

**ALLIANZ AYUDHYA GENERAL INSURANCE
PUBLIC COMPANY LIMITED**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 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 30 June 2023, the related statements of comprehensive income for the three-month period ended 30 June 2023 and the period from 1 March 2023 (Amalgamation date) to 30 June 2023, the related statements of changes in equity, and cash flows for the period from 1 March 2023 (Amalgamation date) to 30 June 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 at the end.

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Financial Position
As at 30 June 2023

		(Unaudited)
		30 June
		2023
	Notes	Thousand Baht
Assets		
Cash and cash equivalents, net	6	1,855,969
Premium receivables, net	7	1,439,220
Accrued investment income		16,735
Reinsurance assets	8	2,282,854
Amounts due from reinsurers	9	412,743
Investments		
Investments in securities, net	10	6,932,646
Leasehold improvement and equipment, net	11	52,740
Right-of-use assets, net	12	149,618
Goodwill	13	1,644,720
Intangible assets, net	14	178,017
Deferred tax assets, net	15	567,365
Prepaid commissions expenses		66,808
Other assets, net		551,799
Total assets		16,151,234

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2023

		(Unaudited) 30 June 2023
	<u>Notes</u>	<u>Thousand Baht</u>
Liabilities and equity		
Liabilities		
Insurance contract liabilities	16	8,199,913
Amounts due to reinsurers	17	1,164,253
Corporate income tax payable		98,513
Employee benefit obligations		163,994
Premium written received in advance		225,716
Commissions and brokerages payables		146,652
Accrued expenses		456,385
Lease liabilities		164,168
Debt issued and borrowings	18	200,000
Other liabilities		525,615
Total liabilities		11,345,209
Equity		
Share capital		
Authorized 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	713,894
Change from business combination under common control	20	421,950
Retained earnings		
Appropriated		
Legal reserve		18,061
Unappropriated		1,062,973
Other components of equity		
Surplus on investments measured at fair value through other comprehensive income		20,347
Total equity		4,806,025
Total liabilities and equity		16,151,234

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

Allianz Ayudhya General Insurance Public Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2023

		30 June 2023
	Notes	Thousand Baht
Revenues		
Gross premiums written	21	2,198,364
<u>Less</u> Premiums ceded	21	(477,242)
Net premiums written		1,721,122
<u>Add</u> Unearned premium reserve decreased from previous period	21	280,411
Net premiums earned		2,001,533
Fees and commission income	21	102,892
Net investment income		27,236
Service income		8,123
Gain on fair value adjustment		1,058
Other income		812
Total revenues		2,141,654
Expenses		
Gross claim paid	21	1,387,321
<u>Less</u> Claim recovered from reinsurers	21	(173,929)
Net Claim paid		1,213,392
Commissions and brokerages expenses	21	297,266
Other underwriting expenses	21	253,873
Operating expenses	21, 22	287,496
Finance cost		4,453
Expected credit loss	23	276
Total expenses		2,056,756
Profit before income tax		84,898
Income tax expense		(3,183)
Net profit		81,715

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Allianz Ayudhya General Insurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 June 2023

	Note	30 June 2023 Thousand Baht
Other comprehensive income (loss)		
<u>Items that will be subsequently reclassified to profit or loss</u>		
Loss on revaluation of investments measured at fair value through other comprehensive income		(20,786)
Income tax on items that will be reclassified to profit or loss		4,157
Total Items that will be subsequently reclassified to profit or loss		(16,629)
Other comprehensive loss for the period, net of income tax		(16,629)
Total comprehensive income for the period		65,086
Earning per share (Baht per share)		
Basic earning per share	24	0.32

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 30 June 2023

		30 June 2023
	Notes	Thousand Baht
Revenues		
Gross premiums written	21	3,166,872
<u>Less</u> Premiums ceded	21	(664,825)
Net premiums written		2,502,047
<u>Add</u> Unearned premium reserve decreased from previous period	21	197,765
Net premiums earned		2,699,812
Fees and commission income	21	148,728
Net investment income		34,986
Service income		11,257
Gain on fair value adjustment		1,604
Other income		2,109
Total revenues		2,898,496
Expenses		
Gross claim paid	21	1,885,490
<u>Less</u> Claim recovered from reinsurers	21	(272,274)
Net Claim paid		1,613,216
Commissions and brokerages expenses	21	416,976
Other underwriting expenses	21	374,596
Operating expenses	21, 22	379,352
Finance cost		5,964
Expected credit loss (reversal)	23	(71)
Total expenses		2,790,033
Profit before income tax		108,463
Income tax expense		(8,452)
Net profit		100,011

