

**ALLIANZ AYUDHYA GENERAL INSURANCE PUBLIC
COMPANY LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2021



Independent auditor's report

To the Shareholders of Allianz Ayudhya General Insurance Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Allianz Ayudhya General Insurance Public Company Limited (the Company) as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of management for the financial statements

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

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

The audit committee is responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with the audit committee and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Sakuna Yamsakul', with a stylized flourish at the end.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
24 February 2022

Allianz Ayudhya General Insurance Public Company Limited
Statement of Financial Position
As at 31 December 2021

		2021	2020
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Assets			
Cash and cash equivalents, net	10	1,058,702	1,535,960
Premium receivable, net	11	580,552	555,606
Accrued investment income		13,505	14,446
Reinsurance assets	12	1,923,852	2,060,737
Amounts due from reinsurers	13	569,982	439,285
Investments			
Investments in securities, net	14	4,629,746	4,233,430
Leasehold improvement and equipment, net	15	44,521	52,223
Right-of-use asset, net	16	190,397	208,804
Goodwill	17	508,877	508,877
Intangible assets, net	18	78,871	70,501
Deferred tax assets, net	19	358,595	355,131
Deferred commissions expenses		80,233	78,959
Other assets, net	20	<u>137,742</u>	<u>135,110</u>
Total assets		<u><u>10,175,575</u></u>	<u><u>10,249,069</u></u>

Director

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya General Insurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2021

		2021	2020
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Liabilities and equity			
Liabilities			
Insurance contract liabilities	21	5,070,744	5,157,764
Amounts due to reinsurers	22	1,160,232	1,249,805
Employee benefit obligations	24	135,407	151,266
Premium written received in advance		258,802	343,710
Commissions and brokerages payables		121,109	99,257
Accrued expenses		395,790	449,171
Lease liabilities	25	197,784	207,876
Debt issued and borrowings	23	200,000	-
Other liabilities	26	364,985	276,603
Total liabilities		<u>7,904,853</u>	<u>7,935,452</u>
Equity			
Share capital	27		
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	28	15,750	15,750
Unappropriated		(344,488)	(297,006)
Other components of equity			
Surplus on Investments measured at fair value through other comprehensive income		<u>50,660</u>	<u>46,073</u>
Total equity		<u>2,270,722</u>	<u>2,313,617</u>
Total liabilities and equity		<u>10,175,575</u>	<u>10,249,069</u>

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya General Insurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2021

		2021	2020
	Notes	Thousand Baht	Thousand Baht
Revenues			
Gross premiums written	29	5,584,707	5,676,918
<u>Less</u> premiums ceded	29	<u>(1,608,289)</u>	<u>(1,564,003)</u>
Net premiums written		3,976,418	4,112,915
<u>Add(Less)</u> unearned premium reserve (increased) decreased	29	<u>(84,019)</u>	<u>57,381</u>
Net premiums earned		3,892,399	4,170,296
Fees and commission income	29	325,926	292,826
Net investment income		42,090	54,923
Gain on investment		111	42
(Loss) Gain on fair value adjustment		(453)	4,105
Other income		<u>35,539</u>	<u>65,307</u>
Total revenues		<u>4,295,612</u>	<u>4,587,499</u>
Expenses			
Gross claim paid	29	2,537,959	3,456,194
<u>Less</u> Claim recovered from reinsurers	29	<u>(485,380)</u>	<u>(981,646)</u>
Gross claim paid, net		2,052,579	2,474,548
Commissions and brokerages expenses	29	894,232	854,028
Other underwriting expenses	29	694,004	766,695
Operating expenses	29, 30	724,873	811,033
Finance cost		6,922	4,652
Expected credit losses (reversal)	32	<u>(291)</u>	<u>(123)</u>
Total expenses		<u>4,372,319</u>	<u>4,910,833</u>
Loss before income tax		<u>(76,707)</u>	<u>(323,334)</u>
Income tax income	34	<u>9,534</u>	<u>63,266</u>
Net loss		<u>(67,173)</u>	<u>(260,068)</u>

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya General Insurance Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2021

		2021	2020
	Notes	Thousand Baht	Thousand Baht
Other comprehensive income (loss)			
<u>Items that will not be subsequently reclassified to profit or loss</u>			
Remeasurements of post-employment benefit obligations		24,614	-
Income tax on items that will not be reclassified to profit or loss	19	<u>(4,923)</u>	<u>-</u>
Total Items that will not be subsequently reclassified to profit or loss		<u>19,691</u>	<u>-</u>
<u>Items that will be subsequently reclassified to profit or loss</u>			
Gain (Loss) on revaluation of Investments measured at fair value through other comprehensive income		5,873	(13,434)
Items in other comprehensive income transferred to profit or loss		(139)	(52)
Income tax on items that will be reclassified to profit or loss	19	<u>(1,147)</u>	<u>2,697</u>
Total Items that will be subsequently reclassified to profit or loss		<u>4,587</u>	<u>(10,789)</u>
Other comprehensive income (loss) for the year, net of income tax		<u>24,278</u>	<u>(10,789)</u>
Total comprehensive loss for the year		<u><u>(42,895)</u></u>	<u><u>(270,857)</u></u>
Loss per share (Baht per share)			
Basic loss per share	33	<u><u>(0.26)</u></u>	<u><u>(1.02)</u></u>

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya General Insurance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2021

	Retained earnings (deficits)		Other components of equity		Total equity
	Issued and paid-up share capital	Legal reserve	Unappropriated	Surplus on investment measured at fair value through other comprehensive income	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at 1 January 2021	2,548,800	15,750	(297,006)	46,073	2,313,617
Net loss	-	-	(67,173)	-	(67,173)
Remeasurements of post-employment benefit obligations, net of tax	-	-	19,691	-	19,691
Gain on revaluation of Investments measured at fair value through other comprehensive income, net of tax	-	-	-	4,698	4,698
Items in other comprehensive income transferred to profit or loss	-	-	-	(111)	(111)
Balance as at 31 December 2021	2,548,800	15,750	(344,488)	50,660	2,270,722
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	-	-	(963)	51,517	50,554
Balance after adjustment as at 1 January 2020 after adjustment	2,548,800	15,750	(36,938)	56,862	2,584,474
Net loss	-	-	(260,068)	-	(260,068)
Loss on revaluation of Investments measured at fair value through other comprehensive income	-	-	-	(10,747)	(10,747)
Items in other comprehensive income transferred to profit or loss	-	-	-	(42)	(42)
Balance as at 31 December 2020	2,548,800	15,750	(297,006)	46,073	2,313,617

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya General Insurance Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2021

	2021	2020
	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Cash flows provided by (used in) operating activities		
Direct premium received	5,310,536	5,540,022
Cash paid for reinsurance	(608,411)	(622,169)
Interest income	65,087	43,594
Dividend income	17	16
Other income	35,538	65,307
Claim incurred from direct insurance	(2,730,089)	(3,410,586)
Commissions and brokerages paid from direct insurance	(850,890)	(838,300)
Other underwriting expenses	(694,004)	(766,695)
Operating expenses	(673,055)	(605,979)
Income tax expense	(20,613)	(7,362)
Cash paid from investments in securities	(2,084,057)	(6,939,682)
Cash received for investments in securities	1,632,941	4,573,611
Cash paid for deposit at bank with maturity over 3 months and deposits used as collateral	(184,531)	(236,301)
Cash received from deposits at bank with maturity over 3 months and deposits used as collateral	222,250	488,650
Loans	-	14
Net cash flow used in operating activities	<u>(579,281)</u>	<u>(2,715,860)</u>
Cash flows provided by (used in) investing activities		
<u>Cash flows provided by</u>		
Cash received from selling premises and equipment	<u>5,978</u>	<u>695</u>
<u>Cash flows used in</u>		
Cash paid for purchasing premises and equipment	(13,797)	(24,641)
Cash paid for purchasing intangible assets	<u>(61,930)</u>	<u>(13,360)</u>
Net cash flow used in investing activities	<u>(69,749)</u>	<u>(37,306)</u>

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya General Insurance Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2021

	2021	2020
Note	Thousand Baht	Thousand Baht
Cash flows provided by (used in) financing activities		
Cash paid for lease liability	(21,301)	(23,239)
Cash paid for finance cost	(6,922)	(4,652)
Cash received for long term loan	200,000	-
Net cash flow provided by (used in) financing activities	171,777	(27,891)
Net decrease in cash and cash equivalents	(477,253)	(2,781,057)
Cash and cash equivalents at the beginning of the year	1,535,960	4,317,580
Cash and cash equivalents at the ending of the year	1,058,707	1,536,523
<u>Less</u> Allowance for expected credit loss	(5)	(563)
Cash and cash equivalents, net at the ending of the year	10 1,058,702	1,535,960

The accompanying notes are an integral part of these financial statements.

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: Ploenchit Tower, 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 financial statements are presented in Thai Baht and rounded to the nearest Thousand, unless otherwise stated.

The financial statements are authorised for issue by the board of directors on 24 February 2022.

2 Significant events during the current year

In 2021, the Coronavirus Disease 2019 (COVID-19) continued to affect all sectors including the insurance industry. The Thai government issued various measures to stimulate the economy while the OIC issued various measures to support insurance customers.

Throughout 2021, several Thai insurers, suffered substantial losses from COVID-19 insurance policies and saw pressure on their financial results and their solvency margin, causing some of them to cease operation, impacting policyholders and the insurance industry in general. While we promptly paid COVID-19 related claims according to our policy terms, the overall Company's results have proven to be resilient and were not adversely affected by COVID-19, validating our long-term business strategy and proper steering and control mechanisms in place. With a strong focus on digital tools for sales and for internal processes, the Company operated business as usual throughout the year.

3 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the format prescribed by the Notification of the Office of Insurance Commission entitled "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 financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

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

4. New and amended financial reporting standards

4.1 Financial reporting standards that are effective for current accounting period, but the Company elected to apply temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts.

