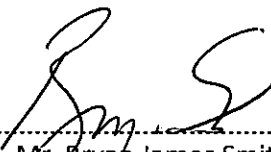


## Information Disclosure Allianz Ayudhya Assurance Public Company Limited

The Company has cautiously reviewed the disclosed information and has verified that the information is completed, accurate and is not misleading or lack of essence .

This is to certify the accuracy of all disclosed information reported by the Company.



Sign   
Name Mr. Bryan James Smith  
Position Director

Sign   
Name Mr. Kitti Pintavirooj  
Position Director

Disclosed on 13 November 2020  
Quarterly 3 Year 2020

## 1. Adequacy of Capital

Allianz Ayudhya Assurance Public Company Limited holds a strong RBC Solvency Ratio. At the end of third quarter in 2020, the Company's capital adequacy ratio is at the 368 percent which is significant high comparing to the minimum ratio required by the OIC at the 120 percent. The Company also conducts the regular tests of its financial status under crisis at every quarter end to ensure that the Company is capable of confronting and coping with any economic change in the event of uncontrollable or undesired situation.

Disclosed on 13 November 2020

Unit: million baht

Item	Quarter 1		Quarter 2		Quarter 3	
	2020	2019	2020	2019	2020	2019
Capital Adequacy Ratio (%)	304%	282%	305%	290%	368%	336%
Total Capital Availability	27,179.40	26,492.35	28,487.30	28,642.64	29,648.56	33,465.75
Total Capital Requirement	8,939.93	9,394.63	9,339.69	9,885.79	8,060.17	9,951.60

- Remark - Notification of the Office of Insurance Commission (OIC): Specification of Type and Category of the Capital including Rules, Procedures and Conditions of the Capital Calculation in Life Insurance Companies. For legal requirement, the Capital adequacy ratio:
- 1) Since 31 December 2019 to 31 December 2021 is lower than 120%
  - 2) Since 1 January 2022 hereafter is lower than 140%
- Capital is based on appraisal value aligned with the announcement of OIC regarding the Life Insurance Company's asset and liability assessment
  - The second quarter is the six-months operating results while the third quarter is the nine-months operating results

## 2. Financial Statement

**ALLIANZ AYUDHYA ASSURANCE PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**30 SEPTEMBER 2020**



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

To the Board of Directors of Allianz Ayudhya Assurance Public Company Limited

I have reviewed the interim financial information of Allianz Ayudhya Assurance Public Company Limited (the Company), which comprises the statement of financial position as at 30 September 2020, and the statements of comprehensive income for the three-month and nine-month period then ended, and the related statement of changes in equity, and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

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

### Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Anothai Leekitwattana', written over a horizontal line.

**Anothai Leekitwattana**  
Certified Public Accountant (Thailand) No. 3442  
Bangkok  
11 November 2020

Allianz Ayudhya Assurance Public Company Limited  
Statement of Financial Position  
As at 30 September 2020

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Notes	Thousand Baht	Thousand Baht
<b>Assets</b>			
Cash and cash equivalents, net	7, 27	4,553,885	9,505,841
Premiums due and uncollected	8	2,173,673	1,452,654
Accrued investment income		1,919,989	3,109,782
Reinsurance receivables	9, 27	406,752	372,205
Investment receivables		369,297	126,081
Derivative assets	10	762,168	1,942,969
<b>Investment assets</b>			
Investments in securities, net	11, 27, 28	196,754,810	191,257,234
Loans and accrued interest income	12	9,750,026	8,399,102
Investment assets held to cover linked liabilities	13	492,593	464,825
Premises and equipment, net	14	625,972	518,235
Right-of-use assets	15	411,357	-
Intangible assets, net	16	416,921	527,271
Other assets	17, 27	612,040	280,114
<b>Total assets</b>		<b>219,249,483</b>	<b>217,956,313</b>

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

Allianz Ayudhya Assurance Public Company Limited  
Statement of Financial Position (Cont'd)  
As at 30 September 2020

		(Unaudited) 30 September 2020	(Audited) 31 December 2019
	Notes	Thousand Baht	Thousand Baht
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance contract liabilities	18	180,025,983	177,406,115
Investment contract liabilities	19	3,844,143	3,741,806
Reinsurance payables	20, 27	544,881	366,752
Investment payables		196,793	712,216
Derivative liabilities	10	790,645	-
Income tax payable		472,919	139,199
Accrued expenses	21, 27	2,108,627	2,106,260
Employee benefit obligations		660,651	576,085
Provisions		79,896	80,770
Deferred tax liabilities, net	22	2,909,753	3,535,002
Other liabilities	23, 27	1,250,585	2,009,203
<b>Total liabilities</b>		<b>192,884,876</b>	<b>190,673,408</b>
<b>Equity</b>			
<b>Share capital</b>			
Authorised share capital			
400,000,000 ordinary shares of 10 Baht each		4,000,000	4,000,000
Issued and paid-up share capital			
295,000,000 ordinary shares of 10 Baht each		2,950,000	2,950,000
Retained earnings			
Appropriated			
Legal reserve		400,000	400,000
Unappropriated		8,772,006	7,658,831
Other components of equity		14,242,601	16,274,074
<b>Total equity</b>		<b>26,364,607</b>	<b>27,282,905</b>
<b>Total liabilities and equity</b>		<b>219,249,483</b>	<b>217,956,313</b>

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

**Allianz Ayudhya Assurance Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the three-month period ended 30 September 2020**

		2020	2019
	Notes	Thousand Baht	Thousand Baht
<b>Revenues</b>			
Gross premiums written	27	7,310,595	7,544,155
<u>Less</u> premiums ceded	27	<u>(258,822)</u>	<u>(219,599)</u>
Net premiums written		7,051,773	7,324,556
<u>Add (Less)</u> unearned premium reserve decreased (increased) from previous period		<u>(38,249)</u>	<u>17,839</u>
Net premiums earned		7,013,524	7,342,395
Fees and commission income	27	40,492	45,736
Net investment income	27	1,708,198	1,812,690
Gains (losses) on investment		431,239	(108,094)
Gains on fair value		32,196	102,348
Other income		<u>15,670</u>	<u>21,894</u>
Total revenues		<u>9,241,319</u>	<u>9,216,969</u>
<b>Expenses</b>			
Long-term technical reserves increased (decreased) from previous period		(252,301)	3,029,832
Benefits payments and insurance claims expenses	27	5,690,328	3,945,533
<u>Less</u> benefits payments and insurance claims expenses recovered from reinsurers	27	<u>(98,389)</u>	<u>(116,267)</u>
Net benefits payment and insurance claims expenses		5,591,939	3,829,266
Commissions and brokerages		875,864	1,006,177
Other underwriting expenses		448,495	424,281
Operating expenses	24, 27	664,507	622,203
Impairment loss on equity instruments		1,170,221	-
Expected credit losses (Reversal)	31	(29,777)	-
Other expenses		<u>527</u>	<u>-</u>
Total expenses		<u>8,469,475</u>	<u>8,911,759</u>
<b>Profit before income tax</b>		771,844	305,210
Income tax	25	<u>133,823</u>	<u>52,921</u>
<b>Net profit</b>		<u>638,021</u>	<u>252,289</u>

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

**Allianz Ayudhya Assurance Public Company Limited**  
**Statement of Comprehensive Income (Unaudited) (Cont'd)**  
**For the three-month period ended 30 September 2020**

		2020	2019
	Notes	Thousand Baht	Thousand Baht
<b>Other comprehensive income (loss)</b>			
<b>Items that will not be subsequently reclassified to profit or loss</b>			
Losses on remeasurements of post-employment benefit obligations		(34,538)	(39,647)
Income tax on items that will not be reclassified to profit or loss	22	<u>6,907</u>	<u>7,929</u>
Total items that will not be subsequently reclassified to profit or loss		<u>(27,631)</u>	<u>(31,718)</u>
<b>Items that will be subsequently reclassified to profit or loss</b>			
Change in fair value of available-for-sale investments		(532,043)	9,826,306
Change in fair value of cash flow hedges		(240,585)	1,001,094
Cost of hedging		61,292	-
Items in other comprehensive income transferred to profit or loss		(89,625)	(29,025)
Income tax on items that will be subsequently reclassified to profit or loss	22	<u>160,193</u>	<u>(2,159,675)</u>
Total items that will be subsequently reclassified to profit or loss		<u>(640,768)</u>	<u>8,638,700</u>
<b>Other comprehensive income for the period, net of income tax</b>		<u>(668,399)</u>	<u>8,606,982</u>
<b>Total comprehensive income for the period</b>		<u><u>(30,378)</u></u>	<u><u>8,859,271</u></u>
<b>Basic earnings per share (Baht)</b>	26	<u><u>2.16</u></u>	<u><u>0.86</u></u>