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 30 June 2023

	Note	30 June 2023 Thousand Baht
Other comprehensive income (loss)		
<u>Items that will be subsequently reclassified to profit or loss</u>		
Loss on revaluation of investments measured at fair value through other comprehensive income		(10,976)
Income tax on items that will be reclassified to profit or loss		2,195
Total Items that will be subsequently reclassified to profit or loss		(8,781)
Other comprehensive loss for the period, net of income tax		(8,781)
Total comprehensive income for the period		91,230
Earning per share (Baht per share)		
Basic earning per share	24	0.39

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 30 June 2023

	Change from			Retained earnings		Other components of equity		Total equity Thousand Baht
	Issued and paid-up share capital Thousand Baht	Share premium Thousand Baht	business combination under common control Thousand Baht	Appropriated - Legal reserve Thousand Baht	Unappropriated Thousand Baht	Investments measured at fair value through other comprehensive income Thousand Baht	Surplus on Thousand Baht	
Balance as at 1 March 2023 (Amalgamation date)	2,568,800	713,894	421,950	18,061	962,962		29,128	4,714,795
Net profit for the period	-	-	-	-	100,011		-	100,011
Loss on revaluation of investments measured at fair value through other comprehensive income, net of tax	-	-	-	-	-		(8,781)	(8,781)
Balance as at 30 June 2023	2,568,800	713,894	421,950	18,061	1,062,973		20,347	4,806,025

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 30 June 2023

	30 June 2023
Note	Thousand Baht
Cash flows provided by (used in) operating activities	
Direct premium received	2,947,642
Cash paid for reinsurance	(282,720)
Interest income	127,721
Dividend income	22
Other income	15,298
Claim incurred from direct insurance	(1,671,626)
Commissions and brokerages paid for direct insurance	(383,363)
Other underwriting expenses	(445,608)
Operating expenses	(317,211)
Income tax expense	(12,302)
Cash paid for investments in securities	(2,236,622)
Cash received from investments in securities	1,882,257
Cash paid for deposits at bank with maturity over 3 months and deposits used as collateral	(7,000)
Cash received from deposits at bank with maturity over 3 months and deposits used as collateral	27,000
Net cash flow used in operating activities	(356,512)
Cash flows provided by (used in) investing activities	
<u>Cash flows provided by</u>	
Cash received from selling premises and equipment	409
<u>Cash flows used in</u>	
Cash paid for purchasing premises and equipment	11 (6,857)
Cash paid for purchasing intangible assets	14 (18,950)
Net cash flow used in investing activities	(25,398)
Cash flows used in financing activities	
Cash paid for lease liability	(14,785)
Cash paid for finance cost	(5,964)
Net cash flow used in financing activities	(20,749)
Net decrease in cash and cash equivalents	(402,659)
Cash and cash equivalents at the beginning of period	2,258,672
Cash and cash equivalents at the ending of period	1,856,013
<u>Less</u> Allowance for expected credit loss	(44)
Cash and cash equivalents, net at the ending of period	6 1,855,969
<u>Non-cash transactions</u>	
Acquisition of right-of-use assets under lease contracts from lease modification and reassessments	12 2,820

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

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 30 June 2023

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 99.96%, 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 August 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 30 June 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

For the analysis of the 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 June 2023.

	(Unaudited) As at 30 June 2023			
	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	-	5,561,705	-	5,561,705
- Equity securities	-	-	87,397	87,397
Investments measured at fair value through profit or loss				
- Debt securities	42,654	-	-	42,654
Total financial assets	42,654	5,561,705	87,397	5,691,756

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 30 June 2023 consisted of the following:

	(Unaudited) 30 June 2023 Thousand Baht
Cash on hand	269
Cheque on hand	63,655
Deposits at bank - at call	1,592,471
Short-term investments	199,618
Total	1,856,013
<u>Less</u> Allowance for expected credit loss	(44)
Cash and cash equivalents, net	1,855,969

7 Premium receivables, net

The balances as at 30 June 2023 of premium receivables are classified by aging as follows:

	(Unaudited) 30 June 2023 Thousand Baht
Within credit terms	1,026,214
Overdue:	
Less than 30 days	152,278
31 - 60 days	146,516
61 - 90 days	30,201
Over 90 days	110,666
Total	1,465,875
Less Allowance for doubtful accounts	(26,655)
Premium receivables, net	1,439,220

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

8 Reinsurance assets

Reinsurance assets as at 30 June 2023 consisted of the following:

	(Unaudited) 30 June 2023 Thousand Baht
Insurance reserve refundable from reinsurers	
Loss reserves	1,179,330
Premium reserve	
Unearned premium reserve	1,103,524
Total reinsurance assets (Note 16)	2,282,854

9 Amount due from reinsurers

Amount due from reinsurers as at 30 June 2023 consisted of the following:

	(Unaudited) 30 June 2023 Thousand Baht
Deposits on reinsurance	3
Due from reinsurers	412,740
Total amount due from reinsurers	412,743

10 Investments in securities, net

The details of investments in securities as at 30 June 2023 are as follows:

	(Unaudited) 30 June 2023	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	27,930	42,654
<u>Add</u> Unrealised gain	14,724	-
Total Investments designated at fair value through profit or loss	42,654	42,654
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	3,395,795	3,372,648
Private debt securities	2,207,125	2,189,057
Equity securities	21,417	87,397
Total	5,624,337	5,649,102
<u>Add</u> Unrealised gain	24,765	-
Total investments measured at fair value through other comprehensive income	5,649,102	5,649,102
Investments measured at amortised cost		
Government and state enterprise debt securities	1,067,863	
Deposits at financial institutions with original maturities more than 3 months	169,531	
Deposits at banks used as collateral	3,500	
Total	1,240,894	
<u>Less</u> Allowance for expected credit loss	(4)	
Total investments measured at amortised cost	1,240,890	
Total investments in securities, net	6,932,646	

10.1 Debt securities measured at fair value through other comprehensive income

	(Unaudited) 30 June 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)	5,561,705	(658)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	5,561,705	(658)

10.2 Debt securities measured at amortised cost

	(Unaudited) 30 June 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)	1,240,894	(4)	1,240,890
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	1,240,894	(4)	1,240,890

As at 30 June 2023, certain government and state enterprise securities of the Company are pledged and used for assets reserved with the Registrar amounting to Baht 914.08 million (Note 26).

As at 30 June 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 19.12 million (Note 26).

For the three-month period ended 30 June 2023, the Company has recorded interest income and dividend income amounting to Baht 27.80 million and Baht 0.02 million, respectively.

For the period from 1 March 2023 to 30 June 2023, the Company has recorded interest income and dividend income amounting to Baht 36.35 million and Baht 0.02 million, respectively.

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 30 June 2023

11 Leasehold improvement and equipment, net

Leasehold improvement and equipment, net as at 30 June 2023 consisted of the following:

	30 June 2023 (Unaudited)										
	Cost					Accumulated depreciation					
	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	Beginning Leasehold improvement and equipment, net Thousand Baht	Ending leasehold improvement and equipment, net Thousand Baht
Building improvement	149,766	1,038	(63,375)	5,426	92,855	(105,556)	(3,203)	52,579	(56,180)	44,210	36,675
Furniture, fixtures and office equipment	180,745	2,673	(58,706)	-	124,712	(164,975)	(2,475)	56,837	(110,613)	15,770	14,099
Vehicles	7,097	-	-	-	7,097	(6,885)	(198)	-	(7,083)	212	14
Leasehold improvement under installation	4,232	3,146	-	(5,426)	1,952	-	-	-	-	4,232	1,952
Total	341,840	6,857	(122,081)	-	226,616	(277,416)	(5,876)	109,416	(173,876)	64,424	52,740

The depreciation expense for the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023 amounting to Baht 3.50 million and Baht 5.09 million, respectively were included in operating expenses and amounting to Baht 0.58 million and Baht 0.78 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 period from 1 March 2023 (Amalgamation date) to 30 June 2023

12 Right-of-use assets, net

Right-of-use assets, net as at 30 June 2023 consisted of the following:

	30 June 2023 (Unaudited)									
	Cost		Accumulated amortisation				Beginning Right-of-use asset, net		Ending Right-of-use asset, net	
	Beginning balance Thousand Baht	Change in contract Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Amortisation Thousand Baht	Change in contract Thousand Baht	Ending balance Thousand Baht	Beginning Right-of-use asset, net Thousand Baht	Ending Right-of-use asset, net Thousand Baht	
Buildings and improvements	245,358	2,820	248,178	(94,020)	(15,311)	(319)	(109,650)	151,338	138,528	
Vehicles	18,319	-	18,319	(6,008)	(1,221)	-	(7,229)	12,311	11,090	
Total	263,677	2,820	266,497	(100,028)	(16,532)	(319)	(116,879)	163,649	149,618	

For the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023, there is the lease payments resulting from lease contracts amounting to Baht 0.57 million and Baht 0.76 million, respectively.

