

**ALLIANZ AYUDHYA GENERAL INSURANCE
PUBLIC COMPANY LIMITED**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 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 September 2021, and the related statements of comprehensive income for the three-month and nine-month periods then ended, changes in equity, and cash flows for the nine-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 Yamsakul', with a stylized flourish at the end.

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

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

		(Unaudited) 30 September 2021	(Audited) 31 December 2020
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Assets			
Cash and cash equivalents, net	5	900,179	1,535,960
Premium receivable, net	6	639,001	555,606
Accrued investment income		18,804	14,446
Reinsurance assets	7	2,015,330	2,060,737
Amounts due from reinsurers	8	609,927	439,285
Investments in securities, net	9	4,720,920	4,233,430
Leasehold improvement and equipment, net	10	47,788	52,223
Right-of-use asset, net	11	192,580	208,804
Goodwill		508,877	508,877
Intangible assets, net	12	52,105	70,501
Deferred tax assets, net	13	354,648	355,131
Deferred commissions expenses		70,513	78,959
Other assets, net		162,377	135,110
Total assets		<u>10,293,049</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 September 2021

		(Unaudited) 30 September 2021	(Audited) 31 December 2020
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Liabilities			
Insurance contract liabilities	14	5,008,204	5,157,764
Amounts due to reinsurers	15	1,243,653	1,249,805
Payable from purchase of securities		29,963	-
Employee benefit obligations		134,399	151,266
Premium written received in advance		268,663	343,710
Commissions and brokerages payables		116,145	99,257
Accrued expenses		465,942	449,171
Lease liabilities		196,129	207,876
Debt issued and borrowings	16	200,000	-
Other liabilities		318,552	276,603
Total liabilities		7,981,650	7,935,452
Equity			
Share capital			
Authorised share capital			
254,880,000 ordinary shares of 10 Baht each		2,548,800	2,548,800
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		(288,750)	(297,006)
Other components of equity			
Surplus on investments measured at fair value through other comprehensive income		35,599	46,073
Total equity		2,311,399	2,313,617
Total liabilities and equity		10,293,049	10,249,069

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 September 2021

		30 September 2021	30 September 2020
	Notes	Thousand Baht	Thousand Baht
Revenues			
Gross premiums written	17	1,344,082	1,281,576
<u>Less</u> premiums ceded	17	(383,764)	(397,850)
Net premiums written		960,318	883,726
<u>Add</u> Unearned premium reserve decreased from previous period	17	18,521	166,179
Net premiums earned		978,839	1,049,905
Fees and commission income	17	69,077	81,153
Net investment income		9,555	15,784
Loss on fair value adjustment		(1,494)	(1,050)
Other income		6,890	21,563
Total revenues		1,062,867	1,167,355
Expenses			
Gross claim paid	17	615,004	1,016,613
<u>Less</u> Claim recovered from reinsurers	17	(132,062)	(369,321)
Net Claim paid		482,942	647,292
Commissions and brokerages expenses	17	217,738	193,385
Other underwriting expenses	17	185,811	144,551
Operating expenses	17, 18	231,258	229,321
Finance cost		1,713	1,209
Expected credit loss	19	37	495
Total expenses		1,119,499	1,216,253
Loss before income tax		(56,632)	(48,898)
Income tax (income) expense		(11,267)	27,544
Net loss		(45,365)	(76,442)

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 September 2021

		30 September 2021	30 September 2020
	Note	Thousand Baht	Thousand Baht
Other comprehensive income (loss)			
<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		(7,836)	1,636
Income tax on items that will be reclassified to profit or loss		1,567	(327)
Total items that will be subsequently reclassified to profit or loss		<u>(6,269)</u>	<u>1,309</u>
Other comprehensive income (loss) for the period, net of tax		<u>(6,269)</u>	<u>1,309</u>
Total comprehensive loss for the period		<u>(51,634)</u>	<u>(75,133)</u>
Loss per share (Baht per share)			
Basic loss per share	20	<u>(0.18)</u>	<u>(0.30)</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 nine-month period ended 30 September 2021

