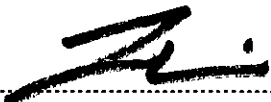


Information Disclosure
Allianz Ayudhya Assurance Public Company Limited

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. Thomas Charles Wilson
 Position Director

Sign 
 Name Mr. Kitt Pintavirooj
 Position Director

Disclosed on 16 May 2022
 Quarterly 1 Year 2022



1. Adequacy of Capital

Allianz Ayudhya Assurance Public Company Limited holds a strong RBC Solvency Ratio. At the end of first quarter in 2022, the Company's capital adequacy ratio is at the 334 percent which is significant high comparing to the minimum ratio required by the OIC at the 140 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 16 May 2022

Unit: million baht

Item	Quarter 1		Quarter 2		Quarter 3	
	2022	2021	2022	2021	2022	2021
Common Equity Tier 1 (%)	334%	328%		297%		282%
Tier 1 Capital Ratio (%)	334%	328%		297%		282%
Capital Adequacy Ratio (%)	334%	328%		297%		282%
Total Capital Availability	32,289.09	29,225.54		28,011.50		28,567.14
Total Capital Requirement	9,657.99	8,922.28		9,437.43		10,122.23

- 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 (supervisory CAR):
 - Capital is based on appraisal value aligned with the announcement of OIC regarding the Life Insurance Company's asset and liability assessment; the announcement of OIC regarding the Type and Category of the Capital including Rules, Procedures and Conditions of the Capital Calculation in Life Insurance Companies
 - 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)

31 MARCH 2022



AUDITOR'S REPORT ON THE REVIEW OF THE 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, which comprises the statement of financial position as at 31 March 2022, and the related statements of comprehensive income, the statement of changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Sakuna Y', with a stylized flourish below it.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
13 May 2022

Allianz Ayudhya Assurance Public Company Limited
Statement of Financial Position
As at 31 March 2022

		(Unaudited) 31 March 2022	(Audited) 31 December 2021
	<u>Notes</u>	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Assets			
Cash and cash equivalents, net	6, 25	4,003,475	6,489,635
Premiums due and uncollected	7	1,834,667	1,417,259
Accrued investment income		1,690,045	1,343,096
Reinsurance receivables	8, 25	636,755	542,822
Investment receivables		32,465	5,714
Derivative assets	9	284,275	262,907
Investment assets			
Investments in securities, net	10, 25, 26	193,226,617	195,497,550
Loans, net	11	9,739,829	9,748,164
Investment assets held to cover linked liabilities	12	991,772	943,335
Premises and equipment, net	13	586,711	605,165
Right-of-use assets	14	460,079	489,616
Intangible assets, net	15	767,264	824,637
Other assets	25	1,819,972	1,528,802
Total assets		<u><u>216,073,926</u></u>	<u><u>219,698,702</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 Financial Position (Cont'd)
As at 31 March 2022

		(Unaudited) 31 March 2022	(Audited) 31 December 2021
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Liabilities			
Insurance contract liabilities	16	186,285,038	183,912,401
Investment contract liabilities	17	4,335,649	4,306,310
Reinsurance payables	18, 25	867,844	627,870
Investment payables		500,631	63,701
Derivative liabilities	9	1,022,678	1,418,807
Income tax payable		615,930	536,215
Accrued expenses	19, 25	1,774,603	2,047,767
Employee benefit obligations		532,233	737,834
Provisions	20	210,704	210,704
Deferred tax liabilities, net	21	79,391	1,377,610
Other liabilities	25	975,909	989,890
Total liabilities		<u>197,200,610</u>	<u>196,229,109</u>
Equity			
Share capital			
Authorised share capital			
400,000,000 ordinary shares of 10 Baht each		<u>4,000,000</u>	<u>4,000,000</u>
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		12,156,041	11,279,937
Other components of equity		<u>3,367,275</u>	<u>8,839,656</u>
Total equity		<u>18,873,316</u>	<u>23,469,593</u>
Total liabilities and equity		<u>216,073,926</u>	<u>219,698,702</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 three-month period ended 31 March 2022

		(Restated)
		2022
		2021
	Notes	Thousand Baht
		Thousand Baht
Revenues		
Gross premiums written	25	7,966,106
<u>Less</u> premiums ceded	25	<u>(318,141)</u>
Net premiums written		7,647,965
<u>Less</u> unearned premium reserve decreased (increased) from previous period		<u>(483,850)</u>
Net premiums earned		7,164,115
Fees and commission income	25	71,596
Net investment income		1,586,833
Gains (losses) on investment		561,867
Gains on fair value		196,749
Other income		<u>24,926</u>
Total revenues		<u>9,606,086</u>
Expenses		
Long-term technical reserves increased (decreased) from previous period	3	1,591,459
Benefits payments and insurance claims expenses	25	4,874,849
<u>Less</u> benefits payments and insurance claims expenses recovered from reinsurers	25	<u>(128,935)</u>
Net benefits payment and insurance claims expenses		4,745,914
Commissions and brokerages		1,045,320
Other underwriting expenses		427,427
Operating expenses	22, 25	477,906
Impairment loss on investment in securities		231,784
Expected Credit Loss (Reversal)	23	(744)
Finance cost		<u>3,764</u>
Total expenses		<u>8,522,830</u>
Profit before income tax		1,083,256
Income tax	3	<u>207,152</u>
Net profit		<u>876,104</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 31 March 2022

