

ANNUAL REPORT 2023

ANNUAL REGISTRATION STATEMENT



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Part 1

Business Operation and Business Overview



1. Group Business Structure and Business Overview

Business Overview

Allianz Ayudhya Capital Public Company Limited, formerly known as Sri Ayudhya Capital Public Company Limited, is listed on the Stock Exchange of Thailand under the symbol "AYUD".

The Company is an Investment Holding Company with its core business in the insurance sector. Allianz Ayudhya General Insurance Public Company Limited is a subsidiary engaging in non-life insurance business. The Company holds 99.99% of its shares. The Company also invests in Allianz Ayudhya Assurance Public Company Limited, an associate company that operates in the life insurance sector. The Company holds 31.97% of its shares. Apart from this, in early May 2022 the Company acquired 100% of Aetna Thai entities, and Aetna Health Insurance Public Company Limited, a subsidiary, whose core business is Health Insurance.

The Company and its subsidiaries are subsequently referred to as 'the Group'.

Vision, mission, values, strategy

Vision

To become one of leading investment holding companies with a primary focus in the insurance sector, leveraging our experience, expertise, and network to achieve sustainable growth.

Mission

- Provide service excellence
- Deliver continuous growth in profits
- Ensure sustainable growth
- Develop professional employees
- Commit to innovation and development

Values

- Responsibility
- Respect
- Integrity
- Transparency
- Fairness
- Trust

Strategy

Build value for our group of companies by delivering attractive returns to shareholders through:

- Approaching the market with a long-term view on investment, returns, and dividend growth.
- Acquiring holdings in companies with strong brands and/or companies with valuable assets that match with the Company's criteria on investment/risk assessments.

Significant changes and developments

Issuance of Class 2 subordinated debentures by Allianz Ayudhya General Insurance Public Company Limited (the Subsidiary Company)

According to the Board of Directors Meeting No. 4/2020 on June 5, 2020 resolved to approve subordinated debt securities investment to be counted as a Class 2 capital fund of Allianz Ayudhya General Insurance Public Company Limited. This subordinate debenture was approved by shareholders, Office of Insurance Commission (OIC) and The Stock Exchange of Thailand (SET) on April 27, 2021, May 20, 2021, and July 22, 2021 respectively and was issued on August 30, 2021 amounting THB 200 million.

Appointment of President & Chief Executive Officer

As Mr. Bryan James Smith, President and CEO, retired effective February 25, 2021, the Board of Directors passed a resolution at Meeting No. 1/2021, February 25, 2021, approving the appointment of Mr. Thomas Charles Wilson as President and CEO, effective February 25, 2021.

The change of the Company's directorship

The resolution of the Board of Directors' Meeting No. 4/2023 on November 14, 2023 appointed (i) Mr. Teh Kim Leng as a Director in replacement of Mr. Bryan James Smith, a Director and Vice Chairman, who resigned with effective on October 9 2023 and (ii) Ms. Napha Trirattanawongse as Director and Authorized Director in replacement of Ms. Jarunee Chaisupakitsin who retired from the Company, effective on 31 December 2023. Mr. Teh Kim Leng and Ms. Napha Trirattanawongse served as board members from the completion date of registration with the Ministry of Commerce.

The Acquisition of Aetna Thai Entities

The Board of Directors Meeting No. 3/2022 on March 3, 2022 considered and unanimously approved the binding bid to acquire 100% of the shares of Aetna's operating and holding companies in Thailand (the "Aetna Thai Entities"). Aetna Thai Entities comprise: (i) two operating companies, namely (a) Aetna Health Insurance (Thailand) Public Company Limited ("AHI") and (b) My Health Services (Thailand) Limited; and (ii) three holding companies, namely (a) Aqua Holdings (Thailand) Company Limited, (b) Health Care Management Company Limited and (c) Minor Health Enterprise Company Limited. The seller in this transaction is Aetna Global Holding Limited, a company incorporated and registered in England and Wales.

The Company got the approval from the Board of Directors' Meeting No. 4/2022 on March 23, 2022, and the Annual General Meeting ("AGM") of Shareholders for the Year 2022 dated April 29, 2022, to acquire 100% of the shares of Aetna Thai Entities at the base purchase price of THB 3,140,000,000, subject to an adjustment mechanism based on the net asset value of Aetna Thai Entities as of April 30, 2022. The final adjusted purchase price was THB 3,127,404,193.

The Amalgamation of subsidiaries

On May 6, 2022, the acquisition of Aetna Thai Entities was completed and as a result, the Company's two subsidiaries held two non-life insurance licenses: Allianz Ayudhya General Insurance Public Company Limited (AAGI) and Aetna Health Insurance (Thailand) Public Company Limited. On August 8, 2022, the extraordinary shareholders' meetings of AAGI and Aetna Health Insurance separately approved that both AAGI and Aetna Health Insurance be amalgamated and sought the approval of the Office of Insurance Commission. On January 27, 2023, subject the amalgamation plan, the Office of Insurance Commission granted its approval to both AAGI and Aetna Health to amalgamate and the newly amalgamated company called Allianz Ayudhya general Insurance Public Company Limited was established and registered.

A Subsidiary Company's operations

The Company has subsidiaries companies as follows.

Allianz Ayudhya General Insurance Public Company Limited (formerly known as Sri Ayudhya General Insurance Public Company Limited) was established in Thailand on September 21, 1982, to operate as an insurance business and received a license to conduct all types of non-life insurance businesses on September 24, 1982.

Allianz Ayudhya General Insurance Public Company Limited (AAGI) is situated at 898 Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

My Health Services (Thailand) Limited is a company providing patient healthcare services.

Aqua Holdings (Thailand) Company Limited and Health Care Management Company Limited are principally engaged in investments in other companies and obtained the management services from Allianz Ayudhya General Insurance Public Company Limited.

The subsidiaries are situated at 898 Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

An Associate Company's operations

Allianz Ayudhya Assurance Public Company Limited (AZAY) has its core business in life insurance. On April 30, 2019, the Company acquired an additional 34,810,000 ordinary shares of AZAY, or 11.80%. As a result, the total investment in AZAY shareholding became 94,310,280 shares, or 31.97%, and it became classified as an Associate Company.

Allianz Ayudhya Assurance Public Company Limited (AZAY) is situated at 898 Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

Nature of business

Revenue structure by product line

The main revenue of the Group as per the consolidated financial statements can be divided into two parts: underwriting income and investment income. Details of revenues for the years ended 31 December 2023, 2022, and 2021 are as follows:

(Unit: Thousand Baht)

	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
1. Underwriting Income	8,544,960	91.6	6,819,086	87.1	4,218,325	74.4
2. Investment Income	728,697	7.8	972,850	12.4	1,420,244	25.0
3. Other Income	50,382	0.5	34,261	0.5	34,202	0.6
Total	9,324,039	100.0	7,826,197	100.0	5,672,771	100.0

(Unit: Thousand Baht)

Underwriting Income	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Fire	566,557	6.6	520,883	7.6	458,099	10.8
Marine and Transportation	261,547	3.1	282,089	4.1	213,690	5.1
Miscellaneous	853,690	10.0	941,755	13.8	752,268	17.8
Health and Accident	3,549,309	41.5	2,241,335	32.9	294,818	7.0
Motor	3,313,857	38.8	2,833,024	41.6	2,499,450	59.3
Total	8,544,960	100.0	6,819,086	100.0	4,218,325	100.0

* Underwriting income comprised of net earned premiums and commission and brokerages.

(Unit: Thousand Baht)

Net Earned Premium	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Fire	548,288	6.8	504,692	7.9	453,526	11.7
Marine and Transportation	224,391	2.8	251,619	4.0	171,166	4.4
Miscellaneous	405,624	5.0	531,916	8.4	489,604	12.6
Health and Accident	3,544,680	44.1	2,236,619	35.2	292,861	7.5
Motor	3,316,318	41.3	2,827,079	44.5	2,485,242	63.8
Total	8,039,300	100.0	6,351,925	100.0	3,892,399	100.0

The main revenue of the Group for 2022 is including the revenue from Aetna Thai Entities during May to December 2022

The Company's 2023 revenue structure changed from 2022 as the proportion of underwriting income increased from 87.1% to 91.6% largely due to the growth of Health Insurance driven by the premiums from the acquisition of health business and service in early May 2022.

Nevertheless, the Company's investment income proportion decreased from 12.4% to 7.8% from 2022 to 2023, mainly due to a decrease in share profit on investment in an associate decreased due to the decrease in net profit of the associate company.

Product information

Product characteristics

The Group and associate company offer a wide range of products to cover the diverse needs of customers through every facet of their lives, including non-life and life insurance products as follows:

Non-life insurance products

The non-life products compose of 5 product lines as follows.

1) Motor

2) Fire

3) Marine and transportation

4) Health

5) Miscellaneous i.e. Property, liability, engineering, personal protection

Other Services

1) Roadside Assistance for 24 hours a day

2) Travel assistance for 24-hour emergency medical and travel assistance

3) Home assistances for 24-hour emergency assistance for house insurance

4) Reinsurance: The company provides reinsurance management services for other insurance companies in the country, such as inward facultative services

5) My Doctor: The Company's subsidiary, My Health Services (Thailand) Co.Ltd., offers online consultant with doctor via video call also (Telemedicine), we offer home medication delivery service

Aside from the primary business activity, additional investments are made to increase income. For all of these investment activities, the Company adheres to the principle of investing in companies with financial stability and high yields with a long-term view. Additionally, the investments of the subsidiary are subject to the terms and conditions of the Notification of the Insurance Commission regarding Investment in Other Businesses of Non-life Insurance Companies, B.E. 2556 (2013), and under the supervision of the Office of Insurance Commission.

Life insurance products

In order to provide life insurance products for comprehensive offerings across all customer needs, thereby allowing for different insurance plans to meet as many needs as possible. Each type of policy will feature benefits and coverage that will be truly meaningful – life insurance, accident insurance, insurance coverage for children, insurance for savings and tax breaks, insurance for life after retirement, and group coverage that is flexible depending on organization size and business sector, as well as insurance plans to suit gender, age, and other needs.

Market and Competition

Marketing essential products and services

Marketing policy

The Group and its associate company aligned its core marketing strategy with Allianz's Group marketing strategy focusing on True Customer Centricity (TCC). All products and services are developed to serve customers' current needs and to ensure we are always "behind them for what's ahead". As a global standard for all entities in the Allianz Group, the annual customers' satisfaction survey is conducted by a third-party research agency. The survey aims to check the satisfaction and engagement of customers to the Group and its associate company. In 2023, the Company has achieved "Loyalty Leader" for Life and Health entity and "Above market" for P&C entity. The result from the survey has been used to improve the Group and its associate company's services to customers.

In 2023, the Group and its associate company continue its marketing direction promoting TCC in all communication channels including services centers, distribution partners, websites and social media with dedicated call centers providing 24/7 services to our customers. The Group and its associate company's brand proposition is to create confidence and be the insurer with full transparency. Our objective is not only to educate our customers about the complexity of insurance products with honesty, but also to educate consumers in general to realize the importance of understanding the terms and conditions of insurance they have purchased.

The Group and its associate company also focus on digital marketing by developing online services for customers specifically to complete transaction and policy-related services easily by themselves. Under COVID-19, the number of customers using online services increased significantly.

From 2021 – 2028, the Group and its associate company has entered a global insurance partnership to sponsor the Olympic and Paralympic Games, the only global insurance brand to receive this honor. Therefore, the Group and its associate companies will be communicating through different channels about this partnership to different sectors to increase brand awareness and foster pride among customers, representatives, and employees. The Olympic and Paralympic logos will become part of the Company's public relations presence throughout the eight years.

The competition

From the Insurance Premium Rating Bureaus' statistics for 2023, the Subsidiaries has the following market share.

Type Insurance	Direct Premium		Market Share (%)	Rank of Market Share
	Subsidiaries Company (Unit: Thousand Baht)	Total Insurance Industry (Unit: Thousand Baht)		
Fire	713,155	10,126,068	7.0	4
Marine and Transportation	363,932	6,924,984	5.3	7
Miscellaneous	1,886,740	59,575,249	3.2	9
Health and Accident	3,599,014	47,061,499	7.6	3
Motor	3,328,498	161,339,894	2.1	16
Total	9,891,339	285,027,694	3.5	9

As of December 31, 2023, the Subsidiaries Company has a competitive advantage as an insurance company with stable financials. The CAR as of December 31, 2023 is 299%* of AAGI, was much higher than the minimum requirement of 140%. It has been in business a long time and has received support in its insurance business from Bank of Ayudhya Public Company Limited and its Group companies, as well as many other financial institutions. The Subsidiaries Company and the Bank have long supported each other in business. At the same time, the Company has continuously improved the performance and service of its professional team to increase its market share in fire, marine and transport, miscellaneous, health and accident insurance, as well as motor insurance. Our Company's results have proven our long-term business strategy and proper steering and control mechanisms in place.

* CAR as of December 31, 2023 is unaudited

Targeted Customer

Customer groups can be divided into two main types of Individual customers and corporate customers.

Individual

The Company focuses on groups of customers who understand the importance of having insurance. They are experienced with insurance products having purchased insurance such as property, motor, personal accident, and travel insurance for themselves and families. Bank loan customers are required to have insurance in accordance with their loan agreements in order to prevent possible loss.

Corporate insurance

The Company responds to corporate customer needs by assessing the risks involved and proposing appropriate insurance products to mitigate risks. Targeted types of business include hotels, factories, finance companies, and retail stores. The majority of these businesses acquires insurance to cover third party liabilities, business interruptions, machinery used in construction, and machinery loss/damage. The Company focuses efforts on mid-sized and SME businesses.

The subsidiary has large corporate customer in Group Employee Benefit and Administrative services only (ASO).

In the past three years, the Group has not relied on any major client whose business exceeds 30% of total income.

Sales and distribution channels

The Subsidiary Company's distribution channels mainly comprise the following three:

- 1) Brokers and agents
- 2) Financial institutions and affiliate companies
- 3) Direct sales

Distribution breakdowns in the past three years:

	2023	2022	2021
1. Brokers and agents	38.70%	48.51%	50.25%
2. Financial institutions and affiliate companies	31.28%	46.10%	44.77%
3. Direct sales	30.02%	5.39%	4.98%

Note: The table above is the Subsidiary Company's ratio for Allianz Ayudhya General Insurance Public Company Limited, and the Company does not distribute outside the company

Status and competitiveness

In 2023, direct premiums of the insurance industry amounted to Baht 285,028 million, an increase of 3.5% from 2022, comprised direct premiums for fire insurance at Baht 10,126 million, an increase of 2.5% from 2022, marine and transportation insurance at Baht 6,925 million, a decrease of 0.8% from 2022, miscellaneous insurance at Baht 59,575 million, an increase of 7.5% from 2022, accident and health at Baht 47,061 million, a decrease of 0.3% from 2022, and motor insurance at Baht 161,340 million, an increase of 3.4% from 2022. (Data from the Insurance Premium Rating Bureau as of February 2024)

(Unit: Thousand Baht)

Type for Insurance	Direct Premiums of the total Insurance Industry		
	Year 2023	Year 2022	% Increase (Decrease)
Fire	10,126,068	9,881,785	2.5%
Marine and Transportation	6,924,984	6,983,671	-0.8%
Miscellaneous	59,575,249	55,406,058	7.5%
Accident and Health	47,061,499	47,204,768	-0.3%
Motor	161,339,894	156,028,790	3.4%
Total	285,027,694	275,505,072	3.5%

Industry outlook and future of competition

The Thai General Insurance Association forecasts that the non-life insurance business will expand in 2024 by 5.0%-6.0% with total direct premiums of Baht 301,050-303,900 million due to the expansion of electric vehicle (EV) insurance, health insurance and travel insurance resulting from the recovery of the tourism sector.

Competitive strategy

The Group and its associate company have implemented a long-term strategy until 2026 which focuses on five key factors:

1. Penetrating and leveraging digital channels with a focus on driving business growth.
2. Aiming to become the leading health insurance company of the future.
3. Cultivating sales through agents/broker, partnering with the Bank and financial institutions
4. Leveraging the combined power of the life and non-life insurance businesses under the Allianz Ayudhya brand to grow stronger and be able to offer a full range of life and non-life insurance products and services.
5. True Customer Centricity, to drive the organization's culture.

Provision of products and services

Source of funds

The source of funds for the Subsidiary comes from underwriting income. The Company will use the income to invest in order to receive more return. In addition, there are funds received from shareholders, which the Company shall manage to operate in order to increase returns as well.

Loans

The Subsidiary has policies in granting credits and manage the risk from loans as follows: Loans and risk management of the subsidiary must comply the Notification of Office of Insurance Commission (OIC) regarding investment in other businesses of the insurance company, which has specified category proportions and loan conditions.

The ability to maintain loss ratio

The Subsidiary has set a loss ratio on overall insurance classes of approximately 50%.

Liquidity

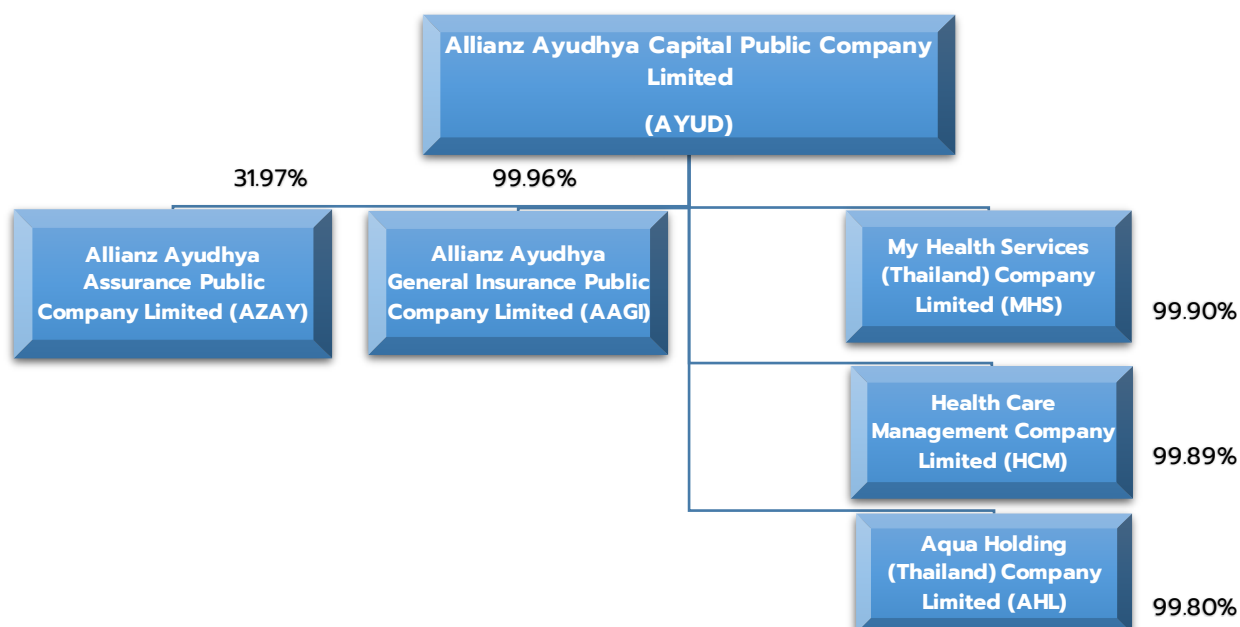
Liquidity Management Policy: The Group manage cash flow on a daily basis by maintaining cash and short-term bank deposits at a sufficient amount for daily compensation and operating expenses in an efficient manner.

Business operation assets

Refer to attachment 4.

Shareholding structure

Relationship as at 31 December 2023 with majority shareholder business groups



The Company is a Thai investment holding company, which Allianz Group operates a financial services business in Germany and a major shareholder. From the Allianz Group, Allianz SE appointed directors to join the Company with the objective to the jointly define operational policies.

Shareholders

List of major shareholders: The following are the top 10 shareholders as of the closing date of the shareholder register book, August 31, 2023:

Shareholder	Share	%
1. DB FFT CC CLT SEG ALLIANZ SE	151,550,770	38.93
2. CPRN (Thailand) Limited	39,185,276	10.07
3. BBTV Equity Co., Ltd.	32,862,050	8.44
4. Bangkok Broadcasting & Television Co., Ltd.	28,802,500	7.40
5. Great Luck Equity Co., Ltd.	17,249,475	4.43
6. Mr. Krit Ratanarak	14,867,700	3.82
7. Bank of Ayudhya Plc.	12,124,600	3.11
8. Thong Thai (1956) Co., Ltd.	9,610,000	2.47
9. CITIBANK NOMINEES SINGAPORE PTE LTD-UBS SWITZERLAND	8,158,800	2.10
10. Great Fortune Equity Co., Ltd.	7,045,250	1.81
Total Major Shareholders	321,456,421	82.58
11. Others	67,810,510	17.42
Grand Total	389,266,931	100.00

Remark: DB, FFT, CC, CLT, SEG, ALLIANZ SE is a custodian for ALLIANZ SE.

The Company operates its business by holding shares in other companies, with its main investment in its subsidiaries Allianz Ayudhya General Insurance Public Company Limited and other 3 entities which consist of 1 service entity and 2 holding entities which were acquired in 2022.

The subsidiaries' majority shareholders are:

Majority shareholders	Subsidiaries	% of shares
Allianz Ayudhya Capital Pcl.	Allianz Ayudhya General Insurance Pcl.	99.96
Allianz Ayudhya Capital Pcl.	My Health Services (Thailand) Co., Ltd.	99.90
Allianz Ayudhya Capital Pcl.	Aqua Holdings (Thailand) Co., Ltd.	99.80
Allianz Ayudhya Capital Pcl.	Health Care Management Co., Ltd.	99.89

Free float

As of August 29, 2023, there were 1,779 free float shareholders, or 33.56% of total issued shares.

Shareholders' agreement

- none -

Issuance of other securities

The Company did not issue any securities in 2023.

Dividend policy

Company dividend payment policy

The Company has a policy to pay dividend to its shareholders at a rate of not less than 60% of net profit, dependent upon shareholders' resolution that will be considered.

Subsidiary dividend payment policy

Dividend payments of the subsidiary must be approved by a resolution of the shareholders' meeting of the subsidiary and must comply with relevant rules and regulations. In each case, the subsidiary must allocate to a reserve fund from the annual net profit for the year, not less than 5% of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than 10% of the authorized capital.

2. Risk Management

Target and strategy of risk management

The Group and its associate company aims to ensure that it is adequately capitalized at all times for the benefit of both shareholders and policyholders. This includes meeting the regulatory capital requirements. We closely monitor the capital position and risk concentrations of the Group and its associate company and apply regular stress tests (including standardized, historical and reverse stress test scenarios). These analyses allow us to take appropriate measures to preserve our continued capital and solvency strength. Furthermore, we ensure a close alignment of the risk and business strategy by the fact that business decisions to achieve our set targets are taken within the determined risk appetite. Implemented sound processes to steer the business and assess and manage associated risks ensure a continuous alignment between the risk and business strategy and enable us to detect and address any potential deviations. In addition, the liquidity risk management framework of the Group and its associate company ensures that our liquidity risks are managed and a sufficient liquidity position is maintained under both market conditions (expected as well as stressed) and business conditions.

Risk governance system

- **RISK MANAGEMENT FRAMEWORK**

The Group and its associate company consider risk management to be a core competency and an integral part of our business. Our risk management framework covers all operations and business units of the Group and its associate company in proportion to the inherent risks of the activities, ensuring that risks across the Group and its associate company are consistently identified, analyzed, assessed, and adequately managed. The key elements of our risk management framework are:

- Promotion of a strong risk management culture, supported by a robust risk governance structure.
- Consistent application of an integrated risk capital framework to protect our capital base and support effective capital management.
- Integration of risk considerations and capital needs into management and decision-making processes by attributing risk and allocating capital to the business units.

Our risk management system is based on the following four pillars:

Risk identification and underwriting: A robust system of risk identification and underwriting forms the foundation for adequate risk and management decisions. Supporting activities include standards for underwriting, valuation methods, individual transaction approvals, emerging-/operational-/top-risk assessments, liquidity risk and scenario analyses, among others.

Risk strategy and risk appetite: Our risk strategy defines our risk appetite consistently with our business strategy. It ensures that rewards are appropriate based on the taken risks and the required capital. It also ensures that delegated decision-making authorities are in line with our overall risk-bearing capacity and strategy.

Risk reporting and monitoring: Our comprehensive qualitative and quantitative risk monitoring and reporting framework provides management with the transparency needed to assess whether our risk profile remains within the approved limits, and to identify emerging issues and risks quickly. For example, risk dashboard and limit utilization reports as well as scenario analyses and stress tests are regularly prepared and communicated.

Communication and transparency: Transparent risk disclosure provides the basis for communicating our strategy and performance to internal and external stakeholders, ensuring a sustainable positive impact on valuation and financing. It also strengthens risk awareness and our

risk culture throughout the Group and its associate company.

- **RISK MANAGEMENT STRUCTURE**

The Group and its associate company has adopted a “Three Lines of Defense” governance framework:

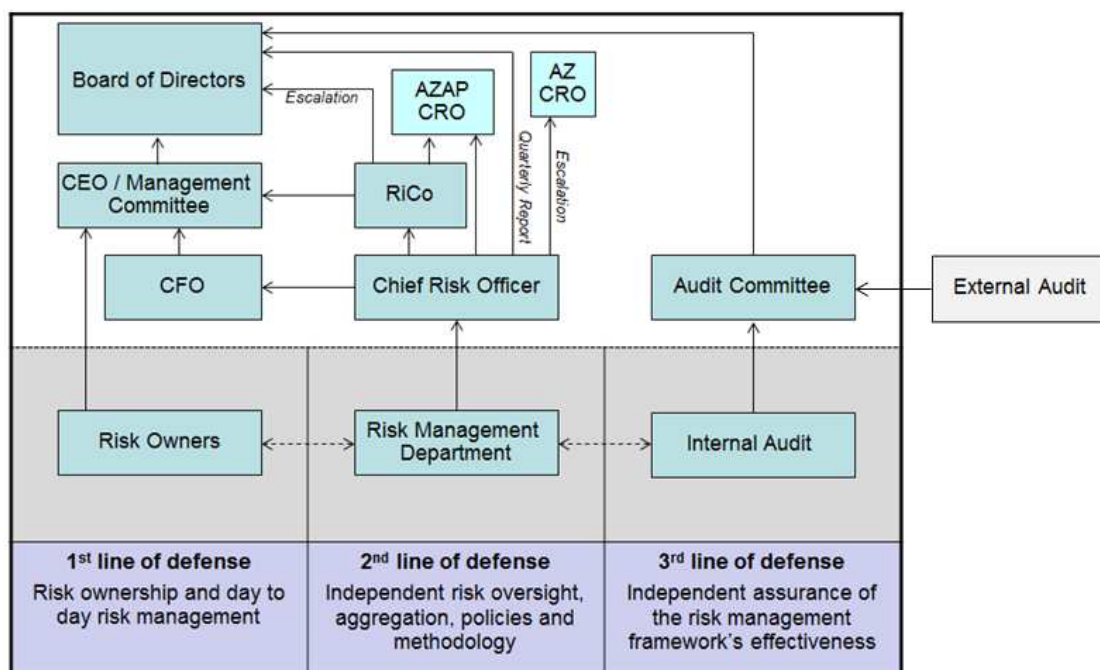


Figure 1 The Group's “Three Lines of Defense” Risk Management organization.

The roles and responsibilities in the Risk Management Framework are defined below.

- **Board of Directors (BoD)**

The BoD recognizes the crucial importance of sound Risk Management. The BoD is informed about all material Risk Management issues at least quarterly through a Risk Management report, as well as through direct escalation of ad-hoc issues through the RiCo according to the OIC Announcement on “Rules, Procedures and Conditions in Supervision of Enterprise Risk Management (ERM) and Own Risk and Solvency Assessment (ORSA) framework”, B.E. 2562 (2019).

- **Audit Committee (AC)**

In addition, the Audit Committee will assure the BoD of the integrity and effectiveness of the risk management framework on a regular basis and upon request. Under this setup, the BoD assumes ultimate responsibility to implement, maintain, review and oversee Risk Management within the Group and its associate company.

- **Risk Management Committee (RiCo)**

The Risk Management Committee supervises and controls overall risk management along with other relevant committees at the policy and operating level. This organizational structure creates checks and balances and formulates written risk management policies and guidelines for employees to acknowledge and comply with. The committee is chaired by the Chief Risk Officer with membership from the relevant Board of Management.

- **Risk factors for business operations and risk management**

As an investment holding company, the Company primarily invests in other businesses. Its revenue is mainly from its subsidiary and associate company, which operate in the life and general insurance industry. Naturally, risk factors in this industry will impact the operating performance of the Group's subsidiaries.

The Group and its associate company have established a risk management committee to ensure risk factors are identified, assessed, responded to, and monitored to an acceptable level. Nonetheless, and its associate company may encounter significant risks which could directly impact its operational and financial situations, as follows.

Risk Type	Definition	Risk Management Activities
Market Risk <ul style="list-style-type: none"> • Interest Rate risk • Equity Risk • Credit Spread Risk • FX Risk 	Unexpected losses arising due to changes in market prices or parameters influencing market prices, as well as the resultant Risk from options and guarantees that are embedded in contracts or from changes to the net worth of assets and liabilities in related undertakings driven by market parameters. In particular, these include changes driven by equity prices, interest rates, real estate prices, exchange rates, credit spreads and implied volatilities. By that it also includes changes in market prices due to a worsening of market liquidity	Strategic asset allocation benchmarks are defined for investment portfolio. Furthermore, we have risk limits in place, including stand-alone equity and interest rate sensitivity limits, and foreign-exchange exposure limits. Limits are closely monitored and, if a breach occurs, countermeasures are implemented which may include the escalation to certain decision-making bodies and/or the closing of positions. Finally, guidelines are in place regarding certain investments, new investment products, and the use of derivatives.
Credit Risk	Unexpected losses in the market value of the portfolio due to deterioration in the credit quality of counterparties including their failure to meet payment obligations or due to nonperformance of instruments (i.e. payment overdue).	Our group-wide country and obligor group limit management framework allows us to manage counterparty concentration risk, covering both credit and equity exposures at the levels of the Group. This limit framework forms the basis for discussions on credit actions. Clearly defined processes ensure that expo-sure concentrations and limit utilizations are appropriately monitored and managed.
Underwriting Risk	Unexpected financial losses due to the inadequacy of premiums for catastrophe and non-catastrophe Risks, due to the inadequacy of reserves or due to the unpredictability of mortality, morbidity or longevity.	The Group and its associate company has established process to monitor and review the latest data and experience, so any adjustments to premiums and policy conditions are guided by up-to-date information. This is so that they are continually in line with any developments. The Group has fit and proper policy, ensuring that technical task such as premium setting and reserves are performed by qualified actuary. The Group and its associate company has also recognized there is a concentration risk in insurance and in reinsurance and mitigates this by spreading risk across several groups of customers. Risk is also transferred to reinsurers, with a focus on reinsurers that have strong financial standing, to prevent volatility and adverse impacts on the Group's financial standing.
Operational Risk	Unexpected losses resulting from inadequate or failed internal processes and systems, from human misbehavior or errors or from external events.	Allianz has implemented a group-wide operational risk management framework that focuses on the early recognition and proactive management of material operational risks. The framework defines roles and responsibilities as well as management processes and methods. An important component of this framework is the Integrated Risk and Control System (IRCS), which ensures that effective controls or other risk mitigation activities are in place for all significant operational risks. Risk managers in the Group risk management function, in their capacity as the "Second Line of Defense", identify and evaluate relevant operational risks and control efficiencies via a dialog with the "First Line of Defense", and in close interaction with both the other "Second Line of Defense" functions at Allianz SE and with the audit function. In the IRCS approach, risk identification, assessment and controls vary between the different operational risk

Risk Type	Definition	Risk Management Activities
		sources reporting, compliance and operations. For example, compliance risks are addressed via written policies. The risk of financial misstatement is mitigated by a system of internal controls covering financial reporting. Outsourcing risks are covered by an Outsourcing Policy, by Service Level Agreements, and by Business Continuity and Crisis Management programs to protect critical business functions from these events. Cyber risks are mitigated through investments in cyber security, cyber insurance the Group buys from third party insurers, and a variety of ongoing control activities.
Strategic Risk	Unexpected negative changes in the Group and its associate company value arising from the adverse effect of management decisions regarding business strategies and their implementation.	The Group and its associate company manages this risk by setting strategies consistent with its vision as well as operational strategies from the unit level up to the organization level. It also reports on the implementation of its strategies to determine the success of the strategies. The Group has also instituted warning indicators should implementation show signs of going off course. This allows the strategy to be adapted in line with external factors and changing situations, such as any changes in economic conditions, competition, and any relevant regulations. The Group has internal work systems for organizing itself, its personnel, and its budget, as well as its information technology (IT) systems and operational monitoring and control systems. Altogether, they support the implementation of strategy that will allow the Group and its associate company to reach its targets. The Group published its strategic plans to employees so all involved are moving in one direction as a whole.
Reputational Risk	Unexpected drop in the value of the Group share price, value of inforce business or value of future business caused by a decline in the reputation of the Group or one or more of its subsidiaries from the perspective of its stakeholders, or an event causing legal or reputational liabilities for the Group Board of Management or other key position holders	The Customer Management Division has a direct responsibility for coordinating with the department that deals with complaint management to ensure all customers and partners are most satisfied, which will enhance the Group and its associate company's reputation. Beside the Group and its associate company has established the Complaint Management team to manage social media news that causes negative feelings to the organization such as Facebook, Pantip etc.
Liquidity Risk	Unexpected financial losses due to a failure to meet, or to meet based on unfavorably altered conditions, short-term current or future payment obligations, as well as the Risk that in the event of the Group and its associate company liquidity crisis refinancing is only possible at higher interest rates or by liquidating assets at a discount.	To manage this risk, the Group and its associate company has allocated some of its investment funds to bank accounts, treasury notes, and short-term bonds from the Bank of Thailand, which are highly liquid, as reserves designated for operational costs. The deposits are made at regular intervals in line with cash needs. This is done consistent with cash flow management for expected inflows and outflows. The Group and its associate company also allocates a portion of its investment to in-demand stocks that are highly liquid and easily convertible to cash, at close to fair value. Furthermore, the Group and its associate company is also able to use an overdraft facility and short-term loans from a commercial bank, which are used as cash reserves that can be withdrawn immediately should the Group and its associate company incur unexpectedly high costs.

