

**ALLIANZ AYUDHYA GENERAL INSURANCE
PUBLIC COMPANY LIMITED**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2020





AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Board of Directors of Allianz Ayudhya General Insurance Public Company Limited

I have reviewed the interim financial information of Allianz Ayudhya General Insurance Public Company Limited, which comprises the statement of financial position as at 30 June 2020, 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".

Emphasis of matter

I draw attention to note 2 and note 3 of the interim financial information, which describe the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My conclusion is not modified in respect to this matter.

PricewaterhouseCoopers ABAS Ltd.

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

Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
Bangkok
10 August 2020

Allianz Ayudhya General Insurance Public Company Limited
Statement of Financial Position
As at 30 June 2020

		(Unaudited) 30 June 2020	(Audited) 31 December 2019
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Assets			
Cash and cash equivalents, net	6	2,602,208	4,317,580
Premium receivable, net	7	597,580	771,000
Accrued investment income		11,435	7,786
Reinsurance assets	8	2,363,201	2,741,204
Amounts due from reinsurers	9	515,350	496,239
Investments			
Investments in securities, net	10	4,096,902	3,053,335
Loans and interest receivable	11	-	14
Leasehold improvement and equipment, net	12	34,546	47,594
Goodwill		508,877	508,877
Right-of-use asset, net	13	160,028	-
Intangible assets, net	14	71,275	83,107
Deferred tax assets, net	15	271,689	301,806
Deferred commissions expenses		71,569	72,514
Other assets	16	217,347	180,722
Total assets		<u>11,522,007</u>	<u>12,581,778</u>

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

Allianz Ayudhya General Insurance Public Company Limited

Statement of Financial Position (Cont'd)

As at 30 June 2020

		(Unaudited) 30 June 2020	(Audited) 31 December 2019
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Liabilities			
Insurance contract liabilities	17	5,612,658	5,797,941
Amounts due to reinsurers	18	1,625,827	1,944,672
Payable from purchase of securities		410,985	992,853
Employee benefit obligations		129,605	127,849
Premium written received in advance		393,484	421,446
Commissions and brokerages payables		100,229	107,767
Accrued expenses		404,230	376,081
Lease liabilities	19	162,337	-
Other liabilities	20	285,277	279,249
Total liabilities		<u>9,124,632</u>	<u>10,047,858</u>
Equity			
Share capital	21		
Authorised share capital			
254,880,000 ordinary shares of 10 Baht each		<u>2,548,800</u>	<u>2,548,800</u>
Issued and paid-up share capital			
254,880,000 ordinary shares of 10 Baht each		2,548,800	2,548,800
Retained earnings (deficits)			
Appropriated			
Legal reserve		15,750	15,750
Unappropriated		(227,185)	(35,975)
Other components of equity			
Surplus on Investments measured at fair value through other comprehensive income		<u>60,010</u>	<u>5,345</u>
Total equity		<u>2,397,375</u>	<u>2,533,920</u>
Total liabilities and equity		<u>11,522,007</u>	<u>12,581,778</u>

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2020

		(Unaudited) 30 June 2020	(Unaudited) 30 June 2019
	Notes	Thousand Baht	Thousand Baht
Revenues			
Gross premiums written	22	1,363,082	1,371,230
<u>Less</u> premiums ceded	22	(406,105)	(507,895)
Net premiums written		956,977	863,335
<u>Add(Less)</u> unearned premium reserve decreased (increased) from previous period	22	114,892	(11,020)
Net premiums earned		1,071,869	852,315
Fees and commission income	22	82,096	147,190
Net investment income		10,597	25,152
Gain (loss) on investment		-	(444)
Gain on fair value adjustment		17,061	1,534
Other income		9,739	8,911
Total revenues		1,191,362	1,034,658
Expenses			
Gross claim paid	22	973,989	291,136
<u>(Less) Add</u> Claim recovered from reinsurers	22	(330,634)	103,104
Net claim paid		643,355	394,240
Commissions and brokerages expenses	22	197,251	178,618
Other underwriting expenses	22	186,461	174,701
Operating expenses	22, 23	191,793	205,080
Expected credit loss	24	451	-
Total expenses		1,219,311	952,639
Profit (loss) before income tax		(27,949)	82,019
Income tax expense (income)	15	(8,888)	17,932
Net profit (loss)		(19,061)	64,087

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 June 2020

		(Unaudited) 30 June 2020	(Unaudited) 30 June 2019
	Note	Thousand Baht	Thousand Baht
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to profit or loss			
Actuarial gain (loss) on defined employee benefit plans		-	7,038
Income tax on items that will not be reclassified to profit or loss		-	(1,408)
Total Items that will not be subsequently reclassified to profit or loss		<u>-</u>	<u>5,630</u>
Items that will be subsequently reclassified to profit or loss			
Gain (loss) on revaluation of Investments measured at fair value through other comprehensive income		(3,860)	6,807
Income tax on items that will be reclassified to profit or loss		772	(1,361)
Total Items that will be subsequently reclassified to profit or loss		<u>(3,088)</u>	<u>5,446</u>
Other comprehensive income (loss) for the period, net of income tax		<u>(3,088)</u>	<u>11,076</u>
Total comprehensive income (loss) for the period		<u>(22,149)</u>	<u>75,163</u>
Earnings (loss) per share			
Basic earnings (loss) per share	25	<u>(0.07)</u>	<u>0.31</u>

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

Allianz Ayudhya General Insurance Public Company Limited

Statement of Comprehensive Income (Unaudited)

For the six-month period ended 30 June 2020

		(Unaudited) 30 June 2020	(Unaudited) 30 June 2019
	Notes	Thousand Baht	Thousand Baht
Revenues			
Gross premiums written	22	3,037,938	2,281,830
<u>Less</u> premiums ceded	22	<u>(828,298)</u>	<u>(859,128)</u>
Net premiums written		2,209,640	1,422,702
<u>Less</u> unearned premium reserve increased from previous period	22	<u>(96,945)</u>	<u>(56,624)</u>
Net premiums earned		2,112,695	1,366,078
Fees and commission income	22	199,603	260,981
Net investment income		25,348	40,191
Gain (loss) on investment		42	(453)
Gain on fair value adjustment		17,061	4,734
Other income		<u>31,586</u>	<u>9,182</u>
Total revenues		<u>2,386,335</u>	<u>1,680,713</u>
Expenses			
Gross claim paid	22	1,866,245	829,912
<u>Less</u> Claim recovered from reinsurers	22	<u>(583,990)</u>	<u>(228,503)</u>
Net claim paid		1,282,255	601,409
Commissions and brokerages expenses	22	450,942	307,368
Other underwriting expenses	22	443,728	330,212
Operating expenses	22, 23	382,600	286,892
Expected credit loss	24	<u>366</u>	<u>-</u>
Total expenses		<u>2,559,891</u>	<u>1,525,881</u>
Profit (loss) before income tax		(173,556)	154,832
Income tax expense	15	<u>16,691</u>	<u>32,423</u>
Net profit (loss)		<u>(190,247)</u>	<u>122,409</u>