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 Disclosure for Insurance Companies' accounting guidelines' ('The Accounting Guidance') for financial statement preparation.

For assessment of impact if the Company applied TFRS 9 – Financial Instruments, financial assets of the Company are separated into (i) financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) in accordance with TFRS 9 and are not held for trading or managed on fair value basis and (ii) all financial assets other than those specified in (i).

The following table shows the fair value and change in fair value of these two groups of financial assets:

	31 December 2021		31 December 2020	
	Ending Fair value Thousand Baht	Changes in Fair value Thousand Baht	Ending Fair value Thousand Baht	Changes in Fair value Thousand Baht
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	5,621,660	36,683	5,724,858	34,025
Cash flows that are not solely payments of principal and interest on the principal amount outstanding on specified dates	-	-	-	-
Financial assets which the performance is evaluated based on fair value.	30,419	2,016	24,792	6,082
Other financial assets	70,338	25,869	44,469	23,052

As of 31 December 2021, financial assets qualifying as SPPI includes debt securities, other receivables, accrued investment income and cash and cash equivalents whereas the remaining includes equity securities and debt securities measured at fair value through profit or loss.

Certain financial assets included within the financial statements, including amount due from reinsurance and premium receivables amounting to Baht 994.89 million are not included above.

The financial assets presented above that met SPPI criteria and not held for trading or managed on fair value basis are primarily debt securities.

4.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have significant impacts to the Company

a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

5 Accounting policies

5.1 Product classification

The Company has classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk.

An insurance contract is a contract under which the Company (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Once a contract is classified as an insurance contract, it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

However, the contract that has financial risk to the Company but has no insurance risk is not classified as insurance contract.

Short term insurance contracts are insurance contract which the term of contract is less than 1 year.

Long term insurance contracts are insurance contract which the term of contract is more than 1 year or less than 1 year or equal to 1 year which have automatic approve of renewal which the Company cannot terminate and cannot increase or decrease of premium including of change in other benefit throughout the contract term.

5.2 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or revaluation.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

5.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and not subjected to withdrawal restrictions.

5.4 Premium receivables and allowance for doubtful accounts

Premium receivable are carried at its net realisable value. The Company sets up an allowance for doubtful accounts based on the estimated loss that may be incurred in collection of the premium due, on the basis of collection experience and a review of current status of the premium due as at the Statement of Financial Position date. Bad debts are written off during the year in which they are identified.

5.5 Reinsurance asset

Reinsurance assets are stated at insurance reserve refundable from reinsurers.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium reserve and loss reserve and outstanding claims.

5.6 Amount due from and due to reinsurers

(a) Amount due from reinsurance are stated at the outstanding balance of amount due from reinsurers and amounts deposit on reinsurance.

Amounts due from reinsurers consist of accrued commission and brokerage income, claims and various other items receivable from reinsurers less allowance for doubtful accounts. The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting the year.

(b) Amounts due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims.

5.7 Investments in securities

a) Classification

The Company classifies its financial assets depending on the purpose of investment 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
- Investments designated at fair value through profit or loss

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.

b) Recognition and derecognition

Regular way purchases, acquisitions and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt Securities

There are three measurement categories to classify the investments in securities:

- Amortised cost: Investments in securities that are held to maturity are measured at amortised cost. Interest income from these investments in securities is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVOCI: Investments in securities that the Company intends to either hold for an indefinite period or sell in response to the needs of the Company's liquidity or change in interest rate are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss.

When the Investments in securities are derecognised the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.

- FVPL: Investments in securities that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss that is subsequently measured at FVPL is recognised in profit or loss and presented net within gains/(losses) from fair value in the period in which it arises.

Equity Securities

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

The Company presents its investments in Property Fund unit trusts / Real Estate Investment Trust units / Infrastructure Fund units / Infrastructure Trust units (the trust) established and registered in Thailand as equity investments and measures them at FVOCI following the TFAC's clarification, "Interpretation of investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand" dated 25 June 2020. The trust is required to distribute benefits of not less than 90% of its adjusted net profit.

d) Impairment

The Company assesses expected credit loss on a forward looking basis for its debt instrument financial assets carried at FVOCI 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.

In addition, the Company assesses the impairment of equity instruments by considering supporting factors that the Company might not recover the cost of investment in equity. The Company also considers for a significant or prolonged decline in the fair value of an investment in equity instruments below its cost or net book value of the invested entity. The Company will immediately recognise impairment for equity instruments which carried at fair value through other comprehensive income in profit or loss if there is existence of objective evidence that lead the instruments to be devalued.

5.8 Loans

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

5.9 Leasehold improvements and equipment

Building improvement and equipment are stated at historical cost less accumulated depreciation and impairment (if any).

The cost of building improvement and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the items, and restoring the site on which it is located, the obligation for which a Company incurs either when the item is acquired or as a consequence of having used the item during a particular the year.

The cost of replacing a part of an item of building improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of building improvement and equipment are recognised in profit or loss as incurred.

Depreciation is calculated based on the depreciable amount of building improvement and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of assets or each component of an item of assets. The estimated useful lives are as follows:

Leasehold improvement	5 - 10 years
Furniture, fixture and equipment	5 years
Vehicles	5 years
Computer equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains and losses in the statements of comprehensive income.

5.10 Goodwill

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

5.11 Intangible assets

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

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

Computer software	5 - 10 years
Bancassurance agreement	10 years

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

5.12 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

5.13 Leases

Leases - where the Company is the lessee

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.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. 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:

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.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee'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. Low-value assets comprise office equipment.

5.14 Insurance liabilities

a) Unearned premium reserve

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

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

b) Loss reserve and outstanding claims

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

c) Unexpired risks reserve

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

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

d) Liability adequacy test

The liability of the Company under insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims. Provisions for insurance, claims are assessed based on the Company's experience and historical data which use actuarial methods. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognised in profit or loss.

5.15 Employee benefits

a) Provident fund

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

b) Employee benefit obligations

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

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

5.16 Share-based compensation

Allianz SE which is one of the parent companies of the Company, launched share-based compensation plans for the Company's employee, under which the Company receives services from the employees, as consideration for the shares of Allianz SE. The condition of the plans is set by Allianz SE.

The fair value of the employee services received in exchange for the grant of shares or share options is recognized as an expense over the vesting period. The obligation from share-based payment is presented under "Employee benefits obligation" on the statement of financial position.

5.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.18 Share capital

Ordinary shares and premium on ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

5.19 Recognition of revenues and expenses

5.19.1 Premium written

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

5.19.2 Reinsurance premium

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

5.19.3 Commission and brokerage income

Commission and brokerage income are recognised as income on an accrual basis.

5.19.4 Interest and dividend income

Interest income is recognised as income on an accrual basis. Dividend income are recognised as income on the declaration date.

5.19.5 Claim and loss adjustment expenses

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

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

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

5.19.6 Claim recovery from reinsurers

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

5.19.7 Commissions and brokerages and other expenses

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

5.20 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognized
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.21 Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

6 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Goodwill impairment

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in note 17. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

6.2 Impairment of premium receivable and amount due from reinsurers

The Company sets an allowance for doubtful accounts and amount due from reinsurers to reflect impairment of premium due, uncollected receivables and claim recoveries from reinsurer. The allowance for doubtful accounts and amount due from reinsurers are based on collection experience and a review of current status of the premium due as at the date of statement of financial position.

6.3 Reinsurance assets estimation

Reinsurance assets are determined from estimation using the same methods as the estimation of claims incurred but not yet reported by insured (Note 5.14) and the unearned premium reserve calculation. The reinsurance assets are assessed at the period end date to ensure that the amount shown in the financial statement reflects the expected amount to be received in the future by taking into account the credit rating of the reinsurance company and the contractual terms of reinsurance contracts.

6.4 Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Company considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Company's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from year to year may have a material impact on the Company's reported financial position and results of operations.

6.5 Loss reserve and outstanding claims

The Company determines the loss reserves and outstanding claims in accordance with survey information, and also reviews the outstanding claims at the end of each reporting date which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

There are 3 major methods to estimate the ultimate loss which are Chain Ladder, Bornhuetter-Ferguson and Expected Loss Ratio. The most appropriate method for each product category was selected based on actuarial judgement for both gross and net of reinsurance basis.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the original liability established.

6.6 Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, with reference to historical data and the best estimates available at the time.

6.7 Liability adequacy test

At the end of each reporting period, the company assesses the adequacy of Insurance contract liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. If the assessment shows that the carrying amount of Insurance contract liabilities less related deferred acquisition cost is inadequate when compared to the estimated future cash flows. The liabilities is increased by the deficiency and it is charged to profit or loss.

6.8 Employee benefits obligations

Employee benefits obligations are determined by independent actuary. The amount recognised in the statement of financial position is determined on an estimation basis utilising various assumptions including the rate of salary inflation and employee turnover. Any change in these assumptions will impact the estimation for employee benefits. On an annual basis the Company determines the appropriate assumptions, which represents the provision expected to be required to settle the employee benefits.

7 Insurance risk management

a) Insurance risk management policy

The Company's management takes responsibility for strategic decisions and plans with clear steps so that the process of translating strategy into implementation is actionable, timely and appropriate to changes.

Insurance risk means the fluctuation of the frequency and severity of events that is out of the standard assumption used in establishing the rate of insurance calculations, and underwriting considerations. The Company examines thoroughly the level of risk that is acceptable by referring to the insurance underwriting manual, and considering the concentration risk by way of geography or by type of risk. If the risk exceeds the defined level, the Company extends the risk to reinsurers by means of reinsurance.

