

**ALLIANZ AYUDHYA GENERAL INSURANCE  
PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**30 JUNE 2021**



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

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

I have reviewed the interim financial information of Allianz Ayudhya General Insurance Public Company Limited, which comprises the statement of financial position as at 30 June 2021, and the related statements of comprehensive income for the three-month and six-month periods then ended, changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

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

**Sakuna Yamsakul**  
Certified Public Accountant (Thailand) No. 4906  
Bangkok  
11 August 2021

Allianz Ayudhya General Insurance Public Company Limited  
Statement of Financial Position  
As at 30 June 2021

		(Unaudited) 30 June 2021	(Audited) 31 December 2020
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
<b>Assets</b>			
Cash and cash equivalents, net	5	599,705	1,535,960
Premium receivable, net	6	604,611	555,606
Accrued investment income		13,739	14,446
Reinsurance assets	7	2,024,646	2,060,737
Amounts due from reinsurers	8	549,514	439,285
Investments in securities, net	9	4,825,360	4,233,430
Leasehold improvement and equipment, net	10	48,762	52,223
Right-of-use asset, net	11	201,972	208,804
Goodwill		508,877	508,877
Intangible assets, net	12	99,815	70,501
Deferred tax assets, net	13	341,814	355,131
Deferred commissions expenses		69,354	78,959
Other assets, net		255,554	135,110
<b>Total assets</b>		<u>10,143,723</u>	<u>10,249,069</u>

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

**Allianz Ayudhya General Insurance Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 30 June 2021**

		(Unaudited) 30 June 2021	(Audited) 31 December 2020
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance contract liabilities	14	5,053,475	5,157,764
Amounts due to reinsurers	15	1,283,064	1,249,805
Payable from purchase of securities		19,980	-
Employee benefit obligations		129,328	151,266
Premium written received in advance		286,350	343,710
Commissions and brokerages payables		103,757	99,257
Accrued expenses		395,616	449,171
Lease liabilities		204,347	207,876
Other liabilities		304,773	276,603
<b>Total liabilities</b>		<u>7,780,690</u>	<u>7,935,452</u>
<b>Equity</b>			
Share capital			
Authorised share capital			
254,880,000 ordinary shares of 10 Baht each		<u>2,548,800</u>	<u>2,548,800</u>
Issued and paid-up share capital			
254,880,000 ordinary shares of 10 Baht each		2,548,800	2,548,800
Retained earnings (deficits)			
Appropriated			
Legal reserve		15,750	15,750
Unappropriated		(243,385)	(297,006)
Other components of equity			
Surplus on Investments measured at fair value through other comprehensive income		<u>41,868</u>	<u>46,073</u>
<b>Total equity</b>		<u>2,363,033</u>	<u>2,313,617</u>
<b>Total liabilities and equity</b>		<u>10,143,723</u>	<u>10,249,069</u>

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

**Allianz Ayudhya General Insurance Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 30 June 2021**

		30 June 2021	30 June 2020
	Notes	Thousand Baht	Thousand Baht
<b>Revenues</b>			
Gross premiums written	16	1,306,994	1,363,082
<u>Less</u> premiums ceded	16	<u>(377,882)</u>	<u>(406,105)</u>
Net premiums written		929,112	956,977
<u>Add</u> unearned premium reserve decreased from previous period	16	<u>43,120</u>	<u>114,892</u>
Net premiums earned		972,232	1,071,869
Fees and commission income	16	69,689	82,096
Net investment income		12,444	11,837
Gain (loss) on investment		-	-
Gain on fair value adjustment		227	17,061
Other income		<u>8,708</u>	<u>9,739</u>
<b>Total revenues</b>		<u>1,063,300</u>	<u>1,192,602</u>
<b>Expenses</b>			
Gross claim paid	16	721,455	973,989
<u>(Less)</u> Claim recovered from reinsurers	16	<u>(242,998)</u>	<u>(330,634)</u>
Commissions and brokerages expenses	16	212,229	197,251
Other underwriting expenses	16	168,543	186,461
Operating expenses	16, 17	181,332	191,793
Finance cost		1,737	1,240
Expected credit loss (Reversal)	18	<u>(442)</u>	<u>451</u>
<b>Total expenses</b>		<u>1,041,856</u>	<u>1,220,551</u>
<b>Profit (loss) before income tax</b>		21,444	(27,949)
Income tax expense (income)		<u>5,113</u>	<u>(8,888)</u>
<b>Net profit (loss)</b>		<u>16,331</u>	<u>(19,061)</u>

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

Allianz Ayudhya General Insurance Public Company Limited  
Statement of Comprehensive Income (Unaudited) (Cont'd)  
For the three-month period ended 30 June 2021

		30 June 2021	30 June 2020
	Note	Thousand Baht	Thousand Baht
<b>Other comprehensive income (loss)</b>			
<u>Items that will not be subsequently reclassified to profit or loss</u>			
Remeasurements of post-employment benefit obligations		-	-
Income tax on items that will not be reclassified to profit or loss		-	-
<b>Total Items that will not be subsequently reclassified to profit or loss</b>		-	-
<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		4,217	(3,860)
Income tax on items that will be reclassified to profit or loss		(843)	772
<b>Total Items that will be subsequently reclassified to profit or loss</b>		3,374	(3,088)
<b>Other comprehensive income (loss) for the period, net of income tax</b>		3,374	(3,088)
<b>Total comprehensive income (loss) for the period</b>		19,705	(22,149)
<b>Earnings (loss) per share (Baht per share)</b>			
Basic earnings (loss) per share	19	0.06	(0.07)

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

**Allianz Ayudhya General Insurance Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the six-month period ended 30 June 2021**

