

**ALLIANZ AYUDHYA GENERAL INSURANCE PUBLIC
COMPANY LIMITED**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

31 MARCH 2023



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 31 March 2023, and the related statements of comprehensive income, changes in equity, and cash flows for the period from 1 March 2023 (Amalgamation date) to 31 March 2023, 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.

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 blue ink, appearing to read 'Sakuna Y', with a stylized flourish below it.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
15 May 2023

Allianz Ayudhya General Insurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2023

	Notes	(Unaudited) 31 March 2023 Thousand Baht
Liabilities and equity		
Liabilities		
Insurance contract liabilities	16	8,361,149
Amounts due to reinsurers	17	1,265,853
Payable from purchase of securities		21,283
Corporate income tax payable		120,121
Employee benefit obligations		154,649
Premium written received in advance		235,448
Commissions and brokerages payables		151,397
Accrued expenses		401,215
Lease liabilities		171,739
Debt issued and borrowings	18	200,000
Other liabilities		537,988
Total liabilities		11,620,842
Equity		
Share capital		
Authorised share capital		
256,880,000 ordinary shares of 10 Baht each		2,568,800
Issued and paid-up share capital		
256,880,000 ordinary shares of 10 Baht each		2,568,800
Share premium	19	713,893
Change from business combination under common control	20	421,950
Retained earnings		
Appropriated		
Legal reserve		18,061
Unappropriated		981,258
Other components of equity		
Surplus on investments measured at fair value through other comprehensive income		36,976
Total equity		4,740,938
Total liabilities and equity		16,361,780

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 period from 1 March 2023 (Amalgamation date) to 31 March 2023

		31 March 2023
	Notes	Thousand Baht
Revenues		
Gross premiums written	21	968,508
<u>Less</u> Premiums ceded	21	(187,584)
Net premiums written		780,924
<u>Less</u> Unearned premium reserve increased from previous period	21	(82,647)
Net premiums earned		698,277
Fees and commission income	21	45,836
Net investment income		7,750
Service income		3,134
Gain on fair value adjustment		546
Other income		1,298
Total revenues		756,841
Expenses		
Gross claim paid	21	498,169
<u>Less</u> Claim recovered from reinsurers	21	(98,345)
Net Claim paid		399,824
Commissions and brokerages expenses	21	119,710
Other underwriting expenses	21	120,723
Operating expenses	21, 22	91,856
Finance cost		1,511
Expected credit loss (reversal)	23	(348)
Total expenses		733,276
Profit before income tax		23,565
Income tax expense		(5,269)
Net profit		18,296

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 period from 1 March 2023 (Amalgamation date) to 31 March 2023

	31 March 2023
Note	Thousand Baht
Other comprehensive income (loss)	
<u>Items that will be subsequently reclassified to profit or loss</u>	
Gain on revaluation of investments measured at fair value through other comprehensive income	9,810
Income tax on items that will be reclassified to profit or loss	(1,962)
Total Items that will be subsequently reclassified to profit or loss	7,848
Other comprehensive income for the period, net of income tax	7,848
Total comprehensive income for the period	26,144
Earning per share (Baht per share)	
Basic earning per share	24 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 Changes in Equity (Unaudited)
For the period from 1 March 2023 (Amalgamation date) to 31 March 2023

	Issued and paid-up share capital Thousand Baht	Share premium Thousand Baht	Change from business combination under common control Thousand Baht	Retained earnings (deficits)		Other components of equity		Total equity Thousand Baht
				Legal reserve Thousand Baht	Unappropriated Thousand Baht	Surplus on Investments measured at fair value through other comprehensive income Thousand Baht		
Balance as at 1 March 2023 (Amalgamation date)	2,568,800	713,893	421,950	18,061	962,962	29,128	4,714,794	
Net profit for the period	-	-	-	-	18,296	-	18,296	
Gain on revaluation of investments measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	7,848	7,848	
Balance as at 31 March 2023	2,568,800	713,893	421,950	18,061	981,258	36,976	4,740,938	