3. Sustainable business development

Sustainable business policy and goals

The Group and its associate company recognize the importance of conducting business with good corporate governance while ensuring sustainability and being responsible for the society and environment. Allianz's global sustainability efforts focused on 3 pillars including Environment, Social Inclusion and Governance (ESG).

Environmental

Being active in both insurance and asset management businesses, the Group realizes the importance of hedging risks dealing with environmental change. Hence, the Group emphasizes promoting environmentally friendly business practices as well as shaping new behavior among employees. Reducing greenhouse gas (GHG) emissions is one of priorities of the Company.

Societal

The Group and its associate company aim to promote full participation, promoting volunteer activities to support in-need communities. Also, the Group and its associate company support organizations, foundations, and businesses that help communities in various areas.

Governance

Transparency and accountability is the Group and its associate company's first priority in doing business. We also emphasize protecting customers' data and managing business risks in our operations.

As part of Allianz Group, the Group and its associate company also implemented ESG policy and engage all stakeholders including our employees, agents, partners, customers and public to take part and contribute to ESG in action.

Allianz Ayudhya "ESG" in action

The Group and its associate company takes sustainability as one of the top priority of our business under the vision "We Care for Tomorrow", aiming to engage all stakeholders, 1,500 staffs, 14,000 agents, 2 million customers, and general prospects, to actualize this vision for a better world.

"E" environment

"Climate Change" has been the main topic of discussion for the past 10 to 15 years. Plastic use was the main issue raised, but not much was mentioned on food waste management, even when many food wastes contain plastic that has been contaminated and cannot be recycled. If all of us segregate our food wastes and put them in the right place, the environment would have been better cared for.

The Group and its associate company believe that for an environment to be properly cared for, our society needs to participate. Beginning with 1,500 employees, the Company need to educate them, change their behavior and have them do the same in their household. The Company searched and invested in installing a professional composter in all its premises to facilitate their employees to put leftover food in the right place. This composter then produced fertilizers for the employees.

In 2022, we have designed and launched new sorting stations in our offices with the main objective to reduce waste to landfill by better sorting waste and disposing of it in the most appropriate manner. Based on our office waste survey and study about proper waste management, we separate waste into 4 categories which are food waste, recycle sellable waste, plastic waste, and Refuse Derived Fuel (RDF)¹. With this sorting management, we believe that we can reduce waste to landfill significantly.

Additionally, in 2022 we have launched campaigns to promote environmental and social awareness. ESG Future Voice is the campaign where we gathered children of employees to speak to all employees to ask for support to take care of the planet that they have to live in the future. ESG Hero is the campaign that our management joined to encourage employees to do something good for the benefit of others and the environment with the key message that everyone can be a hero and make a difference.

Our key achievements:

- Waste to landfill at the Company's Head Office has been decreased by 50%. In 2022, the average waste to landfill per month was 1,549 kg; in 2023, the average waste to landfill per month was 770 kg.
- In 2023, the Company prevented GHG emission from waste by more than 61,000 KgCo_{2e} from actions in 3 categories.
 - 9,262 kg of food waste turned to compost and distributed to employees and nearby communities.
 - 14,113 kg of recycled items sent to proper recycling process and additionally generated extra income for the cleaning staff.
 - 4,807 kg of non-recycled waste turned to RDF (Refuse Derived Fuel).
- Also, the subsidiary and associate company have kicked off internal campaign called "Green ambassador" that we recruit representative from each floor at head office to be a green mentor who help manage waste sorting station on each floor.
- The subsidiary and associate company have welcomed corporate visitors who are interested in waste management to visit and share thoughts on proper waste management in the office.
- Additionally, the subsidiary and associate company have initiated a new project, Alliance for Sustainability, to form a sustainability network focusing on Environmental areas. The project was launched in November 2022 with the objective to introduce Alliance for Sustainability as well as to share commitments and environmental targets to public. Furthermore, the Company also organized an immersive exhibition, The End is Coming, Witness the end of the world on the peak of the problem, to raise public awareness on waste management problems.
- In 2023, the subsidiary and associate company were continuing the project called "Pathumwan Zero waste" promoting public and private organization also community within Pathumwan district to change their behavior or waste sorting.
- In 2023, the subsidiary and associate company initiated the project called "THINK before throwing" by partnering with Alliance for Sustainability or Mahamitr. The event core idea is to promote people to sort their waste. The event's highlights included garbage truck landmark, Shortfilm feathering garbage man at work, Think activities that let participant

¹ RDF: Refuse Derived Fuel is a fuel produced from various types of waste, usually taken from industrial or commercial sites, and finally burned to produce electricity.

role playing as garbage man and learn about a correct way to sort waste, Think Art which is art showcase by various artists that create the art piece from junk, Fashion Exchange booth by Swoop buddy. The event will be held at BACC from 14-26 November 2023

Social inclusion

Our Social inclusion activities focus on the Sustainable Development Goals in 3 areas; Zero Hunger, Good Health and Well Being, and Decent Work and Economic Growth.

- **Allianz World Run** The running competition among Allianz worldwide entities where the winners have the opportunity to select social foundations to receive a donation from Allianz Group. More than 2,200 employees from the Group and its associate companies, families, and friends joined the competition. 2023 marks the fifth consecutive year that the Group has won EUR 20,000 (approximately 731,550 THB) to donate to local charities. We selected to donate to the Mirror Foundation, Hire Me project, to support career opportunities for homeless people.
- **Community Kitchen** In collaboration with Scholars of Sustenance Foundation - Thailand. This is a voluntary activity that is open to employees and agents to join in making meals from surplus food for in-need communities.
- **Blood donation program.** The Group and its associate company collaborated with the Thai Red Cross Society for blood donations 4 times per year. This year, 449 employees and people nearby joined the donation and Thai Red Cross received blood up to 365 units of blood.
- **“Donation of PA to Narenthorn Emergency Medical Services (EMS)”** The Group and its associate company is proud to provide a group Personal Accident insurance with the total coverage of 12.9 million baht to the rescuers at the Narenthorn Emergency Medical Service Centre.

Good Governance

The Group and its associate company have been operating based on good governance principle. The Company manage the operation with engagement and transparency that can be auditable. We ensure an eco-friendly investment. Our strong governance and management have proven its success by many awards and certification such as

- In 2023, the associate company received the Prime Minister’s Insurance Award 2023 as the Life Insurance company with the 3rd ranked most outstanding management in 2022.
- In 2023, the Company has been awarded as one of the listed companies with outstanding Environmental, Social and Governance (ESG) and recognized in the 2023 ESG100 List.
- In 2023, the Group and its associate company received the HR Asia Best Award reflecting our great achievement as the employer of choice and be one of the company talents would like to work with.
- In 2023, the Group and its associate company received EDGE Certification at LEAD level, which is the highest level. This certification is the global standard for measuring the level of diversity, equality, and participation in the organization.

- In 2022, the Group and its associate company received the Prime Minister’s Insurance Award 2022 as the Life Insurance company with the most Outstanding on Sustainability (ESG) from the Office of the Insurance Commission (OIC).
- In 2022, The Company has been recognized as one of the listed companies with outstanding Environmental, Social and Governance (ESG) in the 2022 ESG Emerging List by Thaipat Institute
- In 2022, the Group and its associate company received the HR Asia Best Award reflecting our great achievement as the employer of choice and be one of the company talents would like to work with.
- In 2021, the Group and its associate company has received the Prime Minister Award 2021 as the Life Insurance company with most Outstanding Development from the OIC. This has proven our success in conduct business with good governance.
- In 2021, the Group and its associate company has received the HR Asia Best Award reflecting our great achievement as the employer of choice and be one of the company talents would like to work with.
- In 2020, the Group and its associate company has received the Bronze Stevie® Awards winner under the Most Valuable Corporate Response on COVID-19 from International Business Awards® (IBA)
- The Group and its associate company are recognized as a certified member of the Private Sector Collective Action Coalition against Corruption (CAC). Initiated by Thai private sector, CAC actively takes parts in tackling corruption problem and aims to bring effectiveness anti-corruption policy and mechanism into implementation by companies in order to create an ecosystem of clean business community.

The Group and its associate company operate our business to meet with expectation of different group of stakeholders in the value chain including our customer, employees, partner, shareholders and government sectors.

Stakeholder	Expectation	Actions
Customers	Receive the product and service that matched to their needs with fair treatment from the company	<ul style="list-style-type: none"> • Clear operation and communications to ensure a smooth service in all customer journey touchpoints including <ul style="list-style-type: none"> - Sales and on-boarding - Claims - Renewal - Issue Resolutions - Communications • Ongoing satisfaction survey for continued improvement
Employees	Be compensated and treated fairly and equally in the company with opportunity to grow and develop career aspiration.	<ul style="list-style-type: none"> • HR takes a leading role in people management to ensure high engagement and productivity with 4 pillars <ul style="list-style-type: none"> - Learning and Development - Health and Well-being - Diversity and Inclusion - ESG involvement • Allianz Engagement Survey annually to check and improve working condition and environment for the employees

Stakeholder	Expectation	Actions
Partners	Together achieve business goal with fair compensation and benefit as agreed	<ul style="list-style-type: none"> • Provide a dedicated team to support each partners/channel to drive the business as agreed • Operate under Allianz guideline to ensure fair treatment to all partners with integrity • Open channel for check and balance for partner to feedback if issues arise
Shareholders	Be treated with transparency and clarity. Easy access to company information that is accurate, consistent, on-time and timely.	<ul style="list-style-type: none"> • Annual shareholders' meeting • Annual report • Provide opportunity to express opinion via the Company's website, emails
Government Sector	Company to conduct business according to laws and regulations with good governance	<ul style="list-style-type: none"> • Dedicated team (regulatory affair) acts as a counterpart to coordinate with each government sectors • Align and practice business based on rule and regulations • Communicate and educate rules and regulations with regards to business operations to employees via available communications channels
Community	Company to support and contribute back to the Thai society on various ESG activities	<ul style="list-style-type: none"> • Set up ESG taskforce team to drive the activities that aligned with Allianz Group and local needs • Encourage other stakeholder to involve in ESG so that to create impactful result to the community • Seek partners with same goal to drive more impactful project in a larger scale

4. Management Discussion and Analysis

Financial position and Operating performance

The Company has a core investment in the Insurance industry both non-life and life.

According to the Insurance Premium Rating Bureau, overall direct premiums of 2023 of the non-life insurance industry grew by 3.5%. The Group's Direct Premium of Motor was the largest contributor (37.5%) followed by Health (26.5%) Industrial all risk (11.5%) and Fire (8.0%). The Company's market share from January to December 2023 increased from 2.3% to 3.5% and the Company's rank move from 12 to 9 compared with last year driven by the amalgamation.

Overall, Thailand Life Insurance industry in 2023 grew by 3.5% compared to the same period last year. Positive growth was contributed from new business premium (single premiums and first year premium (FYP)) and renewal year premium (RYP), primarily from Health & Critical illness insurance and Annuities. The upward growth trend from 2022 was driven by economic recovery, increased health awareness, and the country's aging population, supporting the demand for life and health insurance.

For the Company, the operating result of the consolidated financial statement for the year ended December 31, 2023 was a net profit of Baht 933.00 million (Baht 2.40 per share) compared with Baht 1,004.73 million (Baht 2.58 per share) from last year, a decreased by Baht 71.73 (7.14%). The significant changes are summarized as follows:

- The gross premiums written (GPW) increased by +27.45 % from last year due largely to the premiums from the acquisition of health business and services in early May 2022.
- Fee and commission income increased by +8.24% due to higher reinsurance.
- Net investment income increased by +41.35% due to the higher investment asset size from business acquisition and the increase in bond yield. Loss on investment decreased 9728% due largely to previous year as there was a sale of investment assets in the prior year to raise funds for business acquisition as mentioned above.
- The share of profit on investment in an associate decreased by -38.08% due to the decrease in net profit of the associate company.
- Revenue from services increased by +71.89% due to the business acquisition after May 2022.
- From the above, the Company's total revenues increased by +19.14% from last year.
- In terms of expenses, net claims paid, other underwriting expenses and commission and brokerage and operating expenses increased by +27.35%, +16.59%, +4.86% and +8.87%, respectively, due to the business expansion.
- Impairments (reversal) and expected credit loss (reversal) significantly decreased due to the sales of investment assets in previous year as mentioned above.

- As a result of the aforementioned the Company's performance for the year ended December 31, 2023 with a net profit of Baht 933.00 million or -7.14% lower than last year.
- In term of profitability, apart from a strong net profit, from the consolidated financial statement the Company's return on investment 4.68% and return on equity 7.62%.
- The liquidity ratio of 1.01% was higher than last year due to the acquisition of health business and service last year as mentioned above. In addition, the subsidiaries and associate's capital adequacy ratio of 299%* and 306%*, respectively, were much higher than the minimum requirement of 140%.
- The major capital expenditures in 2023 were intangible assets, amounting to Baht 124.9 million and property, plant and equipment, amounting to Baht 20.4 million. This is to support the strengthens customer segment and distribution channel as well as strengthens the Group's market share in Thai non-life market.
- To manage factors that may affect the operations in the future, the Group strictly adheres to the risk management policy as mentioned in the Risk Management section and regularly reviews the policy.

* The subsidiary and associate's capital adequacy ratio as of December 31, 2023 is unaudited

Statement of Financial Position

(Unit: Thousand Baht)

	Consolidated financial statements		
	as at December 31		
	2023	2022	2021
Assets			
Cash and cash equivalents, net	949,161	1,660,377	1,295,374
Premium due and uncollected, net	1,268,249	1,191,227	580,552
Accrued investment income	19,742	16,641	24,187
Reinsurance assets	2,183,165	1,983,484	1,923,852
Amounts due from reinsurers	438,832	354,944	569,982
Receivable from sale of securities	-	426	-
Investments in securities, net	7,988,226	6,963,055	8,793,852
Investment in an associate	6,640,166	6,480,922	9,492,515
Property, plant and equipment, net	57,709	65,565	46,170
Right-of-use asset, net	184,252	189,669	190,397
Goodwill	1,926,096	1,926,096	508,877
Intangible assets, net	261,680	172,388	84,731
Deferred tax asset, net	534,902	470,587	400,105
Prepaid commission expenses	62,457	102,108	80,233
Other assets, net	576,978	335,061	149,422
Total assets	23,091,615	21,912,550	24,140,249
Liabilities and equity			
Liabilities			
Insurance contract liabilities	7,361,349	7,231,783	5,070,744
Amounts due to reinsurers	1,219,649	967,655	1,160,232
Payable from purchase of securities	-	1	-
Employee benefit obligations	181,140	158,542	135,407
Premium written received in advance	199,217	244,338	258,802
Commission and brokerage payables	140,953	148,452	121,109
Accrued expenses	536,814	521,802	406,612
Lease liabilities	193,574	193,546	197,784
Other liabilities	634,523	587,208	365,419
Total liabilities	10,467,219	10,053,327	7,716,109
Equity			
Share capital			
Authorised share capital			
463,473,361 ordinary shares of 1 Baht each	463,473	463,473	463,473
Issued and paid-up share capital			
389,266,931 ordinary shares of 1 Baht each	389,267	389,267	389,267
Premium on share capital	10,066,331	10,066,331	10,066,331
Retained earnings			
Appropriated			
Legal reserve	66,200	50,000	50,000
Unappropriated	2,938,154	2,479,121	3,790,996
Other components of equity			
Surplus (Deficit) on investments measured at fair value			
through other comprehensive income	(4,231)	41,616	97,437
Share of other comprehensive loss in an associate	(831,325)	(1,167,112)	2,030,109
Total equity	12,624,396	11,859,223	16,424,140
Total liabilities and equity	23,091,615	21,912,550	24,140,249

Statement of Comprehensive Income

(Unit: Thousand Baht)

	Consolidated financial statements		
	for the year ended December 31		
	2023	2022	2021
Revenues			
Gross premiums written	10,236,806	8,031,778	5,584,707
<u>(Less)</u> premiums ceded	(2,189,938)	(1,830,002)	(1,608,289)
Net premiums written	8,046,868	6,201,776	3,976,418
<u>Add (Less)</u> Unearned premium reserve			
decreased (increased) from previous period	(7,568)	150,149	(84,019)
Net premiums earned	8,039,300	6,351,925	3,892,399
Fees and commission income	505,660	467,161	325,926
Net investment income	123,327	87,247	140,543
Gain (loss) on investments	(2,613)	(96,313)	(8,151)
Share of profit on investment in an associate	607,983	981,916	1,287,852
Service income	38,086	22,157	-
Other income (expense)	12,296	12,104	34,202
Total revenues	9,324,039	7,826,197	5,672,771
Expenses			
Gross claim paid	5,411,273	4,222,280	2,537,959
<u>(Less)</u> Claim recovered from reinsurers	(528,221)	(387,886)	(485,380)
Commission and brokerage expenses	1,198,240	1,142,710	894,232
Other underwriting expenses	1,129,757	968,966	694,004
Cost of service	2,796	1,313	-
Operating expenses	1,086,199	997,724	754,034
Finance cost	7,025	6,968	6,922
Impairment (Reversal)	(4,976)	(172,699)	40,048
Expected credit loss (Reversal)	(120)	(1,491)	174
Total expenses	8,301,973	6,777,885	4,441,993
Profit before income tax	1,022,066	1,048,312	1,230,778
Income tax expense	(89,064)	(43,585)	(749)
Net profit	933,002	1,004,727	1,230,029
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to profit or loss			
Actuarial loss on defined employee benefits plans	(5,581)	(3,313)	24,614
Share of other comprehensive income (loss) in an associate	(2,188)	17,435	18,253
Income tax related to items that will not be subsequently reclassified to profit or loss	1,554	(2,824)	(8,574)
Items that will be subsequently reclassified to profit or loss			
Loss on revaluation of investment measured at fair value through other comprehensive income	(64,371)	(225,355)	39,383
Loss on sale of investment transferred to profit or loss	7,062	155,579	28,095
Share of other comprehensive income (loss) in an associate	419,734	(3,996,527)	(2,944,697)
Income tax on items that will be subsequently reclassified to profit or loss	(72,485)	813,261	575,444
Other comprehensive income (loss) for the year, net of income tax	283,725	(3,241,744)	(2,267,482)
Total comprehensive income (loss) for the year	1,216,727	(2,237,017)	(1,037,453)
Earnings per share			
Basic earnings per share (Baht)	2.40	2.58	3.16
Weighted average number of ordinary shares (Thousand Shares)	389,267	389,267	389,267

Financial ratio reflecting the financial position and performance of the company

Analysis of financial ratios		Consolidated financial statements		
		2023	2022	2021
Liquidity ratio				
Current ratio	(TIMES)	1.01	0.96	1.60
Premium due and uncollected turnover	(DAYS)	43	40	37
Profitability ratio				
Retention rate	(%)	78.61	77.22	71.20
Loss incurred per earned premium	(%)	60.74	60.37	52.73
Underwriting profit per net premium written	(%)	16.58	14.08	14.52
Underwriting expense per earned premium	(%)	36.18	41.60	51.80
Return on investment	(%)	4.68	6.44	7.26
Net premium written per equity	(TIMES)	0.66	0.44	0.23
Net profit per total income	(%)	10.01	12.84	21.68
Return on equity	(%)	7.62	7.10	7.13
Efficiency ratio				
Return on asset	(%)	4.15	4.36	4.94
Assets turnover	(TIMES)	0.41	0.34	0.23
Financial ratio				
Debt to equity ratio	(TIMES)	0.83	0.85	0.47
Policy liability to capital fund	(TIMES)	0.58	0.61	0.31
Nonlife insurance risk reserve per equity	(TIMES)	0.41	0.42	0.19
Nonlife insurance risk reserve per total asset	(%)	22.40	22.82	13.01
Payout ratio	(%)	84.83	209.22	78.06
Data per share				
Per value	BAHT	1.00	1.00	1.00
Book value	BAHT	32.43	30.46	42.19
Net profit	BAHT	2.40	2.58	3.16
Dividend	BAHT	2.57*	5.40	1.54

*Dividend per share for the operating result for the year 2023 is subject the approval of the Annual General Meeting of the shareholders.

5. General and other important information

General information

Company's name	Allianz Ayudhya Capital Public Company Limited
Security symbol	AYUD
Stock market	The Stock Exchange of Thailand
Industry sector	Finance / Insurance
Type of business	Investment holding company investing in insurance business
Company registration number	0107537001391
Registered Capital	Baht 463,473,361, divided into 463,473,361 shares at a par value of Baht 1 per share
Issued and paid-up share capital	Baht 389,266,931, divided into 389,266,931 shares at a par value of Baht 1 per share
Shareholding proportion	<ul style="list-style-type: none"> - Allianz Ayudhya General Insurance Public Company Limited: 99.96% - Allianz Ayudhya Assurance Public Company Limited: 31.97% - My Health Services (Thailand) Limited: 99.90% - Aqua Holdings (Thailand) Company Limited: 99.80% - Health Care Management Company Limited: 98.89%
Head office	898 Ploenchit Tower, 7 th Floor Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330 Telephone: 02-305-7461 Website: www.ayud.co.th
Corporate secretary	Telephone: 02-305-7461 Email: cs@allianz.co.th
Other references	
Registrar	Thailand Securities Depository Company Limited (TSD) The Stock Exchange of Thailand Building, 93, 14 th Floor, Ratchadaphisek Road, Dindaeng Subdistrict, Din Daeng District, Bangkok 10400 Telephone: 02-009-9000 Fax: 02-009-9991 Website: www.set.or.th/tsd
Auditor	<p>Ms. Sakuna Yamsakul Certified Public Accountant (Thailand) No. 4906 and/or</p> <p>Mr. Paiboon Tunkoon Certified Public Accountant (Thailand) No. 4298 and/or</p> <p>Mr. Boonlert Kamolchanokkul Certified Public Accountant (Thailand) No. 5339 and/or</p> <p>Ms. Sinsiri Tangsombat Certified Public Accountant (Thailand) No. 7352</p> <p>PricewaterhouseCoopers ABAS Ltd 79/74-80 Bangkok City Tower, 15th Floor, South Sathorn Road, Thungmahamek Sub-district, Sathorn District, Bangkok 10120 Telephone: 02-844-1000 Fax: 02-286-5050 Website: www.pwc.com</p>

Financial Institutions	<ul style="list-style-type: none"> - Bank of Ayudhya Public Company Limited Head office 1222 Rama III Road, Bang Phong Phang Subdistrict, Yan Nawa District, Bangkok 10120 Telephone: 02-296-2000 Ploenchit branch 550 Ploenchit Road, Lumpini Subdistrict, Pathum Wan District, Bangkok 10330 Telephone: 02-208-2000 - Government Housing Bank Head office 63 Rama IX Road, Huai Khwang District, Bangkok 10310 Telephone: 02-645-9000 - The Hong Kong and Shanghai Banking Corporation Limited 968 HSBC Building, Rama IV Road, Silom Subdistrict, Bang Rak District, Bangkok 10500 Telephone: 02-614-5590 - Standard Chartered Bank (Thai) Public Company Limited 100 North Sathorn Road, Silom Subdistrict, Bang Rak District, Bangkok 10500 Telephone: 02-724-5380
Subsidiary Company	Allianz Ayudhya General Insurance Public Company Limited
Company registration number	0107566000062
Type of business	Non-life insurance
Head Office	898 Ploenchit Tower, 7 th Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-657-2555, 1292 (Customer Service) Fax: 02-657-2500 Website: http://qi.allianz.co.th/
Registered capital	Baht 2,568,800,000
Paid-up capital	Baht 2,568,800,000
Subsidiary Company	My Health Services (Thailand) Limited
Company registration number	0105561037365
Type of business	Patient healthcare services
Head Office	898 Ploenchit Tower, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-677-0900
Registered capital	Baht 141,500,000
Paid-up capital	Baht 141,500,000
Subsidiary Company	Aqua Holdings (Thailand) Company Limited
Company registration number	010555146280
Type of business	Investment in other companies
Head Office	898 Ploenchit Tower, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-677-0000
Registered capital	Baht 100,000
Paid-up capital	Baht 100,000

Subsidiary Company	Health Care Management Company Limited
Company registration number	0105566109313
Type of business	Investment in other companies
Head Office	898 Ploenchit Tower, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-677-0000
Registered capital	Baht 14,000,000
Paid-up capital	Baht 14,000,000
Associate Company	Allianz Ayudhya Assurance Public Company Limited
Company registration number	0107537001315
Type of business	Life insurance
Head Office	898 Ploenchit Tower, 7 th Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-305-7000, 1373 (Customer Service) Fax: 02-305-7999 Website: www.allianz.co.th
Registered capital	Baht 4,000,000,000
Paid-up capital	Baht 2,950,000,000

Other important information

-no-

Legal dispute

As of December 31, 2023, based on the audited consolidated financial statement, the Company has no litigation with material risks which will have a significant negative impact on the operating performance and financial position of the Company more than 5% of shareholder equity.

Part 2

Management and Corporate Governance



6. Corporate Governance Policy

Overview of the corporate governance policy and the practice

Corporate Governance Policy

The Board of Directors highly values good corporate governance, particularly, the procedural fairness, responsibility, and honesty of the business operation, ensuring that the operations of the Company shall be carried out effectively and with stability, sustainably and increasing economic value for all relevant stakeholders. Internal policies governing operational management are based on the principles of economic sufficiency, rationale, integrity, ethics, transparency and fairness to all the relevant stakeholders with respect to human rights, adhering to the principles of good corporate governance as specified by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

The Group and its associate company, by the approval of the Board of Directors, has set out a corporate governance policy which is communicated and to all-level employees. The Corporate Governance Committee has resolved to implement the CG Code in the Company. For the subsidiary AAGI and the associate AZAY, the CG Code shall be implemented in a form which is suitable for the business model of each company.

In 2023, the Company's CG score was assessed by Thai Institute of Directors as 5-star, the highest rating. The Company received an "Excellent" score in the section's shareholders' rights, equitable treatment of shareholders, disclosure and transparency, and a "Very Good" score in the section of responsibilities of the Board of Directors. In addition, in 2023, the Annual General Shareholders' Meeting Assessment Project (AGM Checklist), conducted in cooperation by the Securities and Exchange Commission (SEC), the Thai Investors Association (TIA) and the Thai Listed Companies Association resulted in a full score of 94/100.

Ethical Treatment of Stakeholders

The Company is determined to conduct its business with accountability to all stakeholders leading to sustainable business development. To ensure the rights of all stakeholders, the Company specifies in the Company's Code of Conduct (available on our website at www.allianz.com/compliance) that the rights of stakeholders will be protected and that they will be treated equally and fairly. Sharing business benefit with all stakeholders makes the Company become a valued organization within the broader society.

The Company has established and disclosed its policies, including the treatment of each group of stakeholders with consideration to their rights under the law or agreements. The Company will not commit any act to violate the rights of those stakeholders.

Shareholders

Company focuses on growing its business by building long-term economic values for appropriate and fair returns. The dividend payment policy is based on operational performance of the company and the economic circumstances.

Customers

Company delivers services to customers with honesty and fairness and provides various communication channels to its customers, e.g. for general inquiry, investment, or complaint via the phone number 02-305-7374 or email: cs@allianz.co.th

Employees

Company regards employees as essential resources to achieve our business target. Human resource policy and the Code of Conduct are established to be the guidance for the fair treatment of staff, including the remuneration, appointment, relocation as well as the development of all employees’ potential and competency through capability and leadership training.

Partners

Company values impartiality and integrity in the operation of the business as well as fair and mutual benefits with customers and partners, avoiding circumstances which may lead to conflict of interest. Trade agreements will be strictly adhered to and the Company has defined and appropriate policy for gifts and entertainment.

Competitors

Company adheres to fair competition and refrains from any unfair and dishonest practice which might be aimed at harming competitors.

Creditors

Company recognizes the importance of its liabilities to creditors and will strictly comply to creditor conditions as well as maintain a good relationship with the creditors to build trust and confidence and will not violate the creditors’ rights.

Society, Community, and Environment

Company sets out a clear policy covering fair treatment and social responsibility and has developed a CSR Framework to be implemented by all departments of the Company. The Company values and participates in supporting three improvements of the quality of living of people and the community.

Government

Company operates its business in compliance with the law. The Company will cooperate with the relevant government organizations and provide relevant information as required.

Intellectual Property

Company complies with the intellectual property law and has the policy to not violate intellectual property rights.

Good governance practices in other aspects

Other than the main corporate governance policy, the Company has specified additional policies so that the operation of the Company is in accordance with the good governance practices, namely

- Conflict of interest policy
- Intellectual property policy
- Sanctioned countries and specially designated nationals (SDN) policy
- Internal control policy
- Operational overseeing policy
- Environment, health and safety policy
- Related-Party transactions policy

Anti-corruption

The Company was first certified as a member of Collective Action Coalition (CAC) on January 22, 2016 and continues to be a good role model and adhere to all aspects of anti-corruption prevention.

The Group and its associate company perform an annual assessment of fraud and corruption risks, including measuring risk levels, assessing internal controls and the effectiveness of mitigation activities and regular monitoring.

Anti-corruption and anti-money laundering are part of employee training and awareness is created through regular communication.