		(Restated)	
		2022	2021
	Notes	Thousand Baht	Thousand Baht
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to profit or loss			
Losses on remeasurements of post-employment benefit obligations		-	-
Income tax on items that will not be reclassified to profit or loss		-	-
Total items that will not be subsequently reclassified to profit or loss		-	-
Items that will be subsequently reclassified to profit or loss			
Loss from investments measured at fair value through other comprehensive income		(6,711,065)	(8,654,576)
Change in fair value of cash flow hedges		261,538	(544,934)
Cost of hedging		143,707	55,075
Items in other comprehensive income transferred to profit or loss		(499,532)	(1,232)
Change in long-term technical reserve from shadow accounting adoption	3	(35,124)	291,273
Income tax on items that will be subsequently reclassified to profit or loss	3, 21	1,368,095	1,770,879
Total items that will be subsequently reclassified to profit or loss		(5,472,381)	(7,083,515)
Other comprehensive income (expense) for the period, net of income tax		(5,472,381)	(7,083,515)
Total comprehensive income (expense) for the period		(4,596,277)	(6,367,543)
Basic earnings per share (Baht)	3, 24	2.97	2.43

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 three-month period ended 31 March 2022

	Retained earnings		Other components of equity				Total equity Thousand Baht
	Issued and paid-up share capital Thousand Baht	Legal reserve 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	Change in long-term technical reserve from shadow accounting adoption Thousand Baht	Total other components of equity Thousand Baht	
Balance as at 1 January 2021 - restated	2,950,000	400,000	16,038,036	317,572	(147,207)	16,075,448	29,007,085
Distributions to shareholders of the Company	-	-	-	-	-	-	-
Dividends to shareholders of the Company	-	-	-	-	-	-	-
Total transaction with shareholders, recorded directly in equity	-	-	-	-	-	-	-
Comprehensive income (loss) for the period	-	-	-	-	-	-	715,972
Net profit	-	-	715,972	-	-	-	715,972
Other comprehensive income (loss)	-	-	-	-	-	-	-
Change in fair value of cash flow hedges	-	-	-	(435,947)	-	(435,947)	(435,947)
Change in rematuring deferred cost of hedge	-	-	-	-	44,060	44,060	44,060
Change in fair value of investments measured at fair value through other comprehensive income	-	-	(6,923,661)	-	-	(6,923,661)	(6,923,661)
Change in the long-term technical reserve from shadow accounting adoption (Note 3)	-	-	-	-	233,019	233,019	233,019
Items in other comprehensive income transferred to profit or loss	-	-	(986)	-	-	(986)	(986)
Total comprehensive income (loss) for the period	-	-	(6,924,647)	(435,947)	44,060	(7,083,515)	(6,367,543)
Balance as at 31 March 2021 - restated	2,950,000	400,000	9,113,389	(118,375)	(103,147)	8,991,933	22,639,542

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 three-month period ended 31 March 2022

	Retained earnings		Other components of equity					Total equity Thousand Baht		
	Issued and paid-up share capital Thousand Baht	Legal reserve 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	Cost of hedging accounting adoption Thousand Baht	Change in long-term technical reserve from shadow Thousand Baht	Total other components of equity Thousand Baht			
Balance at 1 January 2022	2,950,000	400,000	11,279,937	8,853,781	(148,984)	21,019	113,840	8,839,656	23,469,593	
Distributions to shareholders of the Company	-	-	-	-	-	-	-	-	-	
Dividends to shareholders of the Company	-	-	-	-	-	-	-	-	-	
Total transaction with shareholders, recorded directly in equity	-	-	-	-	-	-	-	-	-	
Comprehensive income (loss) for the period	-	-	876,104	-	-	-	-	-	-	876,104
Net profit	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	209,230	-	-	-	209,230	209,230
Change in fair value of cash flow hedges	-	-	-	-	-	-	-	-	-	-
Change in rematuring deferred cost of hedge	-	-	-	-	-	114,966	-	-	114,966	114,966
Change in fair value of investments measured at fair value through other comprehensive income	-	-	-	(5,368,852)	-	-	-	-	(5,368,852)	(5,368,852)
Change in the long-term technical reserve from shadow accounting adoption	-	-	-	-	-	-	(28,099)	(28,099)	(28,099)	(28,099)
Items in other comprehensive income transferred to profit or loss	-	-	-	(399,626)	-	-	-	-	(399,626)	(399,626)
Total comprehensive income (loss) for the period	-	-	876,104	(5,768,478)	209,230	114,966	(28,099)	(5,472,381)	(4,596,277)	
Balance as at 31 March 2022	2,950,000	400,000	12,156,041	3,085,303	60,246	135,985	85,741	3,367,275	18,873,316	

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 three-month period ended 31 March 2022

	2022	2021
	Notes	Notes
	Thousand Baht	Thousand Baht
Cash flows from operating activities		
Premiums written	7,609,047	7,880,379
Cash received (paid) relating to reinsurance	28,430	(182,630)
Interest received	293,398	2,087,863
Dividends received	191,039	142,142
Other income	26,060	20,348
Benefits payments and insurance claims expenses	(4,608,309)	(7,368,753)
Commissions and brokerages	(1,265,223)	(1,181,705)
Other underwriting expenses	(392,070)	(419,036)
Operating expenses	(663,506)	(596,542)
Income tax paid	(57,560)	(26,246)
Cash received from selling and redeeming investments in securities	8,283,689	3,078,921
Cash paid for purchasing investments in securities	(11,921,435)	(3,606,498)
Cash received from loans	14,346	97,123
Deposits	111	482
Net cash flow provided from (used in) operating activities	(2,461,983)	(74,152)
Cash flows from investing activities		
Cash flows provided		
Cash received from selling premises and equipment	13	1,515
Cash received from selling intangible assets	-	2,969
Cash flows used		
Cash paid for purchasing premises and equipment	(638)	(14,876)
Cash paid for purchasing intangible assets	(4,316)	(605,937)
Net cash flow used in investing activities	(4,941)	(616,329)
Cash flows from financing activities		
Cash flows used		
Cash paid for lease liabilities	(15,495)	(32,481)
Cash paid for finance cost	(3,708)	(4,393)
Net cash flow used in financing activities	(19,203)	(36,874)
Net increase (decrease) in cash and cash equivalents	(2,486,127)	(727,355)
Cash and cash equivalents as at 1 January	6,489,635	7,265,076
Cash and cash equivalents as at 31 March	4,003,508	6,537,721
<u>Less</u> Allowance for expected credit loss	(33)	(7,144)
Cash and cash equivalents as at 31 March	6 4,003,475	6,530,577
Supplemental cash flows information		
Non-cash items		
Receivables from sold investments	32,465	551,119
Payables from bought investments	500,631	70,238
Lease liability write-off	10,744	-

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 898 Ploenchit Tower, 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 13 May 2022.