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 period from 1 March 2023 (Amalgamation date) to 31 March 2023

	31 March 2023
Note	Thousand Baht
Cash flows provided by (used in) operating activities	
Direct premium received	811,185
Cash received from reinsurance	6,428
Interest income	6,073
Other income	4,980
Claim incurred from direct insurance	(407,818)
Commissions and brokerages paid from direct insurance	(102,849)
Other underwriting expenses	(116,096)
Operating expenses	(58,842)
Income tax expense	(2,539)
Cash paid for investments in securities	(815,995)
Cash received from investments in securities	1,727,000
Cash received from deposits at bank with maturity over 3 months and deposits used as collateral	20,000
Net cash flow provided by operating activities	1,071,527
Cash flows provided by (used in) investing activities	
<u>Cash flows provided by</u>	
Cash received from selling premises and equipment	1
<u>Cash flows used in</u>	
Cash paid for purchasing premises and equipment	(2,839)
Cash paid for purchasing intangible assets	(3,899)
Net cash flow used in investing activities	(6,737)
Cash flows provided by (used in) financing activities	
Cash paid for lease liability	(3,860)
Cash paid for finance cost	(1,511)
Net cash flow used in financing activities	(5,371)
Net increase in cash and cash equivalents	1,059,419
Cash and cash equivalents at the beginning of period	2,258,672
Cash and cash equivalents at the ending of period	3,318,091
<u>Less</u> Allowance for expected credit loss	(30)
Cash and cash equivalents, net at the ending of period	3,318,061
Non-cash transactions	
Payable from purchase of securities	21,283

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 company incorporated from the amalgamation, pursuant to the Public Limited Company, and its amendments, between Allianz Ayudhya General Insurance Public Company Limited and Aetna Health Insurance (Thailand) Public Company Limited. The Company received a letter of approval for the registration of the amalgamation from the Office of Insurance Commission and the Company has registered on 1 March 2023 (Amalgamation date) with the Department of Business Development, Ministry of Commerce as a juristic person under the law on public limited companies.

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. The direct and indirect shareholding percentage of the Company are 66.10% and 99.95%, respectively.

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 15 May 2023.

The interim financial information has been reviewed, not audited.

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 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 B.E. 2566" dated on 8 February 2023 ('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 financial statements for the period ended 28 February 2023 before the amalgamation. All assets and liabilities of the Allianz Ayudhya General Insurance Public Company Limited and Aetna Health Insurance (Thailand) Public Company Limited have been transferred to record as the initial balance of the new Allianz Ayudhya General Insurance Public Company Limited.

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 financial statements for the period ended 28 February 2023 before the amalgamation.

Business Combination

The Company applied the accounting guidelines issued by the Federation of Accounting Professions for business combination under common controls for the preparation of the interim financial information for the period ended 31 March 2023.

The Company recognised transactions from the business combination under common control from the predecessor carrying value of assets and liabilities in the Group's consolidated financial statements before the business combination under control.

The Company has to recognise the carrying value of goodwill which arise from previous business combination of the parent company. The Company has to assess an impairment of goodwill annually according to the Thai Accounting Standard (TAS) no. 36, Impairment of Assets.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred, and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

As of the acquisition date, the difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Change from business combination under common control" in equity.

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit the Company from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the Company is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the Company must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- d) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have material impact on the Company.

4 Accounting estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes, 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 period ended 28 February 2023 before the amalgamation.

5 Fair value

5.1 Fair value estimation

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

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

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

The following table presents the Company's financial assets that are measured and recognised at fair value on the interim financial information as at 31 March 2023.