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

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

Product Design and Development, and Price Structure

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

Underwriting strategy

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

Reinsurance strategy

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

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

b) Concentration of insurance risks

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

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

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

	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
31 December 2021					
Gross of reinsurance	104,583	174,067	559,476	1,405,620	2,243,746
Net of reinsurance	79,818	78,692	548,129	281,897	988,536
31 December 2020					
Gross of reinsurance	88,568	107,442	776,061	1,464,710	2,436,781
Net of reinsurance	56,077	19,001	711,778	235,834	1,022,690

8 Financial risk management

The Company is exposed to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Financial risk management is carried out by the Company's Risk Committee. The Company's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools by Risk Committee.

8.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk consists of three types of risks: foreign exchange risk, interest rate risk and price risk.

a) Foreign exchange risk

The Company operates internationally and is exposed to foreign currency risk arises from insurance premium and reinsurance with foreign insurance companies that are denominated in foreign currencies. The Company has no forward exchange contract to reduce the exposure. The management considers that the Company has no significant effect.

The Company's exposure to foreign currency risk as of 31 December 2021 and 2020, expressed in Baht are as follows:

	As at 31 December 2021		As at 31 December 2020	
	US Dollar Thousand Baht	Euro Thousand Baht	US Dollar Thousand Baht	Euro Thousand Baht
Cash and cash equivalents	5,121	74	9,079	72

Foreign exchange risk sensitivity analysis

The Company calculates the impact on the sensitivity of exchange rates. The management considers that the Company has no significant impact from such risk.

b) Cash flow and interest rate risk

Interest rate risk is the risk that the value of a financial instrument and the Company's cash flows will change due to changes in market interest rates. The Company's investments include both short-term and long-term investments that have floating rate and fixed rates. The Company manages the risk by considering the risk of investments together with the return on such investments.

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As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

	2021										Interest rate (% p.a)	
	Fixed interest rate					Variable interest rate						
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non-interest bearing Thousand Baht	Total Thousand Baht				
Financial assets												
Cash and cash equivalents	410,155	-	-	608,507	-	-	-	40,045	1,058,707			0.00-1.25
Investment in securities												
Government and state enterprise securities	1,691,222	1,096,318	-	-	-	-	-	-	2,787,540			0.61-4.75
Private debt securities	683,947	858,162	-	-	-	-	-	-	1,542,109			0.97-5.50
Deposits at financial institutions with original maturities more than 3 months	199,368	-	-	-	-	-	-	-	199,368			0.30-0.70
	<u>2,984,692</u>	<u>1,954,480</u>	<u>-</u>	<u>608,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,045</u>	<u>5,587,724</u>			
Financial liabilities												
Lease liabilities	28,120	109,860	59,804	-	-	-	-	-	197,784			2.93
Debt issued and borrowings	-	-	200,000	-	-	-	-	-	200,000			6.10
	<u>28,120</u>	<u>109,860</u>	<u>59,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,784</u>			

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	2020								Interest rate (% p.a)
	Fixed interest rate				Variable interest rate				
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- interest bearing Thousand Baht	Total Thousand Baht	
Financial assets									
Cash and cash equivalents	1,097,022	-	-	426,886	-	-	12,615	1,536,523	0.00-1.75
Investment in securities									
Government and state enterprise securities	709,806	1,747,579	-	-	-	-	-	2,457,385	0.61-6.40
Private debt securities	381,041	1,088,682	-	-	-	-	-	1,469,723	1.17-5.50
Deposits at financial institutions with original maturities more than 3 months	237,086	-	-	-	-	-	-	237,086	0.79
	<u>2,424,955</u>	<u>2,836,261</u>	<u>-</u>	<u>426,886</u>	<u>-</u>	<u>-</u>	<u>12,615</u>	<u>5,700,717</u>	
Financial liabilities									
Lease liabilities	29,642	96,418	81,816	-	-	-	-	207,876	2.93
Debt issued and borrowings	-	-	-	-	-	-	-	-	-
	<u>29,642</u>	<u>96,418</u>	<u>81,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,876</u>	

Interest rate risk sensitivity analysis

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses as a result of changes in interest rates.

The table below shows the interest sensitivity for the financial assets and financial liabilities held as at 31 December 2021 and 2020.

	Impact to net profit		Impact to other components of equity	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Interest rate - increase 1%*	5,378	4,271	(51,463)	(72,300)
Interest rate - decrease 1%*	(547)	(669)	52,938	74,540

* Holding all other variables constant

C) Equity price risk

The Company's exposure to equity securities price risk arises from investments held by The Company which are classified either as at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL).

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

Price risk sensitivity analysis

The Company completely calculates the impact on the sensitivity of Price risk. The management considers that the Company has no significant impact from such risk.

Net profit for the period would increase or decrease as a result of gains/losses on equity instrument carried at fair value through profit or loss (FVPL). Other components of equity would increase or decrease as a result of gains/losses on equity instrument carried at fair value through other comprehensive income (FVOCI).

8.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

b) Impairment of financial assets

The Company has 2 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalent
- Investment in debt instruments measured at amortised cost and FVOCI

Forward-looking economic information is also included in determining the next 12 months or over the remaining lifetime.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Cash and cash equivalents

The Company considers that cash and cash equivalent have low credit risk, So the Company considered credit rating of bank institutes from reliable organization.

The reconciliations of loss allowances for cash and cash equivalents for the year ended 31 December 2021 and 2020 are as follows:

	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	563	892
Increase in loss allowance recognised in profit or loss during the year	-	-
Written off during the year	-	-
Reverse expected credit loss during the year	(558)	(329)
As at 31 December	5	563

Debt investments

The Company considers that all debt investments measured at amortised cost has low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

1) Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include debenture assets, zero coupon bonds and listed corporate bonds.

The reconciliations of loss allowances for other financial assets measured at amortised cost for the year ended 31 December 2021 and 2020 are as follows:

	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	25	26
Increase in loss allowance recognised in profit or loss during the year	2	-
Written off during the year	-	-
Reverse expected credit loss during the year	-	(1)
As at 31 December	27	25

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The allowance of expected credit loss for investment in debt instruments measured at amortised cost by stage of risk are as follows:

	Loss allowance measured at amount equal to 12 months expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Thousand Baht	Total Thousand Baht
Investment in debt instruments measured at amortised cost				
As at 1 January 2020	26	-	-	26
Changes occurred from Measurement	(1)	-	-	(1)
As at 31 December 2020	25	-	-	25
Changes occurred from Measurement	2	-	-	2
As at 31 December 2021	27	-	-	27

2) Debt investments measured at fair value through other comprehensive income (FVOCI)

Debt investments measured at fair value through other comprehensive income (FVOCI) include listed and unlisted debt securities. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

The reconciliation of loss allowances for debt investments measured at FVOCI as at 31 December 2021 and 2020 are as follows:

	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	493	286
Increase in loss allowance recognised in profit or loss during the year	265	207
As at 31 December	758	493

The allowance of expected credit loss for investment in debt investments measured at FVOCI by stage of risk are as follows:

	Loss allowance measured at amount equal to 12 months expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Thousand Baht	Total Thousand Baht
Investment in debt instruments measured at FVOCI				
As at 1 January 2020	286	-	-	286
New financial assets purchased or originated	207	-	-	207
As at 31 December 2020	493	-	-	493
New financial assets purchased or originated	265	-	-	265
As at 31 December 2021	758	-	-	758

3) Financial asset measured at fair value through profit or loss (FVPL)

The Company is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

4) The maximum exposure to credit risk of the financial asset

The exposure to credit risk equals their carrying amount in the statement of financial position as at reporting date.

8.3 Liquidity risk

Liquidity risk, is the risk that the insurance company encounters difficulty to settle the obligation related to financial liabilities which must be settled in cash or other financial assets.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 609 million (2020: Baht 427 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company's treasury deputy maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Maturity of financial liabilities	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2021						
Lease liabilities	3,614	5,994	18,512	109,860	59,804	197,784
Debt issued and borrowings	-	-	-	-	200,000	200,000
Total	3,614	5,994	18,512	109,860	259,804	397,784
As at 31 December 2020						
Lease liabilities	3,735	4,575	21,332	96,418	81,816	207,876
Debt issued and borrowings	-	-	-	-	-	-
Total	3,735	4,575	21,332	96,418	81,816	207,876

8.4 Capital management

The objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, and also complies with the requirement of the Office of Insurance Commission.

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9 Fair value

9.1 Fair value estimation

The following table shows fair values and carrying amounts of financial assets and liabilities by category;

	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2021					
Investments measured at fair value (FV)					
Debt securities	30,419	3,931,935	-	3,962,354	3,962,354
Equity securities	-	70,338	-	70,338	70,338
	30,419	4,002,273	-	4,032,692	4,032,692
Financial assets not measured at fair value					
Cash and cash equivalents	-	-	1,058,702	1,058,702	1,058,702
Investments at amortised cost	-	-	597,054	597,054	597,054
Accrued investment income	-	-	13,505	13,505	13,505
Others	-	-	89,625	89,625	89,625
	-	-	1,758,886	1,758,886	1,758,886
Financial liabilities not measured at fair value					
Debt issued and borrowings	-	-	200,000	200,000	200,000
Lease liabilities	-	-	197,784	197,784	197,784
Others	-	-	86,462	86,462	86,462
	-	-	484,246	484,246	484,246
As at 31 December 2020					
Investments measured at fair value (FV)					
Debt securities	24,792	3,927,108	-	3,951,900	3,951,900
Equity securities	-	44,469	-	44,469	44,469
	24,792	3,971,577	-	3,996,369	3,996,369
Financial assets not measured at fair value					
Cash and cash equivalents	-	-	1,536,523	1,536,523	1,536,523
Investments at amortised cost	-	-	237,086	237,086	237,086
Accrued investment income	-	-	14,446	14,446	14,446
Others	-	-	66,582	66,582	66,582
	-	-	1,854,637	1,854,637	1,854,637
Financial liabilities not measured at fair value					
Lease liabilities	-	-	207,876	207,876	207,876
Others	-	-	85,593	85,593	85,593
	-	-	293,469	293,469	293,469

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The following table presents financial assets that are measured at fair value or disclosed by their fair value hierarchy as at 31 December 2021 and 2020.