The amortisation expense for the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023 amounting to Baht 10.84 million and Baht 14.55 million, respectively were included in operating expenses and amounting to Baht 1.72 million and Baht 2.30 million, respectively were included in other underwriting expenses.

13 Goodwill

As at 30 June 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 30 June 2023

14 Intangible assets, net

Intangible assets, net as at 30 June 2023 consisted of the following:

	30 June 2023 (Unaudited)																	
	Beginning balance		Increase		Disposal/Write off		Transfer in / (transfer out)		Ending balance		Accumulated amortisation		Ending balance		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	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Computer software	522,198	6,024	(40,335)	6,229	494,116	(381,629)	(11,240)	40,334	(352,535)	140,569	141,581							
Computer software in progress	29,739	12,926	-	(6,229)	36,436	-	-	-	-	29,739	36,436							
Total	551,937	18,950	(40,335)	-	530,552	(381,629)	(11,240)	40,334	(352,535)	170,308	178,017							

The amortisation expense for the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023 amounting to Baht 7.70 million and Baht 10.46 million, respectively were included in operating expenses and amounting to Baht 0.54 million and Baht 0.78 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 period from 1 March 2023 (Amalgamation date) to 30 June 2023

15 Deferred tax assets, net

Deferred tax assets, net as at 30 June 2023 were as follows:

	(Unaudited) 30 June 2023 Thousand Baht
Deferred tax assets	575,134
Deferred tax liabilities	(7,769)
Deferred tax assets, net	567,365

Movements of deferred tax assets for period from 1 March 2023 to 30 June 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 30 June 2023 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	5,363	(32)	-	5,331
Allowance for doubtful accounts				
- Other receivable	1,993	497	-	2,490
Allowance for doubtful accounts				
- Reinsurance	720	(81)	-	639
Unearned premium reserve	251,939	(53,978)	-	197,961
Claim reserve, net	207,428	19,335	-	226,763
Claim incurred but not reported	76,117	(19,840)	-	56,277
Employee benefit obligations	19,843	971	-	20,814
Stock base payment	1,951	1,624	-	3,575
Accrued expense	34,014	(2,002)	-	32,012
Expected credit loss allowance	79	(14)	(57)	8
Accumulated tax losses	-	26,373	-	26,373
Right-of-use assets	2,682	(4)	-	2,678
Others	294	(81)	-	213
	602,423	(27,232)	(57)	575,134
Deferred tax liabilities				
Unrealised gain on the change in fair value of investments through other comprehensive income	(7,207)	-	2,252	(4,955)
Unrealised gain on the change in fair value adjustment	(1,563)	(1,251)	-	(2,814)
Interest income from not maturity debt securities	(239)	239	-	-
	(9,009)	(1,012)	2,252	(7,769)
Deferred tax assets, net	593,414	(28,244)	2,195	567,365

16 Insurance contract liabilities

Insurance contract liabilities as at 30 June 2023 consisted of the following:

	(Unaudited) As at 30 June 2023		
	Insurance contract liabilities Thousand Baht	Insurance liabilities recovered from reinsurers Thousand Baht	Net Thousand Baht
Claim reserves			
Claim incurred and reported	2,515,015	(1,095,129)	1,419,886
Claim incurred but not reported	365,588	(84,201)	281,387
	2,880,603	(1,179,330)	1,701,273
Premium reserve			
Unearned premium reserve	5,319,310	(1,103,524)	4,215,786
Total	8,199,913	(2,282,854)	5,917,059

16.1 Insurance reserve for short-term insurance contract

16.1.1 Claim reserves

	(Unaudited) 30 June 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	1,850,850	(214,462)	1,636,388
Change in claim reserves and assumptions used in claim reserve calculation	(21,446)	(59,033)	(80,479)
Claim paid during the period	(1,608,549)	125,513	(1,483,036)
Balance as at period ended	2,880,603	(1,179,330)	1,701,273

16.1.2 Unearned premium reserve

	(Unaudited) 30 June 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	3,166,872	(664,826)	2,502,046
Earned premium for the period	(3,351,887)	652,076	(2,699,811)
As at 30 June	5,319,310	(1,103,524)	4,215,786

16.1.3 Unexpired risk reserve

As at 30 June 2023, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Company amounting to Baht 3,207.60 million and net of reinsurance amounting to Baht 2,927.21 million is lower than the unearned premium reserve.