	(Unaudited)			
	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Financial assets				
Investment in securities				
Investments measured at fair value through other comprehensive income				
- Debt securities	-	4,734,686	-	4,734,686
- Equity securities	-	-	86,666	86,666
Investments measured at fair value through profit or loss				
- Debt securities	30,612	-	-	30,612
Total financial assets	30,612	4,734,686	86,666	4,851,964

5.2 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.

6 Cash and cash equivalents, net

Cash and cash equivalents, net as at 31 March 2023 consisted of the following:

	(Unaudited) 31 March 2023 Thousand Baht
Cash on hand	4,525
Cheque on hand	57,720
Deposits at bank - at call	2,086,246
Short-term investments	1,169,600
Total	3,318,091
Less Allowance for expected credit loss	(30)
Cash and cash equivalents, net	3,318,061

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the period from 1 March 2023 (Amalgamation date) to 31 March 2023

7 Premium receivables, net

The balances as at 31 March 2023 of premium receivables are classified by aging as follows:

	(Unaudited) 31 March 2023 Thousand Baht
Within credit terms	1,249,363
Overdue:	
Less than 30 days	118,905
31 - 60 days	57,643
61 - 90 days	1,683
Over 90 days	48,062
Total	1,475,656
Less Allowance for doubtful accounts	(25,557)
Premium receivables, net	1,450,099

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

8 Reinsurance assets

Reinsurance assets as at 31 March 2023 consisted of the following:

	(Unaudited) 31 March 2023 Thousand Baht
Insurance reserve refundable from reinsurers	
Loss reserves	1,098,679
Premium reserve	
Unearned premium reserve	1,127,875
Total reinsurance assets (Note 16)	2,226,554

9 Amount due from reinsurers

Amount due from reinsurers as at 31 March 2023 consisted of the following:

	(Unaudited) 31 March 2023 Thousand Baht
Deposits on reinsurance	3
Due from reinsurers	444,820
Amount due from reinsurance	444,823

10 Investments in securities, net

The details of investments in securities as at 31 March 2023 are as follows:

	(Unaudited) 31 March 2023	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	18,041	30,612
<u>Add</u> Unrealised gain	12,571	-
Total Investments designated at fair value through profit or loss	30,612	30,612
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	2,908,620	2,899,572
Private debt securities	1,845,490	1,835,114
Equity securities	21,417	86,666
Total	4,775,527	4,821,352
<u>Add</u> Unrealised gain	45,825	-
Total investments measured at fair value through other comprehensive income	4,821,352	4,821,352
Investments measured at amortised cost		
Government and state enterprise debt securities	767,780	
Deposits at financial institutions with original maturities more than 3 months	169,531	
Deposits at banks used as collateral	3,500	
Total	940,811	
<u>Less</u> Allowance for expected credit loss	(6)	
Total investments measured at amortised cost	940,805	
Total investments in securities, net	5,792,769	

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the period from 1 March 2023 (Amalgamation date) to 31 March 2023

10.1 Debt securities measured at fair value through other comprehensive income

	(Unaudited) 31 March 2023	
	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)	4,734,686	(392)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	4,734,686	(392)

10.2 Debt securities measured at amortised cost

	(Unaudited) 31 March 2023		
	Initial book value Thousand Baht	Expected credit loss Thousand Baht	Book value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	940,811	(6)	940,805
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	940,811	(6)	940,805

As at 31 March 2023, certain government and state enterprise securities of the Company are pledged and used for assets reserved with the Registrar amounting to Baht 920.72 million (Note 26).

As at 31 March 2023, certain government and state enterprise securities of the Company and deposit at banks more than 3 months have been deposited as a security with the Registrar in accordance with the Insurance Act (No. 2) B.E. 2551 amounting to Baht 19.29 million (Note 26).