		30 September 2021	30 September 2020
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Revenues			
Gross premiums written	17	4,159,624	4,319,514
<u>Less</u> premiums ceded	17	<u>(1,232,952)</u>	<u>(1,226,148)</u>
Net premiums written		2,926,672	3,093,366
<u>Add</u> Unearned premium reserve decreased from previous period	17	<u>5,033</u>	<u>69,234</u>
Net premiums earned		2,931,705	3,162,600
Fees and commission income	17	242,351	280,756
Net investment income		33,864	43,276
Gain on investment		-	42
Gain (loss) on fair value adjustment		(1,124)	16,011
Other income		29,136	53,149
Total revenues		<u>3,235,932</u>	<u>3,555,834</u>
Expenses			
Gross claim paid	17	1,842,283	2,882,858
<u>Less</u> Claim recovered from reinsurers	17	<u>(351,607)</u>	<u>(953,311)</u>
Net Claim paid		1,490,676	1,929,547
Commissions and brokerages expenses	17	658,171	644,327
Other underwriting expenses	17	534,697	588,279
Operating expenses	17, 18	560,615	611,921
Finance cost		5,241	3,353
Expected credit loss (reversal)	19	<u>(211)</u>	<u>861</u>
Total expenses		<u>3,249,189</u>	<u>3,778,288</u>
Loss before income tax		(13,257)	(222,454)
Income tax (income) expense	13	<u>(1,822)</u>	<u>44,235</u>
Net loss		<u>(11,435)</u>	<u>(266,689)</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 nine-month period ended 30 September 2021

	30 September 2021	30 September 2020
<u>Note</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
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	(4,923)	-
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>		
(Loss) gain on revaluation of investments measured at fair value through other comprehensive income	(13,092)	5,571
Income tax on items that will be reclassified to profit or loss	2,618	(1,114)
Total items that will be subsequently reclassified to profit or loss	<u>(10,474)</u>	<u>4,457</u>
Other comprehensive income for the period, net of tax	<u>9,217</u>	<u>4,457</u>
Total comprehensive loss for the period	<u>(2,218)</u>	<u>(262,232)</u>
Loss per share (Baht per share)		
Basic loss per share	20 <u>(0.04)</u>	<u>(1.05)</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 nine-month period ended 30 September 2021

	Retained earnings (deficits)		Other components of equity		Total equity
	Issued and paid-up share capital	Legal reserve	Unappropriated reserve	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
Comprehensive loss for the period	-	-	(11,435)	-	(11,435)
Loss on revaluation of investments measured at fair value through other comprehensive income, net of tax	-	-	-	(10,474)	(10,474)
Remeasurements of post-employment benefit obligations, net of tax	-	-	19,691	-	19,691
Balance as at 30 September 2021	2,548,800	15,750	(288,750)	35,599	2,311,399
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	2,548,800	15,750	(36,938)	56,862	2,584,474
Comprehensive loss for the period	-	-	(266,689)	-	(266,689)
Gain on revaluation of investments measured at fair value through other comprehensive income, net of tax	-	-	-	4,457	4,457
Balance as at 30 September 2020	2,548,800	15,750	(303,627)	61,319	2,322,242

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 nine-month period ended 30 September 2021

	30 September 2021	30 September 2020
	Note	
	Thousand Baht	Thousand Baht
Cash flows provided by (used in) operating activities		
Direct premium received	3,870,855	4,267,838
Cash paid to reinsurance	(519,406)	(253,866)
Interest income	46,458	28,492
Dividend income	17	16
Other income	29,137	53,149
Losses incurred from direct insurance	(2,057,250)	(2,625,187)
Commissions and brokerages paid from direct insurance	(619,328)	(635,752)
Other underwriting expenses	(534,697)	(591,415)
Operating expenses	(486,850)	(458,566)
Income tax expense	(14,583)	(16,766)
Cash paid from investments in securities	(1,434,345)	(5,777,310)
Cash received from investments in securities	908,712	4,456,924
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	221,900	454,462
Loans	-	14
Net cash flow used in operating activities	(773,911)	(1,334,268)
Cash flows provided by (used in) investing activities		
<u>Cash flows provided by</u>		
Cash received for selling premises and equipment	5,978	3,564
<u>Cash flows used in</u>		
Cash paid for purchasing premises and equipment	(13,770)	(15,113)
Cash paid for purchasing intangible assets	(31,283)	(1,926)
Net cash flow used in investing activities	(39,075)	(13,475)
Cash flows provided by (used in) financing activities		
Cash paid for lease liability	(17,550)	(16,986)
Cash paid for finance cost	(5,241)	(3,646)
Cash received for long term loan	200,000	-
Net cash flow provided by (used in) financing activities	177,209	(20,632)
Net decrease in cash and cash equivalents	(635,777)	(1,368,375)
Cash and cash equivalents at the beginning of period	1,535,960	4,317,580
Cash and cash equivalents at the ending of period	900,183	2,949,205
<u>Less</u> Allowance for expected credit loss	(4)	(849)
Cash and cash equivalents, net at the ending of period	5 900,179	2,948,356
<u>Non-cash transactions</u>		
Payable from purchase of securities	29,963	37,952