		30 June 2021	30 June 2020
	Notes	Thousand Baht	Thousand Baht
<b>Revenues</b>			
Gross premiums written	16	2,815,542	3,037,938
<u>Less</u> premiums ceded	16	<u>(849,188)</u>	<u>(828,298)</u>
Net premiums written		1,966,354	2,209,640
<u>Less</u> unearned premium reserve increased from previous period	16	<u>(13,488)</u>	<u>(96,945)</u>
Net premiums earned		1,952,866	2,112,695
Fees and commission income	16	173,274	199,603
Net investment income		24,309	27,492
Gain (loss) on investment		-	42
Gain on fair value adjustment		370	17,061
Other income		<u>22,246</u>	<u>31,586</u>
<b>Total revenues</b>		<u>2,173,065</u>	<u>2,388,479</u>
<b>Expenses</b>			
Gross claim paid	16	1,227,279	1,866,245
<u>Less</u> Claim recovered from reinsurers	16	<u>(219,545)</u>	<u>(583,990)</u>
Commissions and brokerages expenses	16	440,433	450,942
Other underwriting expenses	16	348,886	443,728
Operating expenses	16, 17	329,357	382,600
Finance cost		3,528	2,144
Expected credit loss	18	<u>(248)</u>	<u>366</u>
<b>Total expenses</b>		<u>2,129,690</u>	<u>2,562,035</u>
<b>Profit (loss) before income tax</b>		43,375	(173,556)
Income tax expense	13	<u>9,445</u>	<u>16,691</u>
<b>Net profit (loss)</b>		<u>33,930</u>	<u>(190,247)</u>

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

Allianz Ayudhya General Insurance Public Company Limited  
Statement of Comprehensive Income (Unaudited) (Cont'd)  
For the six-month period ended 30 June 2021

		30 June 2021	30 June 2020
	Note	Thousand Baht	Thousand Baht
<b>Other comprehensive income (loss)</b>			
<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		(4,923)	-
<b>Total Items that will not be subsequently reclassified to profit or loss</b>		<u>19,691</u>	<u>-</u>
<u>Items that will be subsequently reclassified to profit or loss</u>			
(Loss) Gain on revaluation of Investments measured at fair value through other comprehensive income		(5,256)	3,935
Income tax on items that will be reclassified to profit or loss		1,051	(787)
<b>Total Items that will be subsequently reclassified to profit or loss</b>		<u>(4,205)</u>	<u>3,148</u>
<b>Other comprehensive income for the period, net of income tax</b>		<u>15,486</u>	<u>3,148</u>
<b>Total comprehensive income (loss) for the period</b>		<u><u>49,416</u></u>	<u><u>(187,099)</u></u>
<b>Earnings (loss) per share (Baht per share)</b>			
Basic earnings (loss) per share	19	<u><u>0.13</u></u>	<u><u>(0.75)</u></u>

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



**Allianz Ayudhya General Insurance Public Company Limited**  
**Statement of Changes in Equity (Unaudited)**  
**For the six-month period ended 30 June 2021**

	Retained earnings (deficits)			Other components of equity		Total equity Thousand Baht
	Issued and paid-up share capital Thousand Baht	Legal reserve Thousand Baht	Unappropriated Thousand Baht	Gain (loss) on revaluation of Investments measured at fair value through other comprehensive income, net of tax Thousand Baht	Thousand Baht	
<b>Balance as at 1 January 2021</b>	2,548,800	15,750	(297,006)	46,073	2,313,617	
Comprehensive income for the period	-	-	33,930	-	33,930	
Loss on revaluation of Investments measured at fair value through other comprehensive income, net of tax	-	-	-	(4,205)	(4,205)	
Remeasurements of post-employment benefit obligations, net of tax	-	-	19,691	-	19,691	
<b>Balance as at 30 June 2021</b>	<u>2,548,800</u>	<u>15,750</u>	<u>(243,385)</u>	<u>41,868</u>	<u>2,363,033</u>	
<b>Balance as at 1 January 2020</b>	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	
<b>Balance after adjustment</b>	2,548,800	15,750	(36,938)	56,862	2,584,474	
Comprehensive loss for the period	-	-	(190,247)	-	(190,247)	
Gain on revaluation of Investments measured at fair value through other comprehensive income, net of tax	-	-	-	3,148	3,148	
<b>Balance as at 30 June 2020</b>	<u>2,548,800</u>	<u>15,750</u>	<u>(227,185)</u>	<u>60,010</u>	<u>2,397,375</u>	

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

Allianz Ayudhya General Insurance Public Company Limited

Statement of Cash Flows (Unaudited)

For the six-month period ended 30 June 2021

	30 June 2021 Thousand Baht	30 June 2020 Thousand Baht
<b>Cash flows used in operating activities</b>		
Direct premium received	2,612,213	3,030,864
Cash paid to reinsurance	(301,849)	(221,893)
Interest income	36,649	21,682
Dividend income	17	16
Other income	22,246	31,586
Losses incurred from direct insurance	(1,419,231)	(1,793,521)
Commissions and brokerages paid from direct insurance	(417,660)	(440,267)
Other underwriting expenses	(348,886)	(438,660)
Operating expenses	(459,432)	(299,950)
Income tax expense	(9,120)	(26,877)
Cash received from investments in securities	426,711	2,216,187
Cash paid from investments in securities	(1,050,904)	(3,991,334)
Cash paid for deposit at bank with maturity over 3 months and deposits used as collateral	(20,000)	(57,285)
Cash received from deposits at bank with maturity over 3 months and deposits used as collateral	56,369	277,143
Loans	-	14
<b>Net cash flow used in operating activities</b>	<b>(872,877)</b>	<b>(1,692,295)</b>
<b>Cash flows used in investing activities</b>		
<u>Cash flows provided by</u>		
Cash received for selling premises and equipment	5,054	217
<u>Cash flows used in</u>		
Cash paid for purchasing premises and equipment	(11,092)	(4,147)
Cash paid for purchasing intangible assets	(42,711)	(2,186)
<b>Net cash flow used in investing activities</b>	<b>(48,749)</b>	<b>(6,116)</b>
<b>Cash flows used in financing activities</b>		
Cash paid for lease liability	(11,097)	(13,730)
Cash paid for finance cost	(3,528)	(2,144)
<b>Net cash flow used in financing activities</b>	<b>(14,625)</b>	<b>(15,874)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(936,251)</b>	<b>(1,714,285)</b>
Cash and cash equivalents at the beginning of period	1,535,960	4,317,580
Cash and cash equivalents at the ending of period	599,709	2,603,295
<u>Less</u> Allowance for expected credit loss	(4)	(1,087)
<b>Cash and cash equivalents, net at the ending of period</b>	<b>599,705</b>	<b>2,602,208</b>
<b>5</b>		
<b><u>Non-cash transactions</u></b>		
Payable from purchase of securities	19,980	410,985