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 2021.

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.

3 Accounting policies and impacts from changes in 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 2021

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2022 do not have material impact on the Company.

3 Accounting policies and impacts from changes in accounting policies (Cont'd)

3.1 Impacts from changes in accounting policies

The Company has changed its accounting policies relating to the application of shadow accounting under TFRS 4 Insurance contracts, retrospectively. The retroactive impacts to financial statements are as follows:

	As at 31 March 2021 Previously reported	Impacts from change in accounting policy	As at 31 March 2021 Restated
Notes	Thousand Baht	Thousand Baht	Thousand Baht
Statement of comprehensive income			
Long-term technical reserve increased from previous period	(1,295,288)	291,273	(1,004,015)
Income tax	238,251	(58,254)	179,997
Items that will be reclassified subsequently to profit or loss			
Change in long-term technical reserve from applying shadow accounting	-	291,273	291,273
Income tax on items that will be reclassified subsequently to profit or loss	1,829,133	(58,254)	1,770,879
Earnings per share	24	3.22	(0.79)
		(0.79)	2.43

4 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 2021.

5 Fair value

5.1 Fair value estimation

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

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

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

The following table presents the Company's financial assets and liabilities that were measured and recognised at fair value on the interim financial information as at 31 March 2022.

	(Unaudited) 31 March 2022			
	Level 1	Level 2	Level 3	Total
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Financial assets				
Derivative assets	-	284,275	-	284,275
Investment in securities				
Financial assets at fair value through other comprehensive income				
Debt securities	8,993,325	147,567,596	-	156,560,921
Equity securities	15,055,326	-	10,380	15,065,706
Financial assets designated at fair value through profit or loss				
Debt securities	95,395	-	-	95,395
Investment assets held to cover linked liabilities	-	991,772	-	991,772
Total	24,144,046	148,843,643	10,380	172,998,069
Financial liabilities				
Derivative liabilities	-	1,022,678	-	1,022,678
Total	-	1,022,678	-	1,022,678

5 Fair value (Cont'd)

5.1 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 2021.

	(Audited)			Total Thousand Baht
	31 December 2021			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Financial assets				
Derivative assets	-	262,907	-	262,907
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	9,453,716	148,978,604	-	158,432,320
Equity securities	15,416,239	-	6,832	15,423,071
Investments designated at fair value through profit or loss				
Debt securities	125,821	-	-	125,821
Investment assets held to cover linked liabilities	-	943,335	-	943,335
Total	24,995,776	150,184,846	6,832	175,187,454
Financial liabilities				
Derivative liabilities	-	1,418,807	-	1,418,807
Total	-	1,418,807	-	1,418,807

5.2 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.

5.3 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.

5 Fair value (Cont'd)

5.4 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.

6 Cash and cash equivalents, net

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Cash on hand	479	479
Deposits at banks - call deposits	3,737,991	4,258,240
Short-term investments	265,038	2,230,951
Expected credit losses	(33)	(35)
Total	4,003,475	6,489,635

As at 31 March 2022, cash and cash equivalents were denominated in foreign currencies amounting to Baht 269.43 million (31 December 2021: Baht 113.69 million).

7 Premiums due and uncollected

As at 31 March 2022 and 31 December 2021, the balances of premiums due and uncollected were aged as follows:

	From direct insurance	
	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Within credit terms	1,815,319	1,382,931
Overdue:		
Less than 30 days	156,070	180,657
31 - 60 days	5,445	2,957
61 - 90 days	12,033	18,379
91 days - 1 year	6,650	17,884
Over 1 year	7,909	7,694
Total	2,003,426	1,610,502
<u>Less</u> Allowance for doubtful accounts	<u>(168,759)</u>	<u>(193,243)</u>
Net premiums due and uncollected	1,834,667	1,417,259

7 Premiums due and uncollected (Cont'd)

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.

8 Reinsurance receivables

The details of reinsurance receivables are as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Due from reinsurance	636,755	542,822
Total reinsurance receivables	636,755	542,822

9 Derivative assets and liabilities

All derivatives are for the purpose of hedging activities.