Significant changes and developments of the policy, practices, and corporate governance system in the previous year

Corporate Governance Policy and Business Ethics

The Board of Directors recognizes the importance of good corporate governance and therefore established the Corporate Governance Committee (CG Committee) for controlling, monitoring, assessing the operations of the Company.

In 2023, the Company adhered to the following principles of the CG Code:

CG Code	
Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

The Company has published the CG Code on the Company's website to be accessible for its shareholders and the Company commits to operate the business under the CG Code. The Company has distributed written handbooks to employees and motivated staff through training to raise awareness and build their understanding of good corporate governance in order that they perform their roles while adhering to moral principles.

Annual Evaluation of the Performance of the Board of Directors and Sub-committees

1. Annual Board Performance Self-Assessment

The Board of Directors conducts a performance self-evaluation once a year for both the Board of Directors as an entity as well as individual self-assessments of each Director.

The Annual Evaluation for the year 2023 was conducted on November 14, 2023. The result of the evaluation (see Table below) ranged from "good" to "very good" levels for both Board of Directors and the individual director evaluations. For this evaluation, the Company determined the criteria, process, and method of the evaluation. Also, the Company used the result of the previous evaluation to define improvement actions and follow-up.

Year of Evaluation	Date of Evaluation	Performance of the Board of Directors	Performance of the Individual Directors
2023	November 14, 2023	Good – Very Good	Good – Very Good

2. Subcommittee' self-assessment

Similarly, the Board of Directors arranges for the annual self-evaluation of every subcommittee (namely the Audit-, Nomination and Remuneration- and Corporate Governance Sub-Committees) as well as the individual self-assessment of each Director in the subcommittees. The criteria and evaluation process are consistent with those used for the evaluation of the Board of Directors. The resulting evaluation (in the Table below) ranged from "good" to "excellent" for the Board, individual Directors and the CEO.

Subcommittee (Audit Committee, and Nomination and Remuneration and Corporate Governance Committees)				CEO
Year of Evaluation	Date of Evaluation	Performance of the Board of Directors	Performance of the Individual Director	Performance
2023	November 14, 2023	Good – Very Good	Good – Very Good	Excellent

Development of the directors and the executives

The directors and executives are encouraged to participate in seminars and training programs in the course which are beneficial to the performance of their duties. If there is an appointment of a new director, the Company will provide relevant documents to introduce him (her) to the Company and its business so that the director gains the understanding of the role and responsibilities required to perform his (her) duties. A list of the directors attending training and seminars held by the Thai Institute of Directors (IOD) are provided in the following QR Code, including executives and company secretary.



7. Corporate Governance Structure

◆ Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

Corporate Governance Structure

Board of Directors

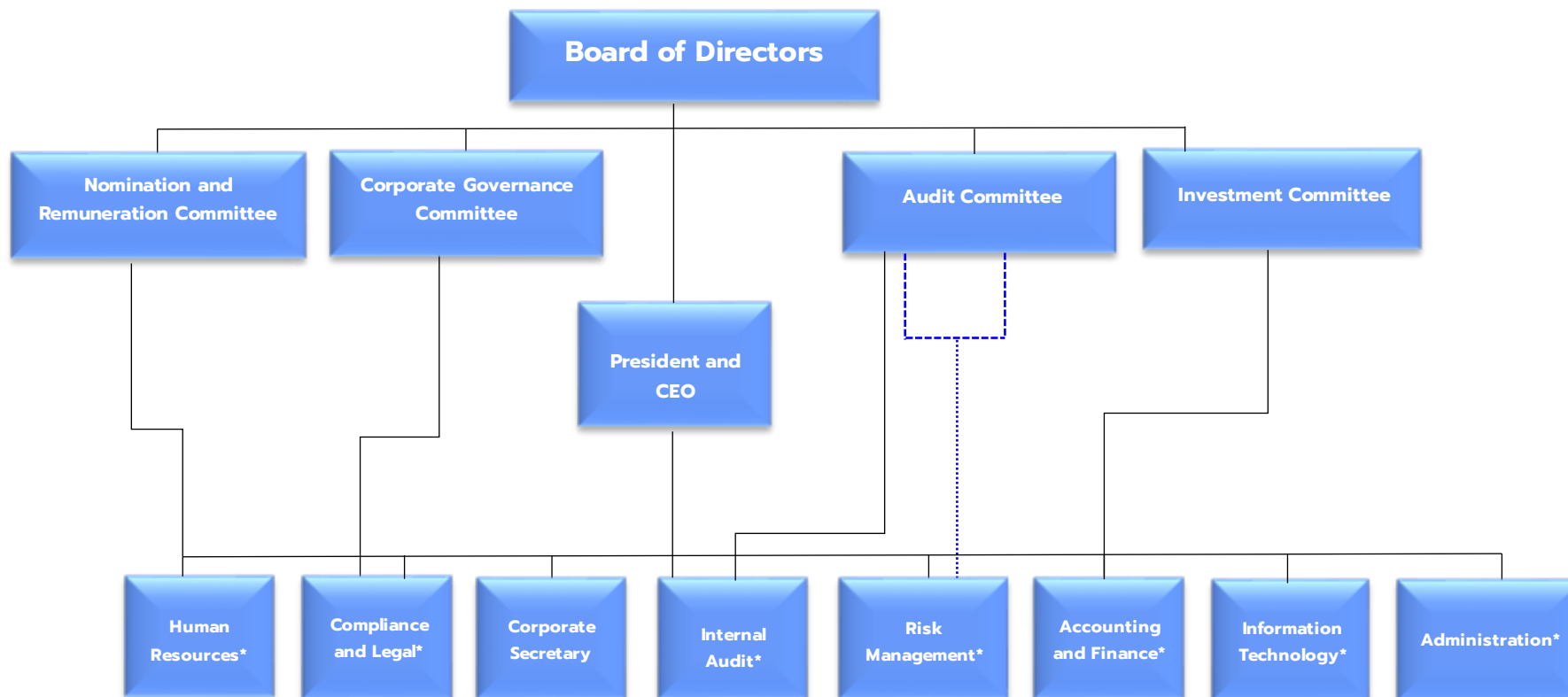
As of December 31, 2023, the Company's Board of Directors comprised 15 Directors

Name	Designation
1. Dr. Jamlong Atikul	Chairman/ Independent Director
2. Mr. Suwat Laicharoensup	Independent Director/ Chairman of the Audit Committee
3. Mr. Vichit Kornvityakoon	Independent Director/ Member of the Audit Committee/ Chairman of the Corporate Governance Committee
4. Mr. Pasu Loharjun	Independent Director/Chairman of the Nomination and Remuneration Committee
5. Mr. Narong Chulajata	Independent Director/ Member of the Audit Committee
6. Ms. Nopporn Tirawattanagool	Director/ Non-Executive Director/ Member of the Nomination and Remuneration Committee/ Member of the Corporate Governance Committee
7. Mr. Laksna Thongthai	Director/ Non-Executive Director
8. Mr. Thomas Charles Wilson	Director/ Authorized Director/ Executive Director/ President & CEO
9. Mr. Aaron Mitchell Fryer	Director/ Non-Executive Director
10. Mr. Poh Heon Eng	Director/ Authorized Director/ Non-Executive Director
11. Mr. Lars Heibutzki	Director/ Authorized Director/ Non-Executive Director Member of the Nomination and Remuneration Committee
12. Mr. Kittti Pintavirooj	Director/ Authorized Director/Non-Executive Director
13. Mr. Jochen Alexander Haug	Director/ Non-Executive Director
14. Mr. Teh Kim Leng*	Director/ Non-Executive Director
Mr. Bryan James Smith*	Vice Chairman/ Director/ Non-Executive Director
15. Ms. Jarunee Chaisupakitsin**	Director/ Authorized Director/ Non-Executive Director/ Member of the Corporate Governance Committee
Ms. Napha Trirattanawongse**	Director/ Authorized Director

*Note: * and ** Pursuant to the resolution of the Board of Directors' Meeting No. 4/2023 on November 14, 2023, the Board appointed (i) Mr. Teh Kim Leng as a Director in replacement of Mr. Bryan James Smith, a Director and Vice Chairman, who resigned with effective on October 9 2023 and (ii) Ms. Napha Trirattanawongse as Director and Authorized Director in replacement of Ms. Jarunee Chaisupakitsin who retired from the Company, effective on 31 December 2023. Mr. Teh Kim Leng and Ms. Napha Trirattanawongse served as board members from the completion date of registration with the Ministry of Commerce.*

The Board of Directors appointed 4 Subcommittees as follows;

- (1) Audit Committee
- (2) Nomination and Remuneration Committee
- (3) Investment Committee
- (4) Corporate Governance Committee



***Shared Central Function for Subsidiary and Associate Company. The Company receives their services through service agreements.**

New Director Orientation

The Board of Directors requires an orientation for all new Directors, coordinated by the company secretary, to foster the understanding of the business and internal policies and to support the Director to assume the position as quickly as possible.

In 2023, the Company had nominated two Directors:

1. Mr. Teh Kim Leng was appointed as a new Director with effective date of November 14, 2023 to replace Mr. Bryan James Smith.
2. Ms. Napha Trirattanawongse was appointed as a new Director with effective date of December 31, 2023 to replace Ms. Jarunee Chaisupakitsin.

The Company provided newly appointed Directors an orientation according to the Company's Board Manual which included inter alia laws and regulations, important policies such as corporate governance policy and code of ethics.

Role of Stakeholders

The Company is determined to conduct its business with responsibility towards stakeholders by considering mutual business growth and benefit. Details are stated in Part 1 No. 3 Managing stakeholder impact on value chain and Part 2 No. 6 Corporate Governance Policy.

◆ Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board of Directors sets the Company's goal to become a leading investment company that mainly invests in the insurance business, including life and non-life insurance, and investing in other businesses to increase the investment value and support the sustainable growth of a good society. The Company encourages social responsibility, good corporate governance, anti-corruption, and transparency in its business operation. The Company also aims to strengthen the knowledge for people and general investors regarding investment and wealth management through various insurance products, helping the country's economic growth sustainably. The Company commits to provide service with quality, ethics and transparency in terms of customers.

◆ Principle 3 Strengthen Board Effectiveness

Structure of the Company's Board of Directors

The Board of Directors functions responsibly based on the Company's objectives and Articles of Association by monitoring business performance to ensure effectiveness and alignment with its objectives in the best interests of the Company and its shareholders. The Company has a management structure with a clear division of responsibility between the Board of Directors and Management with details as follows:

1. The Chairman of the Board is an Independent Director and not the same person as the President & CEO. The division of authority and power is clearly set according to good corporate governance practices and Company management structure.

The qualifications of an Independent Director are stricter than the requirements of Securities and Exchange Commission and the Capital Market Supervisory.

As of December 31, 2023, the Company has 15 members on its Board of Directors including:

- One Executive Director;
- Nine Non-Executive Directors;
- Five Independent Directors, or 33.33% of the Board of Directors.

Moreover, the Company encourages each Director to be trained and pass courses held by Thai Institution of Directors (IOD).

2. The Company appoints the Nomination and Remuneration Committee to be responsible for recruiting qualified Directors following the law and related regulations. The Board considers candidates without gender discrimination as defined in the Board Diversity policy. The role and responsibilities of appointed committee members and subcommittee members are clearly defined, with the President & CEO as the head of the executive team responsible to the Board of Directors for business operations and performance under the Charter of the Board of Directors.
3. The term of office of the Board of Directors is specified in the Company's Article of Associations and adheres to the Public Company Limited Act B.E. 2535 (1992). The Director is appointed by the shareholders' meeting resolution or the Board of Director's meeting resolution. The Company does not restrict Directorship based on age or gender as it believes that expertise and experience in business are the most important. The following term conditions are relevant for the Board as well as Subcommittees of the Board:
 - a. The term of the Board or Committee members will be for a period of three years and members may be re-appointed upon term completion;
 - b. Members of the Committee may relinquish their position due to completion of the term, resignation, death or Board of Directors' resolution;
 - c. In the event of a vacancy due to other reasons, the Board of Directors shall appoint a person with full qualification to replace the departing member. The tenure and remuneration of the appointment shall be the remaining term and remuneration of the departing member.
4. The companies in which Directors hold positions are disclosed in the Annual Report. At present, the Company is assured that there are no negative effects arising from Directors holding positions in other listed companies and that all Directors have sufficient time allocated for the Company's matters with all attending meeting regularly to the Company's matters with all attending meetings regularly to the Company's benefit. The Company sets a limit on Directors holding no more than five positions in other listed companies.

Authorized Directors who can sign on behalf of the Company

As of December 31, 2023, the Authorized Directors who can sign on behalf of the Company are Mr. Thomas Charles Wilson, Mr. Lars Heibutzki, Mr. Kittti Pintavirooj, Ms. Jarunee Chaisupakitsin and Mr. Poh Heon Eng. Any two out of the five can jointly sign and affix the Company's seal.

Scope of Authority and Duties of the Board of Directors

1. To manage the Company's operations in compliance with laws, the objectives and articles of association and with resolutions of the Company's meeting of shareholders with honesty and due care for the interests of the Company.
2. To set goals, guidelines, policies, operating plans and budget of the Company, control and supervise the administration of the Board of Management, ensure the management has performed competently and in compliance with the policies prescribed in an efficient manner.
3. The Board of Directors may, as deemed appropriate, elect some Directors and management as members of the Board of Management and shall elect one member of the Board of Directors as its Chairman.
4. The Company issues the Company Code of Conduct Handbook for the Board of Directors, executives, and employees.
5. To manage conflicts of interest, the Company shall disclose any transactions connected or related parties as required under the SET regulations.
6. The Board of Directors places great importance on internal controls and mandates an independent internal audit department to monitor all internal controls and report to the Board regularly. In addition, some internal controls are audited by our independent external auditor, especially those surrounding financial statement preparation.
7. The Board of Directors recognizes the importance of managing risk and designates the Board of Management to establish the Risk Management Committee.

Board Meetings

Board of Directors' meetings are scheduled not less than once every quarter. The agenda and minutes of the previous meeting, together with supporting documents, are submitted to the Board in advance to enable Directors to undertake adequate consideration and study of the information prior to attending the meeting. The Chairman of the Board will consolidate the opinions and conclusions reached during the meeting. Directors having a conflict of interest must leave the meeting during the consideration of the matter in question. All meetings are attended by the Board Secretary, who records and takes minutes, which are verified by the Chairman of the Board and the Corporate Secretary, and which will be approved by the Board at the next board meeting.

In 2023, the Company held 4 Board of Directors' meetings scheduled in advance with notification to all Directors. In the same year, the entire Board of Directors attended all board meeting, which was 100% participation throughout the year for both Board of Director's and various Subcommittees' meetings. The Company has a policy on the minimum quorum at the time of voting, which must be no less than half of the total number of Directors. Additional meetings may be called in cases of urgency. Minutes of the Board of Directors meetings and of the Subcommittee meetings are recorded by the Board Secretary and the Subcommittee Secretary in writing. The minutes are filed at the Company's Head Office for reference and safe keeping.

The Audit Committee and Head of Internal Audit Department shall schedule regular joint meetings with the Company's external auditor quarterly to consider the operating results and financial statements of the Company.

The Board of Directors has also delegated to the President the task of scheduling meetings of the Investment Committee (IC) quarterly.

Roles and Responsibilities of Chief Executive Officer

1. Formulate business plan and objectives of the organization as well as working procedures, ensuring that they correspond to rules, regulations and policies of the Company and relevant regulatory agencies, and propose them for consideration and approval by the Board of Directors;
2. Prepare annual business plan and budget for consideration and approval by the Board of Directors;
3. Manage the Company in accordance with the business plan and objectives as approved by the Board and monitor performance of tasks as assigned by the Board of Directors;
4. Supervise subordinates to ensure they perform their tasks and duties in accordance with specified objectives and plans;
5. Coordinate the formulation of solutions to problems that may occur in the Company's operation
6. Prepare HR and training plans to ensure they conform to business plans and policies of the Company;
7. Schedule, lead and conduct the Investment Committee meetings; and
8. Perform other tasks as assigned by the Board.

Roles and Responsibilities of the Corporate Secretary

1. Prepare and maintain the following documents:
 - a. Directors' Registry
 - b. Notices for the Board of Directors' Meetings, Minutes of the Board of Directors' Meetings and Annual Report of the Board of Directors; and
 - c. Notices for the Shareholders' Meetings and Minutes of the Shareholders' Meetings.
2. Maintain the Report on Stake Holdings of Directors and Management
3. Notify the Company's required news and information to the Stock Exchange of Thailand
4. Carry out other tasks as assigned by the Board of Directors

Subcommittees

The Board of Directors appoints four Subcommittees, consisting of Audit Committee, Nomination and Remuneration Committee, Investment Committee, and Corporate Governance Committee. Some subcommittees include executive management who are not Directors.

Audit Committee

The Company established the Audit Committee on October 12, 1999. As of December 31, 2023, the Audit Committee comprises three independent Directors as follows:

No.	Name	Designation	Term	Meeting attendance in 2023
1	Mr. Suwat Laicharoensup	Chairman of the Audit Committee/ Independent Director	3.5 years	4/4 (including 4 electronic meetings)
2	Mr. Vichit Kornvityakoon	Member of the Audit Committee/ Independent Director	3 years	4/4 (including 4 electronic meetings)
3	Mr. Narong Chulajata	Member of the Audit Committee/ Independent Director	4 months	3/4 (including 3 electronic meetings)

Ms. Wannaporn Ngamsukhonratana, Head of Country Internal Audit was appointed as Secretary of the Audit Committee. Mr. Vichit Kornvityakoon and Mr. Narong Chulajata, have extensive knowledge and experience to review the reliability of the financial reports.

Audit Committee Charter

Purpose

The Board of Directors appoints the Audit Committee (AC) to act and express independent opinions and to provide support to the Board of Directors in the following topics:

- To review financial information proposed to the shareholders and stakeholders;
- To review the internal control system determined by Management and the Board of Directors;
- To supervise internal audits and communicate with auditors of the Company;
- To consider connected party transactions or transactions in which a conflict of interest may exist;
- To supervise and review the process and the implementation concerning anti-corruption measures;
- To review the compliance with the laws regarding securities and the stock exchange, SET regulations, and laws concerning the Company's business;
- To review the good corporate governance policy and practices as specified by Supervisory units.

In performing its duty, the Audit Committee is responsible to the Board of Directors.

Authority

The Audit Committee has the following authorities:

1. Consider, select, and propose for appointment capable persons having independence to perform the duty as the external auditors of the Company to the Board of Directors, together with annual audit fee, in order to obtain approval from an Annual General Meeting;
2. Review the scope of work and other consult engagements, if any, performed by the external auditors or external audit firms and determine the remuneration of external auditors by proposing to the Board of Directors;
3. Consider and resolve any disagreements between Management and the external auditors regarding financial reporting;

4. Audit Committee is authorized to audit and investigate employees and related internal audit control matters within the scope of its authority and duty. The Audit Committee has the authority to employ specialists to help audit and investigate as it considers suitable at the Company's expense.
5. Investigate or audit suspicious behaviour that Directors, managers, or persons in charge of the operations of the business of the Company who may have committed an offense;
6. The roles and duties as a member of the Audit Committee are additional to those of the Company's Board of Directors;

The Audit Committee must not perform any roles or duties other than those specified in the Audit Committee Charter unless there are regulations or laws or assignments from the Company's Board of Directors to allow so, with the agreement of the Audit Committee.

Composition

The Audit Committee must comprise at least three independent Directors who are qualified in accordance with the SEC and SET regulations. The Board of Directors appoints the members to the Audit Committee with a three-year term and these members may be re-appointed.

Meetings

The Audit Committee should organize at least four meetings per annum to consider the quarterly financial statements. The Audit Committee may invite management or persons involved to attend meetings and provide relevant information. The Audit Committee members can attend each meeting in person or via electronic meeting.

The resolution of the Audit Committee is made by majority vote. If the result of the vote is tied, the chairman of the meeting shall have the deciding vote.

Any member with any interest in the related topic cannot vote on that topic.

Nomination and Remuneration Committee

The Company established the Nomination & Remuneration Committee on January 19, 2007. As of December 31, 2023, the committee comprises three members, one independent Director and two non-executive Directors, each with a three-year term.

No.	Name	Designation	Meeting attendance in 2023
1	Mr. Pasu Loharjun	Chairman, Independent Director	4/4 (including 4 electronic meetings)
2	Ms. Nopporn Tirawattanagool	Member, Non-Executive Director	4/4 (including 4 electronic meetings)
3	Mr. Lars Heibutzki	Member, Non-Executive Director	4/4 (including 4 electronic meetings)

Ms. Juntana Chinwonno, Head of Country Human Resources was appointed as Secretary of the Nomination and Remuneration Committee since June 13, 2019.

Nomination and Remuneration Committee Charter

Objectives

The Board of Directors sets the directives for the Nomination & Remuneration Committee to propose policies for recruitment and compensation for the Board of Directors, to be carried out with transparency, fairness, and in accordance with regulations and related laws.

Composition

The Committee must be comprised of at least three non-executive Directors, one of whom must be an independent Director.

Qualifications

Committee members must possess knowledge, qualifications, and understanding of the role and responsibilities of Nomination & Remuneration Committee members.

Scope of Responsibilities

1. Identify and nominate candidates for all committees and subcommittees with a direct reporting line to the Board of Directors for the approval.
2. Consider and propose overall nomination and remuneration policies and other benefits for Directors and members of subcommittees to the Board of Directors to consider for approval.
3. Consider and review the structure of the Company to ensure appropriateness and efficiency.
4. Consider and select the methodology for a Director's self-assessment process that is in line with SEC regulations and make a recommendation to the Board of Directors.
5. Prepare the annual nomination and remuneration report to be disclosed in the Company's annual report and signed by the Chairman of Nomination & Remuneration Committee.
6. Perform other duties as assigned by the Board of Directors.

The Nomination and Remuneration Committee is directly responsible to the Board of Directors in accordance with their assigned duties and responsibilities.

Meetings

1. Meetings will be held quarterly and may invite Management or senior executives or related persons to join or submit documents as deemed appropriate.
2. A quorum of the Committee shall be no less than two out of three members, and, in case of necessity, the meeting may also be held via teleconference or other communication methods as deemed appropriate.
3. In casting votes, each member's vote is equal to one vote, and the Committee is ruled by majority. If the votes are even, the Chairman has the casting vote.
4. Members with conflicts of interest in any agenda cannot vote on such agenda, except for the agenda regarding remuneration for the entire Board of Directors.
5. Secretary of the Committee will be designated from Human Resources Function.

Reporting

The Nomination and Remuneration Committee's resolution must be proposed to the Board of Directors for acknowledgement, agreement, and approval - or ratified in case of emergency to protect the interests of the Company.

Performance Assessment

The Nomination and Remuneration Committee shall assess the performance of the Nomination and Remuneration Committee and report the results of the annual assessment to the Board of Directors.

Criteria selection and appointment of Director and Top Management

Criteria Type of Director	<u>New Director</u>	<u>Current Director</u>
1.1 Director	<ul style="list-style-type: none"> ▪ Qualified by law, rules and regulation and Company's Articles of Associations. ▪ Be a versatile or qualified person (Board Diversity) of profession that can be value-added to perform as Director ▪ Be able to fulfil board size, considering board diversity by Board Skill Matrix from skillset, expertise from Industry Knowledge, accounting and finance to be aligned with corporate strategy ▪ Be considered of Conflict of Interest ▪ Be consent to disclose profile as a Nominee Director 	<ul style="list-style-type: none"> ▪ Past performance ▪ Useful suggestion and opinion ▪ Time sacrifice to the organization ▪ Individual participation regarding to Directors' activities
1.2 Independent Director	<p>Procedures on selection and nomination of Independent Director (ID) will consider from the existing IDs from the Board of component by:</p> <ul style="list-style-type: none"> ▪ Qualified by the notification of the Stock Exchange of Thailand (SET), the supervisory notification and capital market of the Securities and Exchange Commission, Thailand (SEC). ▪ Aligned by definition of Company's Independent Director which disclosed into the 56-1 One Report / Annual Report "Nomination and Remuneration of Board and Top Management" and described into "Corporate Governance policy". 	

To substitute vacancy of Director, the Nomination and Remuneration Committee shall propose the qualified name lists to the Board of Directors. The resolution of the Board of Directors shall consist of not less than three-quarters (3/4) of the remaining Directors. The person to replace the Director shall hold office for the remaining term of the member he/she replaces.

Investment Committee

The Board of Directors approved the scope of duties of the Investment Committee, including objectives, compositions, term and responsibilities of Investment Committee members. As of December 31, 2023, the Investment Committee comprised the following members:

No.	Name	Designation	Meeting attendance in 2023
1	Mr. Thomas Charles Wilson	Chairman	4/4 (including 4 electronic meetings)
2	Mrs. Ritu Arora	Member	4/4 (including 4 electronic meetings)
3	Mr. Surajak Kotikula	Member	4/4 (including 4 electronic meetings)
4	Mr. Poh Heon Eng	Member	2/2 (including 2 electronic meeting)
5	Ms. Jarunee Chaisupakitsin	Member	4/4 (including 3 electronic meeting)
6	Representative from Allianz Asia Pacific (AZAP Risk Representative)	Guest	4/4 (including 3 electronic meeting)

Scope of Authority of the Investment Committee

1. Composition and qualifications

The Board of Directors appoints the President & CEO as the Chairman of the Investment Committee. The Directors of the Investment Committee shall be:

- President & CEO
- Allianz Country Chief Investment Officer
- Allianz Country Chief Financial Officer
- Allianz Regional Chief Investment Officer of Allianz Investment Management
- Allianz Regional Chief Risk Officer (guest)

The secretary of the President & CEO or a person appointed by the Chairman of the Investment Committee may be assigned as Secretary of the Committee.

2. Terms of Investment Committee Members

There is no fixed term for members.

3. Meetings and Vote Casting

- 3.1 The Investment Committee will form a quorum when all Members have been invited and at least three, including the Chairperson or a member named by the Chairperson, participates in the meeting. Participation is also possible by video conference or telephone. Absent members who do not participate may vote in written form, by telephone, by fax, or via electronic means. Absent members must be informed of the resolutions adopted as soon as practical.
- 3.2 Resolutions will be taken by a simple majority of votes cast. In case of a tie, the Chairperson has a casting vote.

- 3.3 The Chairperson, in due course, has the right to veto a resolution of the Investment Committee veto right). If the Chairperson exercises this veto right, the resolution is deemed not to be adopted.
- 3.4 Guests invited for special agenda items (Ad-Hoc Guests) have no voting rights. Ad-Hoc Guests may at any time be excluded from Investment Committee meetings.
- 3.5 Any member of the Boards of Management of the Companies, whether a member of the Investment Committee or not, who objects to a resolution taken by the Investment Committee concerning the Company on which he is a member of the Board of Directors, may call for a resolution on the issue.
- 3.6 There shall be at least two meetings a year.

4. Responsibilities

The Committee has the following goals and responsibilities with respect to the Company's investment activities, to be exercised within the Company's delegated authorities, policies, and guidelines:

- Adherence to Investment Management Process and Related Corporate Rules
- Specifications of Asset Allocation
- Specification of Capital Structure and Liquidity Positions
- Definition of Derivative Strategies
- Approval of Investment-related Contracts
- Specification of Asset Management Mandates
- Approval of Merger and Acquisition Transactions
- Approval of Individual Investment Transactions
- Approval and Updating of Rules

Corporate Governance Committee

The Company established a Corporate Governance Committee on February 28, 2012, with the objective to assist and support the Board of Directors in controlling and monitoring the operations of the Company and its subsidiary to comply with the Company's regulations, the governing laws, and the Company's corporate governance policies.

Composition

The Corporate Governance Committee must consist of at least three members appointed by the Company's Board of Directors. The Chairman of the Committee must be an independent Director. A member of the Corporate Governance Committee must be a director or Management member.

Term

Members of the Corporate Governance Committee will have a term aligning with the term of member of the Boards of Directors or Management (as the case may be).

As of December 31, 2023, the Corporate Governance Committee comprised four members. The participation of the Committee is as follow:

No.	Name	Designation	Meeting attendance in 2023
1	Mr. Vichit Kornvityakoon	Chairman and Independent Director	4/4 (including 4 electronic meetings)
2	Ms. Jarunee Chaisupakitsin	Member	4/4 (including 4 electronic meetings)
3.	Ms. Nopporn Tirawattanagool	Member	4/4 (including 4 electronic meetings)
4	Ms. Narissara Udomvongsa	Member and Secretary	4/4 (including 4 electronic meetings)

Corporate Governance Committee Charter

The current Charter of the Corporate Governance Committee was approved by the Board of Directors Meeting No. 3/2023 on August 15, 2023.

Meetings

The Committee will meet at least once every quarter. Any member may call a meeting of the Committee. Members of the Committee must be notified at least three days in advance. At least half of the Committee members constitutes a quorum. The Committee may invite any Management or relevant persons to join the meeting as it is deemed appropriate. Decisions shall be based on a majority of the attending members and the Chairman will have a casting vote in case of a tie vote. The Chairman or Secretary of the Committee shall report all resolutions or suggestion of activities to the Board of Directors.

Scope of Responsibilities

The Committee's responsibilities include the following:

1. Specifying the good corporate governance principles and policies, ethics, Code of Best Practices for the Company to align with the conduct of businesses, the relevant laws, including rules, regulations of government agencies and business regulators, and offering them to the Board of Directors for approval.
2. Overseeing the Company to ensure that the Company can follow the good corporate governance principles and overseeing the Company's operations relating the environmental and social responsibilities.
3. Giving advice on the guidelines of good corporate governance to the Board of Directors, the sub-committees, and any committee for considering any relevant good corporate governance matters.
4. Reviewing and giving advice on the conduct of good corporate governance principles, and proposing to the Board of Directors to revise, improve the corporate governance of the Company as appropriate.
5. Reviewing the announcement relating the Company's good corporate governance and proposing the report relating to corporate governance to the Board of Directors, and such announcement shall include a public announcement.

6. Monitoring the performance relating to corporate governance to ensure that it aligns with the specified policy and target.
7. Appointing a secretary of Corporate Governance Committee as appropriate.

Internal control and audit systems

The Board of Directors has assigned the Risk Management Department and the Risk Management Committee to be responsible for policies and duties related to the Company's risk management and propose to the Board of Directors for approval.

The Company has established an internal audit department, which is under the Audit Committee's supervision, to review the assessment of the internal control system and risk management. The internal audit department must audit, follow-up and supervise a financial report control system, including operating guidelines and reporting to relevant government agencies guideline. Until today, the Company has performed its business per accounting standards and financial reporting standards of the Federation of Accounting Professions under the Royal Patronage and the SET and the SEC regulations and other relevant government agencies.

◆ Principle 4 Ensure Effective CEO and People Management

The Company has transparent criteria and procedures for nominating Directors and Senior Executives. The Nomination and Remuneration Committee will nominate Directors and Senior Executives with the requirements based on qualifications, knowledge, abilities, work experience, and dedication to work. There shall be no gender restrictions for the nomination, taking into account any prohibited characteristics by-laws, relevant rules, and corporate governance principles, creating diversity in the Board of Directors' s structure. If the Company has a strategy to conduct a new business other than the existing business, the nomination should aim to recruit a person who has qualifications and experience to match the new business and propose to the Board of Directors and/or the shareholders' meeting for approval.

◆ Principle 5 Nurture Innovation and Responsible Business

The Company regulates and manages information technology at the corporate and regional levels through the IT Steering Committee of the subsidiary and the associate company by the Information Technology Department as the IT risk manager, which is a part of Operation Risk. The Company shall monitor and report to the Allianz Group Risk Management Committee, including the report of subsidiaries and affiliates. The Company also has an Internal Audit Department and group auditors who conduct an IT technical audit and report the results to the Audit Committee, the Board of Directors, and the IT Steering Committee, respectively. The improvement progress shall be reported to the said Committee quarterly or monthly, as the case may be.