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the six-month period ended 30 June 2020

		(Unaudited) 30 June 2020	(Unaudited) 30 June 2019
	Note	Thousand Baht	Thousand Baht
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to profit or loss			
Actuarial gain (loss) on defined employee benefit plans		-	7,038
Income tax on items that will not be reclassified to profit or loss		-	(1,408)
Total Items that will not be subsequently reclassified to profit or loss		-	5,630
Items that will be subsequently reclassified to profit or loss			
Gain (loss) on revaluation of Investments measured at fair value through other comprehensive income		3,935	18,982
Income tax on items that will not be reclassified to profit or loss		(787)	(3,796)
Total Items that will be subsequently reclassified to profit or loss		3,148	15,186
Other comprehensive income for the period, net of income tax		3,148	20,816
Total comprehensive income (loss) for the period		(187,099)	143,225
Earnings (loss) per share			
Basic earnings (loss) per share	25	(0.75)	0.60

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Changes in Equity (Unaudited)
For the six-month period ended 30 June 2020

	Retained earnings (deficits)			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		
Balance as at 1 January 2019	1,800,000	15,750	237,863	(16,355)		2,037,258
Increase capital	748,800	-	-	-		748,800
Net profit (loss) for the period	-	-	128,039	-		128,039
Surplus on Investments measured at fair value through other comprehensive income	-	-	-	15,186		15,186
Balance as at 30 June 2019	2,548,800	15,750	365,902	(1,169)		2,929,283
Balance as at 1 January 2020	2,548,800	15,750	(35,975)	5,345		2,533,920
Adjustment from adoption of new financial reporting standards (Note 3)	-	-	(963)	51,517		50,554
Balance after adjustment	2,548,800	15,750	(36,938)	56,862		2,584,474
Net profit (loss) for the period	-	-	(190,247)	-		(190,247)
Surplus on Investments measured at fair value through other comprehensive income	-	-	-	3,148		3,148
Balance as at 30 June 2020	2,548,800	15,750	(227,185)	60,010		2,397,375

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2020

	2020	2019
	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Cash flows provided from (used in) operating activities		
Direct premium received	3,030,864	2,249,210
Cash received (paid) to reinsurance	(221,893)	103,475
Interest income	21,682	11,181
Dividend income	16	7,536
Other income	31,586	3,182
Losses incurred from direct insurance	(1,793,521)	(1,035,917)
Commissions and brokerages paid from direct insurance	(440,267)	(302,727)
Other underwriting expenses	(438,660)	(331,522)
Operating expenses	(299,950)	(181,470)
Income tax expense	(26,877)	(60,705)
Cash received from investments in securities	2,216,187	-
Cash paid from investments in securities	(3,991,334)	(464,994)
Cash paid for deposit at bank with maturity over 3 months and deposits used as collateral	(57,285)	-
Cash received from deposits at bank with maturity over 3 months and deposits used as collateral	277,143	22,843
Loans	14	(12)
Net cash flow provided from (used in) operating activities	<u>(1,692,295)</u>	<u>20,080</u>
Cash flows provided from (used in) investing activities		
<u>Cash flows provided from</u>		
Cash received for selling premises and equipment	217	21
<u>Cash flows used in</u>		
Cash paid for purchasing entire business transfer	-	(848,800)
Cash paid for purchasing premises and equipment	(4,147)	(3,969)
Cash paid for purchasing right-of-use assets	(15,874)	-
Cash paid for purchasing intangible assets	(2,186)	(267)
Net cash flow used in investing activities	<u>(21,990)</u>	<u>(853,015)</u>
Cash flows provided from (used in) financing activities		
Increase capital	-	748,800
Net cash flow provided from financing activities	<u>-</u>	<u>748,800</u>

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

Allianz Ayudhya General Insurance Public Company Limited**Statement of Cash Flows (Unaudited)****For the six-month period ended 30 June 2020**

	2020	2019
	Note	
	Thousand Baht	Thousand Baht
Net increase (decrease) in cash and cash equivalents		
	(1,714,285)	(84,135)
Cash and cash equivalents at the beginning of period	4,317,580	1,239,984
Cash received from the entire business transfer	-	1,047,398
	<hr/>	<hr/>
Cash and cash equivalents at the ending of period	2,603,295	2,203,247
<u>Less</u> Allowance for expected credit loss	(1,087)	-
	<hr/>	<hr/>
Cash and cash equivalents - net at the ending of period	6	
	<u>2,602,208</u>	<u>2,203,247</u>
 <u>Non-cash transactions</u>		
Payable from purchase of securities	410,985	992,853

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

1 General information

Allianz Ayudhya General Insurance Public Company Limited (the "Company") is a public limited company which is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows: 1st Floor, Zone B, 7th Floor, Zone B, 8th Floor, Zone A and B, 9th Floor, Zone A2 and B2 and 18th Floor, Zone A, Ploenchit Tower, 7th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The principal business operations of the Company are non-life insurance which the Company was awarded its license to operate all classes of non-life insurance.

The major shareholder company is Allianz Ayudhya Capital Public Company Limited which was incorporated in Thailand, holding 99.99% of its share capital.

The interim financial information are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

The interim financial information were authorised for issue by the board of directors on 10 August 2020.

2 Basis of preparation and accounting policies

The interim financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting. The primary financial information (statement of financial position, statements of comprehensive income, statements of changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard (TAS) no. 1, Presentation of Financial Statements. In addition, the interim financial information presentation are based on the formats of non-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 non-life insurance company (No.2) B.E. 2562" dated on 4 April 2019 ('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 2019.

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 Basis of preparation and accounting policies (Cont'd)

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 2019, except for the following:

- 1) the adoption of the new financial reporting standards together with the application of the relevant relief measures as described in Note 3; and
- 2) the application of the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by the Federation of Accounting Professions (TFAC) for the reporting periods ending between 1 January 2020 and 31 December 2020 as described in Note 3.

Costs 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 costs at the end of the financial year.

Income taxes in the interim periods are accrued by using the expected income taxes for the year.

3 Adoption of new financial reporting standards, changes in accounting policies and reclassification

Adoption of new financial reporting standards effective in the accounting period beginning on or after 1 January 2020

On 1 January 2020, the Company passes criteria of temporary exemption from TFRS 9, Financial Instruments and TFRS 7, Financial Instruments: Disclosures under TFRS 4 (revised 2018), Insurance Contracts. The Company is eligible to apply the 'financial instruments and disclosures for insurance companies' accounting guidelines' ('The Accounting Guidance') as the Company has not previously applied TFRS 9 Financial Instrument and the Company's activities are predominantly connected with insurance business. Insurance liabilities under TFRS 4 (revised 2018) Insurance Contracts as at 1 January 2018 is greater than 90% of total company's liabilities.