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

## **1 General information**

Allianz Ayudhya General Insurance Public Company Limited (the "Company") is a public limited company which is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows: 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 interim financial information are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

The interim financial information were authorised for issue by the board of directors on 11 August 2021.

## **2 Basis of preparation and accounting policies**

The interim financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting. The primary financial information (statement of financial position, statements of comprehensive income, statements of changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard (TAS) No. 1, Presentation of Financial Statements. In addition, the interim financial information presentation are based on the formats of non-life insurance interim financial information attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for non-life insurance company (No.2) B.E. 2562" dated on 4 April 2019 ('OIC Notification'). The notes to the interim financial information are prepared in a condensed format. Additional notes are presented as required by the aforementioned OIC Notification.

The interim financial information should be read together with the annual financial statements for the year ended 31 December 2020.

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2020

### 3 Accounting estimates

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

In preparing the interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

### 4 Fair value

#### 4.1 Fair value estimation

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

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

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

4 Fair value (Cont'd)

4.1 Fair value estimation (Cont'd)

The following table presents the Company's financial assets that are measured and recognised at fair value on the interim financial information as at 30 June 2021 and 31 December 2020.

(Unaudited)			
As at 30 June 2021			
Level 1	Level 2	Level 3	Total
Thousand	Thousand	Thousand	Thousand
Baht	Baht	Baht	Baht
<b>Financial assets</b>			
Investment in securities			
Investments measured at fair value through other comprehensive income			
-	4,261,056	-	4,261,056
-	-	44,685	44,685
Investments measured at fair value through profit or loss			
31,150	-	-	31,150
<b>31,150</b>	<b>4,261,056</b>	<b>44,685</b>	<b>4,336,891</b>

(Audited)			
As at 31 December 2020			
Level 1	Level 2	Level 3	Total
Thousand	Thousand	Thousand	Thousand
Baht	Baht	Baht	Baht
<b>Financial assets</b>			
Investment in securities			
Investments measured at fair value through other comprehensive income			
-	3,927,108	-	3,927,108
-	-	44,469	44,469
Investments measured at fair value through profit or loss			
24,792	-	-	24,792
<b>24,792</b>	<b>3,927,108</b>	<b>44,469</b>	<b>3,996,369</b>

#### 4 Fair value (Cont'd)

##### 4.2 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.

###### 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.

There was no transfer between levels during the period.

There was no change in valuation techniques during the period.

#### 5 Cash and cash equivalents, net

Cash and cash equivalents, net as at 30 June 2021 and 31 December 2020 consisted of the following:

	(Unaudited) 30 June 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Cash on hand	524	517
Cheque on hand	42,783	12,098
Deposits at bank - at call	390,413	426,886
Short-term investments	165,989	1,097,022
Total	599,709	1,536,523
<u>Less</u> Allowance for expected credit loss	(4)	(563)
<b>Cash and cash equivalents, net</b>	<b>599,705</b>	<b>1,535,960</b>

**Allianz Ayudhya General Insurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 June 2021**

**6 Premiums due and uncollected, net**

As at 30 June 2021 and 31 December 2020, the balances of premiums due and uncollected were aged as follows:

	(Unaudited) 30 June 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Within credit terms	373,781	393,625
Overdue:		
Less than 30 days	83,714	63,494
31 - 60 days	69,700	34,837
61 - 90 days	37,376	24,286
91 days - 1 year	47,645	46,385
Over 1 year	20,668	23,804
Total	632,884	586,431
<u>Less</u> Allowance for doubtful accounts	(28,273)	(30,825)
<b>Premiums due and uncollected, net</b>	<b>604,611</b>	<b>555,606</b>

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

**7 Reinsurance assets**

Reinsurance assets as at 30 June 2021 and 31 December 2020 consisted of the following:

	(Unaudited) 30 June 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
<b>Insurance reserve refundable from reinsurers</b>		
Claim reserves	1,316,680	1,414,091
Unearned premium reserve		
Unearned reinsurance premium reserve	707,966	646,646
<b>Total reinsurance assets (Note 14)</b>	<b>2,024,646</b>	<b>2,060,737</b>

**8 Amount due from reinsurers**

Amount due from reinsurers as at 30 June 2021 and 31 December 2020 consisted of the following:

	(Unaudited) 30 June 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Amount deposit on reinsurance	5,484	-
Due from reinsurers	554,944	439,285
Total	560,428	439,285
<u>Less</u> Allowance for doubtful accounts	(10,914)	-
<b>Total reinsurance assets</b>	<b>549,514</b>	<b>439,285</b>

**Allianz Ayudhya General Insurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 June 2021**

**9 Investments in securities, net**

The details of investments in securities as at 30 June 2021 and 31 December 2020 are as follows:

	<b>(Unaudited)</b>	
	<b>30 June 2021</b>	
	<b>Cost/ Amortised cost Thousand Baht</b>	<b>Fair value Thousand Baht</b>
<b>Investments designated at fair value through profit or loss</b>		
Foreign debt securities	22,428	31,150
Add Unrealised gain	8,722	
<b>Total Investments designated at fair value through profit or loss</b>	<b>31,150</b>	<b>31,150</b>
<b>Investments measured at fair value through other comprehensive income</b>		
Government and state enterprise debt securities	2,726,803	2,734,505
Private debt securities	1,446,040	1,466,279
Foreign debt securities	59,981	60,272
Equity securities	21,417	44,685
Total	4,254,241	4,305,741
Add Unrealised gain	51,500	-
<b>Total investments measured at fair value through other comprehensive income</b>	<b>4,305,741</b>	<b>4,305,741</b>
<b>Investments measured at amortised cost</b>		
Government and state enterprise debt securities	287,763	
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	1,700	
Total	488,480	
Less Allowance for expected credit loss	(11)	
<b>Total investments measured at amortised cost</b>	<b>488,469</b>	
<b>Total investment in securities, net</b>	<b>4,825,360</b>	



9 Investments in securities, net (Cont'd)

The details of investments in securities as at 30 June 2021 and 31 December 2020 are as follows:  
(Cont'd)

	(Audited) 31 December 2020	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
<b>Investments designated at fair value through profit or loss</b>		
Foreign debt securities	18,710	24,792
Add Unrealised gain	6,082	-
<b>Total Investments designated at fair value through profit or loss</b>	<b>24,792</b>	<b>24,792</b>
<b>Investments measured at fair value through other comprehensive income</b>		
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
Add Unrealised gain	57,077	-
<b>Total investments measured at fair value through other comprehensive income</b>	<b>3,971,577</b>	<b>3,971,577</b>
<b>Investments measured at amortised cost</b>		
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	
Less Allowance for expected credit loss	(25)	
<b>Total investments measured at amortised cost</b>	<b>237,061</b>	
<b>Total investment in securities, net</b>	<b>4,233,430</b>	

9 Investments in securities, net (Cont'd)

9.1 Debt securities measured at fair value through other comprehensive income

	(Unaudited) 30 June 2021	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	4,261,056	(818)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
<b>Total</b>	<b>4,261,056</b>	<b>(818)</b>

  

	(Audited) 31 December 2020	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	3,927,108	(493)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
<b>Total</b>	<b>3,927,108</b>	<b>(493)</b>

9 Investments in securities, net (Cont'd)

9.2 Debt securities measured at amortised cost

	(Unaudited) 30 June 2021		
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	488,480	(11)	488,469
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
<b>Total</b>	<b>488,480</b>	<b>(11)</b>	<b>488,469</b>

  

	(Audited) 31 December 2020		
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	237,086	(25)	237,061
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
<b>Total</b>	<b>237,086</b>	<b>(25)</b>	<b>237,061</b>

For the three-month period ended 30 June 2021, the Company has recorded interest income amounting to Baht 14.36 million and 0.02 million, respectively (30 June 2020: Baht 18.03 million and 0.02 million, respectively).

For the six-month period ended 30 June 2021, the Company has recorded interest income amounting to Baht 28.47 million and 0.02 million (30 June 2020: Baht 37.67 million and 0.02 million), respectively.

As at 30 June 2021 and 31 December 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 582.21 million and Baht 628.82 million, respectively (Note 21).

As at 30 June 2021 and 31 December 2020, premium saving certificates were used as collateral for insured drivers are the alleged offenders amounting to Baht 0.60 million and Baht 1.25 million, respectively (Note 22).

As at 30 June 2021 and 31 December 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 22).

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**10 Leasehold improvement and equipment, net**

Leasehold improvement and equipment, net as at 30 June 2021 and 31 December 2020 consisted of the following.

	30 June 2021 (Unaudited)															
	Beginning balance		Increase		Disposal / Write off		Transfer in/ (transfer out)		Ending balance		Accumulated depreciation		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
Leasehold improvement	56,498	429	(2,216)	1,718	56,429	(38,212)	(2,292)	1,141	(39,363)	18,286	17,066					
Furniture, fixtures and office equipment	105,679	5,196	(2,809)	-	108,066	(87,678)	(4,208)	2,143	(89,743)	18,001	18,323					
Vehicles	26,488	-	(15,994)	-	10,494	(23,976)	(782)	15,931	(8,827)	2,512	1,667					
Leasehold improvement under installation	13,424	-	-	(1,718)	11,706	-	-	-	-	13,424	11,706					
<b>Total</b>	<b>202,089</b>	<b>5,625</b>	<b>(21,019)</b>	<b>-</b>	<b>186,695</b>	<b>(149,866)</b>	<b>(7,282)</b>	<b>19,215</b>	<b>(137,933)</b>	<b>52,223</b>	<b>48,762</b>					

  

	31 December 2020 (Audited)															
	Beginning balance		Increase		Disposal / Write off		Transfer in/ (transfer out)		Ending balance		Accumulated depreciation		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
Leasehold improvement	63,440	12,269	(19,610)	399	56,498	(47,162)	(7,421)	16,371	(38,212)	16,278	18,286					
Furniture, fixtures and office equipment	110,456	6,678	(11,455)	-	105,679	(87,188)	(8,808)	8,318	(87,678)	23,268	18,001					
Vehicles	26,488	-	-	-	26,488	(19,781)	(4,195)	-	(23,976)	6,707	2,512					
Leasehold improvement under installation	539	13,284	-	(399)	13,424	-	-	-	-	539	13,424					
<b>Total</b>	<b>200,923</b>	<b>32,231</b>	<b>(31,065)</b>	<b>-</b>	<b>202,089</b>	<b>(154,131)</b>	<b>(20,424)</b>	<b>24,689</b>	<b>(149,866)</b>	<b>46,792</b>	<b>52,223</b>					

The depreciation expense for the three-month and six-month period ended 30 June 2021 amounting to Baht 3.47 million and Baht 7.28 million, respectively were included in operating expenses (30 June 2020: Baht 5.53 million and Baht 11.32 million, respectively).