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



**Allianz Ayudhya Assurance Public Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the nine-month period ended 30 September 2020**

		2020	2019
	Notes	Thousand Baht	Thousand Baht
<b>Revenues</b>			
Gross premiums written	27	22,429,205	23,174,440
<u>Less</u> premiums ceded	27	(767,022)	(605,172)
Net premiums written		21,662,183	22,569,268
<u>Less</u> unearned premium reserve increased from previous period		(435,290)	(491,589)
Net premiums earned		21,226,893	22,077,679
Fees and commission income	27	160,246	121,161
Net investment income	27	5,317,091	5,489,967
Gains on investment		348,259	276,354
Gains on fair value		22,687	39,335
Other income		63,585	64,132
Total revenues		<u>27,138,761</u>	<u>28,068,628</u>
<b>Expenses</b>			
Long-term technical reserves increased (decreased) from previous period		1,920,552	8,699,982
Benefits payments and insurance claims expenses	27	15,196,438	11,787,657
<u>Less</u> benefits payments and insurance claims expenses recovered from reinsurers	27	(334,249)	(316,918)
Net benefits payment and insurance claims expenses		14,862,189	11,470,739
Commissions and brokerages		2,699,720	2,858,637
Other underwriting expenses		1,360,955	1,302,256
Operating expenses	24, 27	1,969,512	1,968,346
Impairment loss on equity instruments		1,170,221	-
Expected credit losses (Reversal)	31	(32,989)	-
Other expenses		4,767	-
Total expenses		<u>23,954,927</u>	<u>26,299,960</u>
Profit before income tax		3,183,834	1,768,668
Income tax	25	599,213	293,920
Net profit		<u>2,584,621</u>	<u>1,474,748</u>

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

Allianz Ayudhya Assurance Public Company Limited  
Statement of Comprehensive Income (Unaudited) (Cont'd)  
For the nine-month period ended 30 September 2020

		2020	2019
	Notes	Thousand Baht	Thousand Baht
<b>Other comprehensive income (loss)</b>			
<b>Items that will not be subsequently reclassified to profit or loss</b>			
Losses on remeasurements of post-employment benefit obligations		(58,596)	(31,957)
Income tax on items that will not be reclassified to profit or loss	22	<u>11,719</u>	<u>6,391</u>
Total items that will not be subsequently reclassified to profit or loss		<u>(46,877)</u>	<u>(25,566)</u>
<b>Items that will be subsequently reclassified to profit or loss</b>			
Change in fair value of available-for-sale investments		(2,767,664)	16,703,925
Change in fair value of cash flow hedges		(1,340,914)	1,509,004
Cost of hedging		131,872	-
Items in other comprehensive income transferred to profit or loss		79,781	(294,140)
Income tax on items that will be subsequently reclassified to profit or loss	22	<u>779,385</u>	<u>(3,583,758)</u>
Total items that will be subsequently reclassified to profit or loss		<u>(3,117,540)</u>	<u>14,335,031</u>
<b>Other comprehensive income (loss) for the period, net of income tax</b>		<u>(3,164,417)</u>	<u>14,309,465</u>
<b>Total comprehensive income (loss) for the period</b>		<u><u>(579,796)</u></u>	<u><u>15,784,213</u></u>
<b>Basic earnings per share (Baht)</b>	26	<u><u>8.76</u></u>	<u><u>5.00</u></u>

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

**Allianz Ayudhya Assurance Public Company Limited**  
**Statement of Changes in Equity (Unaudited) (Cont'd)**  
**For the nine-month period ended 30 September 2020**

	Retained earnings		Other components of equity				Total equity
	Issued and paid-up share capital	Legal reserve	Unappropriated	Change in fair value of available-for-sale investments	Change in fair value of cash flow hedges	Total other components of equity	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at 1 January 2019	2,950,000	400,000	7,335,792	3,653,892	182,053	3,835,945	14,521,737
Transaction with shareholders, recorded directly in equity							
Distributions to shareholders of the Company	-	-	(1,693,300)	-	-	-	(1,693,300)
Dividends to shareholders of the Company (Note 32)	-	-	(1,693,300)	-	-	-	(1,693,300)
Total transaction with shareholders, recorded directly in equity	-	-	(1,693,300)	-	-	-	(1,693,300)
Comprehensive income (loss) for the period							
Net profit	-	-	1,474,748	-	-	-	1,474,748
Other comprehensive income (loss)							
Change in fair value of cash flow hedges	-	-	-	-	1,207,203	1,207,203	1,207,203
Change in fair value of available-for-sale investments	-	-	-	13,363,140	-	13,363,140	13,363,140
Items in other comprehensive income transferred to profit or loss	-	-	-	(235,312)	-	(235,312)	(235,312)
Losses from remeasurements of post-employment benefit obligations	-	-	(25,566)	-	-	-	(25,566)
Total comprehensive income (loss) for the period	-	-	1,449,182	13,127,828	1,207,203	14,335,031	15,784,213
Balance as at 30 September 2019	2,950,000	400,000	7,091,674	16,781,720	1,389,256	18,170,976	28,612,650

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

Allianz Ayudhya Assurance Public Company Limited  
Statement of Changes in Equity (Unaudited) (Cont'd)  
For the nine-month period ended 30 September 2020

	Retained earnings		Other components of equity					Total equity Thousand Baht	
	Issued and paid-up share capital Thousand Baht	Legal reserve Thousand Baht	Unappropriated Thousand Baht	Gain (Loss) from investments measured at fair value through other comprehensive income Thousand Baht		Change in fair value of cash flow hedges Thousand Baht			Total other components of equity Thousand Baht
				Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Balance as at 1 January 2020 - previously reported	2,950,000	400,000	7,658,831	15,488,271	785,803	-	16,274,074	27,282,905	
Impact of changes in accounting policies (Note 4)	-	-	(49,869)	1,086,067	(67,137)	67,137	1,086,067	1,036,198	
Balance at 1 January 2020 - restated	2,950,000	400,000	7,608,962	16,574,338	718,666	67,137	17,360,141	28,319,103	
Transaction with shareholders, recorded directly in equity	-	-	(1,374,700)	-	-	-	-	(1,374,700)	
Distributions to shareholders of the Company	-	-	-	-	-	-	-	-	
Dividends to shareholders of the Company (Note 32)	-	-	-	-	-	-	-	-	
Total transaction with shareholders, recorded directly in equity	-	-	(1,374,700)	-	-	-	-	(1,374,700)	
Comprehensive income (loss) for the period	-	-	2,584,621	-	-	-	-	2,584,621	
Net profit	-	-	2,584,621	-	-	-	-	2,584,621	
Other comprehensive income (loss)	-	-	-	-	(1,072,731)	-	(1,072,731)	(1,072,731)	
Change in fair value of cash flow hedges	-	-	-	-	(1,072,731)	-	(1,072,731)	(1,072,731)	
Change in rematuring deferred cost of hedge	-	-	-	-	-	105,497	105,497	105,497	
Change in fair value of available-for-sale investments	-	-	-	(2,214,131)	-	-	(2,214,131)	(2,214,131)	
Items in other comprehensive income transferred to profit or loss	-	-	-	63,825	-	-	63,825	63,825	
Losses from remeasurements of post-employment benefit obligations	-	-	(46,877)	-	-	-	-	(46,877)	
Total comprehensive income (loss) for the period	-	-	2,537,744	(2,150,306)	(1,072,731)	105,497	(3,117,540)	(579,796)	
Balance as at 30 September 2020	2,950,000	400,000	8,772,006	14,424,032	(354,065)	172,634	14,242,601	26,364,607	

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

**Allianz Ayudhya Assurance Public Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**For the nine-month period ended 30 September 2020**

	2020	2019
	Notes	Notes
	Thousand Baht	Thousand Baht
<b>Cash flows from operating activities</b>		
Premiums written	21,484,928	23,589,581
Cash paid relating to reinsurance	(128,946)	(288,745)
Interest received	6,519,917	4,687,766
Dividends received	486,841	700,474
Other income	66,277	65,764
Benefits payments and insurance claims expenses	(14,650,244)	(10,829,889)
Commissions and brokerages	(2,843,972)	(2,848,521)
Other underwriting expenses	(1,268,455)	(1,209,756)
Operating expenses	(1,925,666)	(1,563,098)
Income tax paid	(78,017)	(680,755)
Cash received from selling and redeeming investments		
in securities	15,700,262	10,719,786
Cash paid for purchasing investments in securities	(26,833,774)	(19,018,188)
Cash received from loans	1,073,188	8,357
Cash paid from loans	(915,816)	(258,971)
Cash received from fixed deposits	214	-
<b>Net cash flow provided from (used in) operating activities</b>	<b>(3,313,263)</b>	<b>3,073,805</b>
<b>Cash flows from investing activities</b>		
Cash flows provided		
Cash received from selling premises and equipment	922	7,100
Cash flows used		
Cash paid for purchasing premises and equipment	(165,395)	(6,595)
Cash paid for purchasing intangible assets	(60,928)	(82,854)
<b>Net cash flow used in investing activities</b>	<b>(225,401)</b>	<b>(82,349)</b>
<b>Cash flows from financing activities</b>		
Cash flows used		
Cash paid for lease liabilities	(32,277)	-
Cash paid for finance cost	(2,724)	-
Dividends paid to shareholders of the Company	32	(1,693,300)
<b>Net cash flow used in financing activities</b>	<b>(1,409,701)</b>	<b>(1,693,300)</b>