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 November 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.

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 September 2021 and 31 December 2020.

	(Unaudited)			
	As at 30 September 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	-	4,202,349	-	4,202,349
- Equity securities	-	-	44,539	44,539
Investments measured at fair value through profit or loss				
- Debt securities	29,496	-	-	29,496
Total financial assets	29,496	4,202,349	44,539	4,276,384
	(Audited)			
	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

4.2 Valuation techniques for financial 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.

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 September 2021 and 31 December 2020 consisted of the following:

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Cash on hand	524	517
Cheque on hand	54,069	12,098
Deposits at bank - at call	485,821	426,886
Short-term investments	359,769	1,097,022
Total	900,183	1,536,523
<u>Less</u> Allowance for expected credit loss	(4)	(563)
Cash and cash equivalents, net	900,179	1,535,960

6 Premium receivable, net

As at 30 September 2021 and 31 December 2020, the balances of premium receivable were aged as follows:

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Within credit terms	376,380	393,625
Overdue:		
Less than 30 days	96,203	63,494
31 - 60 days	73,221	34,837
61 - 90 days	23,830	24,286
91 days - 1 year	77,108	46,385
Over 1 year	17,415	23,804
Total	664,157	586,431
<u>Less</u> Allowance for doubtful accounts	(25,156)	(30,825)
Premium receivable, net	639,001	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 the process with such agents and brokers in accordance with the Company's policy and procedure.

7 Reinsurance assets

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

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Insurance reserve refundable from reinsurers		
Claim reserves	1,307,164	1,414,091
Unearned premium reserve		
Unearned reinsurance premium reserve	708,166	646,646
Total reinsurance assets (Note 14)	2,015,330	2,060,737

8 Amount due from reinsurers

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

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Amount deposit on reinsurance	5,442	-
Due from reinsurers	610,262	439,285
Total	615,704	439,285
<u>Less</u> Allowance for doubtful accounts	<u>(5,777)</u>	<u>-</u>
Total amount due from reinsurers	609,927	439,285

9 Investments in securities, net

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

	(Unaudited) 30 September 2021	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign Company debt securities	23,433	29,496
<u>Add</u> Unrealised gain	6,063	-
Total Investments designated at fair value through profit or loss	29,496	29,496
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	2,559,217	2,563,367
Private debt securities	1,562,561	1,578,897
Foreign Companies debt securities	59,989	60,085
Equity securities	21,417	44,539
Total	4,203,184	4,246,888
<u>Add</u> Unrealised gain	43,704	-
Total investments measured at fair value through other comprehensive income	4,246,888	4,246,888
Investments measured at amortised cost		
Government and state enterprise debt securities	244,858	
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	700	
Total	444,575	
<u>Less</u> Allowance for expected credit loss	(39)	
Total investments measured at amortised cost	444,536	
Total investment in securities, net	4,720,920	

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

	(Audited) 31 December 2020	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign Company debt securities	18,710	24,792
<u>Add</u> Unrealised gain	6,082	-
Total Investments designated at fair value through profit or loss	<u>24,792</u>	<u>24,792</u>
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 Companies debt securities	59,965	60,679
Equity securities	21,417	44,469
Total	<u>3,914,500</u>	<u>3,971,577</u>
<u>Add</u> Unrealised gain	57,077	-
Total investments measured at fair value through other comprehensive income	<u>3,971,577</u>	<u>3,971,577</u>
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	<u>237,086</u>	
<u>Less</u> Allowance for expected credit loss	(25)	
Total investments measured at amortised cost	<u>237,061</u>	
Total investment in securities, net	<u>4,233,430</u>	