◆ Principle 6 Strengthen Effective Risk Management and Internal Control

In respect to Enterprise-wide risk management, the Company has established Risk Appetite criteria in various areas to be used as a guideline in formulating strategies and business plan including the Company's annual operating plan, which is approved by the Risk Management Committee and the Board of Directors. The assessment criteria cover key risks across all dimensions and areas that the Company may confront, both internally and externally. The Company determines Key Risk Indicators (KRIs) to align with the above Risk Appetite. Reports must be regularly reported to the relevant Executives to be used to manage and prevent risks that may occur to the Company in the future. Details are described in the topic of risk management.

◆ Principle 7 Ensure Disclosure and Financial Integrity

The Company gives importance to the public disclosure of financial and other information through various channels, taking into account accuracy, sufficiency, timeliness, and equality in providing information to all related parties. Towards this end, the Company has done the following::

1. Long-term goal

The Company has a 3-year plan which shall be reviewed annually. To reach the goal, the Company has developed an appropriate plan, including the requirement of being a socially responsible organization in all aspects of its operation.

2. The efficiency of financial report disclosure process and disclosure of important information in accordance with the requirements of a listed company.

The Board is responsible for ensuring that the financial reporting system and the disclosure of important information is correct, adequate, timely and complies with the rules and regulations, and relevant standards and guidelines.

3. Quality of financial reports

The Board of Directors has prepared a Responsibilities of the Board of Directors for Financial Reporting, together with the auditor's report in the annual report, which is signed by the Chairman of the Board of Directors and the President & CEO. The Company has disclosed the information on the Company's website. Also, the Company has prepared Management Discussion and Analysis (MD&A) for financial statements quarterly. The objective is to provide investors with information and to better understand the changes in the Company's financial position and operating results.

◆ Principles 8 Ensure Engagement and Communication with Shareholders

1. Shareholders' Rights

1.1 The right to disclosure of information The Company provided the disclosure of information on company performance, including related party transactions, and significant information for shareholders to make decision.

12 The right to attend shareholders' meeting: Company holds the Annual General Meeting shareholders once a year within 120 days of the closing date of the Company's fiscal year. The rights of shareholders were exercised with full support from the Board of Directors as evidenced by the Annual General Meeting of Shareholders No. 74 held on April 24, 2023 via electronic method (E-AGM). The Company issued the notice of the Annual General Meeting of Shareholders and meeting material in Thai and English. For the delivery of the notice of the meeting.

- The Company entrusted the Securities Depository (Thailand) Company Limited, the Company's Share Registrar, to send notice of the meeting together with the annual report in the format of QR Code as well as supporting documents to the shareholders. The notice specified the date, time and venue of the meeting, agendas of the meeting, details of the agenda items such as objectives and facts, rationale, adequate and clear recommendation of the Board of Directors, as well as the voting process and the right of the vote. The notice and documents were published on the Company's website no less than 30 days in advance of the date of the meeting so that the shareholders will have adequate time for reviewing the material. On March 24, 2023, the Company published the Invitation Letter for the 2023 Annual General Meeting of Shareholders (No.74) via electronic method (E-AGM) and Guideline on identity verification and process to attend the E-AGM (Monday, April 24, 2023) on the Company's Website.

- The Company provided proxy forms attached to the notice of the meeting in the format defined by the Ministry of Commerce, through which the shareholders may specify their opinion in the voting. The proxy form was sent to the shareholders no later than 7 days in advance of the meeting and a copy of the form was also submitted to the Ministry of Commerce and the regulators supervising of the companies. The shareholders can also download the proxy form under the Investor Relations page via www.ayud.co.th.

Shareholders who were unable to attend the meeting in person were able to grant proxies to others, to independent Directors or to non-executive Director specified by the Company to attend the meeting on their behalf and cast votes on resolutions.

- The notices were announced in a daily newspaper for three consecutive days at least three days before the meeting date. As a result, shareholders attended the meeting regularly. The registration of attendance was carried out smoothly at least two hours before the meeting. An appropriate reception was also provided.
- Minority shareholders were provided with the opportunity to propose agenda items, nominate candidates with appropriate qualifications for the Board of Directors, and submit their inquiries to the Company prior to the meeting. At the Shareholders Meeting No. 74, the Company asked shareholders for additions to the agenda and called for nominations for the Board of Directors and inquiries during November 23, 2022 to January 31, 2023, prior to the delivery of the notice of meeting to shareholders. The criteria to exercise these rights were clearly specified as announced via www.ayud.co.th and the SET system.
- The Company sent the 2023 notice of the meeting and all supporting documents on March 24, 2023 equivalent to 19 days in advance, based on the earlier AGM date on April 24, 2023, to provide shareholders with adequate information on all agenda items requiring a vote.
- The Company provided for shareholders who attended the meeting, after its commencement, to be entitled to cast votes on agenda items under consideration and not

yet decided and to be counted as part of the quorum on the agenda item under consideration unless shareholders had a difference of opinion.

- At the shareholders meeting, prior to proceeding to the agenda, the Chairman assigned the Corporate Secretary to announce the following:
 - The number and proportions of shareholders present at the meeting and the number of proxies granted.
 - Introduced Board members, senior management, and auditors who attended to the meeting to the shareholders.
 - Provided an explanation on voting and vote-counting procedures. The method of voting for each agenda item shall be open voting.
 - The Chairman allocated adequate time for the meeting and allowed shareholders equal opportunity to propose and inquire fully. All questions were answered clearly and directly to the point throughout the meeting. The meeting minutes were correctly recorded with resolutions and votes of all stakeholders summarized with transparency and fairness.
 - For the agenda item on electing the Directors, the qualifications of the candidates to replace Board members whose tenure were up were summarized and recorded. Board members were elected individually, with all voting recorded: agree/disagree/abstain votes, and invalid ballots.
 - The Company's shareholding structure and ten major shareholders as at the latest closing date of the Company's Share Registration Book were publicly disclosed. This information is also available on the Company's website. The Company operates with the aim of creating sustainable growth and providing appropriate rate of returns for shareholders.
 - All members of the Board and relevant Management placed utmost importance on attending the annual general meeting and fully attended to provide information to shareholders and answered all shareholder inquiries.
 - In 2023, the Company organized the Annual General Meeting No. 74 on April 24, 2023.
- On the AGM date on April 24, 2023, altogether 15 Directors or 100% of total Directors attended the meeting via electronic mode, including the Chairman of the Board, Chairman of the Subcommittees, CEO, subcommittee members, the external auditors and external lawyer acting as the voting inspector of the Meeting. The E-AGM system operated by Inventech System (Thailand) Company Limited, showing the registration number of each shareholder, was used to register attendance and votes. The shareholder's attending records were entered into the Company's database and may be audited at a later date. The entire meeting was also videotaped and published as clip file via www.ayud.co.th.

2. Equitable Treatment of Shareholders

2.1 Company issued the notice of the shareholders' meeting, materials and the proxy form in Thai and English: Shareholders can participate in the deliberations and cast their votes in accordance with the agenda. The right to vote at the meeting is in accordance with the number of shares held, with one share equaling to one vote.

2.2 Protecting minority shareholder rights: The Company provides the opportunity for every shareholder to propose meeting agenda items, to nominate person who has the appropriate qualifications as the Director, and to submit their inquiries in advance. Prior to sending out the notice for the annual general shareholders meeting, the Company

gives the opportunity to shareholders to propose meeting agenda items or to nominate Directors of the Company. The Company sets clear procedures on how these rights are to be exercised, including the time period for exercising these rights, qualifications of shareholders with rights to propose agenda items / nominate Director candidates, supporting documents and details, criteria of the Company to consider adopting the proposal as the agenda items or nomination, channels to propose, and channels to provide results of the consideration with rationales from the Board of Directors. All of this information is published on the Company website: www.ayud.co.th

E-Voting system was used for the vote counting process. The vote counting will be done by deducting the number of "Disapprove" or "Abstain" ballots from the total number of shareholders and their proxies present at the Meeting. Shareholders can vote as they see fit. Ballots are collected in cases of disapprovals or abstentions in any agenda item via electronic system. The results are then aggregated and processed with the total number of votes in attendance at the meeting before the announcement of the final votes at the resolution of the meeting. The Company uses the electronic system to summarize the voting results of each agenda item and displays them on a screen for all shareholders to acknowledge simultaneously at the meeting. In addition, the ballots are kept at the head office in Bangkok and are open to inspection after the conclusion of the meeting. Meeting minutes are recorded accurately and comprehensively and signed by the presiding Chairman. The minutes are sent to the SET within 14 days of the annual general meeting and published on the Company's website in both Thai and English to provide a channel for shareholders to acknowledge and examine information without having to wait for the next meeting. The AGM minutes are submitted to the Ministry of Commerce within the deadline prescribed by law.

The Company discloses information on shareholding structure and shares held by the Board in the 56-1 One Report /Annual Report. Company's Articles of Association states the shareholder's right to vote at a meeting on the election of Directors in accordance with the number of shares held, with one share equaling one vote. A resolution of the shareholders' meeting must be passed by majority vote. If the number of votes is even, the Chairman of the meeting retains the casting vote.

1.3 Preventing the misuse of insider information: The Company has a policy for its Directors and executives regarding disclosing shareholding of the Directors and executives. The Directors and executives must sign an acknowledgement of the relevant announcement of the Securities and Exchange Commission (SEC), under the SEC notifications and Section 59 of the Securities & Exchange Act B.E. 2535 (1992), that which requires the Company's Directors, including their spouses and minor children, executives and those who are in relation with the Directors and/or the executives to report any change in their securities holding within three business days from the date of such change and to send copies of these reports to the Company Secretary to submit to the Board of Directors. The report of the securities held by those persons are also required to be disclosed in the 56-1 One Report/Annual Report of the Company. The Board is also aware of the penalties for violations of these regulations.

Moreover, the Company monitors the use of the insider information as specified in its Code of Conduct which has been communicated to everyone in the organization as well as conducting regularly monitoring of compliance.

3. Disclosure and transparency

The Board of Directors is responsible for financial statements and financial information in the annual report which have been prepared in conformity with generally accepted Thai accounting standard and practice. The accounting policies have been selected to be suitable for the business and have been appropriately implemented. Furthermore, additional significant financial information disclosures are provided in a section of Notes to the Financial Statements. The Board of Directors appoints an Audit Committee comprising of independent Directors to be responsible for the quality of financial statements and internal control system.

4. Report on Changes in Securities Holdings of the Company's Directors and Executives

The Report on Changes in Securities Holdings of the Company's Directors and Executives as defined by the SEC, including the number of shares held by related persons under Sections 59 and 258 of the Securities Exchange Commission Act and including both direct and indirect holdings. There is no change on securities holdings of directors and executive as of December 31, 2023, compared with 2022.

5. Responsibilities of the Board of Directors

Annual Board Assessment

A performance assessment for the Board of Directors as a whole and for individual Directors is conducted annually. The assessment is divided into 4 main topics according to the guidelines of the SET, namely (1) the structure and qualifications of the Directors (2) the roles, duties and responsibilities of the Directors (3) the Board meeting (4) other matters (Directors' performance, relationship with the management, self-development of Directors, and self-development of Executives). An assessment of the performance of the Audit Committee and its individual Directors is also conducted annually. The assessment is divided into 3 main topics according to the guidelines of the SET, namely (1) the structure and qualifications of the Committee (2) the Board of Directors meeting (3) duties, roles and responsibilities of the Committee. Following the assessment, the Company Secretary summarizes the results and proposes the performance assessment of the Board of Directors to the Nomination and Remuneration Committee which then proposes actions for improvement of operational efficiency to the Board of Directors.

Executives according to the definition of the SEC

The first four executives succeeding the manager and every person holding the position equivalent to the fourth rank are as follows.

1. Mr. Thomas Charles Wilson President & CEO
2. Ms. Acchara Kulrattanak CFO

Company Secretary

Ms. Narissara Udomvongsa Company Secretary

Company's Auditors and their Remuneration

The Group and its associate company paid the audit fee to PricewaterhouseCoopers ABAS Ltd, as external auditors for 2023. Nevertheless, PricewaterhouseCoopers ABAS Ltd. do not have any relation or any conflict of interest with the Company, the Executives, or the Major Shareholders, or anyone related to the aforementioned people. The details of audit fee for the year 2023 are as follow;

Audit fee

In 2023, The Group and its associate company paid the audit fee of Baht 22.00 million to the office of Auditors, comprising the Company, its subsidiaries company and associate company's audit fees of Baht 2.43 million, Baht 7.65 million and Baht 11.92 auditors and the Auditors' office.

Non-Audit Fee and Non-Audit Service

In 2023, The subsidiary and associate company paid the tax advisory service of Baht 0.80 million and the associate company paid IT audit fee of Baht 0.85 million and stock destruction observation fee of Baht 0.03 million to the office of Auditors.

There are no engagements of the office of the Auditors and its related parties to provide the non-audit work that it would involve any conflict of interest or any review of their own work which would contaminate the independence judgement of the Auditors.

8. Key Performance of Corporate Governance Report

Summary of the Directors' Performance

- 1) In 2023, the Directors took consideration and approved matters related to the Company's operations. In addition, the Directors supervised managing division to operate in accordance with the set policy and plans efficiently and effectively to proliferate the sustainable economic value to the Company, shareholders and the interests of all parties involved.
- 2) The Directors communicated the strategy, goal and performance of the Company to the Directors, executives and employees throughout the organization.
- 3) The Directors formulated the written corporate governance policy. In assessing the policy implementation, it found that the Companies well complied with the Principles of Good Corporate Governance.
- 4) The Directors publicized the written manuals of the Code of Ethics and Code of Conduct for the Company to facilitate all directors, executives and employees to understand the ethical standards used by the Company in business operations as well as following-up the compliance to Codes regularly.
- 5) The Directors established the clear guideline on conflicts of interest and oversaw the implementation of the specified policies and disclose information correctly.
- 6) The Directors established the risk management policy.
- 7) The Directors stipulated the internal control and audit systems by assigning the Internal Audit Division and the Compliance Division to supervise, audit and report the audit results to the Audit Committee prior to further submission to the Board of Directors.
- 8) The Directors appointed Subcommittees with all necessary details i.e. name of the Subcommittee, role and responsibility e.g. the number of meeting, report, and performance evaluation of the Subcommittee. The detail is given in Part 2 No. 7 under the topic "Corporate Governance Structure".

Approval Authorization

- 1) The Company specified the approval authorization for transactions of the Company according to the credit limit by dividing into levels in order to prevent any person having the full authority to the transaction that may cause risks to the Company. In addition, the said authorization is approved and reviewed by the Directors regularly.
- 2) The Directors determined the vision and mission of the Company for executives and employees to share work objective and direction. The Directors annually reviewed and approved the vision, mission, strategy, goal and business direction of the Company including key policies to be appropriate and consistent with business operations in accordance with the Principles of Good Governance and Corporate Governance Code.
- 3) The Directors monitored the execution of the Company's strategy by having the following-up meeting quarterly among the Directors in respect of financial goals and various plans in order to be in accordance with the set strategies.

Nomination, Development and Performance Evaluation of the Directors

The Company has transparent criteria and processes for the selection of directors and executive level. The Nomination and Remuneration Committee is responsible for nomination of directors and executive based on qualifications, knowledge, competency, working experience, non-gender restrictions, and full dedication of responsibility, having no prohibited characteristics by law, relevant rules, CG Code and the Fit and Proper Policy from Allianz Group.

Succession Plan

The Board of Directors sets out a succession plan for executive level and in the primary line of work, by taking into account the performance, potentials and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions for succession in the event that the President & CEO or executives in the key positions are not able to perform duties.

The Board of Directors may consider Professional Search Firm or Director Pool from the SEC's website for recruiting new director. The Company sets up a human resource management system with sufficient allocation, control and following up of the assessment in respect of nomination process for qualified and knowledgeable persons as required; appropriate and fair remuneration; determination of duties and responsibilities, performance of personnel; performance standard; personnel development; and efficient communication, to ensure staff knowledge and skills, by applying a performance evaluation system in support of consideration of remuneration as appropriate for staff ability and performance.

Independent Directors

The Company sets the qualifications of "Independent Directors" more stringent than the requirements by the Securities and Exchange Commission, Thailand (SEC) and the Capital Market Supervisory Director (CMSB). The definition and qualification of Independent Directors are mentioned on Section 7 Corporate Governance Structure, Principle 3 Strengthen Board Effectiveness.

Meeting Attendance and Remuneration of the Directors

Board of Directors

As of December 31, 2023, the Board of Directors consisting of 15 directors, held a total of four meetings and one general meeting of shareholders as follows:

No.	Name	Type of Director	Position	Meeting attendance in 2023	
				Board of Directors	Shareholders
1.	Dr. Jamlong Atikul	Independent Director	Chairman	4/4	1/1
2.	Mr. Teh Kim Leng	Non-Executive Director	Director	3/3	1/1
	Mr. Bryan James Smith*	Non-Executive Director	Director (Vice Chairman)	1/1	-
3.	Mr. Suwat Laicharoensup	Independent Director	Director	4/4	1/1
4.	Mr. Vichit Kornvityakoon	Independent Director	Director	4/4	1/1
5.	Mr. Pasu Lorharjun	Independent Director	Director	4/4	1/1
6.	Mr. Narong Chulajata	Independent Director	Director	4/4	1/1
7.	Miss Nopporn Tirawattanagool	Non-Executive Director	Director	4/4	1/1
8.	Mr. Laksna Thongthai	Non-Executive Director	Director	4/4	1/1
9.	Mr. Thomas Charles Wilson	Authorized Director, Executive Director	Director	4/4	1/1
10.	Mr. Aaron Mitchell Fryer	Non-Executive Director	Director	4/4	1/1
11.	Mr. Lars Heibutzki	Authorized Director, Non-Executive Director	Director	4/4	1/1
12.	Mr. Kittti Pintavirooj	Authorized Director, Non-Executive Director	Director	4/4	1/1
13.	Mr. Poh Heon Eng	Non-Executive Director	Director	4/4	1/1
14.	Mr. Jan-Christian Rosemeyer**	Authorized Director, Non-Executive Director	Director	4/4	1/1
	Mr. Jochen Alexander Haug	Non-Executive Director	Director	3/3	-
15.	Ms. Jarunee Chaisupakitsin	Authorized Director, Non-Executive Director	Director	4/4	1/1

*Mr. Bryan James Smith resigned from the Board on October 9, 2023 and Mr. Teh Kim Lang was appointed on November 14, 2023.

** Mr. Jan-Christian Rosemeyer resigned from the Board on April 24, 2023 and Mr. Jochen Alexander Haug was appointed on April 24, 2023

Subcommittees

As of December 31, 2023, the Company has four Subcommittees; namely, the Audit Committee, Nomination and Remuneration Committee, Investment Committee, and the Corporate Governance Committee. In 2023, the Subcommittee organized the meetings as below:

Name	Position	Meeting attendance in 2023			
		Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Investment Committee
1. Mr. Suwat Laicharoensup	Chairman of the Audit Committee	4/4	-/-	-/-	-/-
2. Mr. Vichit Kornvityakoon	Audit Committee Member Chairman of the Corporate Governance Committee	4/4	-/-	4/4	-/-
3. Mr. Narong Chulajata	Audit Committee member	4/4	-/-	-/-	-/-
4. Mr. Pasu Lorharjun	Chairman of the Nomination and Remuneration Committee	-/-	4/4	-/-	-/-
5. Miss Nopporn Tirawattanagool	Nomination and Remuneration Committee Member, Corporate Governance Committee Member	-/-	4/4	4/4	-/-
6. Mr. Lars Heibutzki	Nomination and Remuneration Committee Member	-/-	4/4	-/-	-/-
7. Miss Jarunee Chaisupakitsin	Corporate Governance Committee Member Investment Committee Member	-/-	-/-	4/4	4/4
8. Miss Narissara Udomvongsa	Corporate Governance Committee Member	-/-	-/-	4/4	-/-
9. Mr. Thomas Charles Wilson	Chairman of the Investment Committee	-/-	-/-	-/-	4/4
10. Mrs. Ritu Arora	Investment Committee Member	-/-	-/-	-/-	4/4
11. Mr. Poh Heon Eng	Investment Committee Member	-/-	-/-	-/-	4/4
12. Mr. Surajak Kotikula	Investment Committee Member	-/-	-/-	-/-	4/4

Remuneration for Directors and Executives

Monetary Remuneration

The Nomination and Remuneration Committee is responsible for determining the remuneration for Company Directors and Subcommittee in accordance with the roles, responsibilities, and with reference to the same size of business and industry. Remuneration for the Company's directors and subcommittees must be approved by the Board of Directors' Meeting and the Annual General Meeting of Shareholders.

Directors' remuneration

The 74th Annual General Meeting of Shareholders of the Company in 2023 on April 24, 2023, the meeting approved the directors' remuneration in 2023 in the form of monetary remuneration as follows:

In 2023, the directors received remuneration in total the sum of Baht 10,495,783 compared to Baht 10,815,400 in 2022, which included annual remuneration and bonuses as follows:

Table of comparison of the remuneration of the Company's Board of Directors and management and Subsidiary Board of Directors in 2023 and 2022

No.	Name	2023			2022		
		Remuneration	Bonus	Total (Baht)	Remuneration	Bonus	Total (Baht)
1	Dr. Jamlong Atikul	560,000	912,000	1,472,000	560,000	912,000	1,472,000
2	Mr. Teh Kim Leng	-	-	-	-	-	-
	Mr. Bryan James Smith*	413,400	669,383	1,082,783	536,000	866,400	1,402,400
3	Mr. Suwat Laicharoensup	770,000	433,000	1,203,000	770,000	433,000	1,203,000
4	Mr. Vichit Kornvityakoon	920,000	433,000	1,353,000	920,000	433,000	1,353,000
5	Mr. Pasu Lorharjun	770,000	433,000	1,203,000	770,000	433,000	1,203,000
6	Mr. Narong Chulajata	650,000	433,000	1,083,000	650,000	433,000	1,083,000
7	Miss Nopporn Tirawattanagool	800,000	433,000	1,233,000	800,000	433,000	1,233,000
8	Mr. Laksna Thongthai	500,000	433,000	933,000	500,000	433,000	933,000
9	Mr. Kitti Pintavirooj	500,000	433,000	933,000	500,000	433,000	933,000
10	Mr. Thomas Charles Wilson	-	-	-	-	-	-
11	Mr. Aaron Mitchell Fryer	-	-	-	-	-	-
12	Mr. Lars Heibutzki	-	-	-	-	-	-
13	Mr. Jochen Alexander Haug	-	-	-	-	-	-
	Mr. Jan-Christian Rosemeyer*	-	-	-	-	-	-
14	Mr. Poh Heon Eng	-	-	-	-	-	-
15	Ms. Jarunee Chaisupakitsin***	-	-	-	-	-	-
16	Mrs. Claudia Salem**	-	-	-	-	-	-
17	Mr. Jon-Paul Jones**	-	-	-	-	-	-
Total		5,883,400	4,612,383	10,495,783	6,006,000	4,809,400	10,815,400

* Directors who resigned during the year 2023 ** Directors who resigned during the year 2022 *** Subsidiary directors

Regarding the policy on remuneration for directors and other subcommittee, the Company compares with industry, experience, roles and responsibilities, including the expected benefits from each director, and the remuneration that each director receives as a director of a subsidiary. In addition, director remuneration must be approved by the shareholders' meeting.

Executive directors of the Company or its subsidiary are under the Group Fit and Proper policy will not receive remuneration to avoid conflicts of interest.

The Board of Directors agreed to the proposal given by the Nomination and Remuneration Committee that the 74th Annual General Meeting of Shareholders of the Company in 2023 to consider and approve the directors' remuneration in accordance with the policy, appropriateness, conduct of directors and employees of the Group under the Fit and Proper Policy in the amount not exceeding Baht 11,000,000 with effective on March 24, 2023 as follows. The directors of the Company shall not receive any benefits or other remunerations besides the cash remuneration specified and approved the AGM:

Director Remuneration Structure in 2023

Director	Monetary Remuneration (Baht)	
	Monthly retainer fee (Baht/month)	Attendance fee (Baht/person/ time)
Board of Directors		
- Chairman	40,000	20,000
- Executive Director	-	-
- Independent Director/ Non-Executive Director	35,000	20,000

Remuneration comprises salary, meeting allowance, and bonuses, which all are allocated within the framework of the limit not exceeding Baht 11,000,000, payable to directors who are not involved in management only (excluding the remuneration that the Executive Directors received in the form of regular salary) as approved by the 74th Annual General Meeting of Shareholders of the Company in 2023. In addition, the shareholders must approve the directors' remuneration.

Sub-Committee Directors	Monetary Remuneration (Baht)	
	Monthly retainer fee (Baht/month)	Attendance fee (Baht/person/ time)
Audit Committee		
- Chairman	22,500	20,000
- Member	12,500	20,000
Nomination and Remuneration Committee		
- Chairman	22,500	20,000
- Member	12,500	20,000
Corporate Governance Committee		
- Chairman	22,500	20,000
- Member	12,500	20,000

Annual Bonus (to be calculated in proportion to the period of each director's service subject to annual review and shareholders' approval) and none of other benefits provided:

Chairman of the Board	Baht 912,000
Director of the Board	Baht 433,000/ person

Details of 2023 remuneration of directors and sub-committees

Name	Position	Remuneration (Baht) ^v			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee
1. Dr. Jamlong Atikul	Independent Director and Chairman of the Board of Director	480,000	-	-	-
2. Mr. Bryan James Smith*	Vice Chairman, Non-Executive Director	333,400	-	-	-
Mr. The Kim Leng	Non-Executive Director	-	-	-	-
3. Mr. Suwat Laicharoensup	Independent Director and Chairman of the Audit Committee	420,000	270,000	-	-
4. Mr. Vichit Kornvityakoon	Independent Director, Chairman of CG and Audit Committee Member	420,000	150,000	-	270,000
5. Mr. Pasu Lorharjun	Independent Director and Chairman of NRC	420,000	-	270,000	-
6. Mr. Narong Chulajata	Independent Director and Audit Committee Member	420,000	150,000	-	-
7. Miss Nopporn Tirawattanagool	Non-Executive Director, NRC Committee Member and CG Committee Member	420,000	-	150,000	150,000
8. Mr. Laksna Thongthai	Non-Executive Director	420,000	-	-	-
9. Mr. Kitti Pintavirooj	Non-Executive Director	420,000	-	-	-
10. Mr. Thomas Charles Wilson	Executive Director	-	-	-	-
11. Mr. Aaron Mitchell Fryer	Non-Executive Director	-	-	-	-
12. Mr. Lars Heibutzki	Non-Executive Director and NRC Member	-	-	-	-
13. Mr. Jan-Christian Rosemeyer*	Non-Executive Director	-	-	-	-
Mr. Jochen Alexander Haug	Non-Executive Director	-	-	-	-
14. Mr. Poh Heon Eng	Non-Executive Director	-	-	-	-
15. Ms. Jarunee Chaisupakitsin	Executive Director and CG Member	-	-	-	-

Remarks:

^v Sub-committees refer to the Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee which are only applicable to have remuneration, excluding directors' bonus.

* Directors who resigned during the year 2023

Remuneration for Executives

Monetary remuneration for Company executives in 2023 according to the definition of the Securities and Exchange Commission (SEC), consisting of salary, bonus and other benefits for Company executives. As for its subsidiary, the remuneration comprises salary, bonus and other benefits for the executives amounting to Baht 46.59 million.

Other remuneration for executives and employees

Provident fund

The Group provide a Provident Fund for employees by making a contribution of 5% of salary in case of less than 5 years of service and 7% otherwise. In 2023, the Group contributed Baht 2620 million into the Provident Fund.

Additionally, the Company offers other benefits to employees such as Group Life, Accident and Health Insurance, Flexible Benefits, Annual Medical Checkup, Vaccination, Uniform, etc.

Personnel

- 1) The total number of employees of the Group, excluding executives as of December 31, 2023, and December 31, 2022 was 760 and 818, respectively.
- 2) The total remuneration to all employees in the form of salaries, bonuses, employer's Social Security contributions, Provident Fund, and retirement compensation was Baht 816.44 million.
- 3) Major labour dispute in the past 3 years: -Yes-

Human Resource Management of the Group

At Allianz Ayudhya, we care for tomorrow. Caring for our employees, their ambitions, dreams and challenges, is what makes us a unique employer. Together we can build an environment where everyone feels empowered and has the confidence to explore, to grow and to shape a better future for our customers and the world around us.

Employee's opportunities to develop and grow

From personal development to career mobility, to lifelong learning offers to all our employees. Employees are encouraged to expand their skills and create a career across different functions, countries and entities.

Our own in-house university, "AllianzU", offers a comprehensive curriculum of world-class learning programs with solutions targeted at all levels including aspiring leaders. We aim to build leaders that demonstrate our People Attributes, positively shape our culture and deliver on our strategy. We provide over 10,000 online courses via AllianzU learning platform which is available in bite-sized modules anywhere, anytime and on any device.

Employee's Remuneration, Benefits and Welfare

The Group always support our employees to live their best life and enjoy being healthy, positive and productive. We offer benefits and welfare that can strengthen all parts of an individual: physically, mentally, and financially.

With flexible work arrangements, Work-from-Home options, plenty of leave options, and a half day work-free "Platinum Day" every month, employees can make the most of special moments, important events, career breaks or take the time to give back.

Occupational health and safety

The Company maintains health, safety and security of employees to promote occupational health and safety work environment. Diminish harmful and take steps to prevent accident and occupational disease.

The Company has established a policy on occupational health and safety as published onto the website: www.ayud.co.th under topic of Good Corporate Governance. In 2023, there was no report on lost time accident or absenteeism rate or lost time injury rate.

Key Activities organized in 2023.

The Group has a wide range of activities for employees to create good relations and strengthen the bond between employees' e.g. organizing a Staff Party to thank employees for their work in the past; Staff Meeting to clarify the Company's operating results and business management policy; or Team Building, which provided opportunity to each department or section to join activities. In 2023, the schedule was briefed as follows:

- One Allianz Ayudhya Staff Party was the unification under "Allianz Ayudhya" came together to celebrate the success of the past year and took the opportunity to thank the employees for their dedication.
- One Allianz Ayudhya Staff Meeting Townhall have been held every 2-monthly to update company direction, performance, and employee activities.
- Allianz Engagement Survey was launched to allow employees to voice their opinions regarding the Company.
- Annual health check-ups provided for staff at all levels.
- Various employee recognition programs implemented across the organization to build on Recognition Culture
- Learning & Development Programs conducted to develop employees for both technical knowledge & skills and Leadership development.

Monitoring to ensure compliance with good corporate governance policies and practices

Prevention of conflicts of interest

The Company has established a policy that the board of directors, executives and employees must perform their duties for the best interests of the Company and has also set up a guideline for managing conflicts of interest. In the event that any person has an interest or is involved in the consideration or situations involving conflicts of interest, such person must notify the Compliance function or the Company secretary (In the case of being a director) and not take part in the consideration of the transaction or avoid situations related to such conflicts of interest.

In 2023, there were no cases that may create a conflict of interest.

Use of inside information

The Company has monitored the use of inside information in accordance with the law and the Principles of Good Governance. It has been set out in writing and communicated to directors, executives and employees of the Company upon the commencement of their employment. In summary, the key policies are as follows:

1. The Company has determined that directors, executives and employees (as specified by the Securities and Exchange Commission, Thailand) have the duty to report on their holdings and changes in holding of securities, including the holdings of their spouse and minor children to the Securities and Exchange Commission, Thailand in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 working days from the date of the change in holding of securities by reporting through the system provided by the Securities and Exchange Commission, Thailand; and notify the Company secretary in order to summarize the information to present to the Board of Directors for acknowledgment. Besides, the directors and executives are aware of the penalties for violation or non-compliance with the said regulation.
2. The Company has a regulation not to disclose the financial statements, inside information or other information that affects the Company's securities to third parties; and not trade in the securities during the one month before the financial statements or other information that may affect the price of the Company's or the Group's securities shall be made available to the public. The penalties for the violation are regarded as a disciplinary offense under the regulations of the Company.