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

Allianz Ayudhya Assurance Public Company Limited  
Statement of Cash Flows (Unaudited)  
For the nine-month period ended 30 September 2020

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	2020	2019
<b>Note</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	(4,948,365)	1,298,156
Cash and cash equivalents as at 1 January	<u>9,505,841</u>	<u>5,916,023</u>
Cash and cash equivalents as at 30 September	4,557,476	7,214,179
<u>Less</u> Allowance for expected credit loss	<u>(3,591)</u>	<u>-</u>
<b>Cash and cash equivalents as at 30 September</b>	<b>7</b> <u><u>4,553,885</u></u>	<u><u>7,214,179</u></u>
<b>Supplemental cash flows information</b>		
Non-cash items		
Receivables from selling investments	369,297	249,857
Payables from purchasing investments	196,793	688,182

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

## **1 General information**

Allianz Ayudhya Assurance Public Company Limited, ("the Company"), was first incorporated in Thailand under the name of Sri Ayudhya Life Assurance Company Limited on 11 April 1951 and the Company was granted its license to operate as a life insurance company on 20 April 1951.

Its registered office is located at Ploenchit Tower, 1<sup>st</sup> floor Zone B, 2<sup>nd</sup> floor Zone B (Mezzanine), 5<sup>th</sup> floor Zone B, 6<sup>th</sup> floor, 14<sup>th</sup> floor and 17<sup>th</sup> floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The immediate parent companies are CPRN (Thailand) Limited, Allianz Ayudhya Capital Public Company Limited. The immediate parent company was incorporated in Thailand and the ultimate parent company is Allianz SE which was incorporated in Germany.

The principal business of the Company is the provision of life insurance business.

This interim financial information was approved by the Board of Directors on 11 November 2020.

This interim financial information has been reviewed, not audited.

## **2 Basis of preparation**

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

The interim financial information should be read together with the annual financial statements for the year ended 31 December 2019.

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.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Income taxes in the interim periods are accrued by using the expected income taxes in the interim period.

### 3. Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except as described in note 4 regarding the adoption of the new financial reporting standards.

#### 3.1 Revised financial reporting standards which were effective on or after 1 January 2020 are relevant to the Company

TAS 12	Income tax
TAS 19	Employee benefits
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

### 4. Adoption of new financial reporting standards and changes in accounting policies

#### Adoption of new financial reporting standards which are effective in or after 1 January 2020

On 1 January 2020, the Company passed criteria of temporarily exemption from TFRS 9 Financial instruments and TFRS 7 Financial instruments: Disclosures under TFRS 4 (revised 2018) Insurance contracts and is eligible to apply the 'financial instruments and disclosure for insurance companies' accounting guidance' ('The Accounting Guidance') as the Company has not previously applied TFRS 9 Financial instrument and the Company's activities are predominantly connected with insurance business. Insurance liabilities under TFRS 4 (revised 2018) Insurance contracts as at 1 January 2018 were greater than 90% of total company's liabilities resulting in the Company be able to apply such Accounting Guidance.

In addition, the Company has adopted the financial reporting standards relating to financial instruments and accounting guidance (TAS 32 and the Accounting Guidance) and lease standard (TFRS 16) in the preparation of the interim financial information.

The Company has adopted the new standards retrospectively from 1 January 2020, but has not restated comparative for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements are therefore made against in the opening balances of the statement of financial position on 1 January 2020.



**Allianz Ayudhya Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**4. Adoption of new financial reporting standards and changes in accounting policies (Cont'd)**

The following table shows the adjustments made to the amounts recognised in each line item in the statement of financial position upon the adoption of the financial reporting standards relating to financial instruments (TAS 32 and the Accounting Guidance) and lease standard (TFRS 16):

	Financial Information			As at 1 January 2020 Restated Thousand Baht
	As at 31 December 2019 Previously reported Thousand Baht	TAS 32 and The Accounting Guidance Adjustments and reclassification Thousand Baht	TFRS 16 Adjustments and reclassification Thousand Baht	
<b>Assets</b>				
Cash and cash equivalents	9,505,841	(4,970)	-	9,500,871
Investments in securities, net	191,257,234	1,301,316	-	192,558,550
Loans, net	8,399,102	(646)	-	8,398,456
Right-of-use assets	-	-	319,529	319,529
Other Assets	280,114	(452)	(750)	278,912
<b>Total assets</b>	<b>209,442,291</b>	<b>1,295,248</b>	<b>318,779</b>	<b>211,056,318</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Deferred tax Liabilities	3,535,002	259,050	-	3,794,052
Other liabilities	2,009,203	-	318,779	2,327,982
<b>Total liabilities</b>	<b>5,544,205</b>	<b>259,050</b>	<b>318,779</b>	<b>6,122,034</b>
<b>Equity</b>				
Retained earnings	7,658,831	(49,869)	-	7,608,962
Other components of equity	16,274,074	1,086,067	-	17,360,141
<b>Total Equity</b>	<b>23,932,905</b>	<b>1,036,198</b>	<b>-</b>	<b>24,969,103</b>
<b>Total liabilities and Equity</b>	<b>29,477,110</b>	<b>1,295,248</b>	<b>318,779</b>	<b>31,091,137</b>

4. Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

The adoption of the new financial reporting standards on financial instruments mainly affects the Company's accounting treatment as follows:

Classification and measurement

Currently, the Company has equity instruments measured at cost of Baht 42.88 million. These instruments will be reclassified and remeasured to fair value through other comprehensive income and recognised cumulative adjustment of Baht 1,325 million as of 1 January 2020 to other component of equity.

Impairment

The new requirements on the impairment losses will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. As of 1 January 2020, the Company recognised impairment losses for deposits with bank and financial institution of Baht 4.97 million, loans of Baht 0.65 million, investment in securities of Baht 56.27 million and other receivable of Baht 0.45 million. The transition adjustment will be recognised as an adjustment to the opening balance of retained earnings, net of tax, of Baht 49.86 million.

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 2.22%.

	<u>Thousand Baht</u>
Operating lease commitments disclosed as at 31 December 2019	174,890
(Less): impact from discounted using the lessee's incremental borrowing rate of at the date of initial application	(18,203)
(Less): contracts reassessed as service agreements / service portion included in leases	(40,280)
Add: adjustments as a result of a different treatment of extension and termination options	<u>202,372</u>
Lease liability recognised as at 1 January 2020	<u>318,779</u>

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepayment relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

4. Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

The recognised right-of-use assets relate to the following types of assets:

	30 September 2020 Thousand Baht	1 January 2020 Thousand Baht
Buildings and improvements	402,787	317,817
Others	8,570	1,712
Total right-of-use assets	<u>411,357</u>	<u>319,529</u>

*Practical expedients applied*

In applying TFRS 16 for the first time for lease contracts existed before 1 January 2020, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

**Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases**

Investment in securities

*Classification and measurements*

From 1 January 2020, the Company classifies its financial assets as follows:

- Investments measured at fair value through profit or loss (FVPL)
- Investments measured at fair value through other comprehensive income (FVOCI)
- Investments measured at amortised cost
- Investments designated at fair value through profit or loss

The Company initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

On the adoption of the financial reporting standards related to financial instruments (TAS 32 and the Accounting Guidance), there are certain investments in financial instruments with puttable features having a contractual obligation for the issuer to repurchase or redeem those instruments for cash or another financial asset on exercise of a put or financial instruments that impose on the issuer an obligation to deliver to another party a pro rata share of the net assets of the issuer only on a liquidation. These instruments have been reclassified from investment in equity securities to investment in debt securities.

#### 4. Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

However, for the classification of investment in Thailand's i) Real Estate Investment Trust (REIT) and Infrastructure Trust, ii) Infrastructure Fund, and iii) Property Fund, the Company applies the TFAC's clarification announced on 14 May 2020. The announcement requires the Company to classify the aforementioned investments as investments in equity instruments. Those investments are measured at fair value through other comprehensive income.