For the period from 1 March 2023 to 31 March 2023, the Company has recorded interest income Baht 8.55 million and no dividend income.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the period from 1 March 2023 (Amalgamation date) to 31 March 2023

11 Leasehold improvement and equipment, net

Leasehold improvement and equipment, net as at 31 March 2023 consisted of the following:

	31 March 2023 (Unaudited)										
	Cost				Accumulated depreciation					Beginning Leasehold improvement and equipment, net Thousand Baht	Ending leasehold improvement and equipment, net Thousand Baht
	Beginning balance Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in / (transfer out) Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	Ending balance Thousand Baht		
Leasehold improvement	149,766	-	(39)	1,292	151,019	(105,556)	(1,063)	39	(106,580)	44,210	44,439
Furniture, fixtures and office equipment	180,745	160	-	-	180,905	(164,975)	(676)	-	(165,651)	15,770	15,254
Vehicles	7,097	-	-	-	7,097	(6,885)	(50)	-	(6,935)	212	162
Leasehold improvement under installation	4,232	2,678	-	(1,292)	5,618	-	-	-	-	4,232	5,618
Total	341,840	2,838	(39)	-	344,639	(277,416)	(1,789)	39	(279,166)	64,424	65,473

The depreciation expense for the period from 1 March 2023 to 31 March 2023 amounting to Baht 1.59 million were included in operating expenses and amounting to Baht 0.20 million were included in other underwriting expenses.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the period from 1 March 2023 (Amalgamation date) to 31 March 2023

12 Right-of-use asset, net

Right-of-use asset, net as at 31 March 2023 consisted of the following:

	31 March 2023 (Unaudited)							Beginning Right-of-use asset, net Thousand Baht	Ending Right-of-use asset, net Thousand Baht
	Beginning balance Thousand Baht	Cost Change in contract Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Accumulated amortisation Amortisation Thousand Baht	Change in contract Thousand Baht	Ending balance Thousand Baht		
Leasehold improvement	245,358	(534)	244,824	(94,020)	(3,946)	(41)	(98,007)	151,338	146,817
Vehicles	18,319	-	18,319	(6,008)	(305)	-	(6,313)	12,311	12,006
Total	263,677	(534)	263,143	(100,028)	(4,251)	(41)	(104,320)	163,649	158,823

For the period from 1 March 2023 to 31 March 2023, there is the lease payments resulting from lease contracts amounting to Baht 0.19 million.

The amortisation expense for the period from 1 March 2023 to 31 March 2023 amounting to Baht 3.71 million were included in operating expenses and amounting to Baht 0.58 million were included in other underwriting expenses.

13 Goodwill

As at 31 March 2023, the Company has goodwill amounting to Baht 1,644.72 million which occurred from the purchased and accepted the entire business of Allianz Insurance Public Company Limited on 30 April 2019 amounting to Baht 508.88 million and the amalgamation with Aetna Health Insurance (Thailand) Public Company Limited on 1 March 2023 amounting to 1,135.84 million. (Note 13.1)

13.1 Business combination

On 6 May 2022, Allianz Ayudhya Capital Public Company Limited, the parent company, acquired 99.86% ownership of the Aetna Thailand group companies for a consideration of Baht 3,127.40 million. Allianz Ayudhya Capital Public Company Limited considered the value of the identified assets acquired and liabilities assumed from the acquisition and recognised the difference between purchase price considerations and value of net assets under interest acquired as 'Goodwill' amounting to Baht 1,258.72 million in the Group's consolidated financial statements.

On 1 March 2023, the Company amalgamated with Aetna Health Insurance (Thailand) Public Company Limited and recognised the book value of goodwill resulting from the previous business combination based on the accounting guidelines issued by the Federation of Accounting Professions for business combination under common controls amounting to Baht 1,135.84 million which was allocated from the net assets acquired of the Aetna Thailand group companies.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the period from 1 March 2023 (Amalgamation date) to 31 March 2023

14 Intangible assets, net

Intangible assets, net as at 31 March 2023 consisted of the following:

	31 March 2023 (Unaudited)								
	Cost			Accumulated amortisation			Beginning balance Intangible assets, net Thousand Baht	Ending balance Intangible assets, net Thousand Baht	
	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
Computer software	522,198	1,199	2,446	525,843	(381,629)	(3,001)	(384,630)	140,569	141,213
Computer software in progress	29,739	2,699	(2,446)	29,992	-	-	-	29,739	29,992
Total	551,937	3,898	-	555,835	(381,629)	(3,001)	(384,630)	170,308	171,205

The amortisation expense for the period from 1 March 2023 to 31 March 2023 amounting to Baht 2.76 million were included in operating expenses and amounting to Baht 0.24 million were included in other underwriting expenses.

Allianz Ayudhya General Insurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the period from 1 March 2023 (Amalgamation date) to 31 March 2023

15 Deferred tax assets, net

Deferred tax assets, net as at 31 March 2023 were as follows:

	(Unaudited) 31 March 2023 Thousand Baht
Deferred tax assets	597,478
Deferred tax liabilities	(10,729)
Deferred tax assets, net	586,749

Movements of deferred tax assets for period from 1 March 2023 to 31 March 2023 consisted of tax effects from the following items:

	As at 1 March 2023 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognised in other comprehensive income or loss Thousand Baht	As at 31 March 2023 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	5,363	(252)	-	5,111
Allowance for doubtful accounts				
- Other receivable	1,993	(101)	-	1,892
Allowance for doubtful accounts				
- Reinsurance	720	59	-	779
Unearned premium reserve	251,939	2,307	-	254,246
Claim reserve, net	207,428	2,009	-	209,437
Claim incurred but not reported	76,117	(8,909)	-	67,208
Employee benefit obligations	19,843	(17)	-	19,826
Stock base payment	1,951	-	-	1,951
Accrued expense	34,014	(3,316)	-	30,698
Expected credit loss allowance	79	(70)	(3)	6
Accumulated tax losses	-	3,400	-	3,400
Right-of-use asset	2,682	(1)	-	2,681
Others	294	(51)	-	243
	602,423	(4,942)	(3)	597,478
Deferred tax liabilities				
Unrealised gain on the change in fair value of investments through other comprehensive income	(7,207)	-	(1,959)	(9,166)
Unrealised gain on the change in fair value adjustment	(1,563)	-	-	(1,563)
Interest income from not maturity debt securities	(239)	239	-	-
	(9,009)	239	(1,959)	(10,729)
Deferred tax assets, net	593,414	(4,703)	(1,962)	586,749

16 Insurance contract liabilities

Insurance contract liabilities as at 31 March 2023 consisted of the following:

	(Unaudited) As at 31 March 2023		
	Insurance contract liabilities Thousand Baht	Insurance liabilities recovered from reinsurers Thousand Baht	Net Thousand Baht
Claim reserves			
Claim incurred and reported	2,305,191	(1,002,834)	1,302,357
Claim incurred but not reported	431,885	(95,845)	336,040
	2,737,076	(1,098,679)	1,638,397
Premium reserve			
Unearned premium reserve	5,624,073	(1,127,875)	4,496,198
Total	8,361,149	(2,226,554)	6,134,595

16.1 Insurance reserve for short-term insurance contract

16.1.1 Claim reserves

	(Unaudited) 31 March 2023		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning period	2,659,748	(1,031,348)	1,628,400
Claim and loss adjustment expenses incurred during the period	444,818	(36,840)	407,978
Change in claim reserves and assumptions used in claim reserve calculation	40,789	(62,354)	(21,565)
Claim paid during the period	(408,279)	31,863	(376,416)
Balance as at period ended	2,737,076	(1,098,679)	1,638,397

16.1.2 Unearned premium reserve

	(Unaudited) 31 March 2023		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
As at 1 March	5,504,325	(1,090,774)	4,413,551
Premium written for the period	968,508	(187,584)	780,924
Earned premium for the period	(848,760)	150,483	(698,277)
As at 31 March	5,624,073	(1,127,875)	4,496,198

16.1.3 Unexpired risk reserve

As at 31 March 2023, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Company amounting to Baht 3,441.08 million and net of reinsurance amounting to Baht 3,121.29 million is lower than the unearned premium reserve.