Anti-Corruption

The Group and its associate company are committed to comply with local and international anti-corruption and anti-bribery laws and standards. To achieve our major goal of increasing and maintaining the trust of our customers, the Group and associate companies announces Standard for Anti-Corruption to apply to all employees, divisions, branches representatives, counterparties and outsourcing.

The Standard for Anti-Corruption is a part of the Group Code of Conduct for Business Ethics and Compliance ("Code of Conduct") which sets forth strict prohibitions against corruption and bribery. This includes the prohibition against the offering, accepting, making payments or granting any bribes and any other forms of corruption and avoiding any improper advantages or actions that raise questions about the business operations of the group companies.

Based on the aforementioned commitment, the Company has signed up to be a part of the Thai Private Sector Collective Action Against Corruption (CAC) and has received certification as a member of this collective action for the first time on January 22, 2016. This certification is valid for a period of 3 years from the date of approval.

Details of the CAC's certified members of the Group are as follows:

Company	Status	Member Since	Last Certified date	Expire date
Allianz Ayudhya Capital PCL	Certified	2 Sep 2014	30 Jun 2022	30 Jun 2025
Allianz Ayudhya General Insurance PCL	Certified	26 Jul 2013	30 Jun 2022	30 Jun 2025
Allianz Ayudhya Assurance PCL	Certified	21 Nov 2012	31 Mar 2021	30 Mar 2024

Source: <https://www.thai-cac.com/who-we-are/our-members/>

It is important that all employees must adhere to this Standard. The key programs of anti-corruption are as follows:

- Annual assessment of corruption and fraud risks is to address corruption risk, measurement of risk levels, the internal controls, mitigate corruption risk, regularly monitoring and risk reassessment to prevent and respond with corruption risk efficiently.
- Appropriate implementation and continuous performing of related anti-corruption standards and guidelines ("Program") designs to prescribe objectives, scopes, responsibilities, guidelines, requirements and escalation process properly. Such related Programs are Gift and Entertainment, Sponsorship and Hospitality, Charitable Contribution, Procurement Procedures including vendor integrity screening process, Anti-Corruption Model Clause, Political Contributions, Books and Records, Conflicts of Interest, Whistleblowing.
- Regular training to employees, the management, and the directors is to ensure adequate knowledge and cover mandatory orientation for new employees, the online training provided to new and current employees, group knowledge sharing session for the management and directors accordingly. Such trainings are arranged for promoting the culture of integrity within the organization and culture of zero tolerance of corruption.
- Monitoring, assessment and auditing. Compliance and Internal Audit will monitor and review compliance with the Standard and the Programs through audits and reviews. The results of audits and reviews are regularly reported to the senior executives, the audit committee or the board of directors accordingly.

Whistleblowing

The Company has whistleblowing guideline in place to ensure that fraud, Corruption, regulatory breaches or illegal conducts within the company could be addressed and handle appropriately in order to protect the Company's reputation from the results and effects of illegal or improper conducts.

With this guideline the Company has established and communicates a Speak-up facility to all employees and has implemented an appropriate escalation and response process with the highest degree of confidentiality.

Summary of the performance of the Subcommittee in the past year

The number of meetings and attendance are detailed in Section 7. The performance of duties of the said subcommittees.

Report on the Audit Committee

Please refer to attachment 6. Report of the Audit Committee.

Report of the Nomination and Remuneration Committee

In 2023, the Nomination and Remuneration Committee held four meetings to consider key matters and reported the results of the meetings, comments and recommendations to the Board of Directors for continued consideration. This summary shown below:

1. Oversaw recruiting and selection of persons to be appointed as independent directors and the Company's directors included subcommittees to replace those who retired, which considered from persons with suitable qualifications and requirements in accordance to the Securities and Exchange Commission, Thailand; the Stock Exchange of Thailand; and does not have any prohibited characteristics under the law, taking into account qualifications, experience and knowledge that shall benefit the Company to propose to the Board of Directors meeting and the general meeting of shareholders (In the case of nominating Company directors) for further approval for further voting the said person.
2. Monitored directors' remuneration and various subcommittees in detail, whereby the director, who has been assigned additional roles, responsibilities and supported the various directors, shall receive additional remuneration as deemed appropriate.
3. In order to enhancing motivation and retaining talented employees with good performance, the Nomination and Remuneration Committee considered the criteria for setting the annual salary increase rate of 2024 and the bonus for 2023 together with the Human Resources Department and the management team. The rate of salary increases and the bonus of the Company is considered as deemed appropriate.

Report of the Corporate Governance Committee

In 2023, the Corporate Governance Committee held four meetings to monitor the implementation of corporate governance and report the meeting results to the Board of Directors for consideration, which can be summarized as follows;

- Reviewed and revised the corporate governance policy, Business ethics, and the Charter of the Subcommittee to comply with the regulations of the to the Securities and Exchange Commission, Thailand; the Stock Exchange of Thailand and the corporate governance evaluation criteria under the survey of the Corporate Governance Report (CGR)
- Oversaw the self-evaluation criteria of the Board of Directors for both the Director, the individual, the subcommittee, the Chief Executive Officer annually in order to use the evaluation results to improve operational efficiency
- Encouraged small shareholders to propose agenda and shareholder questions about the Company prior to the Annual General Meeting of Shareholders for further considered by the Board of Committee
- Prepared and disclosed securities holding reports and reports on changes in securities holding of the Company's directors and executives in comply with Section 59 of the Securities and Exchange Act
- Reviewed the good corporate governance report disclosed in Form 56-1 One Report/ Annual Report to be in line with the requirements of the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand

The Corporate Governance Committee promoted the continued implementation of the good corporate governance principles. As a result, the Company received the following corporate governance evaluation results.

Corporate Governance Report (CGR)	
	<p><u>In 2023</u> The Company's CGR score is in the "Excellent" (5 stars) criteria from the Survey of the Thai Institute of Directors Association (IOD)</p>
AGM Checklist	
	<p><u>In 2023</u> The Company's AGM Checklist was received a score of "94/100" from the Thai Investors Association (TIA)</p>

9. Internal Control and Related Party Transactions

Internal Control

The Group and its associate company have put in place an internal control system in compliance with a guiding framework that covers internal control, risk assessment, operation control, IT&communications, and monitoring system.

The Board of Directors of the Group and its associate company recognize the importance of internal control and have put in place a sufficient and appropriate internal control system with emphasis on financial control, accounting procedures and data collection and recording, operation supervision and other processes relating to anti-corruption measures. This aims to build reasonable confidence that the Group and its associate company's operations are effective and efficient, financial reports are reliable and timely and can be utilized in supporting business-related decision making, operations in all areas are in full compliance with relevant legislations and the Group and its associate company's regulations and policies, accounting of funds are rightly authorized and conforming to the line of authority, and internal work division is properly administered. The Board of Directors is the highest responsible mechanism for the Group and its associate company's internal control system. The assessment of the Group and its associate company's internal control system is conducted once annually. The result is published in the annual report for stakeholders' acknowledgement.

The Board of Directors Meeting with three independent directors of the Audit Committee attending, has altogether assessed the efficiency of the Group and its associate company's internal control system for the year 2023 through consideration of the composition of the internal control, utilizing the questionnaires on the internal control system adequacy assessment, inquiries to the Company's executive directors and the Audit Committee's report. From careful deliberation, the Board of Directors viewed that the Group and its associate company's internal control system is sufficient and appropriate and can contribute to effective and efficient operation results, reliable and timely financial reports that can support business-related decision making, and that all operations are in full and strict conformity with relevant legislations and the Group and its associate company's regulations and policies. In addition, the Group and its associate company also sees to the establishment of the internal control and monitoring system on the subsidiary company's operations. The details of the system are summarized as follows:

1. Internal Control and Organizational Environment

The Group and its associate company adheres to the principles of integrity and ethics and has designed an internal control system aligning with these values. Under the Board of Director's oversight, an appropriate organizational structure on the chains of command and responsibilities is devised to respond to the goals on motivation, skill enhancement and retaining of skilled personnel. Employees play an important part in internal control system in order to achieve the Group and its associate company's purpose. Suitable environment for internal control is provided as follows:

- The business operates on the principles of integrity, ethics, and good corporate governance and in accordance with relevant legislations and regulations. Clear and measurable business objectives are set.

- The annual budget upon through and careful deliberation has Management is approved by the Board of Directors. Moreover, all stakeholders are duly considered in policy making and action plan drafting in compliance with the principles of good governance.
- The organizational structure shows clearly defined responsibilities for each division within the Group and its associate company.
- The rules and manuals of each division's operation are published and disseminated via the Group and its associate company's intranet for all employees' acknowledgement.
- The Group and its associate company's regulations are guided by its Code of Conduct with clear directives prohibiting employees from actions that may cause conflicts of interest, with penalties specified in event of violation. Additionally, a monitoring system is established to monitor compliance as well as adequacy of internal controls for each division within the Group and its associate company.

2. Risk Assessment

The Group and its associate company's objectives are adequately and clearly set in order to identify and assess the risks related to the objectives. The establishment of a comprehensive process of the identification and assessment of all risks which may obstruct the achievement of each objective is also seen to. Moreover, the Group and its associate company has assessed the risk of potential fraud during the risk evaluation process, identifying possible impact on the Company's objectives, so that the changes that may affect the internal control system are properly identified and assessed. The following significant risk management measures are as follows:

- The Group and its associate company has established a Risk Management Committee, whose core responsibility is the management of possible risks. The policies and procedures on risk management cover a great many area as to reduce the possibility of risk to the fullest extent, including strategic risks, operational risks, security investment risks, market risks, liquidity risks, financial and report risks, legal and regulations-related risks, and fraud and corruption risks. Additional details can be found in the section on Risk Factors. Moreover, in order to mitigate the risks to the greatest extent possible, the Board of Directors evaluates and reviews the adequateness of the risk management system and the effectiveness of the procedure at least once annually.
- Financial reports are accurate and adequate, with appropriate and efficient internal control and internal audit in place and in conformity to the securities and stock exchange laws, the regulations of the Stock Exchange of Thailand and other relevant laws. Related party transactions are also conducted in line with the laws and regulations of the Stock Exchange of Thailand.
- The Company places high importance to the early warning signs. To prevent any misconduct, Fraud Prevention Guidance and Whistle Blower Policy, both in line with relevant laws and regulations, were disseminated via the Company's intranet. All employees are expected to comply with both policies.

3. Compliance Control

The Group and its associate company employs a number of compliance control measures to mitigate the risks of unsuccessful realization of the Group and its associate company's objectives. IT is used to support the implementation of such measures. Control measures are actualized from the Group and its associate company policies – its expectation and operational

procedures being translated into operational performance indicators. The Group and its associate company's compliance control measures are as follows:

- A clear scope of authority, function, monetary authorization and limits for each management level in writing.
- A clear separation between approval and authorization duty, accounting transactions and IT recording duty, and assets management for proper checks and balances.
- An adherence to the notices and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission on transactions involving major shareholders, the Board of Directors, senior executives, and other related parties to ensure due authorization of such transactions.
- A setup of monitoring measures to guarantee lawful operation of the Company's activities, as well as preventive and corrective measures and penalties for violations.
- Establishment of a policy, measures and procedures on anti-corruption, as well as a compliance review and relevant training.

4. Information Technology and Communications

The Group and its associate company reports are issued on a timely basis with quality analytical information to support smooth proceedings of the internal controls. Internal communications on the objectives and accountability of an internal control are conveyed to guarantee the continuation of relevant plans. Communications with external agencies may occur regarding the issues which might affect the internal control. The information on related procedures are as follows:

- Sufficient and reliable information, including invitation letter to meetings and meeting documents, is provided to the Board of Directors before the meeting to review and support decision making. Meeting reports are sufficiently detailed to allow shareholders to review the Board's performance.
- Complete and proper records of accounting and financial transactions are kept in a well-organized manner. Standard certified accounting procedures suitable for the nature of the Group and its associate company's business are practiced.
- Quarterly and annual financial statements are reviewed and audited by the Group and its associate company's auditor. The Group and its associate company's information system is also subject to a similar process.
- Financial and information data relevant to different operations are provided to support the Management in decision making processes. IT capability is utilized in data processing to provide accurate, appropriate and up-to-date information accessible to relevant personnel and authorities.
- A reserved IT data center is set up as part of the system emergency preparation in case that the IT system at the head office is not functioning.
- An internal and external communications system is provided so that the employees are able to access the data necessary to fulfil their designated roles.

5. Monitoring System

The internal control system is monitored and evaluated to ensure proper, complete and ongoing implementation. Oversights are communicated promptly to persons in charge, including senior

executives and the Board of Directors as appropriate on a case-by-case basis. The following steps are being taken by the Group and its associate company.

- Comparison of operation performance and targets by Management is to be reviewed by the Board of Directors. In case that the operation performance is lower than the targets, Management will identify the causes and promptly devise the corrective measures. In case of fraud, corruption, violation of laws or other irregular activities, including any suspicion of such, which could have significant impact on the Company's goodwill, reputation and financial standing, Management must notify the Board of Directors immediately.
- An Audit Committee is established to oversee the financial report procedures, internal control system and compliance to related laws and regulations, as well as relevant procedures regarding anti-corruption measures and compliance reviews. The Committee is also responsible for selecting external auditors and determining their remuneration.
- A Corporate Governance Committee is established to assist and support the Board of Directors in overseeing the performance of the Group and its associate company and ensuring that all business operations are in line with its policies and rules, laws and regulations, Government policies, and good corporate governance. The objective of this mechanism is to ensure that the Group and its associate company has fulfilled its responsibilities in an efficient manner in coherence with the principles of good corporate governance, social responsibilities, security and sustainability to the Group and its associate company.

Related Party Transactions

The Company disclosed related party transactions between the Company and related companies that express the relationships by shareholding, common directors or shareholders. Details of the transactions are shown in Item 37 in the note of the Financial Statements for the fiscal year ended December 31, 2023. Members of the Audit Committee of the Company view that related party transactions between the Company and its related companies were conducted in the Company's normal course of business.

The additional information on significant business transactions and balance concerning related companies as follow:

Related Company (Ultimate parent company)	Nature of Relationship	2023 (Million Baht)	2022 (Million Baht)	2021 (Million Baht)	Transactions
Allianz SE (DEUTSCHE BANK AG)	Shareholding (38.93%)	45.77	35.26	30.42	Net investment in securities: investment in long-term benefit plans for executive personnel in the form of restricted stock units, managed by Allianz SE
		25.60	38.02	5.46	Accrued management fee: management fee is agreed by both parties which are determined based on estimated time spent and cost incurred
		17.16	22.70	8.69	Management fee: management fee is agreed by both parties which are determined based on estimated time spent and cost incurred
		175.80	895.67	233.39	Paid dividends: According to shareholder's resolution

Other significant transactions with related companies in the consolidated financial statement as of December 31, 2023 are show in Item 37 in the note of the Financial Statements as follows:

- The Group used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.
- The Company entered into a management service agreement with a subsidiary for providing about services of managerial and administrative services of accounting, personnel, internal audit and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.
- The Group paid commissions and brokerages and other underwriting expenses between the Group and related companies. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Group has offered to other insurance broker companies.
- The Company has office service agreements with a subsidiary for a term of 3 years. Service rates and conditions are the same as the subsidiary offer to other companies.

Opinion of the Audit Committee

February 28, 2024

Title: Opinion on transactions between the Company and related companies

To: The Shareholders of Allianz Ayudhya Capital Public Company Limited

We, as Members of the Audit Committee of Allianz Ayudhya Capital Public Company Limited (the Company), have the opinion that related party transactions between the Company and related companies, for the fiscal year ended December 31, 2023, were conducted in the Company's normal course of business with transparency and fairness to all parties.

Please be informed accordingly.

Respectfully yours,

Suwat Laicharoensup

(Sawat Laicharoensup)

Vichit Kornvityakoon

(Vichit Kornvityakoon)

Narong Chulajata

(Narong Chulajata)

The Audit Committee

Allianz Ayudhya Capital Public Company Limited

Part 3

Information Authentication



Certification of Information

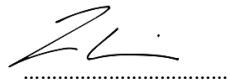

The Company has reviewed the information on this 56-1 One Report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this annual registration statement/annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and already submitted the latest information on the internal control assessment to the auditor and the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Acchara Kulrattanarak to sign on every page of the documents, and the absence of the authorized signature of Ms. Jarunee Chaisupakitsin on any document shall be deemed that such unsigned document has not been certified by the Company.

Name	Position	Signature
Thomas Charles Wilson	President and CEO	
Authorized person name	Position	Signature
Acchara Kulrattanarak	Sr. Director – Head of P&C Accounting & CFO of AAC	

Attachment



Attachment 1 Information of the Board of Directors, Executives, Group Chief Financial Officer, Chief Accountant and Company Secretary as of December 31, 2023

Information of the Board of Directors

Dr. Jamlong Atikul

Age (years): 75

Chairman of the Board of Directors and Independent Director

Date of Appointment: June 13, 2019

- Appointed as the Chairman of the Board of Director with effective date on April 27, 2022

Education

- Ph.D. in City and Regional Planning, Cornell University, USA
- Master of Commerce in Economics, University of Auckland, New Zealand
- Bachelor of Commerce and Administration in Economics, Victoria University of Wellington, New Zealand
- Role of the Chairman Program (RCP) Class 26/2011, Thai Institute of Directors
- Director Certification Program (DCP) Class 77/2006, Thai Institute of Directors
- Director Accreditation Program (DAP) Class 55/2006, Thai Institute of Directors
- IT Security Trend Update year 2018
- IT Governance & Cyber Resilience, Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation Year 2020
- Bangkok FinTech Fair 2021 "Shaping Digital Finance in the New Decade"
- ESG: Topic 1 "Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand" (Session 1-2), Year 2023

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies*

2023 – Present	Vice Chairman, Bank of Ayudhya Pcl.
2019 – Present	Chairman of the Board of Director and Independent Director, Allianz Ayudhya Capital Pcl. (Investment holding)
2019 – Present	Chairman of Nomination and Remuneration Committee, Bank of Ayudhya Pcl.
2018 – Present	Independent Director and Member of Audit Committee, Bank of Ayudhya Pcl.
2018 – 2019	Member of Nomination and Remuneration Committee, Bank of Ayudhya Pcl.
2013 – Present	Chairman of the Board (Authorized Signatory), Regional Container Lines Pcl. (Logistics and Transportation)

Non-Listed Companies

-None-

Remark Based in Thailand only and important position as Director in listed company*

Mr. Bryan James Smith**

Age (years): 65

Vice-Chairman of the Board of Directors

Date of Appointment: November 4, 2014

- Appointed as the Vice-Chairman of the Board of Director with effective date on April 27, 2021

Education

- Master of Business Administration, Australian Graduate School of Management, The University of New South Wales, Sydney, Australia
- Bachelor of Commerce / Bachelor of Laws, The University of New South Wales Sydney, Australia
- Director Certification Program (DCP) Class 207/2015, Thai Institute of Directors
- Director Diploma Examination Program - Fellow Member Year 2015, Thai Institute of Directors

No. of share held (as of December 31, 2023)

Personal -None-
Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)**Listed Companies***

2021 – 2023**	Vice Chairman of the Board of Directors, Allianz Ayudhya Capital Pcl.
2019 – 2021	President and Chief Executive Officer, Allianz Ayudhya Capital Pcl.
2014 – 2021	Director (Authorized Signatory), Allianz Ayudhya Capital Pcl.
2014 – 2019	Member of Nomination and Remuneration Committee, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2019 – 2020	Country Manager, Allianz Ayudhya Thailand
2014 – 2019	Director, Member of Nomination and Remuneration Committee, Allianz Ayudhya General Insurance Pcl.
2011 – 2020	Director (Authorized Signatory), President and Chief Executive Officer, Allianz Ayudhya Assurance Pcl.

Remark Based in Thailand only and important position as Director in listed company*

*** Resignation in October 2023*

Mr. Teh Kim Leng*

Age (years): 59

(Non-Executive Director)

Date of Appointment: November 14, 2023**Education**

- Executive Master of Business Administration, PHW Business School, Switzerland
- Cambridge International Diploma in Management, Diploma at Higher Professional Level, University of Cambridge International Examinations
- Master of Commerce (Information Systems), University of New South Wales, Sydney, Australia
- B.App.Sc. (Computing Science) with First Class Honours, University of Technology, Sydney, Australia

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries*-None-***Work Experiences (last 5 years)****Listed Companies***

2023 – Present Director, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2022 – Present Regional Chief Operating Officer for Allianz Asia Pacific

Remark Based in Thailand only and important position as Director in listed company*** Relace Mr. Bryan James Smith*

Mr. Suwat Laicharoensup

Age (years): 74

Independent Director, Chairman of Audit Committee

Date of Appointment: April 20, 2018

- Appointed as Chairman of Audit Committee with effective on August 14, 2020

Education

- Bachelor's degree in Statistics, Chulalongkorn University
- Project Management Financial Control / Advanced Project Management / Business Continuity
- Management/Effective Skill for I/S Professionals / Capacity Planning for Management
- Certified Information Security Manager (CISM)
- Certificate in IT Infrastructure Library (ITIL)
- Director Certification Program (DCP) Class 280/2019, Thai Institute of Directors
- AACP Advanced Audit Committee Program (AACP) Class 38/2020, Thai Institute of Directors

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies*

2020 – Present	Independent Director, Chairman of the Audit Committee, Allianz Ayudhya Capital Pcl.
2019 – 2020	Independent Director, Chairman of Nomination and Remuneration Committee, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2018 – 2023	Independent Director, Chairman of the Audit Committee, Allianz Ayudhya General Insurance Pcl.
1992 – 2023	Director, ISACA Bangkok Chapter
2017 – Present	Chairman, itSMF Thailand Association
2005 – Present	Associate Judge, Central Intellectual Property and International Trade Court
2018 – Present	Advisor of Committee Counsel of Computer Engineering, Engineering Institute of Thailand
2017 – Present	President, Subcommittee for People Driven of Information Technology and Communications and Digital Content, The Board of National Qualifications Framework, Office of the Education Council, Ministry of Education
2013 – Present	Sub-committee member of Digital Committee, Thailand Professional Qualification Institute (Public Organization)

Remark Based in Thailand only and important position as Director in listed company*

Mr. Vichit Kornvityakoon

Age (years): 73

Independent Director, Member of Audit Committee and Chairman of Corporate Governance Committee

Date of Appointment: January 28, 2013

- Appointed as Chairman of Corporate Governance as of January 28, 2013

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accountant, Chulalongkorn University
- Bachelor of Law, Thammasat University
- Director Certification Program (DCP) Class 172/2013, Thai Institute of Directors
- Advanced Audit Committee Program (AACP) Class 14/2014, Thai Institute of Directors
- Anti-Corruption for Executive Program (ACEP) Class 14/2015, Thai Institute of Directors
- Role of the Nomination & Governance (RNG) Class 7/2015, Thai Institute of Directors
- Risk Management Program for Corporate Leaders (RCL) Class 2/2015, Thai Institute of Directors
- Boards that Make a Difference (BMD) Class 1/2016, Thai Institute of Directors
- Board Matter & Trends (BMT) Class 2/2017, Thai Institute of Directors
- Ethical Leadership Program (ELP) Class 7/2011 Thai Institute of Directors
- Climate Governance 2/2023 Thai Institute of Directors

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies*

2013 – Present Independent Director, Member of Audit Committee and Chairman of Corporate Governance Committee, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2019 – 2023 Independent Director and Member of Audit Committee, Allianz Ayudhya General Insurance Pcl.

2013 – 2019 Chairman of Compliance Committee, Allianz Ayudhya General Insurance Pcl.

2013 – 2017 Member of IT and Systems Development Supervisory Sub-committee, Deposit Protection Agency

2012 – 2020 Member of Executive Credit Committee, Sukhumvit Asset Management Co., Ltd.

2016 – 2022 Member of Professional Ethics Committee, Federation of Accounting Professional under the Royal Patronage of his Majesty the King

Remark Based in Thailand only and important position as Director in listed company*

Mr. Pasu Loharjun

Age (years): 64

Independent Director and Chairman of the Nomination and Remuneration Committee

Date of Appointment: July 31, 2020

- Appointed as Chairman of Nomination and Remuneration Committee with effective on August 14, 2020

Education

- Ph.D. in Industrial Engineering and Operations research, Virginia Polytechnic Institute and State University, USA
- Master of Industrial Engineering, Polytechnic Institute of New York, USA
- Bachelor in Electrical Engineering, Chulalongkorn University
- Subsidiary Governance Program (Class 6/2023), Thai Institute of Directors Association
- Risk Management Program for Corporate Leader (Class 33/2023), Thai Institute of Directors Association
- Boardroom Success through Financing and Investment (Class 9/2020), Thai Institute of Directors Association
- Role of Chairman Program (2017), Thai Institute of Directors Association
- Capital Market Academy Leadership Program (Class 22/2016), The Stock Exchange of Thailand
- Director Certification Program (DCP) Class 213/2015, Thai Institute of Directors Association
- Top Executive Program in Commerce and Trade (Class 8/2015), University of the Thai Chamber of Commerce
- Diploma, The Joint State-Private Sector Course (Class 23/2010), Thailand National Defence College
- Financial Statements for Directors (2009), Thai Institute of Directors Association

No. of share held (as of December 31, 2023)

Personal -None-
Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)**Listed Companies***

2020 – Present	Independent Director and Chairman of Nomination and Remuneration Committee, Allianz Ayudhya Capital Pcl.
2018 – Present	Independent Director, Chairman of Corporate Governance and Sustainability Committee and Member of Nomination and Remuneration Committee, Electricity Generating Plc.
2017 – 2018	Chairman, General Environmental Conservation Plc.

Non-Listed Companies

2023 - Present	Chairman, Thai-German Institute
2021 - Present	Chairman of the Board of Directors, Export-Import Bank of Thailand
2021 - Present	Independent Director, Thai Beverage Plc. (SGX Listed)
2020 - Present	Advisor, Thailand Science Research and Innovation
2020 - Present	Member of the TNI Council, Thai-Nichi Institute of Technology

2020 - Present	Director and Chairman of Administrative Systems Development Subcommittee, Thailand Convention & Exhibition Bureau (Public Organization)
2019 - Present	Committee Member, the Council of State
2019 - Present	Director, Foundation for Industrial Development

Remark Based in Thailand only and important position as Director in listed company*

Mr. Narong Chulajata

Age (years): 86

Independent Director and Member of Audit Committee

Date of Appointment: April 26, 2019

Education

- Master of Public Administration, The Maxwell School of Citizenship and Public Affairs, Syracuse University, New York, USA
- Master of Public Administration, Institute of Public Administration, Thammasat University
- Bachelor's Degree in Political Science, Chulalongkorn University
- Director Certification Program (DCP) Class 71/2006, Thai Institute of Directors
- Director Accreditation Program (DAP) Class 11/2004, Thai Institute of Directors
- Role of the Chairman Program (RCP) Class 6/2000 Thai Institute of Directors

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies*

2019 – Present	Independent Director and Member of the Audit Committee, Allianz Ayudhya Capital Pcl.
2013 – 2017	Vice Chairman, SUSCO Pcl.
2003 – Present	Chairman of the Board, Safari World Pcl.

Non-Listed Companies

2017 – Present	Advisor to the Board of Directors, SUSCO Pcl.
2011 – Present	Director, Siri Charoen Wattana Co., Ltd.
2008 – Present	Director, SUSCO Retail Co., Ltd.
2007 – 2021	Independent Director, Vice Chairman, and Chairman of the Audit Committee, Allianz Ayudhya Assurance Pcl.
2012 – 2021	Director, SUSCO Dealers Co., Ltd.

Remark Based in Thailand only and important position as Director in listed company*

Miss Nopporn Tirawattanagool

Age (years): 69

Director, Member of Nomination and Remuneration Committee and
Member of Corporate Governance Committee
(Non-Executive Director)

Date of Appointment: April 22, 2013

- Appointed as Member of Nomination and Remuneration Committee as of May 14, 2013
- Appointed as Member of Corporate Governance Committee as of May 14, 2021

Education

- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the Director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- Agile Leadership for Board of Directors, Year 2019
- Director Accreditation Program (DAP), Year 2003, Thai Institute of Directors
- Role of the Compensation Committee (RCC), Year 2009, Thai Institute of Directors
- Audit Committee Program (ACP), Year 2010, Thai Institute of Directors
- Director Certification Program (DCP), Year 2010, Thai Institute of Directors
- Financial Institutions Governance Program (FGP), Year 2011, Thai Institute of Directors
- Anti-Corruption for Executive Program (ACEP), Year 2013, Thai Institute of Directors
- Risk Management Program for Corporate Leaders (RCL), Year 2015, Thai Institute of Directors
- National Director Conference 2017 "Steering Governance in a Changing World" Year 2017
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action" Year, 2018
- Agile Leadership for Board of Directors 2019
- ESG and Sustainable Banking Development, Including Response to the COVID-19 situation 2020
- Cyber Resilience Leadership "Tone from the Top", Bank of Thailand 2020
- Reengineering New Business Model 2017
- Agility in practice 2021
- Regulatory Technology: Reg Tech 2021
- Cyber Armor: Capital Market Board Awareness No. 1/2021: Capital market threat landscape 2021
- Cyber Armor: Capital Market Board Awareness No. 2/2021: Data Driven Cybersecurity and Intelligence Threats Assessment 2021
- Bangkok FinTech Fair 2021 "Shaping Digital Finance in the New Decade 2021"
- Economic outlook 2021
- National Director Conference 2021: Leadership Behind Closed Door
- Global trend of climate change and Net zero journey
- ESG: "Current Issues on Sustainable Banking and Sustainable Finance Development in Thailand"
- Overview of rental business office building
- Climate Governance

No. of share held (as of December 31, 2023)

Personal	-None-
Spouse /Minor Child	-None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies*

2021 – Present	Director, Member of Nomination and Remuneration Committee and Member of Corporate Governance Committee, Allianz Ayudhya Capital Pcl.
2013 – Present	Director and Member of Nomination and Remuneration Committee, Allianz Ayudhya Capital Pcl.
2016 – Present	Director, Grand Canal Land Pcl.
2015 – 2016	Director (Authorized Signatory), Grand Canal Land Pcl.
2015 – Present	Risk and Compliance Committee Member, Bank of Ayudhya Pcl.
2014 – Present	Director (Authorized Signatory), Bank of Ayudhya Pcl.
2014 – Present	Director, Srivichaivejvivat Pcl.
2014 – Present	Member of Nomination and Compensation Committee, Siam City Cement Pcl.
2012 – Present	Director, Siam City Cement Pcl.
2010 – Present	Nomination and Remuneration Committee Member, Bank of Ayudhya Pcl.