On 30 April 2019, the Company purchased and accepted the entire business transfer of Allianz General Insurance Public Company Limited. The company reassesses the criteria of temporary exemption from TFRS 9, Financial Instruments and TFRS 7, Financial Instruments: Disclosures under TFRS 4 (revised 2018), Insurance Contracts. The Company still passes the criteria of temporary exemption from financial reporting standards related to financial instruments. Insurance liabilities under TFRS 4 (revised 2018) Insurance Contracts as at 31 December 2019 is greater than 80% but not less than 90% of total company's liabilities and the Company does not have any other predominant non-insurance activities.

The Company has adopted new financial reporting standards relating to financial instruments (TAS 32 and Accounting Guidance) and leases standard (TFRS 16) retrospectively from 1 January 2020, but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore recognised in the opening statement of financial position on 1 January 2020.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

3 Adoption of new financial reporting standards, changes in accounting policies and reclassification (Cont'd)

The adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and The Accounting Guidance) and leases standard (TFRS 16) are as follows.

	As at 31 December 2019 Previously reported Thousand Baht	TAS 32 and The Accounting Guidance Adjustments and reclassifications Thousand Baht	TFRS 16 Adjustments and reclassifications Thousand Baht	As at 1 January 2020 Restated Thousand Baht
Assets				
Cash and cash equivalents	4,317,580	(892)	-	4,316,688
Held-to-maturity investment	489,434	(489,434)	-	-
Available-for-sale investment	2,542,484	(2,542,484)	-	-
Investments measured at amortised cost	-	489,408	-	489,408
Investments measured at fair value through other comprehensive income	-	2,628,011	-	2,628,011
General investments	21,417	(21,417)	-	-
Deferred income tax	301,806	(12,638)	-	289,168
Leasehold improvement and equipment	47,594	-	(802)	46,792
Right-of-use assets	-	-	130,822	130,822
Other assets	180,722	-	(4,015)	176,707
Total assets	7,901,037	50,554	126,005	8,077,596
Liabilities and equity				
Liabilities				
Lease liabilities	-	-	126,005	126,005
Total liabilities	-	-	126,005	126,005
Equity				
Unrealised gains on changes in value of investments measured at fair value through other comprehensive income	5,345	51,517	-	56,862
Deficits - unappropriated	(35,975)	(963)	-	(36,938)
Total Equity	(30,630)	50,554	-	19,924
Total liabilities and equity	(30,630)	50,554	126,005	145,929

The adoption of the new financial reporting standards on financial instruments mainly affects the Company's accounting treatment as follows;

Classification and measurement

Currently, the Company has equity instruments measured at cost of Baht 21.42 million. These instruments will be reclassified and remeasured to fair value through other comprehensive income with a corresponding adjustment to other components of equity of Baht 64.11 million as of 1 January 2020.

3 Adoption of new financial reporting standards, changes in accounting policies and reclassification (Cont'd)

Classification and measurement (Cont'd)

The Company has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 when measuring unquoted equity investments. The unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020. As a result, the equity investments measured at FVOCI as at 30 June 2020 of Baht 85.53 million was measured at their fair value as of 1 January 2020.

Impairment

The new requirements on the impairment losses of debt instruments classified as available-for-sale investments will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. As of 1 January 2020, the Company recognised impairment losses for deposits with bank and financial institution of Baht 891,877 and investment in securities of Baht 312,181. The transition adjustment will be recognised as an adjustment to the opening balance of retained earnings.

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities on the date of TFRS 16 adoption were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of 1 January 2020. The weighted average the Company's incremental borrowing rate applied to the lease liabilities was 2.93%.

	<u>Thousand Baht</u>
Operating lease commitments disclosed as at 31 December 2019	25,216
(Less): Discounted using the lessee's incremental borrowing rate of at the date of initial application	(8,205)
(Less): short-term leases recognised on a straight-line basis as expense	(195)
Add: adjustments as a result of a different treatment of extension and termination options	109,189
Lease liability recognised as at 1 January 2020	<u><u>126,005</u></u>

The associated right-of-use assets for building and vehicle leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

3 Adoption of new financial reporting standards, changes in accounting policies and reclassification
 (Cont'd)

The recognised right-of-use assets relate to the following types of assets:

	30 June 2020 Thousand Baht	1 January 2020 Thousand Baht
Building	157,604	127,489
Vehicles	2,424	3,333
Total right-of-use assets	160,028	130,822

Practical expedients applied

In applying TFRS 16 for the first time with the existing leases the Company had before 1 January 2020, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments before application of TFRS 16 on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4, Determining whether an Arrangement contains a Lease.

3 Adoption of new financial reporting standards, changes in accounting policies and reclassification (Cont'd)

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

Investment in securities

Classification and measurements

From 1 January 2020, the Company classifies its financial assets as follows:

- Investments measured at fair value through profit or loss
- Investments measured at fair value through other comprehensive income
- Investments measured at amortised cost

The Company initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

On the adoption of the financial reporting standards related to financial instruments (TAS 32 and the Accounting Guidance), there are certain investments in financial instruments with puttable features having a contractual obligation for the issuer to repurchase or redeem those instruments for cash or another financial asset on exercise of a put or financial instruments that impose on the issuer an obligation to deliver to another party a pro rata share of the net assets of the issuer only on a liquidation. These instruments have been reclassified from investment in equity securities to investment in debt securities.

The Company has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending between 1 January 2020 and 31 December 2020 when measuring unquoted equity investments. The unquoted equity investments at the end of the reporting period was presented at the same amount as their fair values on 1 January 2020.

Impairment

From 1 January 2020, the Company assesses expected credit loss on a forward looking basis for its debt instruments carried at fair value through other comprehensive income and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

The expected credit loss will be recognised in profit or loss.

For impairment of equity instruments which classified as investments measured at fair value through other comprehensive income will be recognised in profit and loss immediately when there is evidence supports the impairment of the instruments. The Company will recognise allowance of losses in other comprehensive income and the carrying amount of financial assets which classified as equity instruments in the statement of financial position will not be decreased.

3 Adoption of new financial reporting standards, changes in accounting policies and reclassification (Cont'd)

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases (Cont'd)

Right-of-use assets and lease liabilities

The Company leases buildings and vehicles. Rental contracts are typically made for fixed periods of 1 to 3 years but may have extension options. Before 2020 financial year, leases of buildings and vehicles were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4 Accounting estimates

The preparation of interim financial information 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 the interim financial information, 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 2019.

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 2020 and 31 December 2019.

	(Unaudited) 30 June 2020			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Financial assets				
Investments in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	3,741,811	-	3,741,811
Equity securities	-	-	85,527	85,527
Total financial assets	-	3,741,811	85,527	3,827,338

	(Audited) 31 December 2019			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Financial assets				
Investments in securities				
Available-for-sale investments				
Debt securities	-	2,542,484	-	2,542,484
Total financial assets	-	2,542,484	-	2,542,484

5 Fair value

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 30 June 2020 and 31 December 2019.