##### *Impairment*

From 1 January 2020, the Company assessed expected credit losses on a forward looking basis for its debt securities carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company always accounts for expected credit losses which involved a three-stage expected credit losses impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit losses impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equals to full lifetime expected credit losses is to be recognised.

The expected credit loss will be recognised in profit or loss.

For impairment of equity instruments which classified as investments measured at fair value through other comprehensive income will be recognised in profit and loss immediately when there is evidence supports the impairment of the instruments. The Company will recognise allowance of losses in other comprehensive income and the carrying amount of financial assets which classified as equity instruments in the statement of financial position will not be decreased.

##### Hedge Accounting

A derivative is designated as the hedging instrument in a hedging of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period.

The Company designates gains (losses) on cash flow hedges and gains (losses) on deferred cost of hedging. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedge reserve is recognised in other components of equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within fair value gain/loss. The change in foreign currency basis spread or forward point that relates to the hedged item is recognised within other comprehensive income in the costs of hedging within other component of equity.

4. Adoption of new financial reporting standards and changes in accounting policies (Cont'd)

Derivative assets and liabilities (Cont'd)

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss when a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Right-of-use assets and lease liabilities

The Company leases building and equipment. Rental contracts are typically made for fixed periods of 2 to 3 years but may have extension options. Before 2020 financial year, leases of building and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease prepayments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise the underlying asset that the value does not exceed Baht 175,000 (EUR 5,000).

## **5 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 and liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2019.

## **6 Fair value**

### **6.1 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.

6 Fair value (Cont'd)

6.1 Fair value estimation (Cont'd)

The following table presents the Company's financial assets and liabilities that were measured and recognised at fair value on the interim financial information as at 30 September 2020.

	(Unaudited)			Total Thousand Baht
	30 September 2020			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
<b>Financial assets</b>				
Derivative assets	-	762,168	-	762,168
Investment in securities				
Financial assets at fair value through other comprehensive income				
Debt securities	5,383,459	146,019,614	-	151,403,073
Equity securities	12,618,948	-	-	12,618,948
Equity securities - Unlisted	-	-	1,025,429	1,025,429
Financial assets designated at fair value through profit or loss				
Debt securities	96,299	-	-	96,299
Investment assets held to cover linked liabilities	-	492,593	-	492,593
<b>Total</b>	<b>18,098,706</b>	<b>147,274,375</b>	<b>1,025,429</b>	<b>166,398,510</b>
<b>Financial liabilities</b>				
Derivative liabilities	-	790,645	-	790,645
<b>Total</b>	<b>-</b>	<b>790,645</b>	<b>-</b>	<b>790,645</b>

The following table presents the fair values of the Company's financial assets that were not measured at fair value on the interim financial information as at 30 September 2020.

	(Unaudited)			Total Thousand Baht
	30 September 2020			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
<b>Financial assets</b>				
Investment in securities				
Held-to-maturity investments				
Debt securities	-	30,685,880	-	30,685,880
Deposit at financial institutions with maturities over 3 months from acquisition date	4,000,000	-	-	4,000,000
<b>Total</b>	<b>4,000,000</b>	<b>30,685,880</b>	<b>-</b>	<b>34,685,880</b>

6 Fair value (Cont'd)

6.1 Fair value estimation (Cont'd)

The following table presents the Company's financial assets and liabilities that are measured and recognised at fair value on the financial statements as at 31 December 2019.

	(Audited)			
	31 December 2019			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<b>Financial assets</b>				
Derivative assets	-	1,942,969	-	1,942,969
Investment in securities				
Held for trading				
Equity securities	846	-	-	846
Available-for-sale investments				
Debt securities	-	133,002,178	-	133,002,178
Equity securities	21,399,529	-	-	21,399,529
Investment assets held to cover linked liabilities	464,825	-	-	464,825
<b>Total</b>	<b>21,865,200</b>	<b>134,945,147</b>	<b>-</b>	<b>156,810,347</b>
<b>Financial liabilities</b>				
Derivative liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following table presents the fair values of the Company's financial assets that are not measured at fair value on the financial statement as at 31 December 2019.

	(Audited)			
	31 December 2019			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<b>Financial assets</b>				
Investment in securities				
Held-to-maturity investments				
Debt securities	-	36,732,838	-	36,732,838
Deposit at financial institutions with maturities over 3 months from acquisition date	4,000,000	-	-	4,000,000
General investments	-	-	1,361,130	1,361,130
<b>Total</b>	<b>4,000,000</b>	<b>36,732,838</b>	<b>1,361,130</b>	<b>42,093,968</b>



6 Fair value (Cont'd)

6.2 Valuation techniques used to derive Level 1 fair values

The Company determines Level 1 for 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 Stock Exchange of Thailand.

6.3 Valuation techniques used to derive Level 2 fair values

The Company determines Level 2 fair values for debt securities using the prices on the last business day of the period provided by the Thai Bond Market Association which using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

The Company determines Level 2 fair values for unit trusts using the net asset value (NAV) on the last business day of the period provided by assets management companies.

The Company determines Level 2 for simple over-the-counter hedging derivatives which comprise cross currency swap and bond forward contracts based on broker quotes. The cross currency swap have been fair valued based on exchange rates that are quoted in an active market. The bond forward contracts have been fair valued based on forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

6.4 Valuation techniques used to derive Level 3 fair values

The fair value of significant general investments are based on dividend discount model technique using the net present value of dividends and terminal value expected to be received in the future. The fair value are within level 3 of the fair value hierarchy.

There was no transfer between Levels 1, 2 and 3 during the period.

There was no change in valuation techniques during the periods.

7 Cash and cash equivalents, net

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Cash on hand	479	518
Deposits at banks - call deposits	2,103,510	2,108,845
Short-term investments	2,453,487	7,396,478
Expected credit losses	(3,591)	-
<b>Total</b>	<b>4,553,885</b>	<b>9,505,841</b>

As at 30 September 2020, cash and cash equivalents were denominated in foreign currencies amounting to Baht 146.00 million (31 December 2019; Baht 61.14 million).

## 8 Premiums due and uncollected

As at 30 September 2020 and 31 December 2019, the balances of premiums due and uncollected were aged as follows:

	<b>From direct insurance</b>	
	<b>(Unaudited)</b> <b>30 September</b> <b>2020</b> <b>Thousand</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2019</b> <b>Thousand</b> <b>Baht</b>
Within credit terms	1,687,125	1,424,998
Overdue:		
Less than 30 days	434,554	160,031
31 - 60 days	219,775	1,049
61 - 90 days	10,933	11,569
91 days - 1 year	13,671	6,165
Over 1 year	7,454	5,936
Total	2,373,512	1,609,748
<u>Less</u> Allowance for doubtful accounts	(199,839)	(157,094)
Net premiums due and uncollected	<u>2,173,673</u>	<u>1,452,654</u>

In case of individual policies, premiums due and uncollected represent those amounts that are within the grace period, which is 30 days. For policies with cash values having amounts overdue longer than the grace period, the premiums due and uncollected will be settled by granting automatic policy loans. For policies without cash values and overdue longer than the grace period, the policies are lapsed.

In case of group policies, the credit term is 90 days. For overdue premium due and uncollected, the Company is processing the collection in accordance with the Company's policy.

## 9 Reinsurance receivables

The details of reinsurance assets are as follows:

	<b>(Unaudited)</b> <b>30 September</b> <b>2020</b> <b>Thousand</b> <b>Baht</b>	<b>(Audited)</b> <b>31 December</b> <b>2019</b> <b>Thousand</b> <b>Baht</b>
Due from reinsurance	406,752	372,205
Total reinsurance receivable	<u>406,752</u>	<u>372,205</u>

Allianz Ayudhya Assurance Public Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 30 September 2020

10 Derivative assets and liabilities

All derivatives are for the purpose of hedging activities.