17 Amount due to reinsurers

	(Unaudited) 30 June 2023 Thousand Baht
Amounts withheld on reinsurance	325,171
Reinsurance payables	839,082
Total amount due to reinsurers	1,164,253

18 Debt issued and borrowings

	(Unaudited) 30 June 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.

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 30 June 2023

20 Change from business combination under common control

Change from business combination results from the different 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 three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 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 three-month period ended 30 June 2023 were presented by business segment as follows:

	(Unaudited)				
	For the three-month period ended 30 June 2023				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	173,036	100,030	744,049	1,181,249	2,198,364
<u>Less</u> Premium ceded	(47,267)	(55,520)	(8,186)	(366,269)	(477,242)
Net premiums written	125,769	44,510	735,863	814,980	1,721,122
<u>Add</u> Unearned premium reserve decrease from previous period	19,600	8,794	54,221	197,796	280,411
Net premium ceded	145,369	53,304	790,084	1,012,776	2,001,533
Fee and commission income	3,997	12,849	-	86,046	102,892
Total underwriting income	149,366	66,153	790,084	1,098,822	2,104,425
Underwriting expense					
Gross claim paid	17,869	32,616	441,942	894,894	1,387,321
<u>(Less)/Add</u> Claim recovered from reinsurers	(3,356)	(9,235)	3,953	(165,291)	(173,929)
Commissions and brokerages expenses	35,308	12,515	131,929	117,514	297,266
Other underwriting expenses	31,721	11,088	103,502	107,562	253,873
Total underwriting expense	81,542	46,984	681,326	954,679	1,764,531
Profit on underwriting before operating expenses	67,824	19,169	108,758	144,143	339,894
Operating expenses					(287,496)
Profit on underwriting					52,398

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 30 June 2023

The financial information of the Company for the period from 1 March 2023 to 30 June 2023 were presented by business segment as follows:

	(Unaudited)				
	For the period from 1 March 2023 to 30 June 2023				
	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
Underwriting income					
Gross premiums written	240,925	142,921	1,043,048	1,739,978	3,166,872
<u>Less</u> Premium ceded	(59,452)	(66,970)	(10,532)	(527,871)	(664,825)
Net premiums written	181,473	75,951	1,032,516	1,212,107	2,502,047
<u>Add(Less)</u> Unearned premium reserve (increase) decrease from previous period	21,344	(485)	26,898	150,008	197,765
Net premium ceded	202,817	75,466	1,059,414	1,362,115	2,699,812
Fee and commission income	5,409	15,180	-	128,139	148,728
Total underwriting income	208,226	90,646	1,059,414	1,490,254	2,848,540
Underwriting expense					
Gross claim paid	27,473	59,519	598,765	1,199,733	1,885,490
<u>(Less)Add</u> Claim recovered from reinsurers	1,000	(25,310)	11,915	(259,879)	(272,274)
Commissions and brokerages expenses	50,145	17,572	183,763	165,496	416,976
Other underwriting expenses	42,803	16,408	155,812	159,573	374,596
Total underwriting expense	121,421	68,189	950,255	1,264,923	2,404,788
Profit on underwriting before operating expenses	86,805	22,457	109,159	225,331	443,752
Operating expenses					(379,352)
Profit on underwriting					64,400

22 Operating expenses

The operating expenses for the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023 were as follows:

	(Unaudited) For the three-month period ended 30 June 2023 Thousand Baht	(Unaudited) For the period from 1 March 2023 to 30 June 2023 Thousand Baht
Employee expenses not relating to underwriting or claim administrative expense	126,311	172,274
Premise and equipment expense not relating to underwriting expense	65,221	87,749
Stamp and tax duty	3,031	3,499
Bad debt and doubtful debt	3,383	1,917
Director's remuneration	1,025	1,119
Management fee	21,587	28,838
Advertising and sales promotion expenses	8,753	10,673
Professional fee	16,693	21,157
Other operating expenses	41,492	52,126
Total operating expenses	287,496	379,352