The details of derivative assets are as follow:

Type of contract	Purpose	(Unaudited) 31 March 2022		Derivative book value Thousand Baht	(Unaudited) Change in fair value for the three-month period ended 31 March 2022 Thousand Baht
		Number of contracts	Notional value Thousand Baht		
Cross currency swap	To hedge foreign currency risk of investment in foreign currency	28	4,981,845	266,996	204,958
Bond forward	To hedge reinvestment risk	4	800,000	9,799	(38,631)
Foreign currency forward	To hedge fair value risk	2	2,747,360	7,480	7,480
Total		34	8,529,205	284,275	173,807

Allianz Ayudhya Assurance Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2022

9 Derivative assets and liabilities (Cont'd)

(Audited) 31 December 2021					(Audited) Change in fair value for the year ended 31 December 2021 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	12	2,695,820	102,450	(207,994)
Bond forward	To hedge reinvestment risk	10	2,520,000	160,457	(271,133)
Total		22	5,215,820	262,907	(479,127)

The details of derivative liabilities are as follow:

(Unaudited) 31 March 2022					(Unaudited) Change in fair value for the three-month period ended 31 March 2022 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	110	14,706,455	663,247	(562,334)
Bond forward	To hedge reinvestment risk	39	4,705,000	178,512	203,189
Foreign currency forward	To hedge fair value risk	4	3,788,763	180,919	87,126
Total		153	23,200,218	1,022,678	(272,019)

(Audited) 31 December 2021					(Audited) Change in fair value for the year ended 31 December 2021 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	126	16,992,481	1,265,993	1,482,734
Bond forward	To hedge reinvestment risk	30	2,845,000	59,021	80,812
Foreign exchange forward	To hedge fair value	6	3,209,726	93,793	93,793
Total		162	23,047,207	1,418,807	1,657,339

As at 31 March 2022, 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 596.45 million, Euro 13 million and SGD 2.25 million (31 December 2021: U.S. Dollar 596.45 million, EUR Dollar 13 million and SGD Dollar 2.25 million).

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

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10 Investments in securities, net

The details of investments in securities as at 31 March 2022 and 31 December 2021 are as follows:

	(Unaudited) 31 March 2022	
	Cost/ amortised cost Thousand Baht	Fair value Thousand Baht
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	98,329,320	100,049,139
Private debt securities	27,143,714	27,033,768
Foreign debt securities	28,429,186	29,478,014
Equity securities	13,217,128	14,514,998
Foreign equity securities	630,437	550,708
Total	167,749,785	171,626,627
<u>Add</u> Unrealised gain	3,876,842	-
Total Investments measured at fair value through other comprehensive income	<u>171,626,627</u>	<u>171,626,627</u>
Investments measured at amortised cost		
Government and state enterprise debt securities	16,790,952	
Private debt securities	2,715,490	
Deposits at financial institutions with original maturities more than 3 months	2,000,000	
Total	21,506,442	
<u>Less</u> Expected Credit Losses	(1,847)	
Total investments measured at amortised cost	<u>21,504,595</u>	
Investments designated at fair value through profit or loss		
Foreign debt securities	68,520	95,395
<u>Add</u> Unrealised gain	26,875	-
Total Investments designated at fair value through profit or loss	<u>95,395</u>	<u>95,395</u>
Total investments in securities, net	<u>193,226,617</u>	

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10 Investments in securities, net (Cont'd)

	(Audited) 31 December 2021	
	Cost/ amortised cost Thousand Baht	Fair value Thousand Baht
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	93,045,450	99,501,710
Private debt securities	26,925,470	27,482,427
Foreign debt securities	28,804,597	31,448,183
Equity securities	13,771,360	14,823,837
Foreign equity securities	613,825	599,234
Total	163,160,702	173,855,391
<u>Add</u> Unrealised gain	10,694,689	-
Total Investments measured at fair value through other comprehensive income	173,855,391	173,855,391
Investments measured at amortised cost		
Government and state enterprise debt securities	16,802,645	
Private debt securities	2,715,828	
Deposits at financial institutions with original maturities more than 3 months	2,000,000	
Total	21,518,473	
<u>Less</u> Expected Credit Losses	(2,135)	
Total investments measured at amortised cost	21,516,338	
Investments designated at fair value through profit or loss		
Foreign debt securities	92,955	125,821
<u>Add</u> Unrealised gain	32,866	-
Total Investments designated at fair value through profit or loss	125,821	125,821
Total investments in securities, net	195,497,550	

During the three-month period ended 31 March 2022, the Company recognised interest income and dividend income amounting to Baht 1,540 million and Baht 285 million, respectively (2021: Baht 1,572 million and Baht 230 million, respectively).

During the three-month period ended 31 March 2022, the Company received consideration from selling investments measured at fair value through other comprehensive income amounting to Baht 2,002 million (2021: Baht 1,218 million).

As at 31 March 2022, 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 40,667 million (31 December 2021: Baht 42,062 million) (Note 26).

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10 Investments in securities, net (Cont'd)

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

	(Unaudited) 31 March 2022		
	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)	156,560,921	(22,793)	
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	
Credit-impaired investments in debt securities (Stage 3)	-	-	
Total	156,560,921	(22,793)	
	(Audited)		
	31 December 2021		
	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)	158,432,320	(23,228)	
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	
Credit-impaired investments in debt securities (Stage 3)	-	-	
Total	158,432,320	(23,228)	

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10 Investments in securities, net (Cont'd)

10.2 Debt securities that are measured at amortised cost

	(Unaudited) 31 March 2022		
	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)	21,506,442	(1,847)	21,504,595
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	21,506,442	(1,847)	21,504,595
	(Audited) 31 December 2021		
	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)	21,518,473	(2,135)	21,516,338
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	21,518,473	(2,135)	21,516,338

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11 Loans and accrued interest income

As at 31 March 2022 and 31 December 2021, the details of loans and accrued interests are aged by outstanding period as follows:

	(Unaudited)						
	31 March 2022						
	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	Total Thousand Baht	
Outstanding periods							
Within credit terms	8,283,203	1,453,613	3,028	6	8,286,231	1,453,619	9,739,850
Overdue							
Less than 3 months	-	-	-	-	-	-	-
Over 3 - 6 months	-	-	-	-	-	-	-
Over 6 - 12 months	-	-	-	-	-	-	-
Over 12 months	-	-	43,519	4,002	43,519	4,002	47,521
Total	8,283,203	1,453,613	46,547	4,008	8,329,750	1,457,621	9,787,371
Less Expected Credit Losses	-	-	(43,540)	(4,002)	(43,540)	(4,002)	(47,542)
Loans and accrued interests, net	8,283,203	1,453,613	3,007	6	8,286,210	1,453,619	9,739,829