9.1 Debt securities measured at fair value through other comprehensive income

	(Unaudited) 30 September 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)	4,202,349	(827)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	4,202,349	(827)

	(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)	-	-
Total	3,927,108	(493)

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

9.2 Debt securities measured at amortised cost

	(Unaudited)		
	30 September 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)	444,575	(39)	444,536
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	444,575	(39)	444,536

	(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)	-	-	-
Total	237,086	(25)	237,061

For the three-month period ended 30 September 2021, the Company has recorded interest income amounting to Baht 13.68 million and no dividend income (30 September 2020: Baht 13.68 million and nil, respectively).

For the nine-month period ended 30 September 2021, the Company has recorded interest income and dividend income amounting to Baht 42.15 million and 0.02 million (30 September 2020: Baht 51.35 million and 0.02 million), respectively.

As at 30 September 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 516.20 million and Baht 628.82 million, respectively (Note 22).

As at 30 September 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 23).

As at 30 September 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 23).

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

10 Leasehold improvement and equipment, net

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

	30 September 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 Furniture, fixtures and office equipment	56,498	429	(3,190)	15,298	69,035	(3,687)	2,106	(39,793)	18,286	29,242						
Vehicles	105,679	6,000	(6,015)	-	105,664	(6,134)	5,304	(88,508)	18,001	17,156						
Leasehold improvement under installation	26,488	-	(19,391)	-	7,097	(1,060)	19,329	(5,707)	2,512	1,390						
	13,424	1,874	-	(15,298)	-	-	-	-	13,424	-						
Total	202,089	8,303	(28,596)	-	181,796	(10,881)	26,739	(134,008)	52,223	47,788						
	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 Furniture, fixtures and office equipment	63,440	12,269	(19,610)	399	56,498	(7,421)	16,371	(38,212)	16,278	18,286						
Vehicles	110,456	6,678	(11,455)	-	105,679	(8,808)	8,318	(87,678)	23,268	18,001						
Leasehold improvement under installation	26,488	-	-	-	26,488	(4,195)	-	(23,976)	6,707	2,512						
	539	13,284	-	(399)	13,424	-	-	-	539	13,424						
Total	200,923	32,231	(31,065)	-	202,089	(20,424)	24,689	(149,866)	46,792	52,223						

The depreciation expense for the three-month and nine-month period ended 30 September 2021 amounting to Baht 3.60 million and Baht 10.88 million, respectively were included in operating expenses (30 September 2020: Baht 4.71 million and Baht 16.03 million, respectively).

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

11 Right-of-use asset, net

Right-of-use asset, net as at 30 September 2021 and 31 December 2020 consisted of the following:

	30 September 2021 (Unaudited)						Ending Right-of-use asset, net Thousand Baht	
	Cost		Accumulated depreciation		Change in contract			
	Beginning balance Thousand Baht	Increase Thousand Baht	Change in contract Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Amortisation Thousand Baht	Ending balance Thousand Baht	Beginning Right-of-use asset, net Thousand Baht
Leasehold improvement	239,225	51	(249)	239,027	(31,936)	(24,958)	(56,894)	207,289
Vehicles	3,333	11,232	-	14,565	(1,818)	(2,300)	(4,118)	1,515
Total	242,558	11,283	(249)	253,592	(33,754)	(27,258)	(61,012)	208,804

	31 December 2020 (Audited)						Ending Right-of-use asset, net Thousand Baht	
	Cost		Accumulated depreciation		Change in contract			
	Beginning balance Thousand Baht	Increase Thousand Baht	Change in contract Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Amortisation Thousand Baht	Ending balance Thousand Baht	Beginning Right-of-use asset, net Thousand Baht
Leasehold improvement	130,298	33,734	75,193	239,225	(2,809)	(30,430)	(31,936)	127,489
Vehicles	3,333	-	-	3,333	-	(1,818)	(1,818)	3,333
Total	133,631	33,734	75,193	242,558	(2,809)	(32,248)	(33,754)	130,822

For the three-month and nine-month period ended 30 September 2021, there was no lease payment resulting from lease contracts not capitalised which comprised of short-term contracts (30 September 2020: nil and Baht 0.15 million, respectively).