	As at 31 December 2021			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Financial assets				
Investment in securities				
Investments measured at fair value through other comprehensive income				
- Debt securities	-	3,931,935	-	3,931,935
- Equity securities	-	-	70,338	70,338
Investments measured at fair value through profit or loss				
- Debt securities	30,419	-	-	30,419
Total financial assets	30,419	3,931,935	70,338	4,032,692
	As at 31 December 2020			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Financial assets				
Investment in securities				
Investments measured at fair value through other comprehensive income				
- Debt securities	-	3,927,108	-	3,927,108
- Equity securities	-	-	44,469	44,469
Investments measured at fair value through profit or loss				
- Debt securities	24,792	-	-	24,792
Total financial assets	24,792	3,927,108	44,469	3,996,369

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.

9.2 Valuation techniques for assets and liabilities measured at fair value

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 Frankfurt Stock Exchange.

Valuation techniques used to measure fair value level 2

Fair value of debt securities in level two are determined using the latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate.

Fair value of debt securities in level two are determined using the unit trust's net asset value of the last working day of the reporting period from asset management company.

Valuation techniques used to measure fair value level 3

Management has put a process of performing the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. Appropriate valuation techniques and unobservable inputs are selectively used based on the characteristic of financial assets. The valuation of Level 3 fair value is reviewed and approved by management for financial reporting purposes.

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.

Changes in level 3 financial instruments for the year ended 31 December 2021 and 2020 is as follows:

	<u>31 December 2021 Thousand Baht</u>	<u>31 December 2020 Thousand Baht</u>
Beginning balance of the year	44,469	85,527
Unrealized gain (loss)	25,869	(41,058)
Ending balance of the year	<u>70,338</u>	<u>44,469</u>

The fair value measurement of financial assets and financial liabilities is in accordance with the accounting policies disclosed in Note 5.7

Transfer between fair value hierarchy

There were no significant changes in economics or business circumstances that affected the fair value of the Company's financial assets and there was no change in classification of the financial assets for the years ended 31 December 2021 and 2020.

There were no transfers between levels and no changes in valuation techniques during the year.

10 Cash and cash equivalents, net

Cash and cash equivalents, net as at 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Cash	524	517
Cheque on hand	39,521	12,098
Deposits at bank - at call	608,507	426,886
Short term investments	410,155	1,097,022
Total	1,058,707	1,536,523
<u>Less</u> Allowance for expected credit loss	(5)	(563)
Cash and cash equivalents, net	1,058,702	1,535,960

11 Premiums receivable, net

The balances as at 31 December 2021 and 2020 of premium receivables are classified by aging as follows:

	2021 Thousand Baht	2020 Thousand Baht
Within credit terms	424,299	393,625
Overdue:		
Less than 30 days	84,883	63,494
31 - 60 days	20,469	34,837
61 - 90 days	18,849	24,286
Over 90 days	52,895	70,189
Total	601,395	586,431
<u>Less</u> Allowance for doubtful accounts	(20,843)	(30,825)
Premiums receivable, net	580,552	555,606

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 process with such agents and brokers in accordance with the Company's policy and procedures.

12 Reinsurance assets

Reinsurance assets as at 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Insurance reserve recovered from reinsurers		
Loss reserves	1,255,210	1,414,091
Unearned premium reserves		
Unearned premium reserves	668,642	646,646
Total reinsurance assets (Note 21)	1,923,852	2,060,737

13 Amount due from reinsurance

Amount due from reinsurers as at 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Deposits on reinsurance	43	-
Due from reinsurers	569,939	439,285
Amount due from reinsurance	569,982	439,285

The balances of reinsurance receivable as at 31 December 2021 and 2020 were aged as follows:

	2021 Thousand Baht	2020 Thousand Baht
Within credit terms	219,744	113,533
Not over 12 months	293,685	281,958
Over 1 year but less than 2 years	47,437	25,128
Over 2 years	13,428	18,666
<u>Less</u> Allowance for doubtful accounts	(4,355)	-
Total reinsurance receivable	569,939	439,285

14 Investments in securities, net

The details of investments in securities, net as at 31 December 2021 and 2020 are as follows:

	2021	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	22,322	30,419
<u>Add</u> Unrealised gain	8,097	-
Total Investments designated at fair value through profit or loss	30,419	30,419
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	2,388,975	2,389,826
Private debt securities	1,529,329	1,542,109
Foreign debt securities	-	-
Equity securities	21,417	70,338
Total	3,939,721	4,002,273
<u>Add</u> Unrealised gain	62,552	-
Total investments measured at fair value through other comprehensive income	4,002,273	4,002,273
Investments measured at amortised cost		
Government and state enterprise debt securities	397,714	
Deposits at financial institutions with original maturities more than 3 months	164,531	
Deposits at banks used as collateral	34,486	
Premium saving certificates used as collateral	350	
Total	597,081	
<u>Less</u> Allowance for expected credit loss	(27)	
Total investments measured at amortised cost	597,054	
Total investment in securities, net	4,629,746	

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	2020	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	18,710	24,792
<u>Add</u> Unrealised gain	6,082	-
Total Investments designated at fair value through profit or loss	24,792	24,792
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	2,442,316	2,457,385
Private debt securities	1,390,802	1,409,044
Foreign debt securities	59,965	60,679
Equity securities	21,417	44,469
Total	3,914,500	3,971,577
<u>Add</u> Unrealised gain	57,077	-
Total investments measured at fair value through other comprehensive income	3,971,577	3,971,577
Investments measured at amortised cost		
Deposits at financial institutions with original maturities more than 3 months	200,250	
Deposits at banks used as collateral	34,486	
Premium saving certificates used as collateral	2,350	
Total	237,086	
<u>Less</u> Allowance for expected credit loss	(25)	
Total investments measured at amortised cost	237,061	
Total investment in securities, net	4,233,430	

14.1 Investments designated at fair value through profit or loss

- a) Classification of financial assets at fair value through profit or loss

Investments designated at fair value through profit or loss include the following:

	2021 Thousand Baht	2020 Thousand Baht
Foreign debt securities	30,419	24,792
Total	30,419	24,792

- b) Amounts recognised in profit or loss

The following gains/(losses) were recognised in profit or loss during the year as follows:

	2021 Thousand Baht	2020 Thousand Baht
Fair value gains (losses) on debt securities measured at FVPL recognised in profit (loss)	2,016	6,082

14.2 Investments at fair value through other comprehensive income

a) Classification of financial assets at fair value through other comprehensive income

Investments at FVOCI comprise the following investments:

	2021 Thousand Baht	2020 Thousand Baht
Investments in equity investments		
Unlisted securities	70,338	44,469
Investments in debt securities		
Listed bonds	3,931,935	3,927,108
Total	4,002,273	3,971,577

b) Amounts recognised in profit or loss and other comprehensive income

The following gains/(losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	2021 Thousand Baht	2020 Thousand Baht
Gain (Loss) recognised in other comprehensive income	5,873	(13,434)
Gains reclassified from other comprehensive income to profit or loss on the sale of investments measured at FVOCI (reclassified AFS reserve in OCI to other gains/(losses))	139	52
Dividends from equity securities measured at FVOCI recognised in profit or loss		
- Related to investments derecognised during the period	-	-
- Related to investments held at the end of the reporting period	17	16
Interest income from debt securities at FVOCI recognised in profit or loss	52,398	51,477
Expected credit losses for debt securities measured at fair value through other comprehensive income recognised in profit or loss (12 months expected credit losses/ Lifetime expected credit losses)	(265)	(207)

c) Expected credit loss

	2021		2020	
	Fair value Thousand Baht	Expected credit losses recognised in other comprehensive income Thousand	Fair value Thousand Baht	Expected credit losses recognised in other comprehensive income Thousand
Investments in debt securities which credit risk has not significantly increased (Stage 1)	3,931,935	(758)	3,927,108	(493)
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-	-
Total	3,931,935	(758)	3,927,108	(493)

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d) The maturity of investment in securities measured at fair value through other comprehensive income

The details of investment in securities measured at fair value through other comprehensive income as at 31 December 2021 and 2020 are aged as follows:

	2021		2020		2021		2020	
	Maturing within		Maturing within		1 - 5		1 - 5 years	
	1 year Thousand Baht	Over 5 years Thousand Baht	1 year Thousand Baht	Over 5 years Thousand Baht	1 - 5 Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Investment in securities measured at fair value through other comprehensive income								
Government bonds and State enterprise debt securities *	1,292,872	1,096,103	704,969	2,388,975	1,737,347	2,442,316	-	2,442,316
Private debt securities	681,378	847,951	318,162	1,529,329	1,072,640	1,390,802	-	1,390,802
Foreign debt securities			59,965			59,965	-	59,965
Total	1,974,250	1,944,054	1,083,096	3,918,304	2,809,987	3,893,083	-	3,893,083
Add Unrealized gains	3,205	10,426	7,751	13,631	26,274	34,025	-	34,025
Total investment in securities measured at fair value through other comprehensive income	1,977,455	1,954,480	1,090,847	3,931,935	2,836,261	3,927,108	-	3,927,108

*As at 31 December 2021, there is no government bond (2020: Baht 14 million) deposited as a security with the registrar in accordance with the Life Insurance Act (No. 2) B.E. 2551 (Note 37).