17 Amount due to reinsurers	
	(Unaudited) 31 March 2023 Thousand Baht
Amounts withheld on reinsurance	322,423
Reinsurance payables	943,430
Total amount due to reinsurers	1,265,853

18 Debt issued and borrowings	
	(Unaudited) 31 March 2023 Thousand Baht
Debt instrument	
Subordinated bond (Note 25)	200,000
Total debt issued and borrowings	200,000

The Company has the subordinated bond amounting to Baht 200 million with the fixed interest rate 6.1 per annum for the 10 years which parent company totally hold the subordinated bond.

19 Share premium

On 1 March 2023, the Company amalgamated with Aetna Health Insurance (Thailand) Public Company Limited by the reallocation of share method. The Company's shares were exchanged with the shareholders of Aetna Health Insurance (Thailand) Public Company Limited.

After the business combination under common control, the Company has a registered capital and paid-up capital of Baht 2,568,800,000, divided into 256,880,000 ordinary shares with a par value of 10 baht each. The Company also recorded share premium amounting to Baht 713.89 million which resulted from the reallocation of share between the Company and Aetna Health Insurance (Thailand) Public Company Limited by allocated the Company's value after the amalgamation referral to the value of the Company and Aetna Health Insurance (Thailand) Public Company Limited prior to the amalgamation.

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20 Change from business combination

Change from business combination results from the difference between consideration paid and the net asset received from former companies which required by the accounting guidelines issued by the Federation of Accounting Professions for business combination under common controls to separately presented in equity.

21 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 period from 1 March 2023 to 31 March 2023, 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 period from 1 March 2023 to 31 March 2023 were presented by business segment as follows:

	(Unaudited)				
	For the period from 1 March 2023 to 31 March 2023				
	Fire	Marine	Motor	Miscellaneous	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Underwriting income					
Gross premiums written	63,808	42,891	298,999	562,810	968,508
<u>Less</u> Premium ceded	(12,185)	(11,450)	(2,346)	(161,603)	(187,584)
Net premiums written	51,623	31,441	296,653	401,207	780,924
<u>Add(Less)</u> Unearned premium reserve (increase) decrease from previous period	1,292	(9,279)	(27,323)	(47,337)	(82,647)
Net premium ceded	52,915	22,162	269,330	353,870	698,277
Fee and commission income	1,412	2,331	-	42,093	45,836
Total underwriting income	54,327	24,493	269,330	395,963	744,113
Underwriting expense					
Gross claim paid	8,263	26,903	156,823	306,180	498,169
<u>(Less)Add</u> Claim recovered from reinsurers	4,356	(16,075)	7,962	(94,588)	(98,345)
Commissions and brokerages expenses	14,219	5,057	51,834	48,600	119,710
Other underwriting expenses	10,350	5,320	52,310	52,743	120,723
Total underwriting expense	37,188	21,205	268,929	312,935	640,257
Profit on underwriting before operating expenses	17,139	3,288	401	83,028	103,856
Operating expenses					(91,856)
Profit on underwriting					12,000

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22 Operating expenses

The operating expenses for the period from 1 March 2023 to 31 March 2023 were as follows:

	(Unaudited) For the period from 1 March 2023 to 31 March 2023 Thousand Baht
Employee expenses not relating to underwriting or claim administrative expense	45,963
Premise and equipment expense not relating to underwriting expense	22,528
Stamp and tax duty	468
Bad debt and doubtful debt (Reversal)	(1,467)
Director's remuneration	94
Management fee	7,251
Advertising and sales promotion expenses	467
Professional fee	4,465
Other operating expenses	12,087
Total operating expenses	91,856