(Unaudited)				
As at 30 June 2020				
	Level 1	Level 2	Level 3	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets				
Investments measured at amortised cost	-	269,577	-	269,577
Cash and cash equivalents Short-term investments	-	1,919,009	-	1,919,009
Total financial assets	-	2,188,586	-	2,188,586
(Audited)				
As at 31 December 2019				
	Level 1	Level 2	Level 3	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets				
Investments in securities Held-to-maturity investments	-	489,947	-	489,947
Cash and cash equivalents Short-term investments	-	3,807,177	-	3,807,177
Total financial assets	-	4,297,124	-	4,297,124

5.2 Valuation techniques used to measure fair value level 1

The fair value of financial instruments in level one is based on the latest bid price of common stock on the last working day of the reporting period as quoted on the Stock Exchange of Thailand.

5.3 Valuation techniques used to measure fair value level 2

Fair value of Government and state enterprise securities, Private debt securities, and Foreign debt securities are determined using the latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate.

5.4 Valuation techniques used to measure fair value level 3

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. In Level 3 fair values, discounted cash flows were used as the valuation techniques. The valuation model considers the present value of the expected future cash flow without risk-adjusted which the discount rate has been adjusted to include total return to compensate the risk that market needs.

There was no transfer between levels during the period.

There was no change in valuation techniques during the period.

6 Cash and cash equivalents, net

Cash and cash equivalents as at 30 June 2020 and 31 December 2019 consisted of the following:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Cash on hand	584	306
Cheque on hand	45,853	24,412
Deposits at bank - at call	637,849	485,685
Short-term investments	1,919,009	3,807,177
Total	2,603,295	4,317,580
Less Allowance for expected credit loss	(1,087)	-
Cash and cash equivalents, net	2,602,208	4,317,580

7 Premiums due and uncollected, net

As at 30 June 2020 and 31 December 2019, the balances of premiums due and uncollected were aged as follows:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Within credit terms	392,641	614,032
Overdue:		
Less than 30 days	66,955	20,480
31 - 60 days	53,598	43,305
61 - 90 days	34,344	31,132
Over 90 days	81,805	95,153
Total	629,343	804,102
Less Allowance for doubtful accounts	(31,763)	(33,102)
Premiums due and uncollected, net	597,580	771,000

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

8 Reinsurance assets

Reinsurance assets as at 30 June 2020 and 31 December 2019 consisted of the following:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Insurance reserve refundable from reinsurers		
Loss reserves	1,498,325	1,535,684
Unearned premium reserve		
Unearned reinsurance premium reserve	864,876	1,205,520
Total reinsurance assets (Note 17)	2,363,201	2,741,204

9 Amount due from reinsurers

Amount due from reinsurers as at 30 June 2020 and 31 December 2019 consisted of the following:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Amount deposit on reinsurance	666	841
Due from reinsurers	514,684	495,398
Total reinsurance assets	<u>515,350</u>	<u>496,239</u>

10 Investments in securities, net

The details of investments in securities as at 30 June 2020 and 31 December 2019 are as follows:

	(Unaudited) 30 June 2020	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	2,270,589	2,277,376
Private debt securities	1,400,868	1,403,311
Foreign debt securities	59,949	61,124
Equity securities	21,417	85,527
Total	3,752,823	3,827,338
<u>Add</u> Unrealised loss	74,515	-
Total investments measured at fair value through other comprehensive income	<u>3,827,338</u>	<u>3,827,338</u>
Investments measured at amortised cost		
Deposits at financial institutions with original maturities more than 3 months	221,627	
Deposits at banks used as collateral	34,000	
Premium saving certificates used as collateral	13,950	
Total	269,577	
<u>Less</u> Allowance for expected credit loss	(13)	
Total investments measured at amortised cost	<u>269,564</u>	
Total investment in securities	<u>4,096,902</u>	

10 Investments in securities, net (Cont'd)

The details of investments in securities as at 30 June 2020 and 31 December 2019 are as follows:
(Cont'd)

	(Audited) 31 December 2019	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Available-for-sale investment		
Government and state enterprise debt securities	1,695,705	1,698,140
Private debt securities	780,230	783,673
Foreign debt securities	59,934	60,671
Total	2,535,869	2,542,484
<u>Less</u> Unrealised loss	6,615	-
Total available-for-sale investment	2,542,484	2,542,484
Held-to-maturity investments		
Government and state enterprise debt securities	249,149	
Deposits at financial institutions with original maturities more than 3 months	8,712	
Deposits at banks used as collateral	217,623	
Premium saving certificates used as collateral	13,950	
Total	489,434	
<u>Less</u> Allowance for expected credit loss	-	
Total held-to-maturity investments	489,434	
General investments		
Equity securities	21,417	
Total general investments	21,417	
Total investment in securities	3,053,335	

10.1 Debt securities measured at fair value through other comprehensive income

	(Unaudited) 30 June 2020	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	3,741,811	(376)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	3,741,811	(376)

10 Investments in securities, net (Cont'd)

10.2 Debt securities measured at amortised cost

	(Unaudited) 30 June 2020	
	Expected credit loss	Carrying value
Gross carrying value Thousand Baht	Thousand Baht	Thousand Baht
269,577	(13)	269,564
-	-	-
-	-	-
269,577	(13)	269,564

Investments in debt securities which credit risk has not significantly increased (Stage 1)

Investments in debt securities which credit risk has significantly increased (Stage 2)

Credit-impaired investments in debt securities (Stage 3)

Total

For the three-month period ended 30 June 2020, the Company has recorded interest income and dividend income amounting to Baht 18.03 million and Baht 0.02 million. (2019: Baht 20.28 million and Baht 5.57 million, respectively).

For the six-month period ended 30 June 2020, the Company has recorded interest income and dividend income amounting to Baht 37.67 million and Baht 0.02 million. (2019: Baht 33.43 million and Baht 7.54 million, respectively).

As at 30 June 2020 and 31 December 2019, certain investment in securities (certain government and state enterprise securities and certain deposits at bank) of the Company are pledged and used for assets reserved with the Registrar amounting to Baht 615.41 million and Baht 580.71 million, respectively (Note 27).

As at 30 June 2020 and 31 December 2019, premium saving certificates were used as collateral for insured drivers are the alleged offenders amounting to Baht 2.55 million and Baht 3.15 million, respectively (Note 28).

As at 30 June 2020 and 31 December 2019, certain of bank deposits were pledged as collateral for bank overdrafts and borrowing facilities amounting to Baht 20 million and Baht 20 million, respectively (Note 28).

11 Loans and interest receivables

Loans of the Company were loans to employees with personal collateral in accordance with the welfare policy of the Company consisted of the following:

<u>Types of loans</u>	<u>Credit line of loans</u>	<u>Interest rate per year</u>
Loans to employee	Not exceed Baht 100,000 per person	3.85

The Company has no any allowance for expected credit loss for loans and interest receivables as at 1 January 2020.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

12 Leasehold improvement and equipment, net

Leasehold improvement and equipment, net as at 30 June 2020 and 31 December 2019 consisted of the following.