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11 Right-of-use asset, net

	30 June 2021 (Unaudited)										
	Beginning balance		Change in contract		Cost		Accumulated depreciation		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
Leasehold improvement	239,225	51	(249)	239,027	(31,936)	(16,640)	-	(48,576)	207,289	190,451	
Vehicles	3,333	11,291	-	14,624	(1,818)	(1,285)	-	(3,103)	1,515	11,521	
<b>Total</b>	<b>242,558</b>	<b>11,342</b>	<b>(249)</b>	<b>253,651</b>	<b>(33,754)</b>	<b>(17,925)</b>	<b>-</b>	<b>(51,679)</b>	<b>208,804</b>	<b>201,972</b>	
	31 December 2020 (Audited)										
	Beginning balance		Change in contract		Cost		Accumulated depreciation		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
Leasehold improvement	130,298	33,734	75,193	239,225	(2,809)	(30,430)	1,303	(31,936)	127,489	207,289	
Vehicles	3,333	-	-	3,333	-	(1,818)	-	(1,818)	3,333	1,515	
<b>Total</b>	<b>133,631</b>	<b>33,734</b>	<b>75,193</b>	<b>242,558</b>	<b>(2,809)</b>	<b>(32,248)</b>	<b>1,303</b>	<b>(33,754)</b>	<b>130,822</b>	<b>208,804</b>	

For the three-month and six-month period ended 30 June 2021, there was no the lease payments resulting from lease contracts which are not capitalised comprised of short-term contracts (30 June 2020: Baht 0 million and Baht 0.12 million, respectively).

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12 Intangible assets, net

Intangible assets, net as at 30 June 2021 and 31 December 2020 consisted of the following:

	30 June 2021 (Unaudited)									
	Cost		Accumulated amortisation				Beginning		Ending	
	Beginning balance Thousand Baht	Increase Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Amortisation Thousand Baht	Ending balance Thousand Baht	Beginning Intangible assets, net Thousand Baht	Ending Intangible assets, net Thousand Baht		
Computer software	258,036	5,019	263,055	(206,517)	(8,294)	(214,811)	51,519	48,244		
Computer software in progress	18,982	32,589	51,571	-	-	-	18,982	51,571		
Bancassurance agreement	100,000	-	100,000	(100,000)	-	(100,000)	-	-		
<b>Total</b>	<b>377,018</b>	<b>37,608</b>	<b>414,626</b>	<b>(306,517)</b>	<b>(8,294)</b>	<b>(314,811)</b>	<b>70,501</b>	<b>99,815</b>		

  

	31 December 2020 (Audited)									
	Cost		Accumulated amortisation				Beginning		Ending	
	Beginning balance Thousand Baht	Increase Thousand Baht	Transfer in/ (transfer out) Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Amortisation Thousand Baht	Ending balance Thousand Baht	Beginning Intangible assets, net Thousand Baht	Ending Intangible assets, net Thousand Baht	
Computer software	233,069	2,905	22,062	258,036	(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	-	
<b>Total</b>	<b>363,657</b>	<b>13,361</b>	<b>-</b>	<b>377,018</b>	<b>(280,550)</b>	<b>(25,967)</b>	<b>(306,517)</b>	<b>83,107</b>	<b>70,501</b>	

For the three-month period ended 30 June 2021 and 2020, the amortisation expenses amounting to Baht 4.16 million and Baht 5.01 million, respectively, were included in operating expenses and amounting to Baht 0 and Baht 2.55 million, respectively, were included in other underwriting expenses.

For the six-month period ended 30 June 2021 and 2020, the amortisation expenses amounting to Baht 8.30 million and Baht 8.95 million, respectively, were included in operating expenses and amounting to Baht 0 and Baht 5.07 million, respectively, were included in other underwriting expenses.

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**13 Deferred tax assets, net**

Deferred tax assets, net as at 30 June 2021 and 31 December 2020 were as follows:

	(Unaudited) 30 June 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Deferred tax assets, net	<u>341,814</u>	<u>355,131</u>

Movements of deferred tax assets for the six-month period ended 30 June 2021 and for the year ended 31 December 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 30 June 2021 Thousand Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts				
- Premium due and uncollected	6,165	(510)	-	5,655
Allowance for doubtful accounts				
- Other receivable	908	2	-	910
Allowance for doubtful accounts				
- Reinsurance	-	2,183	-	2,183
Unearned premium reserve	50,042	22,161	-	72,203
Claim reserve, net	141,779	(23,276)	-	118,503
Claim incurred but not reported	35,588	(1,082)	-	34,506
Employee benefit obligations	19,097	942	(4,923)	15,116
Accrued expense	24,305	-	-	24,305
Expected credit loss allowance	118	(50)	(65)	3
Accumulated tax losses	87,436	(9,287)	-	78,149
Others	1,934	-	-	1,934
	<u>367,372</u>	<u>(8,917)</u>	<u>(4,988)</u>	<u>353,467</u>
<b>Deferred tax liabilities</b>				
Unrealised gain on the change in fair value of investments through other comprehensive income	(11,420)	-	1,116	(10,304)
Unrealised gain on the change in fair value adjustment	(821)	(528)	-	(1,349)
	<u>(12,241)</u>	<u>(528)</u>	<u>1,116</u>	<u>(11,653)</u>
<b>Deferred tax assets, net</b>	<u>355,131</u>	<u>(9,445)</u>	<u>(3,872)</u>	<u>341,814</u>

14 Insurance contract liabilities

Insurance contract liabilities as at 30 June 2021 and 31 December 2020 consisted of the following:

	(Unaudited) As at 30 June 2021		
	Insurance contract liabilities Thousand Baht	Insurance liabilities recovered from reinsurers Thousand Baht	Net Thousand Baht
Claim reserves			
Claim incurred and reported	1,993,898	(1,225,426)	768,472
Claim incurred but not reported	263,786	(91,254)	172,532
	<u>2,257,684</u>	<u>(1,316,680)</u>	<u>941,004</u>
Premium reserve			
Unearned premium reserve	2,795,791	(707,966)	2,087,825
Total	<u>5,053,475</u>	<u>(2,024,646)</u>	<u>3,028,829</u>
	(Audited) As at 31 December 2020		
	Insurance contract liabilities Thousand Baht	Insurance 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	2,720,983	(646,646)	2,074,337
Total	<u>5,157,764</u>	<u>(2,060,737)</u>	<u>3,097,027</u>