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11 Loans and accrued interest income (Cont'd)

As at 31 March 2022 and 31 December 2021, the balance of loans and accrued interest are aged as follows: (Cont'd)

Outstanding periods	(Audited) 31 December 2021						
	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	
Within credit terms	8,307,815	1,434,214	5,876	15	8,313,691	1,434,229	9,747,920
Overdue	-	-	-	-	-	-	-
Less than 3 months	-	-	285	1	285	1	286
Over 3 - 6 months	-	-	-	-	-	-	-
Over 6 - 12 months	-	-	-	-	-	-	-
Over 12 months	-	-	43,519	4,003	43,519	4,003	47,522
Total	8,307,815	1,434,214	49,680	4,019	8,357,495	1,438,233	9,795,728
Less Allowance for doubtful accounts	-	-	(43,562)	(4,002)	(43,562)	(4,002)	(47,564)
Loans and accrued interests, net	8,307,815	1,434,214	6,118	17	8,313,933	1,434,231	9,748,164

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 31 March 2022, the Company had mortgage loans to staffs amounting to Baht 0.11 million (31 December 2021: Baht 0.19 million) with interest rates at 5% per annum (31 December 2021: 5% per annum). The mortgage loans were provided in accordance with the Company's welfare policy.

12 Assets held to cover linked liabilities

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Investment in mutual funds - debt securities that are measured at fair value through profit or loss	219,548	209,191
Investment in mutual funds - equity securities that are measured at fair value through profit or loss	770,736	724,976
Cash at bank for purchasing investment	1,488	9,168
Total	<u>991,772</u>	<u>943,335</u>

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13 Premises and equipment, net

As at 31 March 2022 and 31 December 2021, the balance of premises and equipment are as follows:

	(Unaudited)																
	31 March 2022																
	Beginning balance		Additions		Disposal / Write off		Transfer in (out)		Ending balance		Depreciation charges		Accumulated depreciation		Premises and equipment beginning balance		Premises and equipment ending balance
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
Land	247,916	-	-	-	247,916	-	-	-	382,922	5,632	-	-	-	247,916	247,916	-	-
Building	504,546	-	-	-	504,546	-	-	504,546	276,508	3,964	-	-	388,554	121,624	115,992	-	-
Computer	276,508	-	-	-	276,508	-	-	276,508	247,656	3,964	-	-	251,620	28,852	24,888	-	-
Office equipment	169,184	537	-	(145)	169,576	-	-	169,576	123,237	3,546	(145)	-	126,638	45,947	42,938	-	-
Furniture	3,925	-	-	-	3,925	-	-	3,925	2,621	91	-	-	2,712	1,304	1,213	-	-
Fitting	411,872	101	-	-	411,973	-	-	411,973	252,350	5,859	-	-	258,209	159,522	153,764	-	-
Vehicles	553	-	-	-	553	-	-	553	553	-	-	-	553	-	-	-	-
Assets under installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,614,504	638	(145)	-	1,614,997	-	-	1,614,997	1,009,339	19,092	(145)	-	1,028,286	605,165	586,711	-	-

	(Audited)																
	31 December 2021																
	Beginning balance		Additions		Disposal / Write off		Transfer in (out)		Ending balance		Depreciation charges		Accumulated depreciation		Premises and equipment beginning balance		Premises and equipment ending balance
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
Land	247,916	-	-	-	247,916	-	-	-	360,082	-	-	-	-	247,916	247,916	-	-
Building	504,546	-	-	-	504,546	-	-	504,546	239,747	22,840	-	-	382,922	144,464	121,624	-	-
Computer	283,150	5,489	(12,131)	-	276,508	-	-	276,508	20,039	20,039	(12,130)	-	247,656	43,403	28,852	-	-
Office equipment	157,870	18,342	(12,055)	5,027	169,184	-	-	169,184	120,660	14,354	(11,777)	-	123,237	37,210	45,947	-	-
Furniture	3,671	691	(498)	61	3,925	-	-	3,925	2,723	355	(457)	-	2,621	948	1,304	-	-
Fitting	350,937	21,292	(10,337)	49,980	411,872	-	-	411,872	236,303	23,452	(7,405)	-	252,350	114,634	159,522	-	-
Vehicles	1,030	-	(477)	-	553	-	-	553	1,030	-	(477)	-	553	-	-	-	-
Assets under installation	56,170	-	(1,102)	(55,068)	-	-	-	-	-	-	-	-	-	56,170	-	-	-
Total	1,605,290	45,814	(36,600)	-	1,614,504	-	-	1,614,504	960,545	81,040	(32,246)	-	1,009,339	644,745	605,165	-	-

14 Right-of-use assets

	Building and improvement Thousand Baht	Others Thousand Baht	Total Thousand Baht
At 1 January 2022 (Audited)			
Cost	666,534	12,157	678,691
<u>Less</u> Accumulated amortisation	<u>(184,983)</u>	<u>(4,092)</u>	<u>(189,075)</u>
Net book amount	<u>481,551</u>	<u>8,065</u>	<u>489,616</u>
For the three-month period ended 31 March 2022 (Unaudited)			
Beginning net book amount	481,551	8,065	489,616
Additions	-	-	-
Write-off	(10,494)	-	(10,494)
Amortisation charge	<u>(18,338)</u>	<u>(705)</u>	<u>(19,043)</u>
Net closing net book amount	<u>452,719</u>	<u>7,360</u>	<u>460,079</u>
At 31 March 2022 (Unaudited)			
Cost	648,461	12,157	660,618
<u>Less</u> Accumulated amortisation	<u>(195,742)</u>	<u>(4,797)</u>	<u>(200,539)</u>
Net book amount	<u>452,719</u>	<u>7,360</u>	<u>460,079</u>