The details of derivative assets are as follow:

(Unaudited) 30 September 2020					(Unaudited) Change in fair value for the nine-month period ended 30 September 2020 Thousand Baht
Type of contract	Purpose	Number of contracts	Notional value Thousand Baht	Derivative book value Thousand Baht	
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	27	4,469,452	222,818	(424,909)
Bond forward	To hedge reinvestment risk	21	4,190,000	539,350	(21,631)
Total		48	8,659,452	762,168	(446,540)

(Audited) 31 December 2019					(Audited) Change in fair value for the year ended 31 December 2019 Thousand Baht
Type of contract	Purpose	Number of contracts	Notional value Thousand Baht	Derivative book value Thousand Baht	
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	82	13,604,582	1,208,596	997,826
Bond forward	To hedge reinvestment risk	19	4,890,000	734,373	726,446
Total		101	18,494,582	1,942,969	1,724,272

10 Derivative assets and liabilities (Cont'd)

The details of derivative liabilities are as follow:

(Unaudited) 30 September 2020					(Unaudited) Change in fair value for the nine-month period ended 30 September 2020 Thousand Baht
Type of contract	Purpose	Number of contracts	Notional value Thousand Baht	Derivative book value Thousand Baht	
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	84	11,830,711	(782,763)	(1,314,301)
Bond forward	To hedge reinvestment risk	8	790,000	(7,882)	(7,882)
<b>Total</b>		<b>92</b>	<b>12,620,711</b>	<b>(790,645)</b>	<b>(1,322,183)</b>

(Audited) 31 December 2019					(Audited) Change in fair value for the year ended 31 December 2019 Thousand Baht
Type of contract	Purpose	Number of contracts	Notional value Thousand Baht	Derivative book value Thousand Baht	
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	-	-	-	-
Bond forward	To hedge reinvestment risk	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 30 September 2020, the Company has hedged the risk on foreign currency offshore bonds and debentures by entering into cross currency swap contracts with local banks. The notional value of these hedges is U.S. Dollar 489 million, Euro 13 million and SGD 2 million (31 December 2019: U.S. Dollar 402 million and Euro 13 million).

The notional value is the amount used as a reference for calculation of the settlements made on the derivatives.

11 Investments in securities, net

The details of investments in securities as at 30 September 2020 and 31 December 2019 are as follows:

	(Unaudited) 30 September 2020	
	Cost/ amortised cost Thousand Baht	Fair value Thousand Baht
<b>Investments measured at fair value through other comprehensive income</b>		
Government and state enterprise debt securities	96,499,644	110,719,441
Private debt securities	16,726,192	17,223,544
Foreign debt securities	22,598,698	23,460,088
Equity securities	12,007,759	13,282,597
Foreign equity securities	371,550	361,780
<b>Total</b>	<b>148,203,843</b>	<b>165,047,450</b>
<u>Add Unrealised gain</u>	<u>16,843,607</u>	<u>-</u>
<b>Total Investments measured at fair value through other comprehensive income</b>	<b><u>165,047,450</u></b>	<b><u>165,047,450</u></b>
<b>Investments measured at amortised cost</b>		
Government and state enterprise debt securities	25,632,217	
Private debt securities	1,987,485	
Deposits at financial institutions with original maturities more than 3 months	<u>4,000,000</u>	
<b>Total</b>	<b>31,619,702</b>	
<u>Less</u> Expected Credit Losses	<u>(8,641)</u>	
<b>Total investments measured at amortised cost</b>	<b><u>31,611,061</u></b>	
<b>Investments designated at fair value through profit or loss</b>		
Foreign debt securities	83,696	96,299
<u>Add Unrealised gain</u>	<u>12,603</u>	<u>-</u>
<b>Total Investments designated at fair value through profit or loss</b>	<b><u>96,299</u></b>	<b><u>96,299</u></b>
<b>Total investments in securities, net</b>	<b><u>196,754,810</u></b>	

11 Investments in securities, net (Cont'd)

	(Audited) 31 December 2019	
	Cost/ amortised cost Thousand Baht	Fair value Thousand Baht
<b>Trading securities</b>		
Equity securities	5,447	846
<u>Less</u> Unrealised loss	(4,601)	-
<b>Total Trading securities, net</b>	<b>846</b>	<b>846</b>
<b>Available-for-sale investments</b>		
Government and state enterprise debt securities	92,188,847	107,098,730
Private debt securities	11,339,821	12,183,465
Foreign debt securities	12,960,076	13,719,983
Equity securities	11,376,754	14,211,823
Foreign equity securities	7,176,250	7,187,706
Total	135,041,748	154,401,707
<u>Add</u> Unrealised gain	19,426,298	-
<u>Less</u> Allowance for impairment	(66,339)	-
<b>Total available-for-sale investments, net</b>	<b>154,401,707</b>	<b>154,401,707</b>
<b>Held-to-maturity investments</b>		
Government and state enterprise debt securities	29,920,511	
Private debt securities	2,891,282	
Deposits at financial institutions with original maturities more than 3 months	4,000,000	
<b>Total held-to-maturity investments</b>	<b>36,811,793</b>	
<b>General investments</b>		
Equity securities	42,888	
<b>Total general investments</b>	<b>42,888</b>	
<b>Total investments in securities, net</b>	<b>191,257,234</b>	

During the three-month period ended 30 September 2020, the Company recognised interest income and dividend income amounting to Baht 1,577 million and Baht 211 million, respectively (2019: Baht 1,604 million and Baht 250 million, respectively).

During the nine-month period ended 30 September 2020, the Company recognised interest income and dividend income amounting to Baht 4,755 million and Baht 703 million, respectively (2019: Baht 4,719 million and Baht 868 million, respectively).

During the three-month period ended 30 September 2020, the Company received consideration from selling available-for-sale investments amounting to Baht 1,366 million (2019: Baht 615 million).

During the nine-month period ended 30 September 2020, the Company received consideration from selling available-for-sale investments amounting to Baht 7,537 million (2019: Baht 5,395 million).

As at 30 September 2020, the Company had investment in securities deposited with the Office of Insurance Commission in order to comply with the Life Insurance Act with a fair value amounting to Baht 43,390 million (31 December 2019: Baht 44,603 million) (Note 28).

Allianz Ayudhya Assurance Public Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 30 September 2020

11 Investments in securities, net (Cont'd)

11.1 Debt securities that are measured at fair value through other comprehensive income

	(Unaudited) 30 September 2020	
	Fair value Thousand Baht	Expected credit losses recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	151,352,802	(16,183)
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	151,352,802	(16,183)

11.2 Debt securities that are measured at amortised cost

	(Unaudited) 30 September 2020		
	Gross carrying value Thousand Baht	Expected credit losses Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	31,619,702	(8,641)	31,611,061
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	31,619,702	(8,641)	31,611,061

**Allianz Ayudhya Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**12 Loans and accrued interest income**

As at 30 September 2020 and 31 December 2019, the details of loans and accrued interests are aged by outstanding period as follows:

Outstanding periods	(Unaudited) 30 September 2020								
	Policy loans			Mortgage loans			Total		
	Principle Thousand Baht	Accrued interest Thousand Baht	Principle Thousand Baht	Accrued interest Thousand Baht	Principle Thousand Baht	Accrued interest Thousand Baht	Principle Thousand Baht	Accrued interest Thousand Baht	Total Thousand Baht
Within credit terms	8,237,886	1,501,760	7,497	16	8,245,383	1,501,776			9,747,159
Overdue	-	-	2,983	15	2,983	15			2,998
Less than 3 months	-	-	190	12	190	12			202
Over 3 - 6 months	-	-	-	-	-	-			-
Over 6 - 12 months	-	-	43,549	4,006	43,549	4,006			47,555
Over 12 months	-	-	-	-	-	-			-
<b>Total</b>	<b>8,237,886</b>	<b>1,501,760</b>	<b>54,219</b>	<b>4,049</b>	<b>8,292,105</b>	<b>1,505,809</b>			<b>9,797,914</b>
<b>Less Expected Credit Losses</b>	<b>-</b>	<b>-</b>	<b>(43,882)</b>	<b>(4,006)</b>	<b>(43,882)</b>	<b>(4,006)</b>			<b>(47,888)</b>
<b>Loans and accrued interests, net</b>	<b>8,237,886</b>	<b>1,501,760</b>	<b>10,337</b>	<b>43</b>	<b>8,248,223</b>	<b>1,501,803</b>			<b>9,750,026</b>



**Allianz Ayudhya Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**12 Loans and accrued interest income (Cont'd)**

As at 30 September 2020 and 31 December 2019, the balance of loans and accrued interest are aged as follows: (Cont'd)

Outstanding periods	(Audited)						Total
	Policy loans			Mortgage loans			
	Principle Thousand Baht	Accrued interest Thousand Baht	Principle Thousand Baht	Accrued interest Thousand Baht	Principle Thousand Baht	Accrued interest Thousand Baht	
Within credit terms	8,383,406	1,471,496	14,431	30	8,397,837	1,471,526	9,869,363
Overdue	-	-	-	-	-	-	-
Less than 3 months	-	-	1,265	19	1,265	19	1,284
Over 3 - 6 months	-	-	-	-	-	-	-
Over 6 - 12 months	-	-	-	-	-	-	-
Over 12 months	-	-	43,598	4,006	43,598	4,006	47,604
<b>Total</b>	<b>8,383,406</b>	<b>1,471,496</b>	<b>59,294</b>	<b>4,055</b>	<b>8,442,700</b>	<b>1,475,551</b>	<b>9,918,251</b>
<b>Less Allowance for doubtful accounts</b>	<b>-</b>	<b>-</b>	<b>(43,598)</b>	<b>(4,006)</b>	<b>(43,598)</b>	<b>(4,006)</b>	<b>(47,604)</b>
<b>Loans and accrued interests, net</b>	<b>8,383,406</b>	<b>1,471,496</b>	<b>15,696</b>	<b>49</b>	<b>8,399,102</b>	<b>1,471,545</b>	<b>9,870,647</b>

As at 31 December 2019, accrued interests are presented under "Accrued income on investments" on the statement of financial position.