14 Insurance contract liabilities (Cont'd)

14.1 Insurance reserve for short-term insurance contract

14.1.1 Claim reserves

	(Unaudited) 30 June 2021		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning period	2,436,781	(1,414,091)	1,022,690
Claim and loss adjustment expenses incurred during the period	1,023,952	(176,978)	846,974
Change in claim reserves and assumptions used in claim reserve calculation	349,919	(122,414)	227,505
Claim paid during the period	(1,552,968)	396,803	(1,156,165)
Balance as at period ended	<u>2,257,684</u>	<u>(1,316,680)</u>	<u>941,004</u>
	(Audited) 31 December 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 loss 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 year ended	<u>2,436,781</u>	<u>(1,414,091)</u>	<u>1,022,690</u>

14 Insurance contract liabilities (Cont'd)

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

14.1.2 Unearned premium reserve

	(Unaudited) 30 June 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 period	2,815,542	(849,188)	1,966,354
Earned premium for the period	(2,740,734)	787,868	(1,952,866)
As at 30 June	<u>2,795,791</u>	<u>(707,966)</u>	<u>2,087,825</u>
	(Audited) 31 December 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	<u>2,720,983</u>	<u>(646,646)</u>	<u>2,074,337</u>

14.1.3 Unexpired risk reserve

As at 30 June 2021 and 31 December 2020, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Company amounting to Baht 1,297.83 million and Baht 1,355.52 million, respectively and net of reinsurance amounting to Baht 1,297.18 million and Baht 1,292.36 million, respectively is lower than the unearned premium reserve.

15 Amount due to reinsurers

	(Unaudited) 30 June 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Amounts withheld on reinsurance	719,213	748,482
Reinsurance payables	563,851	501,323
<b>Total amount due to reinsurers</b>	<u>1,283,064</u>	<u>1,249,805</u>

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**16 Financial information by segment**

The business segment results are prepared on the basis of preparation of management report of the company. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to and assessing the performance of operating segments is measured in accordance with Financial Reporting Standards.

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

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

For the three-month and six-month periods ended 30 June 2021 and 2020, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

The financial information of the Company for the three-month and six-month periods ended 30 June 2021 and 2020 were presented by business segment as follows:

	(Unaudited)				Total Thousand Baht
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	
For the three-month period ended 30 June 2021					
<b>Underwriting income</b>					
Gross premiums written	153,158	95,785	553,395	504,656	1,306,994
Less Premium ceded	(41,585)	(42,187)	(10,086)	(284,024)	(377,882)
Net premiums written	111,573	53,598	543,309	220,632	929,112
Add(Less) Unearned premium reserve (increase) decrease from previous period	1,515	(14,634)	81,475	(25,236)	43,120
Net premium ceded	113,088	38,964	624,784	195,396	972,232
Fee and commission income	3,112	9,092	-	57,485	69,689
<b>Total underwriting income</b>	<b>116,200</b>	<b>48,056</b>	<b>624,784</b>	<b>252,881</b>	<b>1,041,921</b>
<b>Underwriting expense</b>					
Gross claim paid	13,019	15,284	225,897	467,255	721,455
(Less)Add Claim recovered from reinsurers	(1,154)	(5,715)	5,907	(242,036)	(242,998)
Commissions and brokerages expenses	33,115	12,166	92,285	74,663	212,229
Other underwriting expenses	27,293	12,280	90,306	38,664	168,543
<b>Total underwriting expense</b>	<b>72,273</b>	<b>34,015</b>	<b>414,395</b>	<b>338,546</b>	<b>859,229</b>
<b>Profit (loss) on underwriting before operating expenses</b>	<b>43,927</b>	<b>14,041</b>	<b>210,389</b>	<b>(85,665)</b>	<b>182,692</b>
<b>Operating expenses</b>					<b>(181,332)</b>
<b>Loss on underwriting</b>					<b>1,360</b>

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**16 Financial information by segment (Cont'd)**

The financial information of the Company for the three-month and six-month periods ended 30 June 2021 and 2020 were presented by business segment as follows: (Cont'd)