14.3 Investments at amortised cost

a) Classification of financial assets at amortised cost

Investments at amortised cost comprise the following investments:

	2021 Thousand Baht	2020 Thousand Baht
Debt securities that are measured at amortised cost		
Government and state enterprise debt securities	397,714	-
Deposits at financial institutions with original more than 3 months	164,531	200,250
Deposits at banks used as collateral (2019: at cost)	34,486	34,486
Premium saving certificates used as collateral	350	2,350
Total	597,081	237,086

b) Expected credit loss

	2021			2020		
	Initial book value	Expected credit loss	Book Value	Initial book value	Expected credit loss	Book Value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	597,081	(27)	597,054	237,086	(25)	237,061
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-	-	-	-
Total	597,081	(27)	597,054	237,086	(25)	237,061

The Company's debt investments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

The reconciliations of loss allowance for investment at amortised cost for the year ended 31 December 2021 and 2020 are as follows:

	2021			2020		
	Deposits at financial institutions with original maturities more than 3 months	Deposits at banks used as collateral	Total	Deposits at financial institutions with original maturities more than 3 months	Deposits at banks used as collateral	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January	4	21	25	1	25	26
Increase in loss allowance recognised in profit or loss during the year	(2)	4	2	3	(4)	1
Written off allowance for expected credit loss during the year	-	-	-	-	-	-
As of 31 December	2	25	27	4	21	25

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- c) Investments in debt securities that are measured at amortised cost as at 31 December 2021 and 2020 will be due as follows:

	2021			
	Period to maturity			
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Debt securities that are measured at amortised cost				
Government and state enterprise debt securities	397,714	-	-	397,714
Deposits at financial institutions with original maturities more than 3 months	164,531	-	-	164,531
Deposits at banks used as collateral	34,486	-	-	34,486
Premium saving certificates used as collateral	350	-	-	350
Total	597,081	-	-	597,081
<u>Less</u> Expected credit loss	(27)	-	-	(27)
Total	597,054	-	-	597,054
	2020			
	Period to maturity			
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Debt securities that are measured at amortised cost				
Deposits at financial institutions with original maturities more than 3 months	200,250	-	-	200,250
Deposits at banks used as collateral	20,000	14,486	-	34,486
Premium saving certificates used as collateral	2,350	-	-	2,350
Total	222,600	14,486	-	237,086
<u>Less</u> Expected credit loss	(22)	(3)	-	(25)
Total	222,578	14,483	-	237,061

d) Fair values of Investments at amortised cost

Fair value for the following investments was determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy)

	2021 Thousand Baht	2020 Thousand Baht
Government and state enterprise debt securities	397,714	-
Deposits at financial institutions with original maturities more than 3 months	164,531	200,250
Deposits at banks used as collateral	34,486	34,486
Premium saving certificates used as collateral	350	2,350

As at 31 December 2021 and 2020, 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 560.37 million and Baht 600.82 million, respectively (Note 37).

As at 31 December 2021 and 2020, deposit at banks more than 3 months have been deposited as a security with the registrar in accordance with the Life Insurance Act (No. 2) B.E 2551 amounting to 14 million and 14 million, respectively (Note 37).

As at 31 December 2021 and 2020, premium saving certificates were used as collateral for insured drivers are the alleged offenders amounting to Baht 0.35 million and Baht 1.25 million, respectively (Note 38).

As at 31 December 2021 and 2020, 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 38).

For the year ended 31 December 2021, the Company recorded interest income from investment measured at amortised cost amounting to Baht 0.80 million. (2020: Baht 2.47 million).

For the year ended 31 December 2021 and 2020, the Company has investment income as below:

- Interest income amounting to Baht 55.58 million (31 December 2020: Baht 65.11 million).
- Dividend income amounting to Baht 0.02 million (31 December 2020: Baht 0.02 million).
- Consideration from selling and buying investments amounting to Baht 445.49 million (31 December 2020: Baht 355.57 million).

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15 Leasehold improvements and equipment, net

Leasehold improvement and equipment, net as at 31 December 2021 and 2020 consisted of the following:

	2021										2020										
	Beginning balance		Increase		Disposal / Write off		Transfer in/ (transfer out)		Ending balance		Accumulated depreciation		Disposal / Write off		Ending balance		Beginning Leasehold improvement and equipment, net		Ending leasehold improvement and equipment, net		
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	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	56,498	429	(3,190)	15,298	69,035	(38,212)	(4,885)	2,106	(40,991)	18,286	28,044	105,679	6,027	(19,077)	(7,950)	18,365	(77,263)	18,001	15,366	1,111	
Vehicles	26,488	-	(19,391)	-	7,097	(23,976)	(1,339)	19,329	(5,986)	2,512	1,111	13,424	1,874	-	-	-	-	13,424	-	-	
Leasehold improvement under installation	-	-	-	(15,298)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	202,099	8,330	(41,658)	-	168,761	(149,866)	(14,174)	39,800	(124,240)	52,223	44,521	200,923	32,231	(31,065)	(20,424)	24,689	(149,866)	46,792	52,223	13,424	
	2021										2020										
	Beginning balance		Increase		Disposal / Write off		Transfer in/ (transfer out)		Ending balance		Accumulated depreciation		Disposal / Write off		Ending balance		Beginning Leasehold improvement and equipment, net		Ending leasehold improvement and equipment, net		
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	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	12,269	(19,610)	399	56,498	(47,162)	(7,421)	16,371	(38,212)	16,278	18,286	110,456	6,678	(11,455)	(8,808)	8,318	(87,678)	23,268	18,001	1,111	
Vehicles	26,488	-	-	-	26,488	(19,781)	(4,195)	-	(23,976)	6,707	2,512	13,424	13,284	-	-	-	-	539	13,424	-	
Leasehold improvement under installation	-	-	-	(399)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	200,923	32,231	(31,065)	-	202,099	(154,131)	(20,424)	24,689	(149,866)	46,792	52,223	200,923	32,231	(31,065)	(20,424)	24,689	(149,866)	46,792	52,223	13,424	

The depreciation expense for the year ended 31 December 2021 and 2020 amounting to Baht 12.38 million and Baht 18.40 million, respectively were included in operating expenses and amounting to Baht 1.80 million and Baht 2.03 million, respectively, were included in other underwriting expenses.

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16 Right-of-use asset, net

	31 December 2021													
	As at 1 January 2021		Change in contract		As at 31 December 2021		Accumulated depreciation		As at 31 December 2021		Beginning Right-of-use asset, net		Ending Right-of-use asset, net	
	Thousand Baht	Thousand Baht	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	239,225	51	(249)	239,027	(31,936)	-	(33,279)	-	(65,215)	207,289	173,812	207,289	173,812	
Vehicles	3,333	18,319	-	21,652	(1,818)	-	(3,249)	-	(5,067)	1,515	16,585	1,515	16,585	
Total	242,558	18,370	(249)	260,679	(33,754)	-	(36,528)	-	(70,282)	208,804	190,397	208,804	190,397	

	31 December 2020												
	As at 1 January 2020		Change in contract		As at 31 December 2020		Accumulated depreciation		As at 31 December 2020		Beginning Right-of-use asset, net		Ending Right-of-use asset, net
	Thousand Baht	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	130,298	33,734	75,193	239,225	(2,809)	(30,430)	(1,818)	1,303	(31,936)	127,489	207,289	127,489	207,289
Vehicles	3,333	-	-	3,333	-	(1,818)	-	-	(1,818)	3,333	1,515	3,333	1,515
Total	133,631	33,734	75,193	242,558	(2,809)	(32,248)	-	1,303	(33,754)	130,822	208,804	130,822	208,804

For the year ended 31 December 2021, there is no the lease payments resulting from lease contracts which are not capitalised. (2020 : 0.15 million comprised of short-term contract).

The amortisation expense for the year ended 31 December 2021 and 2020 amounting to Baht 34.21 million and Baht 29.82 million, respectively were included in operating expenses and amounting to Baht 2.32 million and Baht 2.43 million, respectively, were included in other underwriting expenses.

17 Goodwill

As at 31 December 2021, the Company has goodwill amounting to Baht 508.88 million which occurred from the purchased and accepted of the entire business of Allianz Insurance Public company limited on 30 April 2019 as detailed in note 17.2.

17.1 Assessment of impairment of goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 5.10. The recoverable amounts of Line of business have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 6.1).

As at 31 December 2021, the Company tested impairment of the goodwill and considered to set no impairment for the goodwill.

Management determined growth rate from budget based on past performance and its expectations of market development.

The recoverable amount goodwill is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates which does not exceed the long-term average market growth rate for the business in which the Company's operates.

The key assumptions used for value-in-use calculations are as follows:

Net earned premium growth rate from 2022 - 2026: 7% - 12%

Pre-tax discount rate applied to the cash flow projections: 9.4%

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The key assumption that will affect the value in use is discount rate. The management has considered the sensitivity of the change in the discount rate. If the pre-tax discount had been 1% per annum higher than management's estimate, the value in use is still higher than the carrying value and no impairment recognised.

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18 Intangible assets, net

Intangible assets, net as at 31 December 2021 and 2020 consisted of the following:

	2021										2020									
	Cost			Transfer in/ (transfer out)			Ending balance			Accumulated amortisation			Beginning balance			Ending balance				
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Computer software	258,036	23,798	-	281,834	(206,517)	(16,158)	-	(222,675)	51,519	59,159										
Computer software in progress	18,982	38,132	(37,402)	19,712	-	-	-	-	18,982	19,712										
Bancassurance agreement	100,000	-	-	100,000	(100,000)	-	-	(100,000)	-	-										
Total	377,018	61,930	(37,402)	401,546	(306,517)	(16,158)	-	(322,675)	70,501	78,871										
	2020																			
	Cost			Transfer in/ (transfer out)			Ending balance			Accumulated amortisation			Beginning balance			Ending balance				
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Computer software	233,069	2,905	-	235,974	(188,982)	(17,535)	-	(206,517)	44,087	51,519										
Computer software in progress	30,588	10,456	(22,062)	18,982	-	-	-	-	30,588	18,982										
Bancassurance agreement	100,000	-	-	100,000	(91,568)	(8,432)	-	(100,000)	8,432	18,982										
Total	363,657	13,361	-	377,018	(280,550)	(25,967)	-	(306,517)	83,107	70,501										

Amortisation for the years ended 31 December 2021 and 2020 amounting to Baht 12.69 million and Baht 13.56 million, respectively, were included in operating expenses and amounting to Baht 3.46 million and Baht 12.40 million, respectively, were included in other underwriting expenses.