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest rate are not more than 8% per annum, as approved by the Office of Insurance Commission.

Mortgage loans are loans secured by real estates. The Company had stopped providing new mortgage loans since 2010.

As at 30 September 2020, the Company had mortgage loans to staffs amounting to Baht 1 million (31 December 2019: Baht 2 million) with interest rates at 5% per annum (2019: 5% per annum). The mortgage loans were provided in accordance with the Company's welfare policy.

**13 Assets held to cover linked liabilities**

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Investment in mutual funds - debt securities that are measured at fair value through profit or loss	143,984	119,806
Investment in mutual funds - equity securities that are measured at fair value through profit or loss	346,502	341,662
Cash at bank for purchasing investment	2,107	3,357
<b>Total</b>	<b>492,593</b>	<b>464,825</b>

**14 Premises and equipment, net**

As at 30 September 2020, the Company had cost for premises and equipment amounting to Baht 1,593 million (31 December 2019: Baht 1,532 million) and had accumulated depreciation amounting to Baht 967 million (31 December 2019: Baht 1,014 million).

For the three-month period ended 30 September 2020, the Company had depreciation for premises and equipment amounting to Baht 20 million, and purchases amounting to Baht 53 million and disposal net amounting to Baht 1 million which had cost for premises and equipment amounting to Baht 34 million and had accumulated depreciation amounting to Baht 33 million.

For the nine-month period ended 30 September 2020, the Company had depreciation for premises and equipment amounting to Baht 55 million, and purchases amounting to Baht 165 million and disposal net amounting to Baht 2 million which had cost for premises and equipment amounting to Baht 104 million and had accumulated depreciation amounting to Baht 102 million.

As at 30 September 2020, the gross carrying amount of the fully depreciated assets still in use were Baht 552 million (31 December 2019: Baht 641 million).

**15 Right-of-use assets**

	Building and improvement Thousand Baht	Others Thousand Baht	Total Thousand Baht
<b>At 1 January 2020</b>			
Cost	353,007	1,712	354,719
<u>Less</u> Accumulated amortisation	(35,190)	-	(35,190)
Net book amount	317,817	1,712	319,529
<b>For the nine-month period ended 30 September 2020</b>			
Beginning net book amount as of 1 January 2020	317,817	1,712	319,529
Additions	140,142	7,902	148,044
Amortisation charge	(55,172)	(1,044)	(56,216)
Net closing net book amount	402,787	8,570	411,357
<b>At 30 September 2020</b>			
Cost	493,148	9,614	502,762
<u>Less</u> Accumulated amortisation	(90,361)	(1,044)	(91,405)
Net book amount	402,787	8,570	411,357

The related lease liabilities are disclosed in Note 23.

**Allianz Ayudhya Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**16 Intangible assets, net**

As at 30 September 2020, the Company had cost for intangible assets which consist of computer software and right amounting to Baht 1,162 million (31 December 2019: Baht 1,101 million) and had accumulated amortisation for Intangible assets amounting to Baht 745 million (31 December 2019: Baht 574 million).

For the three-month period ended 30 September 2020, the Company had amortization for intangible assets from computer software and right amounting to Baht 28 million and Baht 31 million, respectively, and increase in intangible assets from computer software amounting to Baht 28 million.

For the nine-month period ended 30 September 2020, the Company had amortization for intangible assets from computer software and right amounting to Baht 79 million and Baht 92 million, respectively, and increase in intangible assets from computer software amounting to Baht 61 million.

**17 Other assets**

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Other account receivables	132,933	86,918
<u>Less</u> Expected Credit Losses	(598)	-
Net other account receivables	132,335	86,918
Cash collateral from derivative contracts	351,700	-
Prepaid expenses	52,864	53,996
Others	75,141	139,200
<b>Total</b>	<b>612,040</b>	<b>280,114</b>

Cash collateral from derivative contracts is cash collateral which the Company has pledged under the derivative contracts with financial institutions.

**18 Insurance contract liabilities**

	(Unaudited) 30 September 2020			(Audited) 31 December 2019		
	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht
Long-term technical reserves	169,555,386	-	169,555,386	167,709,402	-	167,709,402
Short-term technical reserves:						
Loss reserves and outstanding claims						
- Reported claims	348,515	-	348,515	302,400	-	302,400
- Claims incurred but not reported	256,692	-	256,692	243,486	-	243,486
Total Loss reserves and outstanding claims	605,207	-	605,207	545,886	-	545,886
Unearned premium reserves	3,577,551	-	3,577,551	3,142,261	-	3,142,261
Total short-term technical reserves	4,182,758	-	4,182,758	3,688,147	-	3,688,147
Unpaid policy benefits	5,099,776	-	5,099,776	4,874,221	-	4,874,221
Due to insured	1,188,063	-	1,188,063	1,134,345	-	1,134,345
<b>Total</b>	<b>180,025,983</b>	<b>-</b>	<b>180,025,983</b>	<b>177,406,115</b>	<b>-</b>	<b>177,406,115</b>

18 Insurance contract liabilities (Cont'd)

18.1 Long-term technical reserves

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Beginning balances for the period/year	167,709,402	157,083,560
Reserves increased from new and inforce policies in the period/year	12,615,818	20,405,403
Reserves released for benefits payment under insurance policies, lapse and cancelled policies in the period/year	(11,449,874)	(10,462,683)
Change in assumption	680,040	683,122
Closing balances at the end of period/year	<u>169,555,386</u>	<u>167,709,402</u>

18.2 Short-term technical reserves

18.2.1 Loss reserves and outstanding claims

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Beginning balances for the period/year	545,886	494,946
Claims incurred during the period/year	3,474,146	4,969,225
Claims paid during the period/year	(3,414,825)	(4,918,285)
Closing balances at the end of period/year	<u>605,207</u>	<u>545,886</u>

18.2.2 Unearned premium reserves

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Beginning balances for the period/year	3,142,261	2,818,581
Premiums written for the period/year	7,761,388	9,408,042
Premiums earned in the period/year	(7,326,098)	(9,084,362)
Closing balances at the end of period/year	<u>3,577,551</u>	<u>3,142,261</u>

18.2.3 Unexpired risk reserve

No reserve for unexpired risks was established as at 30 September 2020 as the unexpired risk reserve estimated by the Company of Baht 2,581 million (31 December 2019: Baht 2,131 million) was lower than the unearned premium reserve.

**Allianz Ayudhya Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**18 Insurance contract liabilities (Cont'd)**

**18.3 Unpaid policy benefits**

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Death benefits	133,680	139,685
Dividend	4,124,124	4,002,749
Others	841,972	731,787
<b>Total</b>	<b>5,099,776</b>	<b>4,874,221</b>

**18.4 Due to insured**

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Uncashed cheques	766,237	683,536
Premiums received during underwriting	421,675	450,638
Others	151	171
<b>Total</b>	<b>1,188,063</b>	<b>1,134,345</b>

**19 Investment contract liabilities**

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Investment contract liabilities with discretionary participation features	3,351,550	3,276,981
Unit-linked contract liabilities	492,593	464,825
<b>Total</b>	<b>3,844,143</b>	<b>3,741,806</b>

Investment contract liabilities with discretionary participation features

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Beginning balance for the period/year	3,276,981	3,174,910
Reserves increased from inforce policies in the period/year	144,207	209,808
Reserves released for benefits payment, lapse, and cancelled policies in the period/year	(69,638)	(107,737)
<b>Closing balance at the end of period/year</b>	<b>3,351,550</b>	<b>3,276,981</b>

Allianz Ayudhya Assurance Public Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 30 September 2020

20 Reinsurance payables

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Due to reinsurers	544,881	366,752
Total reinsurance payables	<u>544,881</u>	<u>366,752</u>

21 Accrued expenses

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Accrued commission expenses	323,087	387,940
Accrued production cost	572,705	691,200
Accrued agency overhead	649,100	502,152
Accrued administration expenses others	370,208 193,527	224,753 300,215
Total	<u>2,108,627</u>	<u>2,106,260</u>

22 Deferred tax

As at 30 September 2020 and 31 December 2019, deferred tax assets and liabilities were as follows:

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Deferred tax assets	1,194,377	848,756
Deferred tax liabilities	(4,104,130)	(4,383,758)
Deferred tax liabilities, net	<u>(2,909,753)</u>	<u>(3,535,002)</u>

**Allianz Ayudhya Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**22 Deferred tax (Cont'd)**

Movements in deferred tax assets and liabilities were as follows:

	(Unaudited) 30 September 2020			
	As at 1 January 2020 Thousand Baht	Increase (decrease) in profit (loss) Thousand Baht	Increase (decrease) in other comprehensive income Thousand Baht	As at 30 September 2020 Thousand Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	89,795	(11,739)	-	78,056
Provisions	240,699	(1,447)	-	239,252
Insurance reserves	386,531	(59,849)	-	326,682
Employee benefit obligations	106,405	1,384	11,720	119,509
Unrealised loss on derivative instruments	-	-	126,232	126,232
Cost of Hedge	23,226	-	3,769	26,995
Unrealised loss on available-for- sale investments	25,326	247,231	2,461	275,018
Expected Credit Losses	6,032	(6,598)	3,199	2,633
<b>Total</b>	<b>878,014</b>	<b>168,982</b>	<b>147,381</b>	<b>1,194,377</b>
<b>Deferred tax liabilities</b>				
Unrealised gain on derivative instruments	(179,665)	-	89,201	(90,464)
Cost of Hedge	(40,011)	-	22,605	(17,406)
Unrealised gain on available-for- sale investments	(4,162,475)	-	531,917	(3,630,558)
Premium due and uncollected	(282,953)	(79,525)	-	(362,478)
Others	(6,962)	3,738	-	(3,224)
<b>Total</b>	<b>(4,672,066)</b>	<b>(75,787)</b>	<b>643,723</b>	<b>(4,104,130)</b>
<b>Net</b>	<b>(3,794,052)</b>	<b>93,195</b>	<b>791,104</b>	<b>(2,909,753)</b>

**Allianz Ayudhya Assurance Public Company Limited**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2020**

**22 Deferred tax (Cont'd)**

The movement in deferred tax assets and liabilities are as follows:

	(Audited) 31 December 2019			
	As at 1 January 2019 Thousand Baht	Increase (decrease) in profit (loss) Thousand Baht	Increase (decrease) in other comprehensive income Thousand Baht	As at 31 December 2019 Thousand Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	91,903	(2,108)	-	85,795
Provisions	279,098	(38,399)	-	240,699
Insurance reserves	429,343	(42,812)	-	386,531
Employee benefit obligations	46,420	52,955	7,030	106,405
Unrealised loss on derivative instruments	3,855	-	(3,855)	-
Unrealised loss on available-for-sale investments	272,287	-	(246,961)	25,326
<b>Total</b>	<b>1,122,906</b>	<b>(30,364)</b>	<b>(243,786)</b>	<b>848,756</b>
<b>Deferred tax liabilities</b>				
Unrealised gain on derivative instruments	(49,367)	-	(147,083)	(196,450)
Unrealised gain on available-for-sale investments	(1,185,760)	-	(2,711,633)	(3,897,393)
Premium due and uncollected	(365,446)	82,493	-	(282,953)
Others	(8,071)	1,109	-	(6,962)
<b>Total</b>	<b>(1,608,644)</b>	<b>83,602</b>	<b>(2,858,716)</b>	<b>(4,383,758)</b>
<b>Net</b>	<b>(485,738)</b>	<b>53,238</b>	<b>(3,102,502)</b>	<b>(3,535,002)</b>

**23 Other liabilities**

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Cash collateral from derivative contract	386,800	1,626,100
Other creditors	207,394	166,132
Lease liabilities	437,364	-
Others	219,027	216,971
<b>Total</b>	<b>1,250,585</b>	<b>2,009,203</b>

Cash collateral from derivative contracts is cash collateral which financial institutions have pledged under the derivative contracts with the Company.



**23 Other liabilities (Cont'd)**

The maturity analysis of lease liabilities are aged as follows:

	(Unaudited) 30 September 2020 Thousand Baht
<b>Maturing</b>	
Within 1 year	85,651
Between 1 to 2 years	82,951
Between 2 to 3 years	82,108
Between 3 to 4 years	80,499
Between 4 to 5 years	66,813
Later than 5 years	64,274
<b>Total</b>	<b>462,296</b>
Including: - Principal	462,296
- Interest	(24,932)

For the three-month and nine-month period ended 30 September 2020, interest expense on lease liabilities amounted to Baht 2.34 million and Baht 6.37 million, respectively are recorded as "Operating expense" in the statement of comprehensive income

**24 Operating expenses**

	For the three-month period ended	
	(Unaudited) 30 September 2020 Thousand Baht	(Unaudited) 30 September 2019 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	294,517	267,709
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	135,667	87,236
Tax expenses	51,890	45,512
Bad debt and doubtful debt expenses	26,031	(17,505)
Other operating expenses	156,402	239,251
<b>Total</b>	<b>664,507</b>	<b>622,203</b>

24 Operating expenses (Cont'd)

	For the nine-month period ended	
	(Unaudited) 30 September 2020 Thousand Baht	(Unaudited) 30 September 2019 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	839,135	884,263
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	316,668	252,651
Tax expenses	157,742	134,166
Bad debt and doubtful debt expenses	200,685	131,554
Other operating expenses	455,282	565,712
<b>Total</b>	<b>1,969,512</b>	<b>1,968,346</b>

25 Income tax

Income tax recognised in profit or loss

	(Unaudited) For the three-month period ended	
	30 September 2020 Thousand Baht	30 September 2019 Thousand Baht
<b>Current tax</b>		
Current period	337,872	98,022
Prior year tax adjustment	(19,800)	-
<b>Deferred tax</b>		
Movements in temporary differences	(184,249)	(45,101)
<b>Total</b>	<b>133,823</b>	<b>52,921</b>

	(Unaudited) For the nine-month period ended	
	30 September 2020 Thousand Baht	30 September 2019 Thousand Baht
<b>Current tax</b>		
Current period	724,924	400,082
Prior year tax adjustment	(32,516)	(12,088)
<b>Deferred tax</b>		
Movements in temporary differences	(93,195)	(94,074)
<b>Total</b>	<b>599,213</b>	<b>293,920</b>

**26 Basic earnings per share**

The calculations of basic earnings per share for the three-month and nine-month ended 30 September 2020 and 2019 were based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

Income tax recognised in profit or loss

	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>2020</b>	<b>2019</b>
<b>For the three-month period ended 30 September</b>		
Profit for the period attributable to ordinary shareholders of the Company (Thousand Baht)	638,021	252,289
Number of ordinary shares outstanding (Thousand shares)	295,000	295,000
Basic earnings per share (Baht per share)	<u>2.16</u>	<u>0.86</u>
<b>For the nine-month period ended 30 September</b>		
Profit for the period attributable to ordinary shareholders of the Company (Thousand Baht)	2,584,621	1,474,748
Number of ordinary shares outstanding (Thousand shares)	295,000	295,000
Basic earnings per share (Baht per share)	<u>8.76</u>	<u>5.00</u>

**27 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

27 Related parties (Cont'd)

Relationships with key management and related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai/foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Allianz SE	Germany	Ultimate parent, 16.10% shareholding
Allianz SE, Singapore Company	Singapore	Related company of ultimate parent
Allianz Technology SE Branch	Germany	Related company of ultimate parent
Allianz Global Benefits GmbH	Germany	Related company of ultimate parent
Allianz Investment Management Singapore Pte. Ltd.	Singapore	Related company of ultimate parent
Allianz Global Investors Singapore Limited	Singapore	Related company of ultimate parent
Allianz General Insurance Company (Malaysia) Berhad p.l.c	Malaysia	Related company of ultimate parent
Allianz Malaysia Berhad p.l.c	Malaysia	Related company of ultimate parent
AWP Services (Thailand) Co. Ltd.	Thailand	Related company of ultimate parent
Allianz Technology (Thailand) Company Limited	Thailand	Related company of ultimate parent
CPRN (Thailand) Limited	Thailand	Major shareholder, 34.75% shareholding
Allianz Ayudhya Capital Public Company Limited	Thailand	Major shareholder, 31.97% shareholding and common director
Bangkok Broadcasting & Television Company Limited	Thailand	Related company of major shareholders
Bank of Ayudhya Public Company Limited	Thailand	Related company of major shareholders
Krungsri Asset Management Company Limited	Thailand	Related company of major shareholders and common director
Krungsri Securities Public Company Limited	Thailand	Related company of major shareholders
Ayudhya Development Leasing Company Limited	Thailand	Related company of major shareholders
Ayudhya Capital Auto Lease Public Company Limited	Thailand	Related company of major shareholders
BDTV Equity Company Limited	Thailand	Related company of major shareholders
Siam City Cement Public Company Limited	Thailand	Related company of major shareholders and common director
Eastern Star Real Estate Public Company Limited	Thailand	Related company of major shareholders and common director
Allianz Ayudhya General Insurance Public Company Limited	Thailand	Related company of major shareholders and common director