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

12 Intangible assets, net

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

	30 September 2021 (Unaudited)													
	Beginning balance		Increase		Disposal/write-off		Ending balance		Accumulated amortisation		Beginning intangible assets, net		Ending intangible assets, 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
Computer software	258,036	5,019	-	263,055	-	(37,402)	263,055	(206,517)	(12,276)	(218,793)	51,519	44,262		
Computer software in progress	18,982	26,263	(37,402)	7,843	-	-	7,843	-	-	-	18,982	7,843		
Bancassurance agreement	100,000	-	-	100,000	-	-	100,000	(100,000)	-	(100,000)	-	-		
Total	377,018	31,282	(37,402)	370,898	(37,402)	(37,402)	370,898	(306,517)	(12,276)	(318,793)	70,501	52,105		

	31 December 2020 (Audited)													
	Beginning balance		Increase		Transfer in/(transfer out)		Ending balance		Accumulated amortisation		Beginning intangible assets, net		Ending intangible assets, 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
Computer software	233,069	2,905	22,062	258,036	(188,982)	(17,535)	258,036	(188,982)	(17,535)	(206,517)	44,087	51,519		
Computer software in progress	30,588	10,456	(22,062)	18,982	-	(22,062)	18,982	-	-	-	30,588	18,982		
Bancassurance agreement	100,000	-	-	100,000	(91,568)	(8,432)	100,000	(91,568)	(8,432)	(100,000)	8,432	-		
Total	363,657	13,361	-	377,018	(280,550)	(25,967)	377,018	(280,550)	(25,967)	(306,517)	83,107	70,501		

For the three-month periods ended 30 September 2021 and 2020, the amortisation expenses amounting to Baht 3.98 million and Baht 4.37 million, respectively, were included in operating expenses and amounting to Baht 0 and Baht 2.50 million, respectively, were included in other underwriting expenses.

For the nine-month period ended 30 September 2021 and 2020, the amortisation expenses amounting to Baht 12.28 million and Baht 13.33 million, respectively, were included in operating expenses and amounting to Baht 0 and Baht 7.57 million, respectively, were included in other underwriting expenses.

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

13 Deferred tax assets, net

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

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Deferred tax assets, net	354,648	355,131

Movements of deferred tax assets for the nine-month period ended 30 September 2021 consisted of tax effects from the following items:

	As at 1 January 2021 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction Recognized in other Comprehensive income or loss Thousand Baht	As at 30 September 2021 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	6,165	(1,134)	-	5,031
Allowance for doubtful accounts				
- Other receivable	908	(66)	-	842
Allowance for doubtful accounts				
- Reinsurance	-	1,155	-	1,155
Unearned premium reserve	50,042	12,329	-	62,371
Claim reserve, net	141,779	(31,320)	-	110,459
Claim incurred but not reported	35,588	7,487	-	43,075
Employee benefit obligations	19,097	1,735	(4,923)	15,909
Accrued expense	24,305	-	-	24,305
Expected credit loss allowance	118	(42)	(67)	9
Accumulated tax losses	87,436	11,674	-	99,110
Others	1,934	-	-	1,934
	367,372	1,818	(4,990)	364,200
Deferred tax liabilities				
Unrealised gain on the change in fair value of investments through other comprehensive income	(11,420)	-	2,685	(8,735)
Unrealised gain on the change in fair value adjustment	(821)	4	-	(817)
	(12,241)	4	2,685	(9,552)
Deferred tax assets, net	355,131	1,822	(2,305)	354,648

14 Insurance contract liabilities

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

	(Unaudited)		
	As at 30 September 2021		
	Insurance contract liabilities	Insurance liabilities recovered from reinsurers	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Claim reserves			
Claim incurred and reported	1,927,575	(1,219,381)	708,194
Claim incurred but not reported	303,159	(87,783)	215,376
	2,230,734	(1,307,164)	923,570
Premium reserve			
Unearned premium reserve	2,777,470	(708,166)	2,069,304
Total	5,008,204	(2,015,330)	2,992,874
	(Audited)		
	As at 31 December 2020		
	Insurance contract liabilities	Insurance liabilities recovered from reinsurers	Net
	Thousand Baht	Thousand Baht	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
	2,436,781	(1,414,091)	1,022,690
Premium reserve			
Unearned premium reserve	2,720,983	(646,646)	2,074,337
Total	5,157,764	(2,060,737)	3,097,027