	(Unaudited)				
	For the three-month period ended 30 June 2020				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
<b>Underwriting income</b>					
Gross premiums written	156,375	69,365	622,985	514,357	1,363,082
<u>Less</u> Premium ceded	(12,481)	(52,281)	270	(341,613)	(406,105)
Net premiums written	143,894	17,084	623,255	172,744	956,977
<u>(Less)Add</u> Unearned premium reserve increase (decrease) from previous period	(2,194)	(522)	89,262	28,346	114,892
Net premium ceded	141,700	16,562	712,517	201,090	1,071,869
Fee and commission income	3,343	15,255	(177)	63,675	82,096
<b>Total underwriting income</b>	<b>145,043</b>	<b>31,817</b>	<b>712,340</b>	<b>264,765</b>	<b>1,153,965</b>
<b>Underwriting expense</b>					
Gross claim paid	13,133	(11,374)	486,901	485,329	973,989
<u>(Less)Add</u> Claim recovered from reinsurers	(3,609)	14,892	(58,803)	(283,114)	(330,634)
Commissions and brokerages expenses	33,899	8,393	87,919	67,040	197,251
Other underwriting expenses	28,076	9,370	106,856	42,159	186,461
<b>Total underwriting expense</b>	<b>71,499</b>	<b>21,281</b>	<b>622,873</b>	<b>311,414</b>	<b>1,027,067</b>
<b>Profit (loss) on underwriting before operating expenses</b>	<b>73,544</b>	<b>10,536</b>	<b>89,467</b>	<b>(46,649)</b>	<b>126,898</b>
<b>Operating expenses</b>					<b>(191,793)</b>
<b>Loss on underwriting</b>					<b>(64,895)</b>
	(Unaudited)				
	For the six-month period ended 30 June 2021				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
<b>Underwriting income</b>					
Gross premiums written	309,775	197,414	1,232,471	1,075,882	2,815,542
<u>Less</u> Premium ceded	(83,811)	(93,047)	(19,966)	(652,364)	(849,188)
Net premiums written	225,964	104,367	1,212,505	423,518	1,966,354
<u>Add(Less)</u> Unearned premium reserve (increase) decrease from previous period	4,152	(46,795)	64,683	(35,528)	(13,488)
Net premium ceded	230,116	57,572	1,277,188	387,990	1,952,866
Fee and commission income	(3,377)	33,017	(77)	143,711	173,274
<b>Total underwriting income</b>	<b>226,739</b>	<b>90,589</b>	<b>1,277,111</b>	<b>531,701</b>	<b>2,126,140</b>
<b>Underwriting expense</b>					
Gross claim paid	52,141	67,901	600,818	506,419	1,227,279
<u>(Less)Add</u> Claim recovered from reinsurers	(10,143)	(48,916)	11,363	(171,849)	(219,545)
Commissions and brokerages expenses	67,113	23,627	203,878	145,815	440,433
Other underwriting expenses	51,769	19,852	196,726	80,539	348,886
<b>Total underwriting expense</b>	<b>160,880</b>	<b>62,464</b>	<b>1,012,785</b>	<b>560,924</b>	<b>1,797,053</b>
<b>Profit (loss) on underwriting before operating expenses</b>	<b>65,859</b>	<b>28,125</b>	<b>264,326</b>	<b>(29,223)</b>	<b>329,087</b>
<b>Operating expenses</b>					<b>(329,357)</b>
<b>Loss on underwriting</b>					<b>(270)</b>

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**16 Financial information by segment (Cont'd)**

The financial information of the Company for the three-month and six-month periods ended 30 June 2021 and 2020 were presented by business segment as follows: (Cont'd)

	(Unaudited)				
	For the six-month period ended 30 June 2020				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
<b>Underwriting income</b>					
Gross premiums written	326,078	159,192	1,473,429	1,079,239	3,037,938
Less Premium ceded	(30,423)	(107,654)	(13,198)	(677,023)	(828,298)
Net premiums written	295,655	51,538	1,460,231	402,216	2,209,640
Less Unearned premium reserve increase from previous period	(15,167)	(18,400)	(38,947)	(24,431)	(96,945)
Net premium ceded	280,488	33,138	1,421,284	377,785	2,112,695
Fee and commission income	8,289	36,567	4,454	150,293	199,603
<b>Total underwriting income</b>	<b>288,777</b>	<b>69,705</b>	<b>1,425,738</b>	<b>528,078</b>	<b>2,312,298</b>
<b>Underwriting expense</b>					
Gross claim paid	30,117	9,494	1,039,881	786,753	1,866,245
(Less)Add Claim recovered from reinsurers	(7,894)	34	(138,446)	(437,684)	(583,990)
Commissions and brokerages expenses	71,554	17,519	206,567	155,302	450,942
Other underwriting expenses	49,770	13,204	239,689	141,065	443,728
<b>Total underwriting expense</b>	<b>143,547</b>	<b>40,251</b>	<b>1,347,691</b>	<b>645,436</b>	<b>2,176,925</b>
<b>Profit (loss) on underwriting before operating expenses</b>	<b>145,230</b>	<b>29,454</b>	<b>78,047</b>	<b>(117,358)</b>	<b>135,373</b>
<b>Operating expenses</b>					<b>(382,600)</b>
<b>Loss on underwriting</b>					<b>(247,227)</b>

**17 Operating expenses**

The operating expenses for the three-month and six-month periods ended 30 June 2021 and 2020 were as follows:

	(Unaudited)		(Unaudited)	
	For the three-month periods ended		For the six-month periods ended	
	30 June 2021 Thousand Baht	30 June 2020 Thousand Baht	30 June 2021 Thousand Baht	30 June 2020 Thousand Baht
Employee expenses not relating to underwriting or claim administrative expense	66,092	70,559	135,286	144,707
Premise and equipment expense not relating to underwriting expense	72,575	38,081	119,254	68,877
Stamp and tax duty	104	216	707	845
Bad debt and doubtful debt (Reversal)	9,482	5,743	8,370	(1,339)
Director's remuneration	975	688	1,950	2,672
Management fee	24,126	37,133	45,412	78,391
Advertising and sales promotion expenses	171	425	338	1,236
Professional fee	906	19,821	2,152	54,314
Other operating expenses	6,900	19,127	15,887	32,897
<b>Total operating expenses</b>	<b>181,332</b>	<b>191,793</b>	<b>329,357</b>	<b>382,600</b>

18 Expected credit loss

	(Unaudited)	
	For the three-month period ended	
	30 June 2021	30 June 2020
	Thousand Baht	Thousand Baht
Cash and cash equivalent (Reversal)	(634)	1,131
Investment in securities (Reversal)		
Investments measured at fair value through other comprehensive income	200	510
Investments measured at amortised cost	(8)	(1,190)
<b>Total expected credit loss (Reversal)</b>	<b>(442)</b>	<b>451</b>

  

	(Unaudited)	
	For the six-month period ended	
	30 June 2021	30 June 2020
	Thousand Baht	Thousand Baht
Cash and cash equivalent (Reversal)	(560)	207
Investment in securities (Reversal)		
Investments measured at fair value through other comprehensive income	325	470
Investments measured at amortised cost	(14)	(1,191)
<b>Total expected credit loss (Reversal)</b>	<b>(248)</b>	<b>366</b>