	Cost				Accumulated depreciation				Leasehold improvement and equipment - net as at 30 June 2020		Leasehold improvement and equipment - net as at 31 December 2019	
	As at 1 January 2020	Increase	Disposal / Write off	As at 30 June 2020	As at 1 January 2020	Depreciation	Disposal / Write off	As at 30 June 2020	Leasehold improvement and equipment - net as at 1 January 2020	Leasehold improvement and equipment - net as at 30 June 2020	Leasehold improvement and equipment - net as at 1 January 2019	Leasehold improvement and equipment - net as at 31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Leasehold improvement Furniture, fixtures and office equipment	63,440	-	(8,304)	55,136	(47,148)	(4,337)	5,150	(46,335)	16,292	8,801	16,292	8,801
Vehicles	110,456	1,381	(6,949)	104,888	(87,202)	(4,561)	5,030	(86,733)	23,254	18,155	23,254	18,155
Leasehold improvement under installation	26,488	-	-	26,488	(19,781)	(2,422)	-	(22,203)	6,707	4,285	6,707	4,285
	539	2,766	-	3,305	-	-	-	-	539	3,305	539	3,305
Total	200,923	4,147	(15,253)	189,817	(154,131)	(11,320)	10,180	(155,271)	46,792	34,546	46,792	34,546

	Cost				Accumulated depreciation				Leasehold improvement and equipment - net as at 31 December 2019		Leasehold improvement and equipment - net as at 31 December 2019	
	As at 1 January 2019	Increase	Disposal / Write off	As at 31 December 2019	As at 1 January 2019	Depreciation	Disposal / Write off	As at 31 December 2019	Leasehold improvement and equipment - net as at 1 January 2019	Leasehold improvement and equipment - net as at 31 December 2019	Leasehold improvement and equipment - net as at 1 January 2019	Leasehold improvement and equipment - net as at 31 December 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Leasehold improvement Furniture, fixtures and office equipment	51,557	3,078	(3,007)	67,051	(37,219)	(9,500)	2,388	(49,957)	14,338	17,094	14,338	17,094
Vehicles	63,124	4,175	(14,201)	110,456	(55,489)	(7,988)	13,959	(87,202)	7,635	23,254	7,635	23,254
Leasehold improvement under installation	28,870	-	(2,382)	26,488	(17,042)	(5,121)	2,382	(19,781)	11,828	6,707	11,828	6,707
	-	539	-	539	-	-	-	-	-	539	-	539
Total	143,551	7,792	(19,590)	204,534	(109,750)	(22,609)	18,729	(156,940)	33,801	47,594	33,801	47,594

The depreciation expense for the three-month and six-month period ended 30 June 2020 amounting to Baht 5.53 million and Baht 11.32 million, respectively were included in operating expenses (30 June 2019: Baht 5.85 million and Baht 9.84 million, respectively)

As at 30 June 2020 and 31 December 2019, certain leasehold improvement and equipment of the Company at cost of Baht 81.97 million and Baht 82.02 million, respectively, were fully depreciated but still in use.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

13 Right-of-use asset, net

	30 June 2020 (Unaudited)									
	Cost					Accumulated depreciation				
	As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Change in contract Thousand Baht	As at 30 June 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Amortisation Thousand Baht	Change in contract Thousand Baht	As at 30 June 2020 Thousand Baht	Right-of-use asset, net as at 1 January 2020 Thousand Baht	Right-of-use asset, net as at 30 June 2020 Thousand Baht
Leasehold improvement	130,298	31,441	14,805	176,544	2,809	17,434	(1,303)	18,940	127,489	157,604
Vehicles	3,333	-	-	3,333	-	909	-	909	3,333	2,424
Total	133,631	31,441	14,805	179,877	2,809	18,343	(1,303)	19,849	130,822	160,028

For the three-month and six-month period ended 30 June 2020, the lease payments resulting from lease contracts which are not capitalised comprised of short-term contracts amounting to Baht 0 million and Baht 0.12 million.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

14 Intangible assets, net

Intangible assets, net as at 30 June 2020 and 31 December 2019 consisted of the following:

	Cost						Accumulated amortisation						Intangible assets - net as at 30 June 2020 Thousand Baht
	As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Write off Thousand Baht	Transfer in/ (transfer out) Thousand Baht	As at 30 June 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Amortisation Thousand Baht	Write off Thousand Baht	As at 30 June 2020 Thousand Baht	Intangible assets - net as at 1 January 2020 Thousand Baht			
Computer software	233,069	1,794	-	(22,321)	212,542	(188,982)	(8,950)	-	(197,932)	44,087	14,610		
Computer software in progress	30,588	392	-	22,321	53,301	-	-	-	30,588	30,588	53,301		
Bancassurance agreement	100,000	-	-	-	100,000	(91,568)	(5,068)	-	(96,636)	8,432	3,364		
Total	363,657	2,186	-	-	365,843	(280,550)	(14,018)	-	(294,568)	83,107	71,275		

	Cost						Accumulated amortisation						Intangible assets - net as at 31 December 2019 Thousand Baht
	As at 1 January 2019 Thousand Baht	Increase Thousand Baht	Write off Thousand Baht	Transfer in/ (transfer out) Thousand Baht	As at 31 December 2019 Thousand Baht	As at 1 January 2019 Thousand Baht	Amortisation Thousand Baht	Write off Thousand Baht	Transfer from AZTH Thousand Baht	As at 31 December 2019 Thousand Baht	Intangible assets - net as at 1 January 2019 Thousand Baht		
Computer software	90,055	2,671	-	-	140,343	(64,830)	(12,919)	-	(111,233)	(188,982)	25,225		
Computer software in progress	7,381	-	(53,840)	-	77,048	-	-	-	-	-	7,381		
Bancassurance agreement	100,000	-	-	-	100,000	(81,577)	(9,992)	-	-	(91,568)	18,423		
Total	197,436	2,671	(53,840)	-	217,391	(146,407)	(22,911)	-	(111,233)	(280,550)	51,029		

For the three-month period ended 30 June 2020 and 2019, the amortisation expenses amounting to Baht 5.01 million and Baht 7.17 million, respectively, were included in operating expenses and amounting to Baht 2.55 million and Baht 0 million, respectively, were included in other underwriting expenses.

For the six-month period ended 30 June 2020 and 2019, the amortisation expenses amounting to Baht 8.95 million and Baht 11.36 million, respectively, were included in operating expenses and amounting to Baht 5.07 million and Baht 0 million, respectively, were included in other underwriting expenses.