14.1 Insurance reserve for short-term insurance contract

14.1.1 Claim reserves

	(Unaudited)		
	30 September 2021		
	Gross	Reinsurance	Net
	Thousand Baht	Thousand Baht	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	1,616,733	(336,761)	1,279,972
Change in claim reserves and assumptions used in claim reserve calculation	337,415	(102,604)	234,811
Claim paid during the period	(2,160,195)	546,292	(1,613,903)
Balance as at period ended	2,230,734	(1,307,164)	923,570

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

	(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	2,436,781	(1,414,091)	1,022,690

14.1.2 Unearned premium reserve

	(Unaudited)		
	30 September 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	4,159,624	(1,232,952)	2,926,672
Earned premium for the period	(4,103,137)	1,171,432	(2,931,705)
As at 30 September	2,777,470	(708,166)	2,069,304

	(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	2,720,983	(646,646)	2,074,337

14.1.3 Unexpired risk reserve

As at 30 September 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 1,353.19 million and Baht 1,355.52 million, respectively and net of reinsurance amounting to Baht 1,266.20 million and Baht 1,292.36 million, respectively is lower than the unearned premium reserve.

15 Amount due to reinsurers

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Amounts withheld on reinsurance	706,819	748,482
Reinsurance payables	536,834	501,323
Total amount due to reinsurers	1,243,653	1,249,805

16 Debt issued and borrowings

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Debt instrument		
- Subordinated bond (Note 21)	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.

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

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

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

	(Unaudited)				
	For the three-month period ended 30 September 2021				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	173,390	88,209	539,878	542,605	1,344,082
Less Premium ceded	(42,467)	(29,455)	(10,085)	(301,757)	(383,764)
Net premiums written	130,923	58,754	529,793	240,848	960,318
Add(Less) Unearned premium reserve (increase) decrease from previous period	(15,470)	(4,652)	77,391	(38,748)	18,521
Net premium ceded	115,453	54,102	607,184	202,100	978,839
Fee and commission income	3,698	5,925	(1)	59,455	69,077
Total underwriting income	119,151	60,027	607,183	261,555	1,047,916
Underwriting expense					
Gross claim paid	81,179	69,135	347,755	116,935	615,004
(Less)Add Claim recovered from reinsurers	(12,539)	(42,875)	6,947	(83,595)	(132,062)
Commissions and brokerages expenses	38,195	11,600	90,442	77,501	217,738
Other underwriting expenses	31,461	13,126	96,066	45,158	185,811
Total underwriting expense	138,296	50,986	541,210	155,999	886,491
Profit (loss) on underwriting before operating expenses	(19,145)	9,041	65,973	105,566	161,425
Operating expenses					231,258
Gain on underwriting					(69,833)
	(Unaudited)				
	For the three-month period ended 30 September 2020				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	159,573	64,385	580,470	477,148	1,281,576
Less Premium ceded	(15,518)	(48,030)	(171)	(334,131)	(397,850)
Net premiums written	144,055	16,355	580,299	143,017	883,726
Add(Less) Unearned premium reserve (increase) decrease from previous period	2,235	(1,936)	124,810	41,070	166,179
Net premium ceded	146,290	14,419	705,109	184,087	1,049,905
Fee and commission income	3,616	13,785	(23)	63,775	81,153
Total underwriting income	149,906	28,204	705,086	247,862	1,131,058
Underwriting expense					
Gross claim paid	83,120	16,025	519,656	397,812	1,016,613
(Less)Add Claim recovered from reinsurers	(27,870)	(4,692)	(46,684)	(290,075)	(369,321)
Commissions and brokerages expenses	34,320	7,954	89,729	61,382	193,385
Other underwriting expenses	22,357	6,457	55,266	60,471	144,551
Total underwriting expense	111,927	25,744	617,967	229,590	985,228
Profit (loss) on underwriting before operating expenses	37,979	2,460	87,119	18,272	145,830
Operating expenses					229,321
Loss on underwriting					(83,491)