19 Basic earnings (loss) per share

Basic earnings (loss) per share for the three-month and six-month periods ended 30 June 2021 and 2020 calculated from net loss for the period of the Company's shareholders and the number of issued share capital. The calculation were as follows:

	(Unaudited)		(Unaudited)	
	For the three-month periods ended		For the six-month periods ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net profit (loss) (Thousand Baht)	16,331	(19,061)	33,930	(190,247)
Number of weighted averages share capital (Thousand shares)	254,880	254,880	254,880	254,880
Basic earnings (loss) per shares (Baht per share)	0.06	(0.07)	0.13	(0.75)

**20 Related parties**

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

Significant balances with related parties as at 30 June 2021 and 31 December 2020 were as follows:

	(Unaudited) 30 June 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
<b>Receivables</b>		
Related company of ultimate parent		
Amounts due from reinsurers	281,143	207,230
Investments in securities, net	31,150	24,792
Other assets	9,118	7,773
Immediate parent company		
Other assets	100	-
Related company of immediate parent		
Deposits at financial institutions	185,536	250,461
Premium receivable	19,520	5,907
Other assets	5,170	6,029
<b>Payables</b>		
Related company of ultimate parent		
Amounts withheld on reinsurance	416,599	464,795
Due to reinsurers	245,502	227,042
Other liabilities	41,959	48,652
Immediate parent company		
Other liabilities	50	-
Related company of immediate parent		
Commission and brokerage payable	13,932	12,927
Accrued other - underwriting expenses	38,941	37,218
Lease liabilities	157,027	168,225
Other liabilities	6,924	6,859

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**20 Related parties (Cont'd)**

Significant transactions for the three-month and six-month periods ended 30 June 2021 and 2020 with related parties were as follows:

	(Unaudited)	
	For the three-month period ended	
	30 June 2021	30 June 2020
	Thousand Baht	Thousand Baht
<b>Revenues</b>		
Related company of ultimate parent		
Claim recovered from reinsurers	103,326	110,566
Fee and commission income	32,454	52,178
Other income	8,254	3,398
Immediate parent company		
Other income	348	1,275
Related company of immediate parent		
Premium written	7,321	17,799
<b>Expenses</b>		
Related company of ultimate parent		
Premiums ceded to reinsurers	180,308	225,140
Commission and brokerage expenses	1,894	1,290
Operating expenses	54,687	62,693
Related company of immediate parent		
Commission and brokerage expenses	44,582	44,421
Underwriting expenses	25,173	34,272
Operating expenses	5,170	3,222



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**20 Related parties (Cont'd)**

Significant transactions for the three-month and six-month periods ended 30 June 2021 and 2020 with related parties were as follows: (Cont'd)

	(Unaudited)	
	For the six-month period ended	
	30 June 2021	30 June 2020
	Thousand Baht	Thousand Baht
<b>Revenues</b>		
Related company of ultimate parent		
Claim recovered from reinsurers	122,605	132,861
Fee and commission income	48,122	58,518
Premium written	-	193
Other income	20,449	11,051
Immediate parent company		
Other income	696	2,550
Related company of immediate parent		
Premium written	22,796	25,961
<b>Expenses</b>		
Related company of ultimate parent		
Premiums ceded to reinsurers	315,567	261,457
Commission and brokerage expenses	1,894	1,290
Operating expenses	86,389	86,327
Related company of immediate parent		
Commission and brokerage expenses	92,445	91,190
Underwriting expenses	52,265	56,304
Operating expenses	10,682	8,055

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.

## 20 Related parties (Cont'd)

### Directors and key management personnel's remuneration

During the three-month and six-month periods ended 30 June 2021 and 2020, the Company paid salaries, bonuses, directors allowances and other benefits of its directors and key management personnel as follows:

	(Unaudited)		(Unaudited)	
	For the three-month periods ended		For the six-month periods ended	
	30 June 2021 Thousand Baht	30 June 2020 Thousand Baht	30 June 2021 Thousand Baht	30 June 2020 Thousand Baht
Directors and key management personnel's remuneration				
Short-term benefits	37,802	27,951	68,056	73,717
Post-employment benefits	885	920	1,649	1,969
Directors' remuneration	518	688	1,036	1,377
<b>Total</b>	<b>39,205</b>	<b>29,559</b>	<b>70,741</b>	<b>77,063</b>

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.

## 21 Securities and assets pledged with the Registrar

As at 30 June 2021 and 31 December 2020, certain investments in securities of the Company were pledged and used for assets reserved with the Registrar in accordance with the Insurance Act and according to the announcement of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557", respectively as follows:

21.1 The investments in debt securities which the company placed for unearned premium reserve with the Registrar in accordance with the Non-Life Insurance Act B.E. 2535 section 24 and the announcement of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557" were as follows:

	(Unaudited)	(Audited)
	30 June 2021 Thousand Baht	31 December 2020 Thousand Baht
Government and state enterprise securities	553,723	600,820

21.2 The investments in debt securities which the company pledged with the Registrar in accordance with the Insurance Act B.E. 2535 section 19 were as follows:

	(Unaudited)	(Audited)
	30 June 2021 Thousand Baht	31 December 2020 Thousand Baht
Deposits at banks	14,486	14,000
Government and state enterprise securities	14,000	14,000

**22 Restricted assets and commitment**

As at 30 June 2021 and 31 December 2020, the Company has premium saving certificates amount of Baht 0.60 million and Baht 1.25 million, respectively were used as collateral in case where the insured drivers are the alleged offenders.

As at 30 June 2021 and 31 December 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.

**23 Contribution to non-life guarantee fund**

The Company has accumulated funding amount which was paid into contribution to non-life guarantee fund as at 30 June 2021 and 31 December 2020 amounting to Baht 111.08 million and Baht 97.75 million, respectively.

**24 Contingent liabilities**

As at 30 June 2021 and 31 December 2020, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totalling Baht 306.64 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.