Non-Listed Companies

2019 – Present	Director and Secretary Krungsri Foundation
2017 – Present	Director (Authorized Signatory), BBTv Asset Management Co., Ltd.
2015 – Present	Director (Authorized Signatory), CKS Holding Co., Ltd.
2015 – Present	Director (Authorized Signatory), Super Assets Co., Ltd.
2015 – Present	Director (Authorized signatory), C.K.R Co., Ltd
2015 – Present	Director (Authorized Signatory), The Bangkok Lighters Co., Ltd.
2015 – Present	Director (Authorized Signatory), The Thai Tapioca Flour Produce Co., Ltd.
2015 – Present	Director (Authorized Signatory), Cyber Venture Co., Ltd.
2015 – Present	Director (Authorized Signatory), Khao Kheow Country Club Co., Ltd.
2015 – Present	Director (Authorized Signatory), Siam Purimongkol Co., Ltd.
2014 – Present	Director (Authorized Signatory) Grand Fortune Co., Ltd.
2014 – Present	Director, Bangkok Broadcasting & TV Co., Ltd.
2014 – Present	Director (Authorized Signatory), BBTv Satelvision Co., Ltd.
2014 – Present	Director (Authorized Signatory), GL Asset Co., Ltd.
2014 – Present	Director (Authorized Signatory), Mahakij Holdings Co., Ltd.
2014 – Present	Director (Authorized Signatory), BBTv Productions Co., Ltd.
2014 – Present	Director (Authorized Signatory), BBTv Alliance Ltd.
2014 – Present	Director (Authorized Signatory), BBTv Bond Street Building Ltd.
2012 – Present	Director (Authorized Signatory), ITBC Business Consultant Group Co., Ltd.
2011 – Present	Director (Authorized Signatory), Exclusive Senior Care International Co., Ltd.
2010 – Present	Director (Authorized Signatory), BBTv International Holdings Co., Ltd.
2010 – Present	Director (Authorized Signatory), Sunrise Equity Co., Ltd.
2010 – Present	Director (Authorized Signatory), BBTv Equity Co., Ltd.

Remark* Based in Thailand only and important position as Director in listed company

Dr. Laksna Thongthai

Age (years): 69

Director

Date of Appointment: March 21, 1994

Education

- Ph.D. in Industrial and Systems Engineering, University of Southern California, Los Angeles, USA
- Master of Science in Systems Engineering, UCLA, Los Angeles, USA
- Bachelor of Science in Industrial Engineering, Chulalongkorn University
- Reinsurance and Insurance Management Training Courses from France, Germany, and England
- Boards that Make a difference (BMD) Class 1/2016, Thai Institute of Directors
- Diploma Examination Assigned from Graduate Member to become Fellow Member, Thai Institute of Directors Association, Year 2000

No. of share held (as of December 31, 2023)

Personal 6,241,050 shares
Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies*

2019 – Present	Director, Allianz Ayudhya Capital Pcl.
1994 – 2019	Director (Authorized Signatory), Allianz Ayudhya Capital Pcl.
1994 – 2014	Director (Authorized Signatory) and Assistant Managing Director, Allianz Ayudhya Capital Pcl.

Remark Based in Thailand only and important position as Director in listed company*

Mr. Poh Heon Eng

Age (years): 48

Director

*(Authorized Director)***Date of Appointment:** June 30,2022**Education**

- BSc (Hons) in Actuarial Mathematics & Statistic Heriot-Watt University, Edinburgh

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries*-None-***Work Experiences (last 5 years)****Listed Companies***

2022 – Present Authorized Director, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2022 – Present Chief Country Financial Officer, Allianz Ayudhya Assurance Pcl.

2023 – Present Authorized Director of Health Care Management Co., Ltd.

2017 – 2022 Regional Chief Actuary (Life), Allianz SE, Singapore Branch (AZAP)

2014 – 2017 Chief Actuary, Allianz Ayudhya Assurance Pcl.

Remark Based in Thailand only and important position as Director in listed company*

Mr. Thomas Charles Wilson

Age (years): 63

Director, President and Chief Executive Officer
(Authorized Director)**Date of Appointment:** February 25, 2021**Education**

- PhD in Economics, Stanford University, Stanford, California Emphasis in Macroeconomics
- Bachelor of Science in Business Administration, University of California Berkeley, California, emphasis in Finance, Real Estate and Accounting. Graduated with Honors.
- Director Certification Program (DCP) Class 313/2021

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries*-None-***Work Experiences (last 5 years)****Listed Companies***

2021 – Present Director, President and Chief Executive Officer, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2022 – Feb 2023 Chairman of the Board of Directors and Authorized Director, Aetna Health Insurance (Thailand) Pcl.

2022 – Present Chairman of the Board of Directors and Authorized Director, Aqua Holdings (Thailand) Ltd.

2020 – Present President, Chief Executive Officer and Authorized Director, Allianz Ayudhya Assurance Pcl.

2020 Deputy CEO & Head of Distribution, Allianz Ayudhya Assurance Pcl.

2008 – 2020 Chief Risk Officer, Allianz SE, Munich, Germany. Director, Allianz Alternative Risk Transfer, Switzerland

Remark Based in Thailand only and important position as Director in listed company*

Mr. Aaron Mitchell Fryer

Age (years): 49

Director

*(Non-Executive Director)***Date of Appointment:** January 21, 2022**Education**

- Bachelor of Civil Engineering (Honors) Newcastle University (1993 - 1997)
- Fellow of the Institute of Actuaries of Australia (FIAA), Executive Certification Directorship Singapore Management University 2020

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries*-None-***Work Experiences (last 5 years)****Listed Companies***

2022 - Present Director, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2019 – Present	Regional Chief Financial Officer, Allianz SE, Singapore Branch, Asia
2018	Deputy Regional Chief Financial Officer, Allianz SE, Singapore Branch, Asia
2017	Chief Financial Officer, PT Prudential Life Assurance Indonesia
2013 – 2016	Chief Financial Officer & Chief Actuary, Prudential Vietnam Assurance

Remark Based in Thailand only and important position as Director in listed company*

Mr. Lars Heibutzki

Age (years): 49

Director

*(Authorized Director)***Date of Appointment:** April 26, 2019**Education**

- Ph.D. in Economics and Statistical Science with Distinction, Friedrich Alexander University, Nuremberg, Germany
- Master of Business Administration, Major in Finance, Investment and Banking, University of Wisconsin-Madison, USA
- Business and Economics Degree with Distinction, University of Leipzig, Germany

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries*-None-***Work Experiences (last 5 years)****Listed Companies***

2019 – Present Director, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2022 – Present Director and Authorized Director, Aqua Holdings (Thailand) Ltd.

2019 – Present Director and Chief Executive Officer, Allianz Ayudhya General Insurance Pcl.

2018 – 2019 Chief Business Officer P&C and Member of Allianz Asia Board, Allianz SE Singapore Branch

2015 – 2018 Chief Distribution Officer and Member of Allianz Asia Board, Allianz SE Singapore Branch

Remark Based in Thailand only and important position as Director in listed company*

Mr. Jochen Alexander Haug

Age (years): 47

(Non-Executive Director)

Date of Appointment: April 24, 2023**Education**

- Master of Business Administration (Global Executive MBA) (Columbia University & London Business School & Hong Kong University)
- Master of Laws (LL.M.) (University of Michigan Law School)
- Juris Doctor (Legal State Exam) (University of Tuebingen)
- Advanced Management Program (AMP) (Harvard Business School)

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries*-None-***Work Experiences (last 5 years)****Listed Companies***

2023 – Present Director, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2022 – Present Member of the Board of Management of Allianz Asia Pacific

Remark Based in Thailand only and important position as Director in listed company*

Miss Jarunee Chaisupakitsin

Age (years): 61

Director

(Authorized Director)

Date of Appointment: August 1, 2020

-Appointed as Chief Financial Officer /Chief Accounting with effective from May 1, 2020

Education

- Master of Business Administration, Thammasat University
- Graduate Diploma in Translation, Thammasat University
- Graduate Diploma, English for Careers, Thammasat University
- Bachelor of Accounting, Thammasat University
- Bachelor of Economics, Sukhothai Thammathirat Open University
- Accounting and Financial Preparation (CFO's Orientation Course) 2019
- Director Certification Program (DCP) Class 309/2021

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies*

2020 – 2023 Director and Member of Corporate Governance Committee, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2022 – 2023 Chairman of the Board of Director, Director and Authorized Director, My Health Services (Thailand) Ltd.

2022 – 2023 Director and Authorized Director, Health Care Management Ltd.

2022 – May 2023 Director and Authorized Director, Minor Health Enterprise Ltd.

2020 – 2023 Director, Allianz Ayudhya General Insurance Pcl.

2020 – 2023 Country Chief Accounting Officer & Head of P&C Accounting, Allianz Ayudhya General Insurance Pcl.

2003 – 2020 Senior Vice President, Accounting, Allianz Ayudhya Assurance Pcl.

Remark Based in Thailand only and important position as Director in listed company*

Mr. Kitti Pintavirooj

Age (years): 68

Director

*(Authorized Director)***Date of Appointment:** November 15, 2021**Education**

- Master of Law in Admiralty, Tulane University, USA
- Master of Comparative Laws, University of Miami, USA
- Barrister-at-law, Institute of Legal Education, Thailand
- Bachelor of Laws, Thammasat University
- Advance Certificate Course, Management of Public Economic for Executives, King Prajadhipok's Institute
- Director Certificated Program (DCP) Class 17/2020, Thai Institute of Directors

No. of share held (as of December 31, 2023)

Personal -None-

Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries*-None-***Work Experiences (last 5 years)****Listed Companies***

2021 – Present	Authorized Director, Allianz Ayudhya Capital Pcl.
2019 – 2021	Independent Director /Audit Committee Member, Solatron Pcl.

Non-Listed Companies

2020 – Present	Authorized Director, Allianz Ayudhya Assurance Pcl
2019 – Present	Director, Allianz Ayudhya General Insurance Pcl
2019 – 2021	Director, Country Chief Legal & Compliance Officer, Allianz Ayudhya Assurance Pcl
2012 – Present	Secretary-General, Thai Life Assurance Association

Remark Based in Thailand only and important position as Director in listed company*

Information of Executives

1. Mr. Thomas Charles Wilson President and Chief Executive Officer
2. Miss Acchara Kulrattanak Chief Financial Officer

(Education, Training Record and Working Experience of the Executives are contained in Information of Board of Directors)

Remark: Determination of Definitions of "executive" means director, manager, or the first four executives succeeding the manager and every person holding the position equivalent to the fourth rank including person holding executive position in Accounting or Finance Department whose rank is not lower than departmental manager.

Information of Corporate Secretary

Miss Narissara Udomvongsa

Age (years): 54

Senior Director - Head of Legal & Corporate Governance, Corporate Secretary

Date of Appointment: November 14, 2022

Education

- Master of Laws (LL.M.), University of Houston, Oil and Gas and Environmental Law.
- Bachelor of Laws (LL.B), Chulalongkorn University

No. of share held (as of December 31, 2023)

Personal -None-
Spouse /Minor Child -None-

Relationship with Directors, Management, Major Shareholders and Subsidiaries

-None-

Work Experiences (last 5 years)

Listed Companies

2019 – Present Head of Legal, Allianz Ayudhya Capital Pcl.

Non-Listed Companies

2022 – Present Director and Authorized Director, Health Care Management) Ltd.

2022 – Present Director and Authorized Director, Minor Health Enterprise Ltd.

2019 – Present Head of Legal & Corporate Governance, Allianz Ayudhya General Insurance Pcl.

2018 – Present Head of Legal & Corporate Governance, Allianz Ayudhya Assurance Pcl.

Scope of Duties and Responsibilities of the Company Secretary

The company secretary shall perform his or her duties in accordance with section 89/15 and section 89/16 of Securities and Exchange Act (No.5) B.E. 2559, which come into force on December 12, 2016. The company secretary shall perform his or her duties with responsibilities, care, and honesty and in compliance with laws, Articles of Association and Objective of the Company, resolution of the Board of Director, and resolution of the shareholders' meeting. In performing this duty, the Company Secretary has the following duties and responsibilities:

- 1.1 Prepare and maintain the following documents:
 - 1.1.1 Director's Registry;
 - 1.1.2 Notices for the Board of Directors', Minutes of the Board of Directors' Meetings and Annual Report of the Board of Directors; and
 - 1.1.3 Notices for the Shareholders' Meeting and Minutes of the Shareholders' Meetings.
- 1.2 Maintain the Report on Stake Holding of Directors and Management
- 1.3 Carry out other tasks as assigned by the Board of Directors

Additionally, the company secretary has duties assigned by the Company (or the board) as follows:

- Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees
- Organize the meetings of Shareholders, the Board of Directors
- Liaise with regulatory agencies such as the Stock Exchange of Thailand
- Be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws
- Arrange new director orientation
- Perform other duties as assigned by the Company

[Scope of Duties and Responsibilities of Company Secretary is also contained in Part 2, No. 7 Structure of Corporate Governance.]

Information of Directors, Executives and Company Secretary of Subsidiary Company /Information of Executives and Controlling persons

(More information are readable in QR Code)



Attachment 2: Information of Directors from Subsidiary (as of December 31, 2023)

Allianz Ayudhya General Insurance Public Company Limited¹ (AAGI).

Name of Directors	Company's subsidiary Allianz Ayudhya General Insurance Public Company Limited (AAGI)
1. Mr. Teh Kim Leng	A
2. Mr. Lars Heibutzki	C,F,G
3. Mr. Tak Bunnag	B,E,F
4. Mr. Dan Harsono	D,E,F
5. Mr. Apichat Natasilpa	D,E,F
6. Mr. Kitti Pintavirooj	F
7. Ms. Jarunee Chaisupakitsin	F
8. Mr. Tivakorn Kanjanakit	F,G

My Health Services (Thailand) Company Limited

Name of Directors	Company's subsidiary MY HEALTH SERVICES (THAILAND) COMPANY LIMITED
1. Ms. Supattra Amornpornviwat	F,G
2. Ms. Acchara Kulrattanarak	F,G
3. Ms. Napha Trirattanawongse	A,F,G

Aqua Holdings (Thailand) Company Limited (AHL).

Name of Directors	Company's subsidiary AQUA HOLDING COMPANY LIMITED (AHL)
1. Mr. Thomas Charles Wilson	A,G
2. Mr. Lars Heibutzki	F,G
3. Mr. Lua Sen Chew	F,G

¹ AHI was amalgamated with Allianz Ayudhya General Insurance Public Company Limited on March 1, 2023. The newly amalgamated company is named Allianz Ayudhya General Insurance Public Company Limited.

Health Care Management Company Limited² (HCM).

Name of Directors	Company's subsidiary HEALTH CARE MANAGEMENT COMPANY LIMITED (HCM)
1. Mr. Poh Heon Eng	A,F,G
2. Ms. Acchara Kulrattanak	F,G
3. Ms. Narissara Udomvongsa	F,G

Remark

A	=	Chairman of the Board of Directors
B	=	Chairman of the Audit Committee
C	=	President and Chief Executive Officer
D	=	Member of the Audit Committee
E	=	Independent Director
F	=	Director
G	=	Authorized Director

² The completion of the amalgamation between Health Care Management Company Limited and Minor Health Enterprise Company Limited was on June 1, 2023. The newly amalgamated company is Health Care Management Company Limited

Attachment 3: Information of Head of Internal Audit and Head of Compliance

Head of Internal Audit

Ms. Wannaporn Ngamsukhonratana, Senior Director and Head of Country Internal Audit, was assigned as Head of Internal Audit.

Education

- Master of Business Administration (General Management), Indiana State University
- Bachelor of Business Administration (Accounting), Assumption University
- Certified Public Accountant (Thailand)

Working Experience during the recent 5 years

- Senior Director and Head of Country Internal Audit, Allianz Ayudhya Assurance Pcl.

Head of Compliance

Ms. Saovaporn Sattabusya, Senior Director from subsidiary company and associate company, was assigned as Head of Regulatory Affairs and Compliance.

Education

- Master of Laws in International and Comparative Law, George Washington University Law School, USA
- Master of Laws in Business and General Law, University of Wisconsin-Madison Law School, USA
- Bachelor of Laws, Chulalongkorn University, Bangkok, Thailand

Working Experience and training record

Duration	Position	Organization
2008 – 2009	Legal Consultant	Siam City Law Office GP Co., Ltd.
2009 – 2013	Manager	Legal Department /AIA (Thailand) Co., Ltd.
2013 – Present	Senior Director	Compliance Department/ Allianz Ayudhya Assurance Pcl.
2019 – Present	Senior Director	Compliance Department/ Allianz Ayudhya General Insurance Pcl.

Training record

Association of Certified Anti-Money Laundering Specialists (CAMS), Certified Anti-Money Laundering Specialist, Certified Information Privacy Professional / Europe (CIPP/E)

Compliance responsibilities

1. Provide support and set out policy, guideline, and regulation to comply with law and compliance standards. Identify, search and assess compliance risk that will reflect on business operations
2. Provide advisory to executives and employees in relation to law, regulation, guideline, relevant business standards and notify the executives without delay whenever change of law, rules and regulation and relevant business standards
3. Evaluate the suitability of Company's work in process and monitor the performance result whenever it finds errors or breaches of law, rules, regulations, code of conduct and relevant business operations.
4. Enhance knowledge to employees in relation to be a focal point providing compliance advisory, law, rules, regulations and employee code of conduct
5. Coordinate with other functions to comply with rules and regulations from local regulators i.e. Office of Insurance Commission and Anti-Money Laundering Office, including seeking external support from professional advisor within the scope of compliance practice as deem necessary.

Attachment 4: Operating Assets

4.1 Assets used in business and details of assets evaluation

Assets value (or equipment) used in business, stated in financial account dated 31 December 2023 total 57.71 million baht with no attached obligation as follow.

Detail of Operating Assets	Book Value Net (Thousand Baht)
1. Land	1,610
2. Leasehold improvement	38,485
3. Furniture, fixtures and office equipment	14,214
4. Vehicles	-
5. Leasehold improvement under installation	3,400
Total	57,709

The Company owns a land plot and building on 1669/55-56 Soi Waidee, Chan Rd, Thung Wat Don, Yannawa, Bangkok. The facility is used to store company's documents.

The Company owns a 153 sq wah land plot at Samrongnua, Muaeng district, Samutprakan to provide benefits to employees.

4.2 Lease contract

Allianz Ayudhya General Insurance plc, the subsidiary, has leased contract for head office and 29 offices throughout Thailand as follow.

Head Office / Branch	Short rental location	Number of years rental
1. Head Office	898 Ploenchit Tower, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330	3
2. Hat Yai	332 Chotvitayakul 5 Road, Hat Yai, Hat Yai Songkhla 90110	3
3. Phuket	9/187-188 Sakdidet Road, Talard Nua, Muang, Phuket 83000	3
4. Phuket	156/15 Phang Nga Road, Talard Yai, Muang, Phuket 83000	3
5. Rayong	9/7 Bangna-Trad Road, Cherng-Nern, Muang, Rayong 21000	3
6. Rayong	28/38 Moo 3, Pavena Complex, 2nd floor, room 1, Cherng-Nern, Muang, Rayong 21000	3
7. Khon Kaen	769-769/1 Moo 2, Mitraparp Road, Sira, Muang Khon Kaen, Khon Kaen 40000	3
8. Chiangmai	158/9 Chiangmai-Lampang Road, Paton, Muang Chiangmai, Chiangmai 50300	3

Head Office / Branch	Short rental location	Number of years rental
9. Chiangmai	56/22 Chiangmai-Lampang Road, Chang puak, Muang, Chiangmai 50300	3
10. Nakhonratchasima	901/5 Mitraparp Road, Nai Muang, Muang, Nakhonratchasima 30000	3
11. Nakhonsawan	21/77 Moo 11, Nakhonsawan-Phitsanulok Road, Watsai, Muang Nakhonsawan, Nakhonsawan 60000	3
12. Phitsanulok	459/1079-1080 Moo 7, Samorkae, Muang Phitsanulok, Phitsanulok 65000	3
13. Ubonratchathani	97/6 Moo 3, Ubonratchathani Road, Khamyai, Muang Ubonratchathani, Ubonratchathani 34000	3
14. Suratthani	141/122-123 Moo 5, Kanchanawithi Road, Bangkung, Muang Suratthani, Suratthani 84000	3
15. Nakhonpathom	94 Ratchamakka Road, Sanamchan, Muang, Nakhonpathom 73000	3
16. Chonburi	208/12 Moo 3, Prayasajja Road, Samet, Muang Chonburi, Chonburi 20000	3
17. Pattaya	3/146-147 Moo 6, Chaloe Phra Kiat Road, Na Klua, Banglamung, Chonburi 20150	3
18. Pattaya	7/6-7 Moo 6, Sukhumvit Road, Na Klua, Banglamung, Chonburi 20150	3
19. Udonthani	844/7-8 Taharn Road (Dong Wat), Markhaeng, Muang, Udonthani 41000	3
20. Saraburi	96/18 Sudbantad Road, Pakpreew, Muang Saraburi, Saraburi 18000	3
21. Chiangrai	299/24 Moo 2, Tha Sai, Muang Chiangrai, Chiangrai 57000	3
22. Surin	102 Moo 2, Surin Bypass Road, Nok Muang, Muang, Surin 32000	3
23. Hua Hin	15/118 Soi Mooban Borfai, Phet Kasem Road, Hua Hin, Hua Hin, Prachuap Khiri Khan 77110	3
24. Hua Hin	60/23 Soi Mooban Borfai, Phet Kasem Road, Hua Hin, Hua Hin, Prachuap Khiri Khan 77110	1
25. Samui	26/12 Moo 3, Thawee Rat Phakdi Road, Bophut, Koh Samui, Suratthani 84320	2
26. Chanthaburi	81/60 Maharaj Road, Talat, Muang, Chanthaburi 22000	1
27. Sukhumvit 101	101 True Digital Park, B1 floor room B1 room OP-006, Sukhumvit Road, Bangchak, Phra Khanong, Bangkok 10260	3
28. Ratchaphruek	189 The Walk Ratchaphruek, 1 st floor room TRPBF1A-E22 Ratchaphruek Road, Bang Khun Kong, Nonthaburi 11130	1
29. Ladprao	669 BigC Extra Ladprao, G IN floor room GCR126, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900	1
30. Kaset-Nawamin	509 The Walk Kaset-Nawamin, B1 floor room TKNCB1A-001B Prasert Manukit Road, Ladprao, Ladprao, Bangkok 10230	3

If any lease expires, the company's policy is to extend the lease regularly, not exceeding 3 years.

4.3. Intangible assets

The Company has intangible assets of computer software worth 261.68 million baht as stated in account dated December 31, 2023.

4.4. Investment policy in subsidiaries and associate companies

The Company's policy is to invest in subsidiary and associate companies that effectively facilitate the company's total businesses. At present, the company has invested in subsidiaries, Allianz Ayudhya General Insurance Plc, My Health Services (Thailand) Limited, Aqua Holdings (Thailand) Company Limited and Health Care Management Company Limited and Aetna Thailand entities and an associate, Allianz Ayudhya Assurance Plc.

Company's assets

The Company has invested in a variety of assets including SET's common stocks, Thai IPOs, Thai debt instruments, non-SET assets, investment units, bank deposits and loans.

Investment objectives

The Company's investment objectives are to increase company's revenue by investing in low-risk, secure assets with appropriate and steady returns.

The Company has appointed an investment committee to prescribe ratio of each investment asset. In 2023, the company and its subsidiary have invested in government bonds, common stocks and investment units with returns of interests and dividends.

Subsidiary company's investment assets

The subsidiary company, non-life business can invest, according to Non-life Insurance Act 1992, and must comply with Office of Insurance Commission's regulations on Non-life Insurance Company's Other Business Investments 2013.

Attachment 5: Corporate Governance Policy and Code of Conduct full versions

The Company refers the full versions of Corporate Governance Policy and Code of Conduct, underlying Section 6. Corporate Governance Policy, Section 7. Corporate Governance Structure and Section 8. Key Performance of Corporate Governance, including Company's website at https://www.ayud.co.th/en_TH/investor-relations/good-corporate-governance.html

Attachment 6: Report of the Audit Committee

The Audit Committee has duties and responsibilities as assigned by the Board of Directors as specified in the Audit Committee Charter and in accordance with criteria from regulators.

As of December 31, 2023, the Audit Committee comprises three independent directors as follows

1. Mr. Suwat Laicharoensup Chairman of the Audit Committee
2. Mr. Vichit Kornvityakoon Audit Committee Member
3. Mr. Narong Chulajata Audit Committee Member

Mrs. Wannaporn Ngamsukhonratana, Senior Director Country Internal Audit Function, is the Secretary of the Audit Committee.

Financial Reports

The quarterly and annual consolidated and separate financial statements of the Company were reviewed by the Management, accounting executives, and the Company's external auditors to ensure that the financial statements were completed under generally accepted accounting principles and that the information disclosure was adequate, accurate, and complete. The reviews covered the accounting policy as well as significant changes.

Internal Control and Compliance with the laws

The Company's internal control system was reviewed to ensure its efficiency and compliance with governing laws and regulations, including those of the Securities and Exchange Commission and The Stock Exchange of Thailand, as relevant to the Company's business based on audit reports by the Company's external auditors and the internal audit of its subsidiary that provides internal audit services to the Company. The results of the review on the internal controls over the information technology systems performed by the external auditors were considered; the Company's risk management, the good corporate governance practices, and the report on internal controls and risk management disclosed in the annual report were also reviewed.

The Audit Committee attended an annual meeting with the external auditors without the Company's Management on matters to be acknowledged by the Audit Committee with regard to their performance and independence in conducting the reviews and audits as well as in compliance with Section 89/25 of the Securities and Exchange Act (No. 4) BE 2551 (2008) as well as to acknowledge and advise on the findings of the financial statement reviews and audits. During the reviews, the external auditors reported to the Audit Committee that no fraud, law violations, or significant issues which might adversely impact the internal controls were found.

Transactions with possible conflict of interest

Connected party transactions and transactions that might be considered as conflicts of interest were reviewed to ensure that they were conducted in compliance with all relevant laws and regulations and that adequate disclosures were made. The Audit Committee provided opinions on transactions between the Company and related parties to ensure that these transactions were made under the normal course of business and were transparent as well as fair to all concerned parties.

Supervising the internal auditing process

The audit plan and manpower to ensure adequacy of resources in conducting audits were considered. The audit results on the Company's activities, where relevant, were reported to the Audit Committee.

In addition, the Audit Committee considered and ratified improvements and developments of the roles of internal audit with appropriate responsibilities pertinent to the business environment and evolving risks in information technology and anti-corruption policy, as well as independence in carrying out its duties.

Audit Committee Charter

The Audit Committee performed its duties and responsibilities as stipulated in the Audit Committee Charter independently, cautiously, and transparently. The Audit Committee received effectively without limitation information and proper cooperation from the Management.

Supervising the processes in regarding to anti-corruption measures

The Audit Committee oversaw the process relating to anti-corruption policy and measures, reviewing compliance procedures on anti-corruption measures and internal controls as well as assessing the risks involved related to the anti-corruption policy through reports from senior management, internal audit reports, and those from external parties.

Reports regarding documents prepared for the risk assessment of corruption risks and internal controls were signed off by the Board of Directors before submitting to Thailand's Private Sector Collective Action Coalition Against Corruption Council (CAC).

Risk Management

The Audit Committee evaluated the Company's risk management process. The Subsidiary's Risk Management Committee, which comprised executives from each department of the Company, its subsidiary, and its associated company, supports the Board of Directors in risk supervision related to the Company's business operations, to ensure that it operates within the risk appetite and consistent with the vision, mission, strategy, and business goals so that the Company's objectives are achieved efficiently, effectively and sustainably.

In addition, the Company had risk management practices and guidelines for strategic risk, insurance risk, market risk, liquidity risk, operational risk, reputation risk and credit risk. Therefore, it could be assumed that the Company had implemented concrete measures to mitigate various risks.

External Auditor Selection

The Audit Committee considered and proposed to the Board of Directors on the selection of auditors and determined their annual audit fees for the Annual General Meeting approval. In addition, the Audit Committee was to consider and approve the rendering of non-audit services from the auditor firm or its subsidiary, if any.

There was no provision of other non-audit services from the auditor firm or its subsidiary during the year.