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

	(Unaudited)				
	For the nine-month period ended 30 September 2021				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	483,165	285,623	1,772,349	1,618,487	4,159,624
<u>Less</u> Premium ceded	(126,278)	(122,502)	(30,051)	(954,121)	(1,232,952)
Net premiums written	356,887	163,121	1,742,298	664,366	2,926,672
<u>Add</u> (<u>Less</u>) Unearned premium reserve (increase) decrease from previous period	(11,318)	(51,447)	142,074	(74,276)	5,033
Net premium ceded	345,569	111,674	1,884,372	590,090	2,931,705
Fee and commission income	321	38,942	(78)	203,166	242,351
Total underwriting income	345,890	150,616	1,884,294	793,256	3,174,056
Underwriting expense					
Gross claim paid	133,320	137,036	948,573	623,354	1,842,283
<u>(Less)Add</u> Claim recovered from reinsurers	(22,682)	(91,791)	18,310	(255,444)	(351,607)
Commissions and brokerages expenses	105,308	35,227	294,320	223,316	658,171
Other underwriting expenses	83,230	32,978	292,792	125,697	534,697
Total underwriting expense	299,176	113,450	1,553,995	716,923	2,683,544
Profit (loss) on underwriting before operating expenses	46,714	37,166	330,299	76,333	490,512
Operating expenses					560,615
Loss on underwriting					(70,103)

	(Unaudited)				
	For the nine-month period ended 30 September 2020				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	485,651	223,577	2,053,899	1,556,387	4,319,514
<u>Less</u> Premium ceded	(45,941)	(155,684)	(13,369)	(1,011,154)	(1,226,148)
Net premiums written	439,710	67,893	2,040,530	545,233	3,093,366
<u>Add</u> (<u>Less</u>) Unearned premium reserve (increase) decrease from previous period	(12,932)	(20,336)	85,863	16,639	69,234
Net premium ceded	426,778	47,557	2,126,393	561,872	3,162,600
Fee and commission income	11,905	50,352	4,431	214,068	280,756
Total underwriting income	438,683	97,909	2,130,824	775,940	3,443,356
Underwriting expense					
Gross claim paid	113,237	25,519	1,559,537	1,184,565	2,882,858
<u>(Less)Add</u> Claim recovered from reinsurers	(35,764)	(4,658)	(185,130)	(727,759)	(953,311)
Commissions and brokerages expenses	105,874	25,473	296,296	216,684	644,327
Other underwriting expenses	72,127	19,661	294,955	201,536	588,279
Total underwriting expense	255,474	65,995	1,965,658	875,026	3,162,153
Profit (loss) on underwriting before operating expenses	183,209	31,914	165,166	(99,086)	281,203
Operating expenses					611,921
Loss on underwriting					(330,718)

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

18 Operating expenses

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

	(Unaudited) For the three-month periods ended		(Unaudited) For the nine-month periods ended	
	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht
Employee expenses not relating to underwriting or claim administrative expense	73,501	55,651	208,787	200,359
Premise and equipment expense not relating to underwriting expense	85,427	32,934	204,681	101,810
Stamp and tax duty	14	71	721	917
Bad debt and doubtful debt (reversal)	(1,102)	1,230	7,268	(109)
Director's remuneration	(5,731)	974	(3,781)	3,647
Management fee	26,785	56,742	72,197	135,134
Advertising and sales promotion expenses (reversal)	1,921	(3,254)	2,260	(2,019)
Professional fee	2,870	35,269	5,022	89,583
Other operating expenses	47,573	49,704	63,460	82,599
Total operating expenses	231,258	229,321	560,615	611,921

19 Expected credit loss

	(Unaudited) For the three-month period ended	
	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht
Cash and cash equivalent (reversal)	1	(238)
Investment in securities (reversal)		
Investments measured at fair value through other comprehensive income	8	709
Investments measured at amortised cost	28	24
Total expected credit loss (reversal)	37	495

	(Unaudited) For the nine-month period ended	
	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht
Cash and cash equivalent (reversal)	(559)	(43)
Investment in securities (reversal)		
Investments measured at fair value through other comprehensive income	334	893
Investments measured at amortised cost	14	11
Total expected credit loss (reversal)	(211)	861

