailand	Related company of major shareholders
Krungsri Asset Management Company Limited	Thailand	Related company of major shareholders and common director
Krungsri Securities Public Company Limited	Thailand	Related company of major shareholders
Ayudhya Development Leasing Company Limited	Thailand	Related company of major shareholders
Ayudhya Capital Auto Lease Public Company Limited	Thailand	Related company of major shareholders
BBTV Equity Company Limited	Thailand	Related company of major shareholders
Slam City Cement Public Company Limited	Thailand	Related company of major shareholders and common director
Eastern Star Real Estate Public Company Limited	Thailand	Related company of major shareholders and common director
Allianz General Insurance Public Company Limited	Thailand	Related company of ultimate parent and common director
Sri Ayudhya General Insurance Public Company Limited	Thailand	Related company of major shareholders and common director

Significant transactions for the three-month and six-month periods ended 30 June 2018 and 2017 with key management and related parties were as follows:

	(Unaudited)		(Unaudited)	
	For the three-month period ended		For the six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gross premiums written				
Major shareholder	(1)	3	33	37
Other related parties	(1,110)	2,767	238,135	210,908
Premiums ceded to reinsurers				
Ultimate parent	1,313	1,463	86,487	72,044
Other related parties	111,583	96,186	203,524	203,934
Fees and commission income				
Ultimate parent	263	292	17,297	14,400
Other related parties	17,971	15,660	44,329	40,289
Net investment income				
Other related parties	908	459	908	459
Insurance claim expenses				
Other related parties	61,969	50,050	135,084	122,620

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25 Related parties (Cont'd)

Significant transactions for the three-month and six-month periods ended 30 June 2018 and 2017 with key management and related parties were as follows: (Cont'd)

	(Unaudited) For the three-month period ended		(Unaudited) For the six-month period ended	
	30 June 2018 Thousand Baht	30 June 2017 Thousand Baht	30 June 2018 Thousand Baht	30 June 2017 Thousand Baht
Insurance claims expenses recovered from reinsurers				
Ultimate parent	17,400	6,900	44,971	20,773
Other related parties	56,133	28,756	119,515	59,968
Operating expenses				
Ultimate parent	6,271	6,897	12,370	12,793
Other related parties	81,839	80,898	163,250	162,038
Key management personnel compensation				
Short-term benefits	41,084	38,697	85,396	74,877
Post-employment benefits	1,534	1,396	3,095	2,711
Total	42,618	40,093	88,491	77,588

Significant agreements with related parties

- (a) The Company entered into an agreement with a related company whereby the related company will provide the support services to the Company. The Company was charged a service fee of Baht 111 million. The term of the agreement is for 1 year from 1 January 2018 to 31 December 2018. The payments are made on quarterly basis. Either party may terminate this agreement at any time by giving 6 months prior written notice to another party.
- (b) The Company entered into an agreement with ultimate parent whereby ultimate parent will provide the support services to the Company. The Company was charged a service fee of EUR 0.96 million (2017: EUR 0.63 million). The term of the agreement is for 1 year from 1 January 2018 to 31 December 2018. Either party may terminate this agreement at any time by giving 6 months prior written notice to another party.
- (c) The Company has entered into lease and service agreements for offices and equipment with a related company from July 2015 to July 2018, from March 2016 to March 2019 and from November 2017 to November 2020 with monthly rental and service fees of Baht 0.17 million (excluding VAT), Baht 3.27 million (excluding VAT) and Baht 0.15 million (excluding VAT), respectively.

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25 Related parties (Cont'd)

Significant agreements with related parties (Cont'd)

(d) As at 30 June 2018 and 31 December 2017, the Company had commitments from entering into long-term agreements for rental and services with related parties as follows:

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Operating lease commitments		
Within one year	27,955	42,084
After one year but within five years	2,395	9,833
Total	30,350	51,917

Investments in related parties

Investments in related parties as at 30 June 2018 and 31 December 2017 and dividends received for the three-month and six-month periods ended 30 June 2018 and 2017 were as follows:

	Book value		(Unaudited) Dividend income For the three-month period ended		(Unaudited) Dividend income For the six-month period ended	
	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht	30 June 2018 Thousand Baht	30 June 2017 Thousand Baht	30 June 2018 Thousand Baht	30 June 2017 Thousand Baht
Investments - equity securities	89,745	77,970	50,345	35,960	50,345	37,119
Total	89,745	77,970	50,345	35,960	50,345	37,119

Significant balances with related parties as at 30 June 2018 and 31 December 2017 were as follows:

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Cash and cash equivalents		
Other related party	514,780	500,514
Reinsurance receivables		
Ultimate parent	39,278	14,912
Other related parties	238,533	207,359
Other assets		
Other related parties	53,515	52,681
Reinsurance payables		
Ultimate parent	97,239	37,972
Other related parties	289,646	283,023
Accrued expenses		
Ultimate parent	6,271	5,895
Other related parties	160,546	71,952

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26 Securities and assets pledged with the Registrar

26.1 The Company pledged investments in debt securities with the Registrar in accordance with Section 20 of the Life Assurance Act B.E. 2535 and amendment Act (No.2) B.E. 2551 were as follows:

	(Unaudited) 30 June 2018		(Audited) 31 December 2017	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Held-to-maturity investments				
Government bonds	20,218	20,000	20,258	20,000

26.2 The Company placed investments in debt securities for life policy reserve with the Registrar in accordance with Section 24 of the Life Assurance Act B.E. 2535 and amendment Act (No.2) B.E. 2551 were as follows:

	(Unaudited) 30 June 2018		(Audited) 31 December 2017	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Available-for-sale investments				
Government bonds	19,197,497	16,640,000	14,311,114	12,140,000
Held-to-maturity investments				
Government bonds	7,517,079	7,147,000	10,911,952	10,457,000
State enterprise bonds	7,531,221	7,200,000	7,734,299	7,300,000
Total	34,245,797	30,987,000	32,957,365	29,897,000

27 Asset-backed

As of 30 June 2018 and 31 December 2017, the Company pledged investments in restricted securities with the Registrar as asset-backed in accordance with Section 27/4 of the Life Assurance Act B.E. 2535 and amendment Act (No.2) B.E. 2551 were as follows:

	(Unaudited) 30 June 2018		(Audited) 31 December 2017	
	Book value Thousand Baht	Appraisal value Thousand Baht	Book value Thousand Baht	Appraisal value Thousand Baht
Deposits with financial institutions	7,303,199	7,303,199	6,451,524	6,451,524
Equity securities	14,548,664	14,936,785	13,945,805	14,301,654
Debt securities	142,526,122	145,536,918	142,577,978	146,358,122
Total	164,377,985	167,776,902	162,975,307	167,111,300

28 Commitments with non-related parties

28.1 Commitments form operating lease and service agreements

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Within one year	8,213	15,450
After one year but within five years	6,479	9,922
Total	14,692	25,372

The Company has entered into several lease agreements in respect of office space and service agreements. The maximum period of the agreements remains up to 2022.

28.2 Investment commitments

As at 30 June 2018, the Company had commitments to invest in several series of bills of exchange issued by banks amounting to Baht 2,107 million (31 December 2017: Baht 2,360 million). These investments have a duration up to 2023 (31 December 2017: up to 2023) and are payable based on the contract terms. The timing of the commitments are as follows:

	(Unaudited) 30 June 2018 Thousand Baht	(Audited) 31 December 2017 Thousand Baht
Within one year	874,752	893,070
After one year but within five years	1,219,004	1,453,756
After five years	13,000	13,000
Total	2,106,756	2,359,826