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15 Intangible assets, net

Intangible assets as at 31 March 2022 and 31 December 2021 comprise of:

	(Unaudited) 31 March 2022										(Audited) 31 December 2021												
	Cost					Accumulated Amortization					Intangible assets beginning balance					Intangible assets ending balance							
	Beginning balance Thousand Baht	Additions Thousand Baht	Disposal / Write off Thousand Baht	Transfer in (out) Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Amortisation charges Thousand Baht	Disposal/ transfer Thousand Baht	Transfer in (out) Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Intangible assets beginning balance Thousand Baht	Intangible assets ending balance Thousand Baht	Beginning balance Thousand Baht	Amortisation charges Thousand Baht	Disposal/ transfer Thousand Baht	Transfer in (out) Thousand Baht	Ending balance Thousand Baht	Beginning balance Thousand Baht	Intangible assets beginning balance Thousand Baht	Intangible assets ending balance Thousand Baht		
<u>Developed in-house</u>																							
Computer software	626,052	356	-	1,564	627,972	383,162	27,165	-	-	410,327	383,162	27,165	-	-	410,327	242,890	-	-	-	242,890	242,890	11,838	217,645
Work-in-process	9,442	3,960	-	(1,564)	11,838	-	-	-	-	-	-	-	-	-	-	9,442	-	-	-	9,442	9,442	-	11,838
Total	635,494	4,316	-	-	639,810	383,162	27,165	-	-	410,327	383,162	27,165	-	-	410,327	252,332	-	-	-	252,332	252,332	229,483	
<u>Buying</u>																							
Computer software	240,064	-	-	-	240,064	147,759	4,524	-	-	152,283	147,759	4,524	-	-	152,283	92,305	-	-	-	92,305	92,305	87,781	87,781
Total	240,064	-	-	-	240,064	147,759	4,524	-	-	152,283	147,759	4,524	-	-	152,283	92,305	-	-	-	92,305	92,305	87,781	
Right to utilise benefits	970,000	-	(370,000)	-	600,000	490,000	30,000	(370,000)	-	150,000	490,000	30,000	(370,000)	-	150,000	480,000	-	-	-	480,000	480,000	450,000	450,000
Grand total	1,845,558	4,316	(370,000)	-	1,479,874	1,020,921	61,689	(370,000)	-	712,610	1,020,921	61,689	(370,000)	-	712,610	824,637	-	-	-	824,637	824,637	767,264	
<u>Developed in-house</u>																							
Computer software	526,944	79,980	(7,220)	26,348	626,052	284,501	104,923	(6,262)	-	383,162	284,501	104,923	(6,262)	-	383,162	242,443	-	-	-	242,443	242,443	242,890	
Work-in-process	33,895	8,352	(54)	(32,751)	9,442	-	-	-	-	-	-	-	-	-	-	33,895	-	-	-	33,895	33,895	9,442	
Total	560,839	88,332	(7,274)	(6,403)	635,494	284,501	104,923	(6,262)	-	383,162	284,501	104,923	(6,262)	-	383,162	276,338	-	-	-	276,338	276,338	252,332	
<u>Buying</u>																							
Computer software	233,849	146	(334)	6,403	240,064	128,279	19,721	(241)	-	147,759	128,279	19,721	(241)	-	147,759	105,570	-	-	-	105,570	105,570	92,305	
Total	233,849	146	(334)	6,403	240,064	128,279	19,721	(241)	-	147,759	128,279	19,721	(241)	-	147,759	105,570	-	-	-	105,570	105,570	92,305	
Right to utilise benefits	370,000	600,000	-	-	970,000	370,000	120,000	-	-	490,000	370,000	120,000	-	-	490,000	-	-	-	-	-	-	480,000	480,000
Grand total	1,164,688	688,478	(7,608)	-	1,845,558	782,780	244,644	(6,503)	-	1,020,921	782,780	244,644	(6,503)	-	1,020,921	381,908	-	-	-	381,908	381,908	824,637	

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16 Insurance contract liabilities

	(Unaudited) 31 March 2022			(Audited) 31 December 2021		
	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	174,257,492	-	174,257,492	172,611,811	-	172,611,811
Short-term technical reserves:						
Loss reserves and outstanding claims						
- Reported claims	562,279	-	562,279	442,586	-	442,586
- Claims incurred but not reported	397,988	-	397,988	386,065	-	386,065
Total Loss reserves and outstanding claims	960,267	-	960,267	828,651	-	828,651
Unearned premium reserves	4,045,703	-	4,045,703	3,561,853	-	3,561,853
Total short-term technical reserves	5,005,970	-	5,005,970	4,390,504	-	4,390,504
Unpaid policy benefits	5,451,186	-	5,451,186	5,427,296	-	5,427,296
Due to insured	1,570,390	-	1,570,390	1,482,790	-	1,482,790
Total	186,285,038	-	186,285,038	183,912,401	-	183,912,401

16.1 Long-term technical reserves

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Beginning balances for the period/year	172,611,811	170,363,700
Reserves increased from new and in-force policies in the period/year	4,538,739	19,011,957
Reserves released for benefits payment under insurance policies, lapse and cancelled policies in the period/year	(2,893,058)	(16,763,846)
Change in assumption	-	-
Closing balances at the end of period/year	174,257,492	172,611,811

16.2 Short-term technical reserves

16.2.1 Loss reserves and outstanding claims

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Beginning balances for the period/year	828,651	642,535
Claims incurred during the period/year	1,486,129	5,176,596
Claims paid during the period/year	(1,354,513)	(4,990,480)
Closing balances at the end of period/year	960,267	828,651

16 Insurance contract liabilities (Cont'd)

16.2 Short-term technical reserves (Cont'd)

16.2.2 Unearned premium reserves

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Beginning balances for the period/year	3,561,853	3,402,310
Premiums written for the period/year	3,107,706	10,417,332
Premiums earned in the period/year	<u>(2,623,856)</u>	<u>(10,257,789)</u>
Closing balances at the end of period/year	<u>4,045,703</u>	<u>3,561,853</u>

16.2.3 Unexpired risk reserve

No reserve for unexpired risks was established as at 31 March 2022 as the unexpired risk reserve estimated by the Company of Baht 2,880 million (31 December 2021: Baht 2,512 million) was lower than the unearned premium reserve.