Suwat Laicharoensup
(Mr. Suwat Laicharoensup)
Chairman of the Audit Committee
February 28, 2024

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2023

Independent Auditor's Report

To the shareholders of Allianz Ayudhya Capital Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Allianz Ayudhya Capital Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of claim reserves</p> <p>Refer to Note 7, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to claim reserves and Note 21, claim reserves in consolidated financial statements</p> <p>Claim reserves of Baht 2,581.07 million composed of reported claim reserves not yet settled, claim payable, and claims incurred but not reported (IBNR), as well as claims handling reserve and payable.</p> <p>I focused on the valuation of claim reserves because of the size of the liability and inherent uncertainty when assessing the claims that had been incurred as of the end of the year. Estimation process therefore involved complexity and the significant judgements that management needed to make to estimate the related balance.</p> <p>Management hired the external actuarial specialist to calculate the claim reserves for the Group. The key assumptions that underpinned the reserve calculations included the expected ultimate loss ratio and the loss development factor by types of insurances. The valuation of claim reserves depended on complete and accurate data about the number of claims, claim amounts and the pattern of historical claims since these were often used to form expectations about future claims.</p>	<p>My key audit procedures in relation to the claim reserves included:</p> <ul style="list-style-type: none">• Obtained an understanding of the process to estimate claim reserves and setting processes in accordance with actuarial methodology.• Assessed the design and tested operating effectiveness of key controls around the claims handling and claim reserves setting processes.• Evaluated the competence, capabilities and objectivity of the actuary, who was management's expert.• Evaluated whether the Group's actuarial methodologies were consistent with those used in the industry and prior year. Obtained an understanding of the assumptions involved when determining the valuation of claim reserves. I evaluated the reasonableness of management's significant assumptions by comparing weighted average ultimate loss ratios in the past with the expected loss ratio used by the Group's actuary and investigated any significant differences.• Tested the completeness of data used in the actuarial reserving calculations by reconciling with data in accounting system.• Engaged auditor's actuarial specialists to carry out independent modelling to assess if the Group's best estimate of gross and net claims reserves fell into estimated reasonable ranges for selected types of insurance. Auditor's actuarial specialists' estimates of outstanding claims reserves were based on a statistical data of the claims process.• Assessed the adequacy of Insurance contract liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. <p>Based on all of the above procedures, I considered the management's assumptions used for valuation of claim reserves were reasonable based on available evidences.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Assessment of goodwill impairment</p> <p>Refer to Note 7, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to goodwill and Note 17, goodwill in consolidated financial statements</p> <p>The Group had goodwill of Baht 1,926 million as at 31 December 2023 which related to cash generating units in insurance. The Group is required to, at least annually, test goodwill for impairment.</p> <p>I focused on this area due to the fact that goodwill balance was around 8.34 % of total consolidated assets and the forecasts of cash flows each year involved significant management's judgement, which was based on various assumptions that were affected by expected future market and economic conditions.</p> <p>For the year ended 31 December 2023, the management performed an impairment assessment over the goodwill balance by:</p> <ol style="list-style-type: none"> 1. Calculating the value in use for each Cash Generating Unit ("CGU") using a discounted cash flow model. The model used cash flows (revenues and expenses) for each CGU for 5 years, with constant terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the weighted average cost of capital (WACC). The key assumptions were disclosed in Note 17. 2. Comparing the resulting value in use of each CGU to their respective book values. 	<p>My key audit procedures in relation to the assessment of goodwill impairment included:</p> <ul style="list-style-type: none"> • Understood and evaluated the composition of cash flow forecasts and calculation process, including test the mathematical accuracy of the management's underlying calculations. • Compared cash flow forecasts with the budget and approved business plan and other evidences supporting the plan. • Assessed management's key assumptions used in the forecasts by comparing them to historical results and economic and industry outlook by comparing with the observable data in the industry. The assumptions also included the business growth rate and expense forecasts. • Reviewed parameters used to determine the discount rate applied. • Assessed management on the adequacy of their sensitivity calculations over all their CGUs. The valuation of goodwill was sensitive to changes in key assumptions such as revenue growth and discount rate, in case they were not achieved, could reasonably be expected to give rise to impairment charge in the future. • Evaluated the adequacy of the disclosures made in notes of the financial statements, including those regarding the key assumptions and sensitivity of those assumptions. <p>Based on all of the above procedures, I considered management's key assumptions used in assessing the goodwill impairment were reasonable based on available evidences.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
29 February 2024

Allianz Ayudhya Capital Public Company Limited
Statement of Financial Position
As at 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Assets					
Cash and cash equivalents, net	8	949,161	1,660,377	30,396	171,696
Premium due and uncollected, net	9	1,268,249	1,191,227	-	-
Accrued investment income		19,742	16,641	6,795	308
Reinsurance assets	10	2,183,165	1,983,484	-	-
Amounts due from reinsurers	11	438,832	354,944	-	-
Receivable from sale of securities		-	426	-	426
Financial assets measured at fair value through profit or loss	12	-	-	211,572	205,148
Financial assets measured at fair value through other comprehensive income	12	-	-	884,947	43,198
Investments in securities, net	13	7,988,226	6,963,055	-	-
Investment in an associate	14	6,640,166	6,480,922	5,455,863	5,455,863
Investment in a subsidiaries	14	-	-	5,699,783	5,699,783
Property, plant and equipment, net	15	57,709	65,565	1,611	1,627
Right-of-use asset, net	16	184,252	189,669	-	-
Goodwill	17	1,926,096	1,926,096	-	-
Intangible assets, net	18	261,680	172,388	4,520	5,189
Deferred tax assets, net	19	534,902	470,587	-	-
Prepaid commission expenses		62,457	102,108	-	-
Other assets, net	20	576,978	335,061	16,933	14,821
Total assets		23,091,615	21,912,550	12,312,420	11,598,059

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya Capital Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Liabilities					
Insurance contract liabilities	21	7,361,349	7,231,783	-	-
Amounts due to reinsurers	22	1,219,649	967,655	-	-
Payable from purchase of securities		-	1	-	1
Employee benefit obligations	23	181,140	158,542	-	-
Premium written received in advance		199,217	244,338	-	-
Commission and brokerage payables		140,953	148,452	-	-
Accrued expenses		536,814	521,802	11,257	30,340
Lease liabilities	24	193,574	193,546	-	-
Deferred tax liabilities, net	19	-	-	6,127	2,746
Other liabilities	25	634,523	587,208	8,933	9,766
Total liabilities		10,467,219	10,053,327	26,317	42,853
Equity					
Share capital	26				
Authorised share capital					
463,473,361 ordinary shares of 1 Baht each		463,473	463,473	463,473	463,473
Issued and paid-up share capital					
389,266,931 ordinary shares of 1 Baht each		389,267	389,267	389,267	389,267
Premium on share capital		10,066,331	10,066,331	10,066,331	10,066,331
Retained earnings					
Appropriated					
Legal reserve	27	66,200	50,000	50,000	50,000
Unappropriated		2,938,154	2,479,121	1,784,968	1,062,464
Other components of equity					
Surplus (Deficit) on investments measured at fair value through other comprehensive income		(4,231)	41,616	(4,463)	(12,856)
Share of other comprehensive loss in an associate		(831,325)	(1,167,112)	-	-
Total equity		12,624,396	11,859,223	12,286,103	11,555,206
Total liabilities and equity		23,091,615	21,912,550	12,312,420	11,598,059

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya Capital Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenues					
Gross premiums written		10,236,806	8,031,778	-	-
<u>(Less)</u> Premiums ceded		(2,189,938)	(1,830,002)	-	-
Net premiums written		8,046,868	6,201,776	-	-
<u>Add (Less)</u> Unearned premium reserve decreased (increased) from previous period		(7,568)	150,149	-	-
Net premiums earned		8,039,300	6,351,925	-	-
Fees and commission income		505,660	467,161	-	-
Net investment income		123,327	87,247	1,199,985	1,291,858
Gain (loss) on investments	30	(2,613)	(96,313)	6,424	7,567
Share of profit on investment in an associate	14	607,983	981,916	-	-
Service income		38,086	22,157	-	-
Other income (expense)		12,296	12,104	3	(61)
Total revenues		9,324,039	7,826,197	1,206,412	1,299,364
Expenses					
Gross claim paid		5,411,273	4,222,280	-	-
<u>(Less)</u> Claim recovered from reinsurers		(528,221)	(387,886)	-	-
Net claim paid		4,883,052	3,834,394	-	-
Commission and brokerage expenses		1,198,240	1,142,710	-	-
Other underwriting expenses		1,129,757	968,966	-	-
Cost of service		2,796	1,313	-	-
Operating expenses	31	1,086,199	997,724	25,775	71,480
Finance cost		7,025	6,968	-	-
Impairment (Reversal)		(4,976)	(172,699)	-	-
Expected credit loss (Reversal)	33	(120)	(1,491)	7	(950)
Total expenses		8,301,973	6,777,885	25,782	70,530
Profit before income tax		1,022,066	1,048,312	1,180,630	1,228,834
Income tax expense	34	(89,064)	(43,585)	(1,283)	(38,439)
Net profit		933,002	1,004,727	1,179,347	1,190,395

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya Capital Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other comprehensive income (loss)					
Items that will not be subsequently reclassified to profit or loss					
Gain (loss) on revaluation of equity securities measured at fair value through other comprehensive income		-	-	4,054	(25,415)
Loss on sale of equity securities transferred to retained earnings		-	-	6,617	58,791
Actuarial loss on defined employee benefits plans		(5,581)	(3,313)	-	-
Share of other comprehensive income (loss) in an associate	14	(2,188)	17,435	-	-
Income tax related to items that will not be subsequently reclassified to profit or loss		1,554	(2,824)	(2,134)	(6,675)
Total items that will not be subsequently reclassified to profit or loss		(6,215)	11,298	8,537	26,701
Items that will be subsequently reclassified to profit or loss					
Loss on revaluation of investments measured at fair value through other comprehensive income		(64,371)	(225,355)	-	-
Loss on sale of investment transferred to profit or loss		7,062	155,579	-	-
Loss on revaluation of debt instruments measured at fair value through other comprehensive income		-	-	(180)	(14,400)
Share of other comprehensive income (loss) in an associate	14	419,734	(3,996,527)	-	-
Income tax on items that will be subsequently reclassified to profit or loss		(72,485)	813,261	36	2,880
Total items that will be subsequently reclassified to profit or loss		289,940	(3,253,042)	(144)	(11,520)
Other comprehensive income (loss) for the year, net of income tax		283,725	(3,241,744)	8,393	15,181
Total comprehensive income (loss) for the year		1,216,727	(2,237,017)	1,187,740	1,205,576
Earnings per share					
Basic earnings per share (Baht)	35	2.40	2.58	3.03	3.06
Weighted average number of ordinary shares (Thousand shares)		389,267	389,267	389,267	389,267

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya Capital Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2023

	Consolidated financial statements						
	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Retained earnings		Other components of equity		Total equity Thousand Baht
			Legal reserve Thousand Baht	Unappropriated Thousand Baht	Change in fair value of investments measured at fair value through other comprehensive income Thousand Baht	Share of other comprehensive income (loss) of an associate Thousand Baht	
Balance as at 1 January 2022	389,267	10,066,331	50,000	3,790,996	97,437	2,030,109	16,424,140
Dividend paid	-	-	-	(2,300,578)	-	-	(2,300,578)
Net profit	-	-	-	1,004,727	-	-	1,004,727
Other comprehensive income (loss)							
Actuarial loss on defined employee benefits plans - net of tax	-	-	-	(2,650)	-	-	(2,650)
Loss on revaluation of investments measured at fair value through other comprehensive income - net of tax	-	-	-	-	(180,284)	-	(180,284)
Loss on sale of investment transferred to profit or loss - net of tax	-	-	-	(27,322)	124,463	-	97,141
Share of other comprehensive income (loss) of an associate - net of tax (Note 14)	-	-	-	13,948	-	(3,197,221)	(3,183,273)
Balance as at 31 December 2022	389,267	10,066,331	50,000	2,479,121	41,616	(1,167,112)	11,859,223
Balance as at 1 January 2023	389,267	10,066,331	50,000	2,479,121	41,616	(1,167,112)	11,859,223
Dividend paid	-	-	-	(451,554)	-	-	(451,554)
Net profit	-	-	-	933,002	-	-	933,002
Transfer of unappropriated retained earnings to legal reserve	-	-	16,200	(16,200)	-	-	-
Other comprehensive income (loss)							
Actuarial loss on defined employee benefits plans - net of tax	-	-	-	(4,465)	-	-	(4,465)
Loss on revaluation of investments measured at fair value through other comprehensive income - net of tax	-	-	-	-	(51,497)	-	(51,497)
Loss on sale of investment transferred to profit or loss - net of tax	-	-	-	-	5,650	-	5,650
Share of other comprehensive income (loss) of an associate - net of tax (Note 14)	-	-	-	(1,750)	-	335,787	334,037
Balance as at 31 December 2023	389,267	10,066,331	66,200	2,938,154	(4,231)	(831,325)	12,624,396

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya Capital Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2023

	Separate financial statements					
	Retained earnings				Other components of equity	
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Financial asset measured at fair value through other comprehensive income	Total equity
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at 1 January 2022	389,267	10,066,331	50,000	2,219,669	(28,037)	12,697,230
Dividend paid (Note 29)	-	-	-	(2,300,568)	-	(2,300,568)
Net profit	-	-	-	1,190,395	-	1,190,395
Other comprehensive income (loss)						
Financial assets measured at fair value through other comprehensive income - net of tax	-	-	-	-	(31,851)	(31,851)
Realised loss from sale of financial assets measured at fair value through other comprehensive income transferred to retained earnings - net of tax	-	-	-	(47,032)	47,032	-
Balance as at 31 December 2022	389,267	10,066,331	50,000	1,062,464	(12,856)	11,555,206
Balance as at 1 January 2023	389,267	10,066,331	50,000	1,062,464	(12,856)	11,555,206
Dividend paid (Note 29)	-	-	-	(451,549)	-	(451,549)
Net profit	-	-	-	1,179,347	-	1,179,347
Other comprehensive income (loss)						
Financial assets measured at fair value through other comprehensive income - net of tax	-	-	-	-	3,099	3,099
Realised loss from sale of financial assets measured at fair value through other comprehensive income transferred to retained earnings - net of tax	-	-	-	(5,294)	5,294	-
Balance as at 31 December 2023	389,267	10,066,331	50,000	1,784,968	(4,463)	12,286,103

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya Capital Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2023

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Note	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities				
Direct premium received	9,762,048	7,816,478	-	-
Cash received from service income	3,291	9,112	-	-
Cash paid to reinsurance	(766,529)	(561,286)	-	-
Other income	44,673	44,703	-	-
Loss incurred from direct insurance	(5,457,637)	(4,144,139)	-	-
Commission and brokerage paid from direct insurance	(1,156,457)	(1,106,250)	-	-
Cash paid from medical service	(2,815)	(2,133)	-	-
Other underwriting expenses	(1,205,310)	(1,042,987)	-	-
Operating expenses	(927,496)	(914,134)	(47,621)	(45,144)
Income tax expense	(166,318)	(89,603)	-	-
Cash received from financial assets	5,215,095	10,277,864	15,225	4,108,183
Cash paid for financial assets	(6,334,066)	(5,562,139)	(850,675)	(8,766)
Cash received from investment in subsidiary	-	436,680	-	-
Cash received for deposits at bank with maturity over 3 months and deposits used as collateral	196,531	179,367	-	-
Cash paid for deposits at bank with maturity over 3 months and deposits used as collateral	(171,531)	(169,531)	-	-
Net cash flow provided by (used in) operating activities	(966,521)	5,172,002	(883,071)	4,054,273
Cash flows from investing activities				
<u>Cash flows provided</u>				
Interest income	127,540	109,287	11,592	40,875
Dividend income	782,933	826,085	1,181,729	1,267,849
Cash received from selling property, plant and equipment	1,232	246	-	-
Cash received from loan to related party	-	-	-	170,000
<u>Cash flows used</u>				
Cash paid for investment in subsidiary	-	(3,127,404)	-	(3,127,404)
Cash paid for loan to related party	-	-	-	(170,000)
Cash paid for purchasing property, plant and equipment	(20,412)	(9,212)	-	-
Cash paid for purchasing intangible assets	(124,913)	(93,885)	-	-
Net cash flow provided by (used in) investing activities	766,380	(2,294,883)	1,193,321	(1,818,680)
Cash flows from financing activities				
<u>Cash flows provided</u>				
Cash received from Loan	300,000	-	-	-
<u>Cash flows used</u>				
Dividend paid	29 (451,554)	(2,300,577)	(451,549)	(2,300,568)
Cash paid for loan repayment	(300,000)	(162,729)	-	-
Cash paid for lease liability	(46,306)	(39,282)	-	-
Cash paid for finance cost	(13,208)	(9,299)	-	-
Net cash flow used in financing activities	(511,068)	(2,511,887)	(451,549)	(2,300,568)

The accompanying notes are an integral part of these financial statements.

Allianz Ayudhya Capital Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Net increase (decrease) in cash and cash equivalents		(711,209)	365,232	(141,299)	(64,975)
Cash and cash equivalents as at 1 January		1,660,377	1,295,374	171,696	236,672
Cash and cash equivalents as at 31 December		949,168	1,660,606	30,397	171,697
<u>(Less)</u> Allowance for expected credit loss		(7)	(229)	(1)	(1)
Cash and cash equivalents, net as at 31 December	8	<u>949,161</u>	<u>1,660,377</u>	<u>30,396</u>	<u>171,696</u>
<u>Non-cash transactions</u>					
Payable from purchase of securities		-	1	-	1
Receivable from sale of securities		-	426	-	426
Write-off work-in-progress computer software		18	3,287	-	-
Acquisition of right-of-use assets under lease contracts	16	48,636	50,068	-	-
Change in right-of-use assets under lease contracts from lease modification and reassessments	16	(42,084)	(2,437)	-	-

The accompanying notes are an integral part of these financial statements.

1 General information

Allianz Ayudhya Capital Public Company Limited (the “Company”) is a public limited company which listed on The Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

Ploenchit Tower, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The ultimate parent company is Allianz SE which was incorporated in Germany.

The principal business operations of the Company are an investment holding company.

The Company has subsidiary companies, Allianz Ayudhya General Insurance Public Company Limited., Aqua Holdings (Thailand) Limited, Health Care Management Co., Ltd and My Health Services (Thailand) Co., Ltd., which mainly operate non-life insurance business, investment business and service business, holding by 99.96%, 99.80%, 99.89% and 99.90% respectively.

The Company and its subsidiary are subsequently referred as “the Group”.

The consolidated and separate financial statements were authorised for issue by the board of directors on 29 February 2024.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. In addition, the financial statements presentation is based on the formats of non-life insurance financial statements attached in an Office of Insurance Commission’s Notification “Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for non-life insurance company B.E. 2566” dated on 8 February 2023 (‘OIC Notification’).

These consolidated financial statements include the financial statements of Allianz Ayudhya Capital Public Company Limited, Allianz Ayudhya General Insurance Public Company Limited, Aetna Health Insurance (Thailand) Public Company Limited, My Health Services (Thailand) Co., Ltd., Aqua Holdings (Thailand) Limited, Health Care Management Co., Ltd and Minor Health Enterprise Ltd. Significant transactions for the year ended 31 December 2023 and balances between the Company and the subsidiary have been eliminated.

The accounting period and significant accounting policies used for the consolidated financial statements of the Group is the same as those of the Company except the temporary exemption from compliance with TFRS 9, Financial Instruments and TFRS 7, Financial Instruments: Disclosures under TFRS 4 (revised 2018), Insurance Contracts and apply the ‘financial instruments and disclosure for insurance companies’ accounting guidelines (‘Accounting Guidance’).

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.1 Financial reporting standards that are effective, but the Group elected to apply temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments.

The Group passes criteria and elect to apply temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts. The Group applies the 'Financial Instruments and Disclosure for Insurance Companies' accounting guidelines' ('The Accounting Guidance') for financial statement preparation.

For assessment of impact if the Company applied TFRS 9 - Financial Instruments, financial assets of the Company are separated into (i) financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) in accordance with TFRS 9 and are not held for trading or managed on fair value basis and (ii) all financial assets other than those specified in (i).

The following table shows the fair value and change in fair value of these two groups of financial assets:

	Consolidated financial statements			
	2023		2022	
	Fair value	Change in	Fair value	Change in
	Thousand Baht	Fair value	Thousand Baht	Fair value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets				
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	9,376,869	605,439	8,771,430	(106,110)
Cash flows that are not solely payments of principal and interest on the principal amount outstanding on specified dates	235	(1)	236	(2)
Financial assets which the performance is evaluated based on fair value.	45,774	10,518	35,256	4,837
Other financial assets	56,756	(46,907)	103,663	(1,202,710)

As of 31 December 2023 and 2022, financial assets qualifying as SPPI includes debt securities, other receivables, accrued investment income and cash and cash equivalents whereas the remaining includes equity securities.

Certain financial assets included within the financial statements, including amount due from reinsurance and premium receivables amounting to Baht 1,707.08 million are not included above. (2022: Baht 1,546.17 million)

3 New and amended financial reporting standards

3.1 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024.

- a) **Amendment to IAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to IAS 8 - Accounting policies, changes in accounting estimates and errors** revised the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- c) **Amendments to TAS 12 - Income taxes**
- c.1) Companies must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

- c.2) Companies must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2021, the OECD released the Pillar Two model rules to apply the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the rules' scope must calculate the GloBE effective tax rates for each territory in which they operate and pay a top-up tax for the differences between these and the 15% minimum rate.

In December 2023, the amendments to TAS 12 provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

Earlier application is permitted

- d) **Amendment to Accounting Guidance related to financial instruments and disclosures applicable to insurance business** revised the disclosures in '*material* accounting policies' to align with Amendment to TAS 1 - Presentation of financial statements.

The following amended TFRSs were not mandatory for the current reporting period and the Group has not early adopted them. The Group's management is currently assessing the impact on the amendments of these standards.

3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2025 and have significant impacts on the Group.

- a) **TFRS 17 Insurance Contracts** TFRS 17 has replaced TFRS 4 Insurance Contracts.

It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under TFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

Adopting TFRS 17, the Group can choose to recognise any cumulative negative impacts from insurance contract liabilities in retained earnings by applying the straight-line method, using no more than a three-year period from the transition date.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

4 Accounting policies

4.1 Principles of consolidation accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

d) **Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4.2 Insurance contract classification

The Group has classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk.

An insurance contract is a contract under which the Group (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Once a contract is classified as an insurance contract, it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

However, the contract that has financial risk to the Group but has no insurance risk is not classified as insurance contract.

Short term insurance contracts are insurance contract which the term of contract is less than 1 year.

Long term insurance contracts are insurance contract which the term of contract is more than 1 year or less than 1 year or equal to 1 year which have automatic approve of renewal which the Group cannot terminate and cannot increase or decrease of premium including of change in other benefit throughout the contract term.

4.3 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in consolidated financial statements

4.4 Foreign currency transactions

a) **Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When the gains or losses on a non-monetary item is recognised in other comprehensive income, any exchange component of gain or loss on non-monetary item is also recognised in other comprehensive income. Where as when the gains or losses on a non-monetary item is recognised in profit or loss, any exchange component of gain or loss on non-monetary item is also recognised in profit or loss.

4.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and not subjected to withdrawal restrictions.and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

4.6 Premium due and uncollected and allowance for doubtful debt

Premiums receivable are carried at its net realisable value. The Group sets up an allowance for doubtful accounts based on the estimated loss that may be incurred in collection of the premium due, on the basis of collection experience and a review of current status of the premium due as at the Statement of Financial Position date. Bad debts are written off during the year in which they are identified.

4.7 Reinsurance assets

Reinsurance assets are stated at insurance reserve refundable from reinsurers.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium reserve and loss reserve and outstanding claims.

4.8 Due to and due from reinsurers

- a) Amount due from reinsurance are stated at the outstanding balance of amount due from reinsurers and amounts deposit on reinsurance.

Amounts due from reinsurers consist of accrued commission and brokerage income, claims and various other items receivable from reinsurers less allowance for doubtful accounts. The Group records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting year.

- b) Amounts due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims.

4.9 Financial asset

a) Classification

Separate financial statements

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

Consolidated financial statements

The Group classifies its financial assets depending on the purpose of investment as follows:

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

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.

b) Recognition and derecognition

Regular way purchases, acquisitions and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Separate financial statements

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in gains/(losses) on investments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for 1) the recognition of impairment losses or gains, 2) interest income using the effective interest method, and 3) foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gains/(losses) on investments. Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within gains/(losses) on investments in the period in which it arises.

Consolidated financial statements

There are three measurement categories to classify the investments in securities:

- **Amortised cost:** Investments in securities that are held to maturity are measured at amortised cost. Interest income from these investments in securities is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in gains/(losses) on investments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Investments in securities that the Group intends to either hold for an indefinite period or sell in response to the needs of the Group's liquidity or change in interest rate are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss.

When the Investments in securities are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gains/(losses) on investments. Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.

- **FVPL:** Investments in securities that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss that is subsequently measured at FVPL is recognised in profit or loss and presented net within gains/(losses) on investments in the period in which it arises.

Equity instruments

Separate financial statements

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as net investment income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in gains/(losses) on investments in the statement of profit or loss.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

Consolidated financial statements

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as net investment income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

Consolidated and separate financial statements

The Group and Company present its investments in Property Fund unit trusts / Real Estate Investment Trust units / Infrastructure Fund units / Infrastructure Trust units (the trust) established and registered in Thailand as equity investments and measures them at FVOCI and FVPL, respectively following the TFAC's clarification, "Interpretation of investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand" dated 25 June 2020. The trust and fund are required to distribute benefits of not less than 90% of its adjusted net profit.

d) Impairment

Consolidated and separate financial statements

The Group and Company assess expected credit loss on a forward looking basis for its debt securities carried at fair value through other comprehensive income and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group and Company always account 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. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of 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 equal to full lifetime expected credit losses is to be recognised.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

Consolidated financial statements

In addition, the Group assesses the impairment of equity instruments and unit trusts measured at FVOCI by considering supporting factors that the Group might not recover the cost of investment in equity. The Group also consider for a significant or prolonged decline in the fair value of an investment in equity instruments below its cost or net book value of the entity that the Group held the investment. The Group will immediately recognise impairment for equity instruments and unit trust which carried at fair value through other comprehensive income in profit or loss if there is existence of objective evidence that lead the instruments to be devalued.

4.10 Loans

Loans are stated at their principal amount less allowance for doubtful accounts, if any. The Group estimates the allowance for doubtful accounts based on an analysis of payment histories, future expectation of each customer payments and the valuation of the assets pledged.

4.11 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any).

The cost of building improvement and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the items, and restoring the site on which it is located, the obligation for which the Group incurs either when the item is acquired or as a consequence of having used the item during a particular the year.

The cost of replacing a part of an item of building improvement and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of building improvement and equipment are recognised in profit or loss as incurred.

Land is not depreciated. Depreciation is calculated based on the depreciable amount of property, plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of assets or each component of an item of assets. The estimated useful lives are as follows:

Buildings	20 years
Leasehold improvement	5 - 10 years
Office equipment, furniture and fixtures	5 - 9 years
Vehicles	5 years
Computer equipment	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains and losses in the statements of comprehensive income.

4.12 Goodwill

Subsequent to the initial recognition, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments - non-life insurance business.

4.13 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortisation and impairment losses (if any).

Amortisation is charged to the statement of profit or loss on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computer software	3 - 10 years
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Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

4.14 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.15 Leases

Leases - where the Group is the lessee

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 Group. 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.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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 payments 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 office equipment.

4.16 Insurance liabilities

a) Unearned premium reserve

Unearned premium reserve is set aside in compliance with the basis as specified in the Notification of the Office of Insurance Commission as follows:

Fire, Marine (Hull), Motor, Health and Personal accident and Miscellaneous	- Daily average basis (the one - three hundred sixth five basis)
Transportation (Cargo), travelling accident with coverage periods of not over six-months	- 100% of premiums as from the effective date of the inforce policies over the insurance coverage period

b) Loss reserve and outstanding claims

Loss reserve and outstanding claims have been provided upon receipt of claim advices from the insured and recorded at the amount appraised by an independent appraiser or by the Group's appraiser. In addition, the Group records a provision for losses incurred but not yet reported (IBNR) which assessed by certified actuary.

c) Unexpired risk reserve

Unexpired risks reserves are the best estimate of the claims that are expected be incurred during the remaining period of coverage of in-force policies, based on analysis of historical claims data by an actuary.

Unexpired risk reserves are only recognised in the financial statements to the extent that they exceed unearned premium reserves.

d) Liability adequacy test

The liability of the Group under insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims. Provisions for insurance, claims are assessed based on the Group's experience and historical data which use actuarial methods. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognised in profit or loss.

4.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.18 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care - revise as appropriate that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Provident fund

The Group has a provident fund which is contributory by the employee and the Group matching the individuals' contributions. The provident fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987). The Group's contribution to the Fund is recorded as expense for the year.

c) Employee benefit obligations

The Group provides for employee benefit obligations, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an actuary using the projected unit credit method. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other factor. Actuarial gains or losses will be recognized in the statement of profit or loss and other comprehensive income in the period to which they are related. The costs associated with providing these benefits are charged to the statement of profit or loss and other comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

d) Long service award

The Group has long service award compensation according to the years of service with the Company. The years of service will be counted since the first working day. The awarded employee must be the Group's employee on the benefit pay out date.

4.19 Share-based compensation

Allianz SE is the Ultimate Parent Company of the Group, which has offered share-based compensation plans for the Group's employees. The Group has received services from employees in exchange of Allianz SE's shares, by considering the conditions prescribed by Allianz SE.

The Group receives services from employees as consideration for equity instruments (options) of the Group companies. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The obligation from share-based payment is presented under "Employee benefits obligation" on the statement of financial position.

4.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.21 Share capital

Ordinary shares and premium on ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

4.22 Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Group (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

4.23 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

4.24 Recognition of revenues and expenses

4.24.1 Premium written

For insurance policies with coverage period for one year, premium income is recognised on the date the insurance policy is effective after deducting premium ceded and premium cancelled and refunded. For long-term insurance policies which coverage periods is longer than one year, related revenues and expenses are recorded as unearned and prepaid items which recognised as income and expenses over the coverage annual.

4.24.2 Reinsurance premium

Reinsurance premium income is recognised when the Group receives the reinsurance application or statement of accounts from the ceding company. Reinsurance profit commissions are recognised when the subsidiary receives the statement of accounts from the reinsurers.

4.24.3 Commission and brokerage income

Commission and brokerage income are recognised as income on an accrual basis.

4.24.4 Interest and dividend income

Interest income is recognised as income on an accrual basis. Dividend income are recognised as income on the declaration date.

4.24.5 Service income

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

4.24.6 Claim and loss adjustment expenses

Claim and loss adjustment expenses consist of claim and loss adjustment expenses of direct insurance and reinsurance of both reported claims and not reported claims, and are stated at the amounts of the claims, related expenses, and claim adjustments of the current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claim and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Group's management. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claim and loss adjustment expenses of reinsurance are recognised when the reinsurer places the loss advice with the Group.

4.24.7 Claim recovery from reinsurers

Claim recovery from reinsurers is recognised when claim and loss adjustment expenses are recorded. They are estimated as proportion and condition relevant to reinsurance contracts. The Group presents the claim recoverable amount as a deduction from gross claims.

4.24.8 Commissions and brokerages and other expenses

Commissions and brokerages and other expenses are recognised as expenses on an accrual basis.

4.25 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

5 Insurance and financial risk management

5.1 Insurance risk

a) Insurance risk management policy

The Group's managements take a responsibility to make a strategic decisions and pre-planned with clear steps to be taken so that the process of translating strategy into implementation is appropriate actionable, timely reaction to change and situations.

Insurance risk means the fluctuation of the frequency, extent of damage, and number of events that is out of the standard assumption used in establishing rate of insurance, calculations for insurance contract liabilities, and underwriting considerations. The Group examines thoroughly the level of risks that is acceptable to take by referring to the insurance underwriting manual and insurance rates included the consideration to ensure that there is no concentrated risk by way of geography or by type of risks. If the risks exceed the defined level, the Group extends the risks to reinsurers by proportional reinsurance agreed terms.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The key elements of the Group's insurance risk management framework are as below.

Product Design and Development and Price Structure

In developing any new non-life insurance product, considerations are given to the range of coverage as well as applying actuarial science methods to calculate insurance rates. This is to ensure that products are competitive and sufficient in covering for claims. Monitoring procedures and evaluations for each product are regularly conducted in order to make appropriate improvements in coverage and/or pricing.

Underwriting strategy

The underwriting strategy is set out in an annual business plan that establishes the classes of business to be written, the business to be written and the industry sectors to be written. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business risk, scope and industry in order to ensure appropriate risk selection within the portfolio.

Reinsurance strategy

The Group has a combination of proportionate and non-proportionate reinsurance treaties. In term of significant exposure loss, reinsurer is responsible for claim as specified in the agreement to limit the net exposure loss to the Group.

The Group sets the minimum security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The Group's management monitors developments in the reinsurance programme and its ongoing adequacy.

b) Concentration insurance risk

Concentrations of risk may where a particular event or a series of events could impact heavily upon the Group's insurance contract liabilities.

The Group sets out the total aggregate exposure that it is prepared to accept in relation to general insurance risk concentrations. It monitors these exposures both at the time of underwriting a risk and on a monthly basis by reviewing reports which show the key aggregations to which the Group is exposed. A number of additional stress and scenario tests are run during the year to identify risk concentrations.

The following table shows the Group's exposure to concentration of insurance contract liabilities per category of business.

	Fire Thousand Baht	Marine Thousand Baht	Motor Thousand Baht	Health and personal accident Thousand Baht	Miscellaneous Thousand Baht	Total Thousand Baht
31 December 2023						
Gross	50,543	105,039	758,686	482,288	1,184,509	2,581,065
Net of reinsurance	42,702	65,303	757,824	479,286	178,156	1,523,271
31 December 2022						
Gross	125,475	165,368	683,912	414,552	1,288,248	2,677,555
Net of reinsurance	90,384	122,751	677,219	414,552	296,048	1,600,954

5.2 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the Group's Risk Management Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools by Risk Management Committee.

5.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk consists of three types of risks: foreign exchange risk, interest rate risk and price risk.

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risks, primarily the US dollar and Euro from insurance premium and reinsurance with foreign insurance companies that are denominated in foreign currencies. The Group has no forward exchange contract to reduce the exposure. However, the management believes that the Group has no significant effect.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	Consolidated financial statements		
	2023		
	US Dollar	Euro	SG Dollar
	Thousand Baht	Thousand Baht	Thousand Baht
Cash and cash equivalents	174	-	-
Accrued expense	-	121,246	4,233
	Consolidated financial statements		
	2022		
	US Dollar	Euro	SG Dollar
	Thousand Baht	Thousand Baht	Thousand Baht
Cash and cash equivalents	176	-	-
Accrued expense	-	50,284	3,969

Foreign exchange risk sensitivity analysis

The Group calculated the impact on the sensitivity of exchange rates. However, the management considered that the Group has no significant effect.

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b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of financial instruments and cash flows will fluctuate due to changes in market interest rates. The Group's investments include both short-term and long-term investments with the return of both floating rate and fixed rate. The Group manage the risk by considering the risk of investments together with the return on such investments.