As at 30 June 2020 and 31 December 2019, certain intangible assets of the Company at cost of Baht 66.74 million and Baht 54.14 million, respectively, were fully amortised but still in use.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

15 Deferred tax assets, net

Deferred tax assets - net as at 30 June 2020 and 31 December 2019 were as follows:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Deferred tax assets, net	271,689	301,806

Movements of deferred tax assets for the six-month period ended 30 June 2020 and for the year ended 31 December 2019 consisted of tax effects from the following items:

	As at 1 January 2020 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognised in other comprehensive income or loss Thousand Baht	As at 30 June 2020 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	6,620	(268)	-	6,352
Allowance for doubtful accounts				
- Other receivable	567	-	-	567
Unearned premium reserve	100,061	(30,428)	-	69,633
Claim reserve, net	137,009	10,609	-	147,618
Claim incurred but not reported	25,905	5,674	-	31,579
Employee benefit obligations	18,227	351	-	18,578
Accrued expense	11,840	(2,703)	-	9,137
Unrealized gain (loss) on the change in fair value of available-for-sale investments	(14,161)	-	(747)	(14,908)
Expected credit loss allowance	187	33	-	220
Others	2,913	-	-	2,913
Deferred tax assets, net	289,168	(16,732)	(747)	271,689

	As at 1 January 2019 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognised in other comprehensive income or loss Thousand Baht	Transfer from Allianz Insurance PCL Thousand Baht	As at 31 December 2019 Thousand Baht
Deferred tax assets					
Allowance for doubtful accounts					
- Premium due and uncollected	1,130	3,265	-	2,225	6,620
Allowance for doubtful accounts					
- Other receivable	567	-	-	-	567
Unearned premium reserve	102,450	(58,436)	-	56,047	100,061
Claim reserve, net	47,163	35,921	-	53,925	137,009
Claim incurred but not reported	15,737	4,048	-	6,120	25,905
Employee benefit obligations	12,799	6,835	(1,408)	-	18,226
Reinsurance payable	880	(880)	-	-	-
Accrued expense	-	(6,788)	-	18,629	11,841
Unrealized loss on the change in value of available-for-sale investments	4,089	-	(5,425)	-	(1,336)
Other	-	(69)	-	2,982	2,913
Deferred tax assets, net	184,815	(16,104)	(6,833)	139,928	301,806

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

15 Deferred tax assets, net (Cont'd)

Income tax expense for the three-month and six-month periods ended 30 June 2020 and 2019, consisted of the following:

	(Unaudited)		(Unaudited)	
	For the three-month periods ended		For the six-month periods ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current income tax				
Income tax	(159)	(52,193)	(41)	(13,787)
Deferred tax asset				
Change in temporary difference	(8,729)	70,125	16,732	46,210
Total	(8,888)	17,932	16,691	32,423

16 Other assets

	(Unaudited)	(Audited)
	30 June 2020	31 December 2019
	Thousand Baht	Thousand Baht
Other receivables	40,646	29,590
<u>Less</u> Allowance for doubtful accounts	(2,834)	(2,834)
	37,812	26,756
Revenue Department receivable	22,553	1,499
Withholding tax receivable	47,629	29,456
Prepaid expenses	10,808	9,066
Due from rice field insurance scheme	11,594	47,483
Accrued loss recovery	38,855	48,801
Deposits	8,458	8,590
Undue input value added tax	9,032	7,246
Others	30,606	1,825
Total	217,347	180,722

17 Insurance contract liabilities

Insurance contract liabilities as at 30 June 2020 and 31 December 2019 consisted of the following:

	As at 30 June 2020 (Unaudited)		
	Insurance contract liabilities	Insurance liabilities recovered from reinsurers	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Loss reserves			
Loss incurred and reported	2,289,456	(1,426,557)	862,899
Loss incurred but not reported	229,663	(71,768)	157,895
	2,519,119	(1,498,325)	1,020,794
Premium reserve			
Unearned premium reserve	3,093,539	(864,876)	2,228,663
Total	5,612,658	(2,363,201)	3,249,457

17 Insurance contract liabilities (Cont'd)

Insurance contract liabilities as at 30 June 2020 and 31 December 2019 consisted of the following:
(Cont'd)

	As at 31 December 2019 (Audited)		
	Insurance contract liabilities Thousand Baht	Insurance liabilities recovered from reinsurers Thousand Baht	Net Thousand Baht
Loss reserves			
Loss incurred and reported	2,273,231	(1,477,736)	795,495
Loss incurred but not reported	187,472	(57,948)	129,524
	<u>2,460,703</u>	<u>(1,535,684)</u>	<u>925,019</u>
Premium reserve			
Unearned premium reserve	3,337,238	(1,205,520)	2,131,718
Total	<u>5,797,941</u>	<u>(2,741,204)</u>	<u>3,056,737</u>

17.1 Insurance reserve for short-term insurance contract

17.1.1 Claim reserves

	30 June 2020 (Unaudited)		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning period	2,460,703	(1,535,684)	925,019
Claim and loss adjustment expenses incurred during the period	1,579,088	(446,357)	1,132,731
Change in claim reserves and assumptions used in loss reserve calculation	299,234	(165,834)	133,400
Loss paid during the period	(1,819,906)	649,550	(1,170,356)
Balance as at ending period	<u>2,519,119</u>	<u>(1,498,325)</u>	<u>1,020,794</u>
	31 December 2019 (Audited)		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning year	765,387	(449,047)	316,340
Claim and loss adjustment expenses incurred during the year	3,141,503	(1,153,340)	1,988,163
Change in claim reserves and assumptions used in loss reserve calculation	(621,816)	550,123	(71,693)
Loss paid during the year	(2,909,908)	1,141,002	(1,768,906)
Loss reserves and outstanding claim transferred from Allianz General Insurance Public Company Limited	2,085,537	(1,624,422)	461,115
Balance as at ending year	<u>2,460,703</u>	<u>(1,535,684)</u>	<u>925,019</u>

17 Insurance contract liabilities (Cont'd)

17.1 Insurance reserve for short-term insurance contract (Cont'd)

17.1.2 Unearned premium reserve

	30 June 2020 (Unaudited)		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
As at 1 January	3,337,238	(1,205,520)	2,131,718
Premium written for the period	3,037,938	(828,298)	2,209,640
Earned premium for the period	(3,281,637)	1,168,942	(2,112,695)
As at 30 June	<u>3,093,539</u>	<u>(864,876)</u>	<u>2,228,663</u>

	31 December 2019 (Audited)		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
As at 1 January	1,679,389	(621,263)	1,058,126
Premium written for the year	5,757,300	(2,290,390)	3,466,910
Earned premium for the year	(5,683,693)	2,276,037	(3,407,656)
Premium reserves transferred from Allianz General Insurance Public Company Limited	<u>1,584,242</u>	<u>(569,904)</u>	<u>1,014,338</u>
As at 31 December	<u>3,337,238</u>	<u>(1,205,520)</u>	<u>2,131,718</u>

17.1.3 Unexpired risk reserve

As at 30 June 2020 and 31 December 2019, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Company amounting to Baht 1,533.46 million and Baht 1,868.91 million, respectively and net of reinsurance amounting to Baht 1,374.09 million and Baht 1,387.45 million, respectively is lower than the unearned premium reserve.