19 Deferred tax assets, net

Deferred tax assets, net as at 31 December 2021 and 2020 were as follows:

	2021 Thousand Baht	2020 Thousand Baht
Deferred tax asset, net	358,595	355,131

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2021 Thousand Baht	2020 Thousand Baht
Deferred tax assets:		
Deferred tax assets to be recovered within 12 months	184,003	169,118
Deferred tax assets to be recovered after 12 months	188,432	198,254
	<u>372,435</u>	<u>367,372</u>
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	13,840	12,241
Deferred tax liabilities to be settled more than 12 months	-	-
	<u>13,840</u>	<u>12,241</u>
Deferred tax assets, net	<u>358,595</u>	<u>355,131</u>

Movements of deferred tax assets for the years ended 31 December 2021 and 2020 consisted of tax effects from the following items:

	As at 1 January 2021 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognised in other comprehensive income or loss Thousand Baht	As at 31 December 2021 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	6,165	(1,996)	-	4,169
Allowance for doubtful accounts				
- Other receivable	908	(716)	-	192
Allowance for doubtful accounts				
- Reinsurance	-	871	-	871
Unearned premium reserve	50,042	27,723	-	77,765
Claim reserve, net	141,779	(15,792)	-	125,987
Claim incurred but not reported	35,588	9,147	-	44,735
Employee benefit obligations	19,097	1,455	(4,923)	15,629
Stock base payment	-	297	-	297
Accrued expense	24,305	4,552	-	28,857
Expected credit loss allowance	118	(59)	(53)	6
Accumulated tax losses	87,436	(15,443)	-	71,993
Others	1,934	-	-	1,934
	<u>367,372</u>	<u>10,039</u>	<u>(4,976)</u>	<u>372,435</u>
Deferred tax liabilities				
Unrealised gain on the change in fair value of investments through other comprehensive income	(11,420)	-	(1,093)	(12,513)
Unrealised gain on the change in fair value adjustment	(821)	(506)	-	(1,327)
	<u>(12,241)</u>	<u>(506)</u>	<u>(1,093)</u>	<u>(13,840)</u>
Deferred tax assets, net	<u>355,131</u>	<u>9,534</u>	<u>(6,070)</u>	<u>358,595</u>

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	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 31 December 2020 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	6,620	(455)	-	6,165
Allowance for doubtful accounts				
- Other receivable	567	341	-	908
Unearned premium reserve	100,061	(50,019)	-	50,042
Claim reserve, net	137,009	4,770	-	141,779
Claim incurred but not reported	25,905	9,683	-	35,588
Employee benefit obligations	18,226	871	-	19,097
Accrued expense	11,841	12,464	-	24,305
Expected credit loss allowance	184	25	(41)	118
Accumulated tax losses	-	87,436	-	87,436
Others	2,913	(979)	-	1,934
	<u>303,326</u>	<u>64,087</u>	<u>(41)</u>	<u>367,372</u>
Deferred tax liabilities				
Unrealised gain on the change in fair value of investments through other comprehensive income	(14,158)	-	2,738	(11,420)
Unrealised gain on the change in fair value adjustment	-	(821)	-	(821)
	<u>(14,158)</u>	<u>(821)</u>	<u>2,738</u>	<u>(12,241)</u>
Deferred tax assets, net	<u>289,168</u>	<u>63,266</u>	<u>2,697</u>	<u>355,131</u>

20 Other assets, net

	2021 Thousand Baht	2020 Thousand Baht
Other receivables	21,393	14,237
<u>Less</u> Allowance for doubtful accounts	<u>(960)</u>	<u>(4,542)</u>
	20,433	9,695
Revenue Department receivable	38,388	30,756
Withholding tax receivable	20,513	21,190
Prepaid expenses	9,660	11,013
Due from rice field insurance scheme	583	1,819
Accrued loss recovery	20,791	38,687
Deposits	7,403	8,262
Undue input value added tax	9,680	8,643
Others	10,291	5,045
Total other assets, net	<u>137,742</u>	<u>135,110</u>

21 Insurance contract liabilities

Insurance contract liabilities as at 31 December 2021 and 2020 consisted of the following:

	2021		
	Insurance contract liabilities Thousand Baht	Insurance contract liabilities recovered from reinsurers Thousand Baht	Net Thousand Baht
Claim reserves			
Claim incurred and reported	1,929,799	(1,164,937)	764,862
Claim incurred but not reported	313,947	(90,273)	223,674
	<u>2,243,746</u>	<u>(1,255,210)</u>	<u>988,536</u>
Premium reserve			
Unearned premium reserve	<u>2,826,998</u>	<u>(668,642)</u>	<u>2,158,356</u>
Total	<u>5,070,744</u>	<u>(1,923,852)</u>	<u>3,146,892</u>
	2020		
	Insurance contract liabilities Thousand Baht	Insurance contract liabilities recovered from reinsurers Thousand Baht	Net Thousand Baht
Claim reserves			
Claim incurred and reported	2,174,147	(1,329,395)	844,752
Claim incurred but not reported	262,634	(84,696)	177,938
	<u>2,436,781</u>	<u>(1,414,091)</u>	<u>1,022,690</u>
Premium reserve			
Unearned premium reserve	<u>2,720,983</u>	<u>(646,646)</u>	<u>2,074,337</u>
Total	<u>5,157,764</u>	<u>(2,060,737)</u>	<u>3,097,027</u>

21.1 Insurance reserve for short-term insurance contract

21.1.1 Claim reserves

	2021		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning year	2,436,781	(1,414,091)	1,022,690
Claim and loss adjustment expenses incurred during the year	2,286,356	(482,526)	1,803,830
Change in claim reserves and assumptions used in claim reserve calculation	276,727	(56,440)	220,287
Claim paid during the year	(2,756,118)	697,847	(2,058,271)
Balance as at period ended	2,243,746	(1,255,210)	988,536
	2020		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning year	2,460,703	(1,535,684)	925,019
Claim and loss adjustment expenses incurred during the year	2,989,731	(833,666)	2,156,065
Change in claim reserves and assumptions used in claim reserve calculation	429,437	(156,141)	273,296
Claim paid during the year	(3,443,090)	1,111,400	(2,331,690)
Balance as at period ended	2,436,781	(1,414,091)	1,022,690

21.1.2 Unearned premium reserve

	2021		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
As at 1 January	2,720,983	(646,646)	2,074,337
Premium written for the year	5,584,707	(1,608,289)	3,976,418
Earned premium for the year	(5,478,692)	1,586,293	(3,892,399)
As at 31 December	2,826,998	(668,642)	2,158,356
	2020		
	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 year	5,676,918	(1,564,003)	4,112,915
Earned premium for the year	(6,293,173)	2,122,877	(4,170,296)
As at 31 December	2,720,983	(646,646)	2,074,337

21.1.3 Unexpired risk reserve

As at 31 December 2021 and 2020, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Company amounting to Baht 1,436.61 million and Baht 1,355.52 million, respectively and net of reinsurance amounting to Baht 1,255.57 million and Baht 1,292.36 million, respectively is lower than the unearned premium reserve.

21.1.4 Maturity analysis of claim liabilities expected to be paid

	2021	2020
	Thousand	Thousand
	Baht	Baht
Claim liabilities expected to be paid within 1 year	1,594,142	2,093,003
Claim liabilities expected to be paid between 1 and 2 years	354,913	270,300
Claim liabilities expected to be paid between 2 and 5 years	294,691	73,478
Claim liabilities expected to be paid in more than 5 years	-	-
Total Claim liabilities expected to be paid	<u>2,243,746</u>	<u>2,436,781</u>

21.1.5 Sensitivity analysis for changes

	2021		2020		
	Percentage increase/ (decrease) in assumption	Impact on reinsurance assets Thousand Baht	Impact on loss reserves and allocated loss adjustment expense Thousand Baht	Impact on profit (loss) Thousand Baht	Impact on equity Thousand Baht
Loss development factor of the latest accident year	Increase by 2% Decrease by 2%	27,419 (26,261)	128,534 (123,557)	(101,115) 97,296	(80,892) 77,837
Estimated claim for big loss	Increase by 2% Decrease by 2%	35,480 (35,086)	130,270 (128,038)	(94,791) 92,952	(75,832) 74,361
Unallocated loss adjustment expense ratio	Increase by 2% Decrease by 2%	- -	11,865 (11,865)	(11,865) 11,865	(9,492) 9,492
Loss development factor of the latest accident year	Increase by 2% Decrease by 2%	25,895 (28,468)	116,416 (108,278)	(90,520) 79,810	(72,416) 63,848
Estimated claim for big loss	Increase by 2% Decrease by 2%	48,995 (49,783)	149,095 (144,072)	(100,100) 94,290	(80,080) 75,432
Unallocated loss adjustment expense ratio	Increase by 20% Decrease by 20%	- -	13,318 (13,318)	(13,318) 13,318	(10,655) 10,655

21.2 Claims development

21.2.1 Claim development table before reinsurance

31 December 2021 Incident year / Reported year	2017	2018	2019	2020	2021	Total
Estimated claims:						
- At end of the year	2,899,143	4,024,019	3,807,602	3,220,781	2,592,080	
- One year later	2,758,139	3,632,050	3,861,531	3,084,562		
- Two years later	2,764,663	3,535,761	3,827,627			
- Three years later	2,795,797	3,422,647				
- Four years later	2,759,600					
Current estimates of ultimate loss	2,759,600	3,422,647	3,827,627	3,084,562	2,592,080	15,686,516
Cumulative claim payments	(2,741,638)	(3,367,206)	(3,496,097)	(2,814,810)	(1,386,689)	(13,806,440)
Total claim reserves	17,962	55,441	331,530	269,752	1,205,391	1,880,076
Claim reserves before year 2017						363,670
Total claim reserves						2,243,746