23 Expected credit loss

	(Unaudited) For the period from 1 March 2023 to 31 March 2023 Thousand Baht
Cash and cash equivalent (Reversal)	(360)
Investment in securities (Reversal)	
Investments measured at fair value through other comprehensive income	15
Investments measured at amortised cost	(3)
Total expected credit loss	(348)

24 Basic earnings per share

Basic earnings per share for the period from 1 March 2023 to 31 March 2023 calculated from net income for the period of the Company's shareholders and the number of issued share capital. The calculations were as follows:

	(Unaudited) For the period from 1 March 2023 to 31 March 2023 Thousand Baht
Net profit (Thousand Baht)	18,296
Number of weighted averages share capital (Thousand shares)	256,880
Basic earnings per shares (Baht per share)	0.07

25 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 31 March 2023 were as follows:

	(Unaudited) 31 March 2023 Thousand Baht
Receivables	
Related company of ultimate parent	
Amounts due from reinsurers	233,047
Investments in securities, net	30,612
Other assets	19,506
Immediate parent company	
Other assets	300
Related company of immediate parent	
Deposits at financial institutions	314,352
Premium receivable	21,953
Other assets	6,648
Payables	
Related company of ultimate parent	
Amounts withheld on reinsurance	165,533
Due to reinsurers	664,791
Other liabilities	48,531
Immediate parent company	
Long term loan	200,000
Other liabilities	3,125
Related company of immediate parent	
Commission and brokerage payable	16,434
Accrued underwriting expenses	64,383
Insurance contract liabilities	5
Lease liabilities	120,963
Other liabilities	8,623

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Significant transactions for the period from 1 March 2023 to 31 March 2023 with related parties were as follows:

	(Unaudited) For the period from 1 March 2023 to 31 March 2023 Thousand Baht
Revenues	
Related company of ultimate parent	
Claim recovered from reinsurers	41,427
Fee and commission income	22,923
Other income	425
Immediate parent company	
Other income	116
Related company of immediate parent	
Premium written	19,608
Other income	263
Expenses	
Related company of ultimate parent	
Premiums ceded to reinsurers	88,086
Commission and brokerage expenses	2,305
Operating expenses	21,096
Immediate parent company	
Other expenses	1,036
Related company of immediate parent	
Commission and brokerage expenses	18,152
Underwriting expenses	33,269
Operating expenses	1,972

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.

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Directors and key management personnel's remuneration

During the period from 1 March 2023 to 31 March 2023, the Company paid salaries, bonuses, directors allowances and other benefits of its directors and key management personnel as follows:

	(Unaudited) For the period from 1 March 2023 to 31 March 2023 Thousand Baht
Directors and key management personnel's remuneration	
Short-term benefits	16,625
Post-employment benefits	1,090
Directors' remuneration	127
Total	17,842

26 Securities and assets pledged with the Registrar

As at 31 March 2023, 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:

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

	(Unaudited) 31 March 2023	
	Book value Thousand Baht	Face value Thousand Baht
Government and state enterprise securities	920,721	910,000

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

	(Unaudited) 31 March 2023	
	Book value Thousand Baht	Face value Thousand Baht
Deposits at banks more than 3 months	3,500	3,500
Government and state enterprise securities	15,787	15,000

27 Restricted assets

As at 31 March 2023, the Company the Company has undrawn committed credit facilities amounting to Baht 5 million, with savings at banks pledged as collateral.

28 Contribution to non-life guarantee fund

The Company has accumulated funding amount which was paid into contribution to non-life guarantee fund as at 31 March 2023 mounting to Baht 249 million.

29 Commitments

The Company has payment obligations on operating lease for office premises as follows:

	(Unaudited) 31 March 2023 Thousand Baht
Due within 1 year	569
Total	569

30 Litigation

As at 31 March 2023, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totalling Baht 231.25 million. 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.