18 Amount due to reinsurers

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Amounts withheld on reinsurance	1,017,046	1,152,998
Reinsurance payables	<u>608,781</u>	<u>791,674</u>
Total amount due to reinsurers	<u>1,625,827</u>	<u>1,944,672</u>

19 Lease liabilities

The maturity analysis of lease liabilities is aged as follows.

Maturity	(Unaudited) 30 June 2020 Thousand Baht
Within 1 year	31,300
Between 1 - 2 years	30,735
Between 2 - 3 years	28,987
Between 3 - 4 years	25,483
Between 4 - 5 years	23,459
Over 5 years	22,373
Total	162,337
Including - Principal	148,477
- Interest	13,860

For the three-month and six-month period ended 30 June 2020, interest expenses on lease liabilities amounted to Baht 1.20 million and Baht 2.11 million, respectively are recorded as "finance cost" in the statement of comprehensive income.

20 Other liabilities

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Other payables - promotion expense	64,253	69,343
Premium received in advance	120,642	95,127
Withholding tax payable	12,961	10,845
Undue output VAT	4,560	23,791
Contribution to non-life guarantee fund	8,873	15,810
Others	73,988	64,333
Total	285,277	279,249

21 Share Capital

On 11 March 2019, the Extraordinary General Meeting of Shareholders of the Company passed resolutions to decrease its registered share capital from Baht 2,400 million to Baht 1,800 million by cancelling the registered shares that have not yet been sold, 60 million ordinary shares at the par value of Baht 10.00 each. The Company registered the decrease of its share capital with Ministry of Commerce on 26 March 2019.

On 11 March 2019, the Extraordinary General Meeting of Shareholders of the Company passed resolutions to increase its registered share capital from Baht 1,800 million to Baht 2,548.80 million by issuing 74.88 million of new ordinary shares at the par value of Baht 10.00 each, to support the acceptance of the entire business transfer from Allianz General Insurance Public Company Limited. The Company registered the increase of its share capital with Ministry of Commerce on 27 March 2019.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

22 Financial information by segment

The business segment results are prepared on the basis of preparation of management report of the company. 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 Standards.

The Company has four reporting segments, which represent the major products that the Company underwrites and consists of fire, marine, motor and miscellaneous.

The Company is only operated and managed in a single geographic area, namely in Thailand. Therefore, no geographic segment information is presented.

For the three-month and six-month periods ended 30 June 2020 and 2019, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

The financial information of the Company for the three-month and six-month periods ended 30 June 2020 and 2019 were presented by business segment as follows:

	(Unaudited)				Total Thousand Baht
	For the three-month period ended 30 June 2020				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	
Underwriting income					
Gross premiums written	156,375	69,365	622,985	514,357	1,363,082
Less Premium ceded	(12,481)	(52,281)	270	(341,613)	(406,105)
Net premiums written	143,894	17,084	623,255	172,744	956,977
Less Unearned premium reserve increase (decrease) from previous period	(2,194)	(522)	89,262	28,346	114,892
Net premium ceded	141,700	16,562	712,517	201,090	1,071,869
Fee and commission income	3,343	15,255	(177)	63,675	82,096
Total underwriting income	145,043	31,817	712,340	264,765	1,153,965
Underwriting expense					
Losses incurred	13,133	(11,374)	486,901	485,329	973,989
Add/(Less) Loss recoverable from reinsurers	(3,609)	14,892	(58,803)	(283,114)	(330,634)
Commissions and brokerages expenses	33,899	8,393	87,919	67,040	197,251
Other underwriting expenses	28,076	9,370	106,856	42,159	186,461
Total underwriting expense	71,499	21,281	622,873	311,414	1,027,067
Profit (loss) on underwriting before operating expenses	73,544	10,536	89,467	(46,649)	126,898
Operating expenses					191,793
Profit (loss) on underwriting					(64,895)

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

22 Financial information by segment (Cont'd)

The financial information of the Company for the three-month and six-month periods ended 30 June 2020 and 2019 were presented by business segment as follows: (Cont'd)

	(Unaudited)				Total Thousand Baht
	For the six-month period ended 30 June 2019				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	
Underwriting income					
Gross premiums written	328,280	164,963	1,093,796	694,791	2,281,830
<u>Less</u> Premium ceded	85,076	106,262	292,426	375,364	859,128
Net premiums written	243,204	58,701	801,370	319,427	1,422,702
<u>Less</u> Unearned premium reserve increase (decrease) from previous period	12,976	4,090	42,207	(2,649)	56,624
Net premium ceded	230,228	54,611	759,163	322,076	1,366,078
Fee and commission income	22,758	30,880	101,391	105,952	260,981
Total underwriting income	252,986	85,491	860,554	428,028	1,627,059
Underwriting expense					
Losses incurred	(39,444)	42,974	605,829	220,553	829,912
<u>Less (Add)</u> Loss recoverable from reinsurers	40,140	(26,748)	(143,799)	(98,096)	(228,503)
Commissions and brokerages expenses	70,143	17,685	122,711	96,829	307,368
Other underwriting expenses	48,496	16,669	168,955	96,092	330,212
Total underwriting income	119,335	50,580	753,696	315,378	1,238,989
Profit (loss) on underwriting before operating expenses	133,651	34,911	106,858	112,650	388,070
Operating expenses					286,892
Profit on underwriting					101,178

23 Operating expenses

The operating expenses for the three-month and six-month periods ended 30 June 2020 and 2019 were as follows:

	(Unaudited)		(Unaudited)	
	For the three-month periods ended		For the six-month periods ended	
	30 June 2020 Thousand Baht	30 June 2019 Thousand Baht	30 June 2020 Thousand Baht	30 June 2019 Thousand Baht
Employee expenses not relating to underwriting or claim administrative expense	70,559	111,804	144,707	147,575
Premise and equipment expense not relating to underwriting expense	38,081	41,666	68,877	68,824
Stamp and tax duty	216	232	845	1,061
Bad debt and doubtful debt (Reversal)	5,743	1,946	(1,339)	2,488
Director's remuneration	688	1,242	2,672	2,555
Management fee	37,133	17,785	78,391	23,049
Advertising and sales promotion expenses	425	2,633	1,236	2,760
Professional fee	19,821	5,692	54,314	6,480
Other operating expenses	19,127	22,080	32,897	32,100
Total operating expenses	191,793	205,080	382,600	286,892

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

24 Expected credit loss

	(Unaudited) For the three-month period ended 30 June 2020 Thousand Baht	(Unaudited) For the six-month period ended 30 June 2020 Thousand Baht
Cash and cash equivalent (Revesal)	251	207
Investment in securities (Reversal)	200	159
Total expected credit loss (Reversal)	451	366

25 Basic earnings (loss) per share

Basic earnings (loss) per share for the three-month and six-month periods ended 30 June 2020 and 2019 calculated from net profit (loss) for the period of the Company's shareholders and the number of issued share capital. The calculation were as follows:

	(Unaudited) For the three-month periods ended		(Unaudited) For the six-month periods ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Net profit (loss) (Thousand Baht)	(19,061)	64,087	(190,247)	122,409
Number of share capital (shares)	254,880,000	205,649,503	254,880,000	205,649,503
Basic earnings (loss) per shares (Baht)	(0.07)	0.31	(0.75)	0.60

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

26 Related parties

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business. Transactions with the related parties are mainly as follows:

The relationships between the Company and its related parties are summarized below:

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

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2020

26 Related parties (Cont'd)

Significant balances with related parties as at 30 June 2020 and 31 December 2019 were as follows:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Receivables		
Related company of ultimate parent		
Premium receivable	207	21
Amounts due from reinsurers	248,409	283,190
Other assets	23,051	24,969
Related company of immediate parent		
Deposits at financial institutions	165,359	290,096
Premium receivable	19,597	2,817
Other assets	4,833	5,666
Payables		
Related company of ultimate parent		
Amounts withheld on reinsurance	437,265	453,860
Due to reinsurers	331,621	403,537
Other liabilities	14,500	67,372
Related company of immediate parent		
Other liabilities	8,032	5,957
Commission and brokerage payable	15,059	13,284
Accrued other - underwriting expenses	32,220	29,171

Significant transactions for the three-month and six-month periods ended 30 June 2020 and 2019 with related parties were as follows:

	(Unaudited)	
	For the three-month period ended	
	30 June 2020 Thousand Baht	30 June 2019 Thousand Baht
Revenues		
Related company of ultimate parent		
Claim recovered from reinsurers	110,566	60,602
Fee and commission income	52,178	30,877
Other income	3,398	8,071
Immediate parent company		
Other income	1,275	150
Related company of immediate parent		
Premium written	17,799	9,286
Other income	-	861

26 Related parties (Cont'd)

Significant transactions for the period ended 30 June 2020 and 2019 with related parties were as follows:

	(Unaudited)	
	For the three-month period ended	
	30 June 2020 Thousand Baht	30 June 2019 Thousand Baht
Expenses		
Related company of ultimate parent		
Premiums ceded to reinsurers	225,140	251,769
Other expenses	62,693	15,028
Immediate parent company		
Other expenses	-	3,305
Related company of immediate parent		
Commission and brokerage expenses	44,421	46,235
Underwriting expenses	34,272	31,818
Other expenses	3,222	4,835
	(Unaudited)	
	For the six-month period ended	
	30 June 2020 Thousand Baht	30 June 2019 Thousand Baht
Revenues		
Related company of ultimate parent		
Claim recovered from reinsurers	132,861	60,602
Fee and commission income	58,518	30,877
Premium written	193	364
Other income	11,051	7,921
Immediate parent company		
Other income	2,550	300
Related company of immediate parent		
Premium written	25,961	17,893
Other income	-	1,466
Expenses		
Related company of ultimate parent		
Premiums ceded to reinsurers	261,457	251,769
Other expenses	86,327	15,028
Immediate parent company		
Other expenses	-	8,568
Related company of immediate parent		
Commission and brokerage expenses	91,190	97,201
Underwriting expenses	56,304	65,911
Other expenses	8,055	9,671

26 Related parties (Cont'd)

The Company used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance 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 parent company for providing about services of managerial and administrative services of accounting, personnel, internal audit and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the parent company.

The Company paid commissions and brokerages and other underwriting expenses as specified in the Bancassurance Agreement made between the Company 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 Company has offered to other insurance broker companies.

Custodian fee and commission were paid at the same rates and conditions as the related parties charged other customers.

The Company has 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. On 1 April 2020, the Company terminated these agreements with related companies.

Directors and key management personnel's remuneration

During the three-month and six-month periods ended 30 June 2020 and 2019, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognised as expenses as follows:

	(Unaudited)		(Unaudited)	
	For the three-month periods ended		For the six-month periods ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Directors and key management personnel's remuneration				
Short-term benefits	27,951	25,269	73,717	38,242
Post-employment benefits	920	1,097	1,969	1,456
Directors' remuneration	688	42	1,377	207
Total	29,559	26,408	77,063	39,905

Directors' remunerations for the years of 2020 and 2019 were approved by the ordinary shareholders' meeting of the Company held on 10 July 2020 and 26 April 2019, respectively.

27 Securities and assets pledged with the Registrar

As at 30 June 2020 and 31 December 2019, certain investments in securities of the Company were pledged and used for assets reserved with the Registrar (Note 10) in accordance with the Insurance Act and according to the announcement 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:

27.1 The investments in debt securities which the company placed for policy reserve with the Registrar in accordance with the announcement 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" were as follows:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Deposits at banks	14,000	14,000
Government and state enterprise securities	14,000	14,000

27.2 The investments in debt securities which the company pledged with the Registrar in accordance with the Insurance Act (No.2) B.E. 2551 were as follows:

	(Unaudited) 30 June 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Government and state enterprise securities	587,410	552,710

28 Restricted assets and commitment

As at 30 June 2020 and 31 December 2019, the Company has premium saving certificates amount of Baht 2.55 million and Baht 3.15 million, respectively were used as collateral in case where the insured drivers are the alleged offenders.

As at 30 June 2020 and 31 December 2019, the Company has undrawn committed credit facilities amounting to Baht 20 million, with fixed deposit at banks amounting to Baht 20 million pledged as collateral.

29 Contribution to non-life guarantee fund

The Company has accumulated funding amount which was paid into contribution to non-life guarantee fund as at 30 June 2020 and 31 December 2019 amounting to Baht 89.52 million and Baht 70.38 million, respectively.

30 Commitments

Commitments as at 30 June 2020 and 31 December 2019 consisted of the following:

Type	(Unaudited) As at 30 June 2020		
	Remaining periods		Total rental payments for the remaining periods Thousand Baht
	Within 1 year Thousand Baht	Over 1 year to 5 years Thousand Baht	
Vehicle - others	-	-	-
	-	-	-
Type	(Audited) As at 31 December 2019		
	Remaining periods		Total rental payments for the remaining periods Thousand Baht
	Within 1 year Thousand Baht	Over 1 year to 5 years Thousand Baht	
Building			
- related company	3,774	1,800	5,574
- others	3,154	4,382	7,536
Service			
- related company	2,346	208	2,554
- others	956	1,832	2,788
Equipment - related company	3,129	277	3,406
Vehicle - others	1,902	1,456	3,358
	15,261	9,955	25,216

For the three-month and six-month periods ended 30 June 2020 and 2019, the Company recorded the rental and service fees under operating agreements as expense in statement of profit or loss and other comprehensive income as follow

	(Unaudited) For the three-month period ended		(Unaudited) For the six-month period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Rental and service fees	62	8,728	155	15,820

31 Contingent liabilities

As at 30 June 2020 and 31 December 2019, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totalling Baht 51.60 million and Baht 47.96 million, respectively. The Company'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 Company's operating results.