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31 December 2020 Incident year / Reported year	Unit: Thousand Baht					
	2016	2017	2018	2019	2020	Total
Estimated claims:						
- At end of the year	2,812,467	2,899,143	4,024,019	3,807,602	3,220,781	
- One year later	2,774,379	2,758,139	3,632,050	3,861,531	-	
- Two years later	2,733,172	2,764,663	3,535,761	-	-	
- Three years later	2,725,206	2,795,797	-	-	-	
- Four years later	2,727,287	-	-	-	-	
Current estimates of ultimate loss	2,727,287	2,795,797	3,535,761	3,861,531	3,220,781	16,141,158
Cumulative claim payments	(2,678,826)	(2,699,520)	(3,258,890)	(3,383,670)	(1,934,151)	(13,955,058)
Total claim reserves	48,461	96,277	276,871	477,861	1,286,630	2,186,100
Claim reserves before year 2016						250,681
Total claim reserves						2,436,781

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21.2.2 Claim development table, net

31 December 2021 Accident year / Reported year	2017	2018	2019	2020	2021	Total
Estimated claims:						
- At end of the year	1,698,005	2,027,944	2,341,472	2,312,948	2,008,540	
- One year later	1,649,769	1,956,231	2,302,602	2,186,004	-	
- Two years later	1,653,168	1,924,386	2,302,332	-	-	
- Three years later	1,655,087	1,917,781	-	-	-	
- Four years later	1,650,508	-	-	-	-	
Current estimates of ultimate loss	1,650,508	1,917,781	2,302,332	2,186,004	2,008,540	10,065,165
Cumulative claim payments	(1,644,490)	(1,911,195)	(2,279,510)	(2,120,235)	(1,207,905)	(9,163,335)
Total claim reserves	6,018	6,586	22,822	65,769	800,635	901,830
Claim reserves before year 2017						86,705
Total claim reserves						988,535

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	Unit: Thousand Baht					
	2016	2017	2018	2019	2020	Total
31 December 2020						
Accident year / Reported year						
Estimated claims:						
- At end of the year	1,654,967	1,698,005	2,027,944	2,341,472	2,312,948	
- One year later	1,606,464	1,649,769	1,956,231	2,302,602	-	
- Two years later	1,589,685	1,653,168	1,924,386	-	-	
- Three years later	1,589,927	1,655,087	-	-	-	
- Four years later	1,594,143	-	-	-	-	
Current estimates of ultimate loss	1,594,143	1,655,087	1,924,386	2,302,602	2,312,948	9,789,166
Cumulative claim payments	(1,588,971)	(1,645,764)	(1,892,005)	(2,238,482)	(1,486,727)	(8,851,949)
Total claim reserves	5,172	9,323	32,381	64,120	826,221	937,217
Claim reserves before year 2016						85,473
Total claim reserves						1,022,690

22 Amounts due to reinsurers

	2021 Thousand Baht	2020 Thousand Baht
Amount withheld on reinsurance	663,132	748,482
Reinsurance payables	497,100	501,323
Total amount due to reinsurers	1,160,232	1,249,805

23 Debt issued and borrowings

	2021 Thousand Baht	2020 Thousand Baht
Debt instrument		
- Subordinated bond (Note 35)	200,000	-
Total debt issued and borrowings	200,000	-

On 30 July 2021, the Company has issued the subordinated bond amounting to Baht 200 million with the fixed interest rate 6.10 per annum for the 10 years which parent company totally hold the subordinated bond.

24 Employee benefit obligations

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

	2021 Thousand Baht	2020 Thousand Baht
Statement of Financial Position		
Long - term employee benefits	20,549	19,065
Retirement benefits	114,858	132,201
Employment benefit obligation	135,407	151,266

24.1 Retirement benefits

Movements in the present value of employee benefit obligations as at 31 December 2021 and 2020 were as follows:

	2021 Thousand Baht	2020 Thousand Baht
Present value of obligation at the beginning of the years	132,201	127,849
Current service cost of the years	15,377	20,408
Interest cost	1,758	3,080
Actuarial gain	(24,614)	-
Benefit paid during the years	(9,864)	(19,136)
Transferred benefits from the parent company	-	-
Transferred benefit from AZTH	-	-
Present value of obligation at the ending of the years	114,858	132,201

The expenses that were recorded in the statement of profit or loss and other comprehensive income for employee benefit obligations for the years ended 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Current service cost	15,377	20,408
Interest cost	1,758	3,080
Actuarial (gain) loss on actuarial remeasurement		
- From financial assumptions changes	(15,217)	-
- From demographic assumptions changes	2,739	-
- From experience adjustments	(12,136)	-
Total employee benefit expenses	(7,479)	23,488

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

	2021	2020
Financial assumptions		
Discount rate (%)	1.68	2.16
Expected rate of salary increase (%)	3	5
Demographic assumptions		
Turnover rate (%) subject to range of age of employees	9, 14, 22	10, 15, 25
Retirement age (years)	60	60

Significant actuarial assumptions - impact on increase (decrease) in defined benefit obligation

	2021	2020
	Thousand	Thousand
	Baht	Baht
Financial assumptions		
Discount rate - 1% increase	(9,564)	(13,000)
Discount rate - 1% decrease	10,901	14,773
Expected rate of salary - 1% increase	10,167	15,435
Expected rate of salary - 1% decrease	(9,106)	(13,791)
Demographic assumptions		
Turnover rate - 1% increase	(10,054)	(13,746)
Turnover rate - 1% decrease	2,600	3,424
Life expectancy - 1 year increase	556	776
Life expectancy - 1 year decrease	(553)	(771)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Maturity analysis of the benefit payments of the post-employment benefits obligation as at 31 December 2021 and 2020 was as follows:

	2021	2020
Weighted average duration of the defined benefit obligation (years)	10.73	12.04
Maturity analysis of undiscounted benefits expected to be paid (Thousand Baht)		
Benefits expected to be paid within 1 year	10,495	10,126
Benefits expected to be paid between 1 - 5 years	33,046	50,550
Benefits expected to be paid more than 5 years	571,773	810,396
Total benefits expected to be paid	615,314	871,072

24.2 Long term employee benefits - Share-based compensation

The Company has share-based compensation in accordance with Allianz Group policy using the share price of Allianz SE, a listed company in Frankfurt am Main in XETRA trading.

During the year 2021, there was a share-based compensation plan to employee. The details are as below:

Employee Stock Purchase Plan (ESPP)

The Allianz Group offers Allianz SE shares in 42 countries to entitled employees at favourable conditions. The offer provides additional 1 Euro on top for every 3 Euro that had been invested by the employees. The shares have a three-year restriction period for not transferring or selling.

During the year ended 31 December 2021, the total Company's contribution under this plan was Baht 0.60 million (2020: Baht 0.65 million).

Employee Stock benefit Plan

During the year ended 31 December 2021, there is no shares provided to employees under these plans and no other employee benefits.

Restricted stock unit (RSU)

The Allianz Equity Incentive (AEI) is a long-term equity-based plan granting Restricted Stock Units (RSU) provided to executives. The AEI are granted once a year and have a four-year vesting period from the time of their grant. The plan participant is required to formally accept the grant during a defined period. Failure to do so will result in forfeiture of the grant. Any value can be realized if the plan participant remains employed within the Allianz Group or under certain conditions.

Performance criteria are set by the Board of Directors and will measure the performance of the Company.

	RSU	
	2021	2020
	Number of shares	Number of shares
As at 1 January	3,642	-
Granted/Transferred in	1,720	4,460
Exercised	(1,045)	(818)
Forfeited/Transferred out	-	-
As at 31 December	4,317	3,642

The total recognized compensation in other employee benefits for the year ended 31 December 2021 amounting to Baht 9.51 million (2020: Baht 7.74 million) and the total compensation liabilities under "Employee benefits" amounting to Baht 20.55 million (2020: Baht 19.07 million). The Company uses projected cash flow technique to calculate the fair value of this share-based payment plan. The key assumptions for valuations are expected share price and employee turn-over rate.

25 Lease liabilities

The maturity analysis of lease liabilities are aged as follows:

Maturity	2021 Thousand Baht	2020 Thousand Baht
Within 1 year	28,120	29,642
Between 1 - 2 years	29,323	28,636
Between 2 - 3 years	28,440	26,383
Between 3 - 4 years	27,758	21,192
Between 4 - 5 years	24,339	20,208
Over 5 years	59,804	81,815
Total lease liabilities	197,784	207,876
Including - Principal	222,397	233,902
- Interest	(24,613)	(26,026)

For the year ended 31 December 2021 and 2020, interest expenses on lease liabilities amounted to Baht 6.92 million and Baht 4.65 million respectively are recorded as "finance cost" in the statement of comprehensive income.

26 Other liabilities

Other liabilities as at 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Other payables - promotion expense	62,957	65,925
Premium suspense	239,158	139,824
Revenue Department payable	14,429	19,526
Undue output value added tax	1,424	4,001
Contribution to non-life guarantee fund	23,505	19,668
Others	23,512	27,659
Total other liabilities	364,985	276,603

27 Share capital

As at 31 December 2021, the total authorised number of ordinary shares is 254.88 million shares (2020: 254.88 million shares) amounting to Baht 2,548.8 million (2020: Baht 2548.8 million) with a par value of Baht 10 per share (2020: Baht 10 per share). All shares are issued and fully paid.