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 30 June 2023

23 Expected credit loss

The expected credit loss for the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023 were as follows:

	(Unaudited) For the three-month period ended 30 June 2023 Thousand Baht	(Unaudited) For the period from 1 March 2023 to 30 June 2023 Thousand Baht
Cash and cash equivalent (Reversal)	13	(347)
Investment in securities (Reversal)		
Investments measured at fair value through other comprehensive income	265	281
Investments measured at amortised cost	(2)	(5)
Total expected credit loss (Reversal)	276	(71)

24 Basic earnings per share

Basic earnings per share for the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 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 three-month period ended 30 June 2023 Thousand Baht	(Unaudited) For the period from 1 March 2023 to 30 June 2023 Thousand Baht
Net profit (Thousand Baht)	81,715	100,011
Number of weighted averages share capital (Thousand shares)	256,880	256,880
Basic earnings per shares (Baht per share)	0.32	0.39

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 30 June 2023 were as follows:

	(Unaudited) 30 June 2023 Thousand Baht
Assets	
Related company of ultimate parent	
Amounts due from reinsurers	224,582
Investments in securities, net	42,654
Other assets	74,718
Immediate parent company	
Other assets	300
Related company of immediate parent	
Deposits at financial institutions	278,235
Premium receivable	31,226
Other assets	6,699
Liabilities	
Related company of ultimate parent	
Amounts withheld on reinsurance	218,453
Due to reinsurers	608,352
Other liabilities	77,695
Immediate parent company	
Long term loan	200,000
Other liabilities	83
Related company of immediate parent	
Commission and brokerage payable	16,088
Accrued underwriting expenses	61,839
Insurance contract liabilities	5
Lease liabilities	115,886
Other liabilities	9,640

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 30 June 2023

Significant transactions for the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023 with related parties were as follows:

	(Unaudited) For the three-month period ended 30 June 2023 Thousand Baht
Revenues	
Related company of ultimate parent	
Claim recovered from reinsurers	114,556
Fee and commission income	57,609
Other income	358
Immediate parent company	
Other income	348
Related company of immediate parent	
Premium written	13,507
Other income (Reversal)	(563)
Expenses	
Related company of ultimate parent	
Premiums ceded to reinsurers	239,368
Commission and brokerage expenses	19,157
Operating expenses	71,406
Immediate parent company	
Other expenses	3,042
Related company of immediate parent	
Commission and brokerage expenses	48,708
Other underwriting expenses	28,645
Operating expenses	6,156

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 30 June 2023

	(Unaudited) For the period from 1 March 2023 to 30 June 2023 Thousand Baht
Revenues	
Related company of ultimate parent	
Claim recovered from reinsurers	155,983
Fee and commission income	80,532
Other income	783
Immediate parent company	
Other income	464
Related company of immediate parent	
Premium written	33,115
Other income (Reversal)	(300)
Expenses	
Related company of ultimate parent	
Premiums ceded to reinsurers	327,454
Commission and brokerage expenses	21,462
Operating expenses	92,502
Immediate parent company	
Other expenses	4,078
Related company of immediate parent	
Commission and brokerage expenses	66,860
Other underwriting expenses	61,914
Operating expenses	8,129

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.

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 30 June 2023

Directors and key management personnel's remuneration

During the three-month period ended 30 June 2023 and the period from 1 March 2023 to 30 June 2023, the Company paid salaries, bonuses, directors allowances and other benefits of its directors and key management personnel as follows:

	(Unaudited) For the three-month period ended 30 June 2023 Thousand Baht	(Unaudited) For the period from 1 March 2023 to 30 June 2023 Thousand Baht
Directors and key management personnel's remuneration		
Short-term benefits	36,639	53,264
Post-employment benefits	1,614	2,705
Directors' remuneration	568	695
Total	38,821	56,664

26 Securities and assets pledged with the Registrar

As at 30 June 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) 30 June 2023	
	Book value Thousand Baht	Face value Thousand Baht
Government and state enterprise securities	914,081	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) 30 June 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	15,623	15,000

27 Restricted assets

As at 30 June 2023, the Company has undrawn committed credit facilities amounting to Baht 5.00 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 30 June 2023 amounting to Baht 261.97 million.

29 Litigation

As at 30 June 2023, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses and records loss reserves and loss payables totalling Baht 213.90 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.