16.3 Unpaid policy benefits

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Death benefits	143,010	177,631
Dividend	4,205,469	4,172,640
Others	<u>1,102,707</u>	<u>1,077,025</u>
Total	<u>5,451,186</u>	<u>5,427,296</u>

16.4 Due to insured

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Uncashed cheques	1,059,950	997,352
Premiums received during underwriting	510,283	485,279
Others	<u>157</u>	<u>159</u>
Total	<u>1,570,390</u>	<u>1,482,790</u>

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17 Investment contract liabilities

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Investment contract liabilities with discretionary participation features	3,343,877	3,362,975
Unit-linked contract liabilities	991,772	943,335
Total	<u>4,335,649</u>	<u>4,306,310</u>

Investment contract liabilities with discretionary participation features

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Beginning balance for the period/year	3,362,975	3,384,179
Reserves increased from in-force policies in the period/year	48,398	190,354
Reserves released for benefits payment, lapse, and cancelled policies in the period/year	(67,496)	(211,558)
Closing balance at the end of period/year	<u>3,343,877</u>	<u>3,362,975</u>

18 Reinsurance payables

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Due to reinsurers	867,844	627,870
Total reinsurance payables	<u>867,844</u>	<u>627,870</u>

19 Accrued expenses

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Accrued commission expenses	349,309	407,153
Accrued production cost	675,251	834,840
Accrued agency overhead	479,273	502,817
Accrued administration expenses	195,130	226,154
Others	75,640	76,803
Total	<u>1,774,603</u>	<u>2,047,767</u>

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20 Provisions

In May 2021, a lawsuit was brought against the Company, as insurer. The Company reviewed the case and expected that it is probable to be lost, therefore a provision was set up accordingly. As of 31 March 2022, the set-up provision was amounting to Baht 131 million.

21 Deferred tax

As at 31 March 2022 and 31 December 2021, deferred tax assets and liabilities were as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Deferred tax assets	1,948,779	1,594,340
Deferred tax liabilities	(2,028,170)	(2,971,950)
Deferred tax liabilities, net	(79,391)	(1,377,610)

Movements in deferred tax assets and liabilities were as follows:

	(Unaudited) 31 March 2022			
	As at 1 January 2022 Thousand Baht	Increase (decrease) in profit (loss) Thousand Baht	Increase (decrease) in other comprehensive income Thousand Baht	As at 31 March 2022 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	76,145	4,799	-	80,944
Provisions	178,508	13,358	-	191,866
Insurance reserves	363,474	(88,349)	-	275,125
Employee benefit obligations	130,414	(36,117)	-	94,297
Unrealised loss on derivative Instruments	45,469	-	(23,530)	21,939
Cost of Hedge	21,751	-	(7,988)	13,763
Unrealised loss on investments measured at FVOCI	321,188	-	495,432	816,620
Allowance for impairment loss on equity instruments	353,640	2,144	-	355,784
Expected Credit Losses	455	(149)	87	393
Lease liabilities	103,296	(5,248)	-	98,048
Total	1,594,340	(109,562)	464,001	1,948,779
Deferred tax liabilities				
Unrealised gain on derivative instruments	(8,222)	-	(28,778)	(37,000)
Cost of Hedge	(27,006)	-	(20,754)	(47,760)
Unrealised gain on investments measured at FVOCI	(2,529,987)	-	946,600	(1,583,387)
Premium due and uncollected	(276,603)	35,593	-	(241,010)
Right of use assets	(97,923)	5,907	-	(92,016)
Impact from shadow accounting adoption	(28,460)	-	7,026	(21,434)
Unrealised gain on investments designated at fair value through profit or loss	(3,749)	(1,814)	-	(5,563)
Total	(2,971,950)	39,686	904,094	(2,028,170)
Net	(1,377,610)	(69,876)	1,368,095	(79,391)

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22 Operating expenses

	For the three-month period ended	
	(Unaudited) 31 March 2022 Thousand Baht	(Unaudited) 31 March 2021 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	238,282	268,578
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	115,648	120,977
Tax expenses	37,911	38,700
Bad debt and doubtful debt expenses (Reversal)	(23,415)	(123,415)
Other operating expenses	109,480	112,294
Total	477,906	417,134

23 Expected credit losses (Reversal)

	(Unaudited) For the three-month period ended	
	31 March 2022 Thousand Baht	31 March 2021 Thousand Baht
Cash and cash equivalents (Reversal)	(2)	1,788
Investment in securities (Reversal)	(723)	(7,673)
Loans (Reversal)	(22)	(45)
Other receivable (Reversal)	3	(129)
Total	(744)	(6,059)

24 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 31 March 2022 and 2021 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:

	(Unaudited) 2022	(Restated) (Unaudited) 2021
For the three-month period ended 31 March		
Profit for the period attributable to ordinary shareholders of the Company (Thousand Baht)	876,104	715,972
Number of ordinary shares outstanding (Thousand shares)	295,000	295,000
Basic earnings per share (Baht per share)	2.97	2.43

25 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.