28 Legal reserve

	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	15,750	15,750
Addition during the year	-	-
As at 31 December	15,750	15,750

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

29 Financial information by segment

The business segment results are prepared based on the Management 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 Thai Financial Reporting Standard.

The Company has four reportable 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 geographical segment information is presented.

For the years ended 31 December 2021 and 2020, there was no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

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The financial information of the Company for the years ended 31 December 2021 and 2020 were presented by business segment as follows:

	For the year ended 31 December 2021				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	651,958	363,555	2,493,691	2,075,503	5,584,707
<u>Less</u> Premium ceded	(176,949)	(147,957)	(43,687)	(1,239,696)	(1,608,289)
Net premiums written	475,009	215,598	2,450,004	835,807	3,976,418
<u>Add(Less)</u> Unearned premium reserve (increase) decrease from previous period	(21,483)	(44,432)	35,238	(53,342)	(84,019)
Net premium ceded	453,526	171,166	2,485,242	782,465	3,892,399
Fee and commission income	4,574	42,524	14,208	264,620	325,926
Total underwriting income	458,100	213,690	2,499,450	1,047,085	4,218,325
Underwriting expense					
Gross claim paid	156,402	216,368	1,279,307	885,882	2,537,959
<u>Less</u> Claim recovered from reinsurers	(22,275)	(101,793)	18,910	(380,222)	(485,380)
Commissions and brokerages expenses	142,926	44,896	417,102	289,308	894,232
Other underwriting expenses	115,283	39,069	377,902	161,750	694,004
Total underwriting expense	392,336	198,540	2,093,221	956,718	3,640,815
Profit(Loss) on underwriting before operating expenses	65,764	15,150	406,229	90,367	577,510
Operating expenses					(724,873)
Loss on underwriting					(147,363)
	For the year ended 31 December 2020				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	642,931	293,714	2,729,694	2,010,579	5,676,918
<u>Less</u> Premium ceded	(61,058)	(202,855)	(13,743)	(1,286,347)	(1,564,003)
Net premiums written	581,873	90,859	2,715,951	724,232	4,112,915
<u>Add(Less)</u> Unearned premium reserve (increase) decrease from previous period	(8,282)	(22,604)	107,130	(18,863)	57,381
Net premium ceded	573,591	68,255	2,823,081	705,369	4,170,296
Fee and commission income	9,785	62,299	(24,894)	245,636	292,826
Total underwriting income	583,376	130,554	2,798,187	951,005	4,463,122
Underwriting expense					
Gross claim paid	120,409	71,096	1,963,293	1,301,396	3,456,194
<u>Less</u> Claim recovered from reinsurers	(34,642)	(38,037)	(211,012)	(697,955)	(981,646)
Commissions and brokerages expenses	140,569	33,211	406,129	274,119	854,028
Other underwriting expenses	96,866	26,632	395,408	247,789	766,695
Total underwriting expense	323,202	92,902	2,553,818	1,125,349	4,095,271
Profit(Loss) on underwriting before operating expenses	260,174	37,652	244,369	(174,344)	367,851
Operating expenses					(811,033)
Loss on underwriting					(443,182)

30 Operating expenses

Operating expenses for the years ended 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Employee expenses not relating to underwriting or claim administrative expense	273,478	270,717
Premises and equipment expense, excluded underwriting expenses	253,025	131,208
Stamp and tax duty	944	1,005
Bad debt and doubtful debt	1,286	(567)
Directors' remuneration	(3,264)	4,967
Management fee	128,398	160,733
Advertising and sales promotion expenses	5,645	5,832
Professional fee	6,985	110,430
Other operating expenses	58,376	126,708
Total operating expenses	724,873	811,033

31 Personnel expenses

Personnel expenses for the years ended 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Salary and wage	467,406	476,273
Social fund expenses	3,014	3,778
Employee benefit expenses	20,609	41,770
Provident fund (see Note 36)	14,847	18,320
Other benefits	51,642	35,552
Total personnel expenses	557,518	575,693

32 Expected credit loss

	2021 Thousand Baht	2020 Thousand Baht
Cash and cash equivalent (Reversal)	(558)	(329)
Investment in securities		
Investments measured at fair value through other comprehensive income	265	207
Investments measured at amortised cost	2	(1)
Total expected credit loss	(291)	(123)

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33 Basic loss per share

Basic loss per share for the years ended 31 December 2021 and 2020 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:

	2021	2020
Net loss (Thousand Baht)	(67,173)	(260,068)
Number of weighted averages share capital (Thousand shares)	254,880	254,880
Basic loss per shares (Baht)	(0.26)	(1.02)

34 Income tax expense

Income tax expense for the years ended 31 December 2021 and 2020 consisted of the following:

	2021 Thousand Baht	2020 Thousand Baht
Current tax expense	-	-
Deferred tax income	(9,534)	(63,266)
Total income tax expense	(9,534)	(63,266)

Effect from income tax relating to components of other comprehensive income

	2021			2020		
	Before tax Thousand Baht	Benefit (Expense) of tax Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Benefit (Expense) of tax Thousand Baht	Net of tax Thousand Baht
Item that will not be reclassified subsequently to profit or loss						
Actuarial gain on defined employee benefit plans	24,614	(4,923)	19,691	-	-	-
Item that will be reclassified subsequently to profit or loss						
(Loss) Gain on revaluation of Investments measured at fair value through other comprehensive income	5,873	(1,175)	4,698	(13,434)	2,687	(10,747)
Items in other comprehensive income transferred to profit or loss	(139)	28	(111)	(52)	10	(42)
Total	30,348	(6,070)	24,251	(16,486)	2,697	(10,789)

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the Thailand basic tax rate as follows:

	2021 Thousand Baht	2020 Thousand Baht
Loss before tax	(76,707)	(323,334)
Income tax rate	20%	20%
Tax expense calculated at tax rate	(15,341)	(64,667)
Impact:		
Income not subject to tax	(2)	(2)
Expenses not deductible for tax purposes	5,096	2,655
Reversal of unutilised derered tax assets in the future	-	-
Tax losses for which no deferred income tax asset was recorded	-	-
Prior year tax adjustment	713	(1,252)
Income tax income	(9,534)	(63,266)

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35 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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
Krungsri Ayudhya Card Co., Ltd.	Related company of immediate parent shareholders	Services
Khao Kheow Country Club Co., Ltd.	Related company of immediate parent shareholders	Golf club

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Significant balances with related parties as at 31 December 2021 and 2020 were as follows:

	2021 Thousand Baht	2020 Thousand Baht
Receivables		
Related company of ultimate parent		
Amounts due from reinsurers	229,768	207,230
Investments in securities, net	30,419	24,792
Other assets	15,293	7,773
Immediate parent company		
Other assets	300	-
Related company of immediate parent		
Deposits at financial institutions	291,865	250,461
Premium receivable	10,778	5,907
Other assets	5,170	6,029
Payables		
Related company of ultimate parent		
Amounts withheld on reinsurance	458,067	464,795
Due to reinsurers	246,108	227,042
Other liabilities	11,017	48,652
Immediate parent company		
Long term loan	200,000	-
Other liabilities	117	-
Related company of immediate parent		
Commission and brokerage payable	15,578	12,927
Accrued other - underwriting expenses	47,740	37,218
Lease liabilities	146,688	168,225
Other liabilities	8,715	6,859

Significant transactions for the year ended 31 December 2021 and 2020 with related parties were as follows:

	2021 Thousand Baht	2020 Thousand Baht
Revenues		
Related company of ultimate parent		
Claim recovered from reinsurers	163,500	279,842
Fee and commission income	105,861	101,664
Premium written	-	193
Other income	32,365	38,837
Immediate parent company		
Other income	1,392	3,496
Related company of immediate parent		
Premium written	105,990	100,375
Expenses		
Related company of ultimate parent		
Premiums ceded to reinsurers	576,800	509,262
Commissions and brokerage expenses	11,839	7,750
Operating expenses	197,849	225,670
Related company of immediate parent		
Commissions and brokerage expenses	185,289	178,969
Underwriting expenses	110,536	157,449
Operating expenses	21,022	22,398

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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.

Directors and key management personnel's remuneration

During the year ended 31 December 2021 and 2020, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognised as expenses as follows:

	2021	2020
	Thousand	Thousand
	Baht	Baht
Directors and key management personnel's remuneration		
Short-term benefits	116,625	140,555
Post-employment benefits	6,457	7,396
Directors' remuneration	2,071	857
Total	125,153	148,808

Directors' remunerations for the years of 2021 and 2020 were approved by the ordinary shareholders' meeting of the Company held on 27 April 2021 and 10 July 2020, respectively.

36 Provident fund

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

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

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

For the years ended 31 December 2021 and 2020, the Company's contributions recorded as expenses were Baht 14.85 million and Baht 18.32 million, respectively (Note 31).

37 Securities and assets pledged with the Registrar

As at 31 December 2021 and 2020, certain investments in securities of the Company were pledged and used for assets reserved with the Registrar (Note 14) 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. 2558", respectively as follows:

37.1 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:

	2021 Thousand Baht	2020 Thousand Baht
Government and state enterprise securities	560,371	600,820

37.2 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:

	2021 Thousand Baht	2020 Thousand Baht
Deposits at banks more than 3 months	14,000	14,000
Government and state enterprise securities	-	14,000

38 Restricted assets and commitment

As at 31 December 2021 and 2020, the Company has premium saving certificates amount of Baht 0.35 million and Baht 1.25 million, respectively were used as collateral in case where the insured drivers are the alleged offenders.

As at 31 December 2021 and 2020, 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.

39 Contribution to non-life guarantee fund

The Company has accumulated funding amount which was paid into contribution to non-life guarantee fund as at 31 December 2021 and 2020 amounting to Baht 124.05 million and Baht 97.75 million, respectively.

40 Contingent liabilities

As at 31 December 2021 and 2020, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totalling Baht 314.90 million and Baht 160.69 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.