Allianz Ayudhya Assurance Public Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 30 September 2020

27 Related parties (Cont'd)

27.1) Significant transactions for the three-month and the nine-month periods ended 30 September 2020 and 2019 with key management and related parties were as follows:

	(Unaudited) For the three-month period ended 30 September		(Unaudited) For the nine-month period ended 30 September	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
<b>Gross premiums written</b>				
Major shareholder	(3)	(3)	6	46
Other related parties	(1,414)	1,743	285,694	275,377
<b>Premiums ceded to reinsurers</b>				
Ultimate parent	16,729	18,550	92,413	73,072
Other related parties	146,025	149,740	440,105	384,606
<b>Fees and commission income</b>				
Ultimate parent	3,346	3,654	24,361	12,974
Other related parties	28,982	33,731	108,145	87,144
<b>Net investment income</b>				
Other related parties	-	-	1,590	1,347
<b>Insurance claim expenses</b>				
Other related parties	69,103	68,335	215,575	208,687
<b>Insurance claims expenses recovered from reinsurers</b>				
Ultimate parent	21,665	21,125	68,303	63,071
Other related parties	58,531	76,831	186,569	195,313
<b>Operating expenses</b>				
Ultimate parent	11,826	5,656	30,531	19,082
Other related parties	146,473	106,560	381,980	367,655
<b>Key management personnel compensation</b>				
Short-term benefits	38,798	49,549	130,863	138,439
Post-employment benefits	1,449	1,262	4,131	3,905
<b>Total key management personnel compensation</b>	<b>40,247</b>	<b>50,811</b>	<b>134,994</b>	<b>142,344</b>

27 Related parties (Cont'd)

27.2) Significant balances with related parties as at 30 September 2020 and 31 December 2019 were as follows:

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
<b>Cash and cash equivalents</b>		
Other related party	562,548	1,325,772
<b>Reinsurance receivables</b>		
Ultimate parent	45,873	43,190
Other related parties	300,253	263,605
<b>Other assets</b>		
Ultimate parent	96,299	67,635
Other related parties	21,964	19,574
<b>Reinsurance payables</b>		
Ultimate parent	11,967	17,945
Other related parties	392,696	300,475
<b>Accrued expenses</b>		
Ultimate parent	16,505	22,511
Other related parties	317,253	219,552
<b>Other liabilities</b>		
Ultimate parent	49,189	-
Other related parties	390,791	-

Investments in related parties

Investments in related parties as at 30 September 2020 and 31 December 2019 and dividends received for the three-month and nine-month periods ended 30 September 2020 and 2019 were as follows:

	Fair value		(Unaudited) Dividend income For the three-month period ended		(Unaudited) Dividend income For the nine-month period ended	
	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht	30 September 2020 Thousand Baht	30 September 2019 Thousand Baht	30 September 2020 Thousand Baht	30 September 2019 Thousand Baht
Investments - equity securities	1,160,755	188,659	1,317	3,029	4,346	64,524
<b>Total</b>	<b>1,160,755</b>	<b>188,659</b>	<b>1,317</b>	<b>3,029</b>	<b>4,346</b>	<b>64,524</b>

27 Related parties (Cont'd)

27.2) Significant balances with related parties as at 30 September 2020 and 31 December 2019 were as follows: (Cont'd)

Significant agreements with related parties

As at 30 September 2020, the Company had commitments from entering into service agreements and as at 31 December 2019, the Company had commitments from entering into long-term agreements for rental and services with related parties as follows:

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
(a) Operating lease		
Within 1 year	-	47,294
1-5 years	-	55,445
Total	-	102,739

(b) The Company entered into an agreement with a related company whereby the related company will provide the support services to the Company. The Company was charged a service fee of SGD 2.16 million. (2019: EUR 2.65 million). The term of the agreement is for 1 year from 1 January 2020 to 31 December 2020. The payments are made on quarterly basis. Either party may terminate this agreement at any time by giving 6 months prior written notice to another party.

(c) The Company entered into an agreement with ultimate parent whereby ultimate parent will provide the support services to the Company. The Company was charged a service fee of EUR 1.32 million (2019: EUR 0.83 million). The agreement is continuous contract from 1 January 2019 subject to six months notice of cancellation by either party.

28 Securities and assets pledged with the Registrar

28.1 The Company pledged investments in debt securities with the Registrar in accordance with Section 20 of the Life Assurance Act B.E. 2535 and amendment Act (No.2) B.E. 2551 were as follows:

	(Unaudited) 30 September 2020		(Audited) 31 December 2019	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
<b>Held-to-maturity investments</b>				
Government bonds	20,038	20,000	20,101	20,000

28 Securities and assets pledged with the Registrar (Cont'd)

28.2 The Company placed investments in debt securities for life policy reserve with the Registrar in accordance with Section 24 of the Life Assurance Act B.E. 2535 and amendment Act (No. 2) B.E. 2551 were as follows:

	(Unaudited) 30 September 2020		(Audited) 31 December 2019	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
<b>Available-for-sale investments</b>				
Government bonds	27,264,844	19,640,000	25,222,250	17,840,000
State enterprise bonds	8,623,919	7,420,000	9,384,826	8,220,000
<b>Total</b>	<b>35,888,763</b>	<b>27,060,000</b>	<b>34,607,076</b>	<b>26,060,000</b>
<b>Held-to-maturity investments</b>				
Government bonds	6,201,353	5,912,000	7,795,197	7,147,000
State enterprise bonds	1,300,000	1,300,000	2,201,048	2,200,000
<b>Total</b>	<b>7,501,353</b>	<b>7,212,000</b>	<b>9,996,245</b>	<b>9,347,000</b>

29 Asset-backed

As of 30 September 2020, and 31 December 2019, the Company pledged investments in restricted securities with the Bank and Registrar as asset-backed in accordance with Section 27/4 of the Life Assurance Act B.E. 2535 and amendment Act (No.2) B.E. 2551 were as follows:

	(Unaudited) 30 September 2020		(Audited) 31 December 2019	
	Book value Thousand Baht	Appraisal value Thousand Baht	Book value Thousand Baht	Appraisal value Thousand Baht
Deposits with financial institutions	5,161,504	5,161,504	4,446,201	4,446,201
Equity securities	13,694,648	13,694,648	21,443,263	22,768,219
Debt securities	181,425,991	184,006,218	173,210,449	176,159,883
<b>Total</b>	<b>200,282,143</b>	<b>202,862,370</b>	<b>199,099,913</b>	<b>203,374,303</b>



### 30 Commitments with non-related parties

#### 30.1 Commitments for long-term agreements

The Company's obligation for future payments under service agreement as at 30 September 2020 and obligation for future payments under rental and service agreement as at 31 December 2019 were as follows:

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Within one year	26,855	45,132
After one year but not more than five years	28,853	27,019
More than five years	18,781	-
Total	<u>74,489</u>	<u>72,151</u>

#### 30.2 Investment commitments

As at 30 September 2020, the Company had commitments to invest in several series of bills of exchange issued by banks amounting to Baht 208 million (31 December 2019: Baht 638 million). These investments have a duration up to 2023 (31 December 2019: up to 2023) and are payable based on the contract terms. The timing of the commitments are as follows:

	(Unaudited) 30 September 2020 Thousand Baht	(Audited) 31 December 2019 Thousand Baht
Within one year	84,000	514,004
After one year but not more than five years	124,000	124,000
Total	<u>208,000</u>	<u>638,004</u>

### 31 Expected credit losses

	(Unaudited) For the three-month period ended 30 September 2020 Thousand Baht	(Unaudited) For the nine-month period ended 30 September 2020 Thousand Baht
Cash and cash equivalents (Reversal)	(8,236)	(1,379)
Investment in debt securities (Reversal)	(21,099)	(31,443)
Loans (Reversal)	(112)	(313)
Other receivable (Reversal)	(330)	146
Total	<u>(29,777)</u>	<u>(32,989)</u>

**32 Dividend**

At the annual general meeting of the shareholders of the Company held on 16 July 2020, the shareholders approved the appropriation of dividend payment of Baht 4.66 per share, on 295 million shares, amounting to Baht 1,374.7 million and the dividend payment was made on 31 July 2020. (2019: At the extraordinary general meeting of the shareholders of the Company held on 23 August 2019, the shareholders approved the appropriation of dividend payment of Baht 5.74 per share, on 295 million shares, amounting to Baht 1,693.3 million and the dividend payment was made on 19 September 2019.)