25.1) Significant transactions for the three-month periods ended 31 March 2022 and 2021 with related parties were as follows:

	(Unaudited)	
	For the three-month	
	period ended 31 March	
	2022	2021
	Thousand	Thousand
	Baht	Baht
Gross premiums written		
Other related parties	281,475	269,575
Premiums ceded to reinsurers		
Ultimate parent	108,257	110,153
Other related parties	162,798	164,527
Fees and commission income		
Ultimate parent	21,022	22,031
Other related parties	42,937	38,747
Insurance claim expenses		
Other related parties	78,907	72,562
Insurance claims expenses		
recovered from reinsurers		
Ultimate parent	15,727	16,562
Other related parties	82,960	92,690
Operating expenses		
Ultimate parent	15,044	29,419
Other related parties	165,242	170,952
Key management personnel compensation		
Short-term benefits	38,570	40,847
Long-term benefits	4,984	4,851
Post-employment benefits	2,529	2,985
Total key management personnel compensation	46,083	48,683

25 Related parties (Cont'd)

25.2) Significant balances with related parties as at 31 March 2022 and 31 December 2021 were as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Cash and cash equivalents		
Other related party	1,090,499	1,886,955
Reinsurance receivables		
Ultimate parent	36,167	40,465
Other related parties	522,725	411,666
Investment in debt securities		
Ultimate parent	95,395	125,821
Other assets		
Other related parties	22,827	22,827
Reinsurance payables		
Ultimate parent	80,460	-
Other related parties	707,782	559,822
Accrued expenses		
Ultimate parent	18,778	31,202
Other related parties	58,504	52,056
Other liabilities		
Other related parties	427,414	438,758

Investments in related parties

Investments in related parties as at 31 March 2022 and 31 December 2021 and dividends received for the three-month periods ended 31 March 2022 and 2021 were as follows:

	Fair value		(Unaudited) Dividend income For the three-month period ended	
	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht	31 March 2022 Thousand Baht	31 March 2021 Thousand Baht
Investments - equity securities	78,132	151,224	4,658	6,010
Total	78,132	151,224	4,658	6,010

25 Related parties (Cont'd)

25.2) Significant balances with related parties as at 31 March 2022 and 31 December 2021 were as follows: (Cont'd)

Significant agreements with related parties

- (a) 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 1.15 million. (31 December 2021: SGD 1.19 million). The term of the agreement is for 1 year from 1 January 2022 to 31 December 2022. 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.
- (b) 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 1.59 million (31 December 2021: EUR 1.23 million). The agreement is continuous contract from 1 January 2019 subject to six months notice of cancellation by either party.
- (c) The Company has entered into lease and service agreements for offices and equipment with a related company from 1 July 2020 to 30 June 2023 with monthly rental and service fees of Baht 4.87 million (excluding VAT).

26 Securities and assets pledged with the Registrar

26.1) The Company pledged investments in debt securities with the Registrar in accordance with Section 20 of the Life Assurance Act B.E. 2535 were as follows:

	(Unaudited)		(Audited)	
	31 March 2022		31 December 2021	
	Book value	Face value	Book value	Face value
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Investments measured at amortised cost				
Government bonds	23,886	20,000	25,969	20,000

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

26.2) 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) 31 March 2022		(Audited) 31 December 2021	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Investments measured at fair value through other comprehensive income				
Government bonds	24,396,988	20,840,000	26,209,559	20,840,000
State enterprise bonds	2,190,080	2,000,000	6,398,755	5,620,000
Total	26,587,068	22,840,000	32,608,314	26,460,000
Investments measured at amortised cost				
Government bonds	12,780,136	11,912,000	8,153,990	7,712,000
State enterprise bonds	1,300,000	1,300,000	1,300,000	1,300,000
Total	14,080,136	13,212,000	9,453,990	9,012,000

27 Asset-backed

As of 31 March 2022, and 31 December 2021, 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) 31 March 2022		(Audited) 31 December 2021	
	Book value Thousand Baht	Appraisal value Thousand Baht	Book value Thousand Baht	Appraisal value Thousand Baht
Deposits with financial institutions	3,704,631	3,704,631	3,423,562	3,423,562
Equity securities	24,059,031	23,754,881	24,876,787	24,576,587
Debt securities	167,339,076	168,732,831	170,728,028	172,390,604
Total	195,102,738	196,192,343	199,028,377	200,390,753

28 Commitments with non-related parties

28.1 Commitments for long-term agreements

The Company's obligation for future payments under service agreement as at 31 March 2022 and obligation for future payments under rental and service agreement as at 31 December 2021 were as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Within one year	46,428	50,557
After one year but not more than five years	44,549	53,333
More than five years	12,005	13,065
Total	<u>102,982</u>	<u>116,955</u>

28.2 Investment commitments

As at 31 March 2022, the Company had commitments to invest in several series of bills of exchange issued by banks amounting to Baht 69 million (31 December 2021: Baht 69 million). These investments have a duration up to 2023 (31 December 2021: up to 2023) and are payable based on the contract terms. The timing of the commitments are as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Within one year	56,000	56,000
After one year but not more than five years	13,000	13,000
Total	<u>69,000</u>	<u>69,000</u>

29 Event after the statement of financial position date

On 21 April 2022, the Annual General Meeting of the shareholders approved the appropriation of dividend payment from the Company's performance for the year 2021 of Baht 10 per share, on 295 million shares, totaling to the amount of Baht 2,950 million. The dividend payment shall be made subject to the approval of the Office of Insurance Commission under Section 32 of Life Insurance Act B.E. 2535.