20 Basic earnings (loss) per share

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

	(Unaudited) For the three-month periods ended		(Unaudited) For the nine-month periods ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Net profit (loss) (Thousand Baht)	(45,365)	(76,442)	(11,435)	(266,689)
Number of weighted averages share capital (Thousand shares)	254,880	254,880	254,880	254,880
Basic earnings (loss) per shares (Baht per share)	(0.18)	(0.30)	(0.04)	(1.05)

21 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:

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

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

	(Unaudited) 30 September 2021 Thousand Baht	(Audited) 31 December 2020 Thousand Baht
Receivables		
Related company of ultimate parent		
Amounts due from reinsurers	284,072	207,230
Investments in securities, net	29,496	24,792
Other assets	22,767	7,773
Immediate parent company		
Other assets	300	-
Related company of immediate parent		
Deposits at financial institutions	195,489	250,461
Premium receivable	54,817	5,907
Other assets	5,170	6,029
Payables		
Related company of ultimate parent		
Amounts withheld on reinsurance	416,599	464,795
Due to reinsurers	259,866	227,042
Other liabilities	61,098	48,652
Immediate parent company		
Debt issued and borrowings	200,000	-
Other liabilities	2,156	-
Related company of immediate parent		
Commission and brokerage payable	14,013	12,927
Accrued other - underwriting expenses	42,807	37,218
Lease liabilities	151,858	168,225
Other liabilities	7,126	6,859

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

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

	(Unaudited)	
	For the three-month period ended	
	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht
Revenues		
Related company of ultimate parent		
Claim recovered from reinsurers	27,755	118,886
Fee and commission income	28,764	30,608
Other income	6,554	20,014
Immediate parent company		
Other income	348	1,275
Related company of immediate parent		
Premium written	73,938	68,381
Expenses		
Related company of ultimate parent		
Premiums ceded to reinsurers	120,803	124,842
Commission and brokerage expenses	6,372	(293)
Operating expenses	63,812	82,007
Related company of immediate parent		
Commission and brokerage expenses	44,821	44,382
Underwriting expenses	25,356	49,172
Operating expenses	5,170	731

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

	(Unaudited)	
	For the nine-month period ended	
	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht
Revenues		
Related company of ultimate parent		
Claim recovered from reinsurers	150,360	251,747
Fee and commission income	76,886	89,126
Premium written	-	193
Other income	27,003	31,065
Immediate parent company		
Other income	1,044	3,825
Related company of immediate parent		
Premium written	96,734	94,342
Expenses		
Related company of ultimate parent		
Premiums ceded to reinsurers	436,370	386,299
Commission and brokerage expenses	8,266	997
Operating expenses	150,201	168,334
Related company of immediate parent		
Commission and brokerage expenses	137,266	135,572
Underwriting expenses	77,621	105,476
Operating expenses	15,852	8,786

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

	(Unaudited) For the three-month periods ended		(Unaudited) For the nine-month periods ended	
	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht	30 September 2021 Thousand Baht	30 September 2020 Thousand Baht
Directors and key management personnel's remuneration				
Short-term benefits	25,872	32,828	86,066	99,731
Post-employment benefits	1,608	1,843	4,849	5,590
Directors' remuneration	518	340	1,553	340
Total	27,998	35,011	92,468	105,661

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.

22 Securities and assets pledged with the Registrar

As at 30 September 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 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Government and state enterprise securities	501,710	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 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Deposits at banks	14,486	14,000
Government and state enterprise securities	-	14,000

23 Restricted assets and commitment

As at 30 September 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 September 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.

24 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 September 2021 and 31 December 2020 amounting to Baht 114.28 million and Baht 97.75 million, respectively.

25 Contingent liabilities

As at 30 September 2021 and 31 December 2020, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totalling Baht 312.34 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.

26 Event after the statement of financial position date

During 16 September - 6 October 2021, the Company had arranged Employee Stock Purchase Plan (ESPP) to offer the Allianz SE shares to entitled Company staff. The ESPP 2021 was offered to entitled Allianz employees all across the world, in 42 countries. The offer provides additional €1 on top for every €3 that had been invested by the employees. The shares have a three-year restriction period for not transferring or selling. The ultimate parent company approved the share allocation under this ESPP on 2 November 2021 with the total Company's contribution amounting to Baht 2.58 million.