As at 31 December 2023 and 2022, significant financial assets and financial liabilities classified by type of interest rate and maturity date were as follows:

		Consolidated financial statements								
		2023								
		Variable interest rate			Fixed interest rate			Non-interest bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a)
		Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht			
Financial assets										
Cash and cash equivalents		10,046	-	-	893,050	-	-	46,072	949,168	0.00-4.84
Investment in securities										
Government and state enterprise securities		3,763,937	1,623,831	-	-	-	-	-	5,387,768	0.00-4.75
Private debt securities		505,132	1,828,037	-	-	-	-	235	2,333,404	0.97-5.28
Deposits at bank with maturity over 3 months		164,531	-	-	-	-	-	-	164,531	1.15
		4,443,646	3,451,868	-	893,050	-	-	46,307	8,834,871	
Financial liabilities										
Lease liabilities		37,499	140,218	15,857	-	-	-	-	193,574	1.80-4.15
		37,499	140,218	15,857	-	-	-	-	193,574	
		Consolidated financial statements								
		2022								
		Variable interest rate			Fixed interest rate			Non-interest bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a)
		Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht			
Financial assets										
Cash and cash equivalents		899,658	-	-	684,271	-	-	76,677	1,660,606	0.00-1.00
Investment in securities										
Government and state enterprise securities		2,864,599	1,676,627	1,046	-	-	-	-	4,542,272	0.65-5.50
Private debt securities		372,046	1,316,731	-	-	-	-	236	1,689,013	0.97-5.28
Deposits at bank with maturity over 3 months		593,030	-	-	-	-	-	-	593,030	0.3-2.05
		4,729,333	2,993,358	1,046	684,271	-	-	76,913	8,484,921	
Financial liabilities										
Lease liabilities		44,925	112,769	35,852	-	-	-	-	193,546	1.68-3.97
		44,925	112,769	35,852	-	-	-	-	193,546	

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Separate financial statements									
2023									
Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate	
Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years				
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Financial assets									
Cash and cash equivalents	10,046	-	-	17,040	-	-	3,311	30,397	0.00-4.84
Investment in securities									
Government and state enterprise securities	831,346	1,020	-	-	-	-	-	832,366	0.00-2.875
Private debt securities	20,064	19,838	211,337	-	-	-	235	251,474	2.05-6.10
	861,456	20,858	211,337	17,040	-	-	3,546	1,114,237	
Separate financial statements									
2022									
Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate	
Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years				
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Financial assets									
Cash and cash equivalents	119,864	-	-	40,218	-	-	11,615	171,697	0.00-0.30
Investment in securities									
Government and state enterprise securities	-	-	1,046	-	-	-	-	1,046	2.875
Private debt securities	5,017	19,908	204,912	-	-	-	236	230,073	2.05-6.1
	124,881	19,908	205,958	40,218	-	-	11,851	402,816	

Interest rate sensitivity

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and higher or lower interest expenses from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase or decrease in the fair value of the cash flow hedges of borrowings and the fair value of debt investments at fair value through other comprehensive income.

The table below shows the interest sensitivity for the financial assets and financial liabilities held as at reporting date.

Consolidated financial statements				
Impact to net profit		Impact to other components of equity		
2023	2022	2023	2022	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Interest rate - increase 1%*	8,848	6,686	(89,332)	(76,633)
Interest rate - decrease 1%*	(3,530)	(2,366)	91,742	76,034

* Holding all other variables constant

Separate financial statements				
Impact to net profit		Impact to other components of equity		
2023	2022	2023	2022	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Interest rate - increase 1%*	170	402	(2,508)	(716)
Interest rate - decrease 1%*	(170)	(402)	2,529	735

* Holding all other variables constant

c) **Equity price risk**

Exposure

The Group's exposure to equity securities price risk arises from equity instruments held by the Group which are classified either as at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL).

The Group manages the capital risk by establishing guideline of investment policy and written investment plan. The guideline sets the framework and investment direction for the year by specifying the limitation in all types and levels of investments based on targeted rate of returns and liquidity by setting both internal investment limits and compliance to the Office of Insurance Commission.

Equity price risk sensitivity

The Group calculated the impact on the sensitivity of equity price. However, the management considered that the Group has no significant effect.

Net profit for the period would increase or decrease as a result of gains/losses on equity instrument carried at fair value through profit or loss (FVPL). Other components of equity would increase or decrease as a result of gains/losses on equity instrument carried at fair value through other comprehensive income (FVOCI).

5.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation including the change in one party's credit rating.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL).

a) **Risk management**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

b) **Impairment of financial assets**

The Group has 3 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Other receivables
- Investment in debt instruments measured at amortised cost; and FVOCI

Forward-looking economic information is also included in determining the next 12 months or over the remaining lifetime.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Cash and cash equivalents

The Group considers that cash and cash equivalent have low credit risk, So the Group considered credit rating of bank institutes from reliable organisation.

The loss allowance for cash and cash equivalents as at 31 December reconciles to opening loss allowance as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
As at 1 January	229	6	1	1
Increase from Business Acquisition	-	151	-	-
Increase (decrease) in loss allowance recognised in profit or loss during the year	(222)	72	-	-
As at 31 December	7	229	1	1

Debt instruments

The Group considers that all debt investments measured at amortised cost and FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include debenture assets, zero coupon bonds and listed corporate bonds.

The loss allowance for other financial assets measured at amortised cost as at 31 December reconciles to opening loss allowance as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
As at 1 January	179	27	-	-
Increase from Business Acquisition	-	337	-	-
Increase (decrease) in loss allowance recognised in profit or loss during the year	(172)	(185)	-	-
As at 31 December	7	179	-	-

Debt instruments measured at fair value through other comprehensive income

Debt investments measured at fair value through other comprehensive income (FVOCI) include listed and unlisted debt securities. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

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The loss allowance for FVOCI as at 31 December reconciles to opening loss allowance as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
As at 1 January	331	1,709	2	952
Increase (decrease) in loss allowance recognised in profit or loss during the year	274	(1,378)	7	(950)
As at 31 December	605	331	9	2

Financial asset measured at fair value through profit or loss

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

The maximum exposure to credit risk of the financial asset

The exposure to credit risk equals their carrying amount in the statement of financial position as at reporting date.

5.2.3 Liquidity risk

Liquidity risk, is the risk that the Group will encounter difficulty to settle the obligation related to financial liabilities which must be settled in cash or other financial assets.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 897 million (2022: Baht 699 million) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

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Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity of financial liabilities	Consolidated financial statements				
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
As at 31 December 2023					
Lease liabilities	-	44,382	153,872	16,042	214,296
Other payables	235,518	-	-	-	235,518
Total financial liabilities that is not derivatives	235,518	44,382	153,872	16,042	449,814
As at 31 December 2022					
Lease liabilities	-	44,925	112,769	35,852	193,546
Other payables	185,544	-	-	-	185,544
Total financial liabilities that is not derivatives	185,544	44,925	112,769	35,852	379,090
Maturity of financial liabilities	Separate financial statements				
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
As at 31 December 2023					
Other payables	68	-	-	-	68
Total financial liabilities that is not derivatives	68	-	-	-	68
As at 31 December 2022					
Other payables	260	-	-	-	260
Total financial liabilities that is not derivatives	260	-	-	-	260

5.3 Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets to reduce debt and comply with the requirements of the Office of Insurance Commission.

6 Fair value

6.1 Fair value estimation

The following table shows fair values of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Consolidated financial statements				
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2023					
<i>Financial assets measured at fair value</i>					
Investments in securities					
Debt securities	45,774	6,160,439	-	6,206,213	6,206,213
Equity securities	-	56,756	-	56,756	56,756
Total	45,774	6,217,195	-	6,262,969	6,262,969
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	949,161	949,161	949,161
Investments at amortised cost	-	-	1,725,257	1,725,257	1,725,257
Accrued investment income	-	-	19,742	19,742	19,742
Others	-	-	522,491	522,491	522,491
Total	-	-	3,216,651	3,216,651	3,216,651
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	193,574	193,574	193,574
Others	-	-	235,518	235,518	235,518
Total liabilities	-	-	429,092	429,092	429,092

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	Consolidated financial statements				
	Fair value through profit or loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Amortised cost	Total carrying amount	Fair value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2022					
<i>Financial assets measured at fair value</i>					
Investments in securities					
Debt securities	35,256	4,783,853	-	4,819,109	4,819,109
Equity securities	-	103,663	-	103,663	103,663
Total	35,256	4,887,516	-	4,922,772	4,922,772
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	1,660,377	1,660,377	1,660,377
Investments at amortised cost	-	-	2,040,283	2,040,283	2,040,283
Accrued investment income	-	-	16,641	16,641	16,641
Others	-	-	270,104	270,104	270,104
Total	-	-	3,987,405	3,987,405	3,987,405
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	193,546	193,546	193,546
Others	-	-	185,544	185,544	185,544
Total liabilities	-	-	379,090	379,090	379,090

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	Separate financial statements				
	Fair value through profit or loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Amortised cost	Total carrying amount	Fair value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2023					
<i>Financial assets measured at fair value</i>					
Debt securities	211,572	872,268	-	1,083,840	1,083,840
Equity securities	-	12,679	-	12,679	12,679
Total	211,572	884,947	-	1,096,519	1,096,519
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	30,396	30,396	30,396
Accrued investment income	-	-	6,795	6,795	6,795
Others	-	-	16,827	16,827	16,827
Total	-	-	54,018	54,018	54,018
<i>Financial liabilities not measured at fair value</i>					
Others	-	-	68	68	68
Total liabilities	-	-	68	68	68

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	Separate financial statements				
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehens ive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2022					
<i>Financial assets measured at fair value</i>					
Debt securities	205,148	25,971	-	231,119	231,119
Equity securities	-	17,227	-	17,227	17,227
Total	205,148	43,198	-	248,346	248,346
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	171,696	171,696	171,696
Accrued investment income	-	-	308	308	308
Others	-	-	14,729	14,729	14,729
Total	-	-	186,733	186,733	186,733
<i>Financial liabilities not measured at fair value</i>					
Others	-	-	260	260	260
Total liabilities	-	-	260	260	260

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The following table presents fair value of financial assets and liabilities recognised by their fair value hierarchy.

	Consolidated financial statements			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 31 December 2023				
Financial assets				
Investments in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	6,160,439	-	6,160,439
Equity securities	-	-	56,756	56,756
Investments designated at fair value through profit or loss				
Debt securities	45,774	-	-	45,774
Total financial assets	45,774	6,160,439	56,756	6,262,969
As at 31 December 2022				
Financial assets				
Investments in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	4,783,853	-	4,783,853
Equity securities	9,799	-	93,864	103,663
Investments designated at fair value through profit or loss				
Debt securities	35,256	-	-	35,256
Total financial assets	45,055	4,783,853	93,864	4,922,772

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	Separate financial statements			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 31 December 2023				
Financial assets				
Investments measured at fair value through other comprehensive income				
Debt securities	-	872,268	-	872,268
Equity securities	-	-	12,679	12,679
Investments designated at fair value through profit or loss				
Debt securities	-	235	211,337	211,572
Total financial assets	-	872,503	224,016	1,096,519
As at 31 December 2022				
Financial assets				
Investments measured at fair value through other comprehensive income				
Debt securities	-	25,971	-	25,971
Equity securities	9,799	-	7,428	17,227
Investments designated at fair value through profit or loss				
Debt securities	-	236	204,912	205,148
Total financial assets	9,799	26,207	212,340	248,346

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price by reference to the Stock Exchange of Thailand the Frankfurt Stock Exchange.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments - discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2023

	Consolidated financial statements	Separate financial statements	
	Unlisted equity securities Thousand Baht	Private debt securities Thousand Baht	Unlisted equity securities Thousand Baht
As of 1 January 2022	77,034	210,106	6,696
Gains (losses) recognised in other comprehensive income	16,830	(5,194)	732
As of 31 December 2022	93,864	204,912	7,428
Gains (losses) recognised in other comprehensive income	(37,108)	6,425	5,251
As of 31 December 2023	56,756	211,337	12,679

Transfer between fair value hierarchy

During the year ended 31 December 2023 and 2022, there is no significant change in economic condition or business that effect to fair value of the Group's financial assets and there is no change in financial asset classification.

There was no transfer between levels during the year and there was no change in valuation techniques during the year.

The Group's valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable input of fair value hierarchy level 3 is risk adjusted discount rate. It is estimated based on public companies' weighted average cost of capital that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract. The Group has subscriptions to information brokers to gather such information.

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

7.1 Goodwill impairment

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 17. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

7.2 Impairment of premium receivable and amount due from reinsurers

The Group sets an allowance for doubtful accounts and amount due from reinsurers to reflect impairment of premium due, uncollected receivables and claim recoveries from reinsurer. The allowance for doubtful accounts and amount due from reinsurers are based on collection experience and a review of current status of the premium due as at the date of statement of financial position.

7.3 Reinsurance assets estimation

Reinsurance assets are determined from estimation using the same methods as the estimation of claims incurred but not yet reported by insured (Note 4.16) and the unearned premium reserve calculation. The reinsurance assets are assessed at the period end date to ensure that the amount shown in financial statement reflects the expected amount to be received in the future by taking into account the credit rating of reinsurance company and the contractual terms of reinsurance contracts.

7.4 Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Group considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Group's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from year to year may have a material impact on the Group's reported financial position and results of operations.

7.5 Loss reserve and outstanding claims

The Group determines the loss reserves and outstanding claims in accordance with survey information, and also reviews the outstanding claims at the end of each reporting date which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

There are 3 major methods to estimate the ultimate loss which are Chain Ladder, Bornhuetter-Ferguson and Expected Loss Ratio. The most appropriate method for each product category was selected based on actuarial judgement for both gross and net of reinsurance basis.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the original liability established.

7.6 Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, with reference to historical data and the best estimates available at the time.

7.7 Liability adequacy test

At the end of each reporting period, the Group assesses the adequacy of Insurance contract liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. If the assessment shows that the carrying amount of Insurance contract liabilities less related deferred acquisition cost is inadequate when compared to the estimated future cash flows. The liabilities is increased by the deficiency and it is charged to profit or loss.

7.8 Employee benefits obligations

Employee benefits obligations are determined by independent actuary. The amount recognised in the statement of financial position is determined on an estimation basis utilising various assumptions including the rate of salary inflation and employee turnover. Any change in these assumptions will impact the estimation for employee benefits. On an annual basis the Group determines the appropriate assumptions, which represents the provision expected to be required to settle the employee benefits.

7.9 Fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 6.

7.10 Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

7.11 Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

7.12 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

8 Cash and cash equivalents, net

Cash and cash equivalents as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cash on hand	820	887	-	-
Cheque on hand	40,776	60,678	-	-
Deposits at bank - at call	897,526	699,383	20,351	51,833
Short-term investments	10,046	899,658	10,046	119,864
Total	949,168	1,660,606	30,397	171,697
<u>Less</u> Allowance for expected credit loss	(7)	(229)	(1)	(1)
Total	949,161	1,660,377	30,396	171,696

9 Premiums due and uncollected, net

As at 31 December 2023 and 2022, the balances of premiums due and uncollected were aged as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Within credit terms	1,016,844	976,957
Overdue:		
Less than 30 days	120,583	114,956
31 - 60 days	54,897	39,675
61 - 90 days	27,863	24,500
Over 90 days	75,455	64,959
Total	1,295,642	1,221,047
<u>Less</u> Allowance for doubtful accounts	<u>(27,393)</u>	<u>(29,820)</u>
Premiums due and uncollected, net	1,268,249	1,191,227

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

10 Reinsurance assets

Reinsurance assets as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Insurance reserve refundable from reinsurers		
Loss reserves	1,057,795	1,076,601
Premium reserve		
Unearned premium reserve	1,125,370	906,883
Total reinsurance assets (Note 21)	2,183,165	1,983,484

11 Amount due from reinsurers

Amount due from reinsurers as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Amount deposit on reinsurance	-	3
Due from reinsurers	438,832	354,941
Total amount due from reinsurers	438,832	354,944

Aging analyses for due from reinsurers as at 31 December 2023 and 2022 were as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Within credit terms	224,297	177,965
Not over 12 months	161,827	123,509
Over 1 year to 2 years	39,738	42,736
Over 2 years	16,541	14,331
<u>Less</u> Allowance for doubtful accounts	(3,571)	(3,600)
Total reinsurance receivable	438,832	354,941

12 Financial assets

Financial asset - Debt and equity securities as at 31 December 2023 and 2022 were as follows;

	Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Financial assets measured at fair value through profit or loss		
Private debt securities	211,572	205,148
Total financial asset measured at fair value through profit or loss	211,572	205,148
Financial assets measured at fair value through other comprehensive income		
Government and state enterprise debt securities	832,366	1,046
Private debt securities	39,902	24,925
Local equity securities	12,679	17,227
Total financial assets measured at fair value through other comprehensive income	884,947	43,198

On 30 July 2021, the Company invested in the 10-year subordinated bond with maturity date on 30 July 2031 issued by subsidiary amounting to Baht 200 million with the fixed interest rate at 6.10% per annum.

12.1 Financial assets at fair value through profit or loss

a) **Classification of financial assets at fair value through profit or loss**

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has irrevocably not elected at initial recognition to recognise fair value gains and losses through OCI.

b) **Amounts recognised in profit or loss**

The following gains/(losses) were recognised in profit or loss during the year as follows:

	Separate financial statements	
	2023	2022
	Thousand	Thousand
	Baht	Baht
Fair value gains (losses) on debt instruments at FVPL recognised in gains (losses) on investments	6,424	(5,196)

For the information about the methods and assumptions used in determining fair value refer to Note 5.2.1 c). Information about the group's exposure to price risk is provided in Note 6.

12.2 Financial assets at fair value through other comprehensive income

a) **Classification of financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.
- debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

b) Amounts recognised in profit or loss and other comprehensive income

The following gains/(losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Gains (losses) recognised in other comprehensive income	3,874	(39,815)
Gains reclassified from other comprehensive income to profit or loss on the sale of investments at FVOCI in OCI to other gain (losses)	-	1,989
Interest income from debt investments at FVOCI recognised in profit or loss	1,345	8,636
Dividends from equity investments at FVOCI recognised in profit or loss	135	6,959
Expected credit losses for debt investments at FVOCI recognised in profit or loss (expected credit losses/lifetime expected credit loss) (Note 5.2.2)	(7)	950

Significant acquisitions and disposals during the year

During the year 2023, the Group did not acquired listed securities measured at FVOCI and the Group disposed listed securities measured at FVOCI in the amount of Baht 9.91 million.

During the year 2022, the Company acquired and disposed listed securities measured at FVOCI in the amount of Baht 8.32 million and Baht 371.42 million, respectively.

c) Expected credit loss

	Separate financial statements	
	2023	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	872,268	(9)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	872,268	(9)

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	Separate financial statements 2022	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	25,971	(2)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	25,971	(2)

13 Investments in securities, net

The details of investments in securities as at 31 December 2023 and 2022 are as follows:

	Consolidated financial statements 2023	
	Cost / Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	25,094	45,774
<u>Add</u> Unrealised gain	20,680	-
Total investments designated at fair value through profit or loss	45,774	45,774
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	3,847,744	3,827,035
Private debt securities	2,348,580	2,333,404
Equity securities	39,376	56,756
Total	6,235,700	6,217,195
<u>Less</u> Unrealised loss	(18,505)	-
Total investments measured at fair value through other comprehensive income	6,217,195	6,217,195
Investments measured at amortised cost		
Government and state enterprise debt securities	1,560,733	
Deposits at financial institutions with original maturities more than 3 months	164,531	
Total	1,725,264	
<u>Less</u> Allowance for expected credit loss	(7)	
Total investments measured at amortised cost	1,725,257	
Total investments in securities, net	7,988,226	

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	Consolidated financial statements 2022	
	Cost / Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	25,203	35,256
<u>Add</u> Unrealised gain	10,053	-
Total investments designated at fair value through profit or loss	35,256	35,256
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	3,101,217	3,094,840
Private debt securities	1,697,477	1,689,013
Equity securities	54,594	103,663
Total	4,853,288	4,887,516
<u>Add</u> Net unrealised gain	34,228	-
Total investments measured at fair value through other comprehensive income	4,887,516	4,887,516
Investments measured at amortised cost		
Government and state enterprise debt securities	1,447,432	
Deposits at financial institutions with original maturities more than 3 months	189,530	
Deposits at banks used as collateral	403,500	
Total	2,040,462	
<u>Less</u> Allowance for expected credit loss	(179)	
Total investments measured at amortised cost	2,040,283	
Total investments in securities, net	6,963,055	

13.1 Investment designated at fair value through profit or loss

a) **Amounts recognised in profit or loss**

The following gains (losses) were recognised in profit or loss during the year as follows:

	Consolidated financial statements	
	2023	2022
	Thousand Baht	Thousand Baht
Fair value gains on debt securities measured at FVPL recognised in profit (loss)	10,627	1,956

13.2 Investment measured at fair value through other comprehensive income

a) Amounts recognised in profit or loss and other comprehensive income

The following gains (losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Gains (losses) recognised in other comprehensive income	(64,371)	(225,355)
Gains (losses) reclassified from other comprehensive income to profit or loss on the sale of investments at FVOCI in OCI to other gain (losses)	7,062	155,579
Interest income from debt investments at FVOCI recognised in profit or loss	99,199	63,348
Dividends from equity investments at FVOCI recognised in profit or loss	157	6,979
Expected credit losses for debt and equity investments at FVOCI recognised in profit or loss (Note 5.2.2)	(274)	1,378

Significant acquisitions and disposals during the year

During the year 2023, the Group did not acquired listed securities measured at FVOCI and the Group disposed listed securities measured at FVOCI in the amount of Baht 9.91 million.

During the year 2022, the Group acquired and disposed listed securities measured at FVOCI in the amount of Baht 8.32 million and Baht 371.42 million, respectively.

b) Expected credit loss

	Consolidated financial statements 2023	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	6,160,439	(605)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	6,160,439	(605)

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	Consolidated financial statements	
	2022	
	Fair value	Expected credit loss recognised in other comprehensive income
	Thousand Baht	Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	4,783,853	(331)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	4,783,853	(331)

c) The maturity of investment measured at fair value through other comprehensive income

The details of investment measured at fair value through other comprehensive income for the year ended 31 December 2023 and 2022 are aged as follows:

	Consolidated financial statements							
	2023				2022			
	Maturing within			Total Thousand Baht	Maturing within			Total Thousand Baht
1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	1 year Thousand Baht		1 - 5 years Thousand Baht	Over 5 years Thousand Baht		
Investments measured at fair value through other comprehensive income								
Government and state enterprise securities*	2,210,179	1,637,565	-	3,847,744	1,818,092	1,282,055	1,070	3,101,217
Private enterprise securities	506,231	1,842,349	-	2,348,580	371,756	1,325,721	-	1,697,477
Total	2,716,410	3,479,914	-	6,196,324	2,189,848	2,607,776	1,070	4,798,694
Less Unrealised losses	(7,839)	(28,046)	-	(35,885)	(2,225)	(12,592)	(24)	(14,841)
Total investments measured at fair value through other comprehensive income	2,708,571	3,451,868	-	6,160,439	2,187,623	2,595,184	1,046	4,783,853

* As at 31 December 2023, the Group had government securities amounting to Baht 15.43 million (2022: Baht 15.92 million) pledged with the Registrar in accordance with the Insurance Act (No.2) B.E. 2551 (Note 39).

13.3 Investment measured at amortised cost

a) Expected credit loss

	Consolidated financial statements		
	2023		
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	1,725,264	(7)	1,725,257
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	1,725,264	(7)	1,725,257
	Consolidated financial statements		
	2022		
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,040,462	(179)	2,040,283
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	2,040,462	(179)	2,040,283

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b) **The maturity of investment measured at amortised cost**

The details of investment measured at amortised cost are aged for the year ended 31 December 2023 and 2022 as follows:

	Consolidated financial statements							
	2023				2022			
	Maturing within			Total	Maturing within			Total
	1 year	1 - 5 years	Over		1 year	1 - 5 years	Over	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Investments measured at amortised cost								
Government and state enterprise securities	1,560,733	-	-	1,560,733	1,049,257	398,175	-	1,447,432
Deposits at banks used as collateral	-	-	-	-	403,500	-	-	403,500
Deposits at financial institutions with original maturities more than 3 months*	164,531	-	-	164,531	189,530	-	-	189,530
Total	1,725,264	-	-	1,725,264	1,642,287	398,175	-	2,040,462
<u>Less</u> Expected credit loss	(7)	-	-	(7)	(179)	-	-	(179)
Total investments measured at amortised cost	1,725,257	-	-	1,725,257	1,642,108	398,175	-	2,040,283

* As at 31 December 2023, the Group had no deposits at financial institutions with original maturities more than 3 months (2022: Baht 3.50 million) pledged with the Registrar in accordance with the Insurance Act (No.2) B.E. 2551 (Note 39).

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For the year ended 31 December 2023 and 2022, the Group and the Company has investment income as below:

- Interest income amounting to Baht 129.64 million and Baht 18.80 million, respectively (2022: Baht 81.70 million and Baht 27.18 million, respectively).
- Dividend income amounting to Baht 0.16 million and Baht 1,181.73 million, respectively (2022: Baht 15.85 million and Baht 1,267.85 million, respectively).
- Consideration from selling investments amounting to Baht 9.91 million and Baht 9.91 million, respectively (2022: Baht 2,638.55 million and Baht 2,638.55 million, respectively) and loss from selling investments amounting to Baht 5.29 million and Baht 5.29 million, respectively (2022 : Baht 12.76 million and Baht 12.76 million, respectively).

As at 31 December 2023, certain government and state enterprise securities and deposits at bank with maturity over 3 months of the Group and the Company were pledged and used for assets reserved with the Registrar amounting to Baht 931.31 million and Baht 1.02 million, respectively (2022: Baht 883.93 million and Baht 1.05 million, respectively) (Note 39).

As at 31 December 2023, certain government and state enterprise securities and deposits at bank with maturity over 3 months of the Group were pledged with the Registrar in accordance with Insurance Act (No.2) B.E. 2551 amounting to Baht 15.43 million (2022: Baht 19.42 million) (Note 39).

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14 Investments in a subsidiaries and an associate

14.1 Investments in a subsidiaries

As at 31 December 2023 and 2022, the Group has subsidiaries included in consolidated financial statement are listed below. The subsidiaries have ordinary shares and preference Share in which the Group directly and indirectly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Company name	Nature of business	Place of incorporation and operation	Separate financial statements									
			Paid-up capital		Direct Shareholding percentage		Indirect Shareholding percentage		Direct and Indirect Shareholding percentage		Cost	
			2023 Thousand Baht	2022 Thousand Baht	2023 Percentage	2022 Percentage	2023 Percentage	2022 Percentage	2023 Percentage	2022 Percentage	2023 Thousand Baht	2022 Thousand Baht
Subsidiary company												
Allianz Ayudhya General Insurance Public Company Limited	Non-life Insurance	Thailand	2,568,800	2,548,800	66.10	99.99	33.86	-	99.96	99.99	3,371,729	2,572,379
Aqua Holdings (Thailand) Limited	Investment holding company	Thailand	100	100	99.80	99.80	-	-	99.80	99.80	2,043	2,043
Minor Health Enterprise Ltd.	Investment holding company	Thailand	-	1,250	-	25.00	-	74.85	-	99.85	-	1,506,406
Health Care Management Co., Ltd	Investment holding company	Thailand	9,425	8,175	45.57	48.99	54.32	50.91	99.89	99.90	2,326,011	819,605
Aetna Health Insurance (Thailand) Public Company Limited	Non-life Insurance	Thailand	-	20,000	-	25.00	-	74.90	-	99.90	-	799,350
My Health Services (Thailand) Co., Ltd.	Health Service	Thailand	141,500	141,500	0.01	0.01	99.89	99.89	99.90	99.90	0.03	0.03
Total			2,719,825	2,719,825							5,699,783	5,699,783

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On 1 March 2023, Allianz Ayudhya General Insurance Public Company Limited (“Subsidiary”) was established as a new company by registered with the Department of Business Development, Ministry of Commerce by amalgamation between Allianz Ayudhya General Insurance Public Company Limited and Aetna Health Insurance (Thailand) Public Company Limited. (“Subsidiary”). Consequently, these subsidiaries were ceased to exist on 28 February 2023. All assets and liabilities have been transferred to record as the initial balance of the new Allianz Ayudhya General Insurance Public Company Limited which has a registered capital and paid-up capital of 2,568,800,000 baht, which are 256,880,000 ordinary shares of 10 baht each. The direct and indirect shareholding percentage of the Company in Allianz Ayudhya General Insurance Public Company Limited are 66.10% and 33.86%, respectively, totalling holding percentage is 99.96%.

On 1 June 2023, Health Care Management Co., Ltd (“Subsidiary”) was established as a new company by registered with the Department of Business Development, Ministry of Commerce by amalgamation between Health Care Management Co., Ltd and Minor Health Enterprise Ltd. (“Subsidiary”). Consequently, these subsidiaries were ceased to exist on 31 May 2023. All assets and liabilities have been transferred to record as the initial balance of the new Health Care Management Co., Ltd which has a registered capital and paid-up capital of 14,000,000 baht and 9,425,000 baht, respectively, which are 140,000 ordinary shares of 100 baht each. The direct and indirect shareholding percentage of the Company in Health Care Management Co., Ltd are 45.57% and 54.32%, respectively, totalling holding percentage is 99.89%.

14.2 Investments in an associate

As at 31 December 2023 and 2022, the Company has investment in an associated company as follows:

Company name	Nature of business	Place of incorporation and operation	Consolidated financial statements and separate financial statements					
			Percentage of shareholding		Cost		Carrying value under equity method	
			2023 Percentage	2022 Percentage	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Associate company								
Allianz Ayudhya Assurance Public Company Limited	Life Insurance	Thailand	31.97	31.97	5,455,863	5,455,863	6,640,166	6,480,922

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- a) The movement in investments in an associate for the year ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Book value at the beginning year	6,480,922	9,492,515	5,455,863	5,455,863
Share of profit	607,983	981,916	-	-
Share of other comprehensive loss	334,037	(3,183,273)	-	-
Dividend income	(782,776)	(810,236)	-	-
Book value at the ending year	6,640,166	6,480,922	5,455,863	5,455,863

- b) Summarised financial information for associates

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

	2023 Thousand Baht	2022 Thousand Baht
<i>Summarised of performance</i>		
Revenue	41,077,568	40,865,462
Post-tax profit	1,901,756	3,071,406
Other comprehensive income (loss)	1,044,857	(9,957,193)
Total comprehensive income (loss)	2,946,613	(6,885,787)
Dividend received from associates	782,776	810,236
<i>Summarised of statement of financial position</i>		
Assets	220,630,385	214,483,736
Liabilities	206,082,866	200,434,330
Net assets	14,547,519	14,049,406
Group's share in associates (%)	31.97	31.97
Group's share in associates (Thousand Baht)	6,640,166	6,480,922
Goodwill	-	-
Associates carrying amount	5,455,863	5,455,863

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15 Property, plant and equipment, net

Property, plant and equipment, net as at 31 December 2023 and 2022 consisted of the following.

	Consolidated financial statements											
	2023											
	Cost					Accumulated depreciation					Property, plant and equipment, net	
As at 1 January 2023 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	As at 31 December 2023 Thousand Baht		
Land	1,610	-	-	-	1,610	-	-	-	1,610	1,610		
Building	773	-	-	-	773	(773)	-	(773)	-	-		
Buildings improvements	142,926	1,881	(68,581)	17,410	93,636	(103,859)	(8,638)	57,346	(55,151)	39,067		
Furniture, fixtures and office equipment	182,198	4,759	(60,979)	2,837	128,815	(166,012)	(7,468)	58,879	(114,601)	16,186		
Vehicles	7,097	-	(2,955)	-	4,142	(6,790)	(307)	2,955	(4,142)	307		
Leasehold improvement under installation	8,395	13,772	-	(18,767)	3,400	-	-	-	-	8,395		
Total	342,999	20,412	(132,515)	1,480	232,376	(277,434)	(16,413)	119,180	(174,667)	65,565		
	Consolidated financial statements											
	2022											
	Cost					Accumulated depreciation					Property, plant and equipment, net	
As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	As at 31 December 2022 Thousand Baht
Land	-	-	-	-	1,610	-	-	-	-	-	1,610	1,610
Building	-	-	-	-	773	(773)	-	-	-	(773)	-	-
Leasehold improvement	84,061	941	(11,273)	-	142,926	(41,153)	(64,928)	(8,964)	11,186	(103,859)	28,044	39,067
Furniture, fixtures and office equipment	97,505	2,520	(11,268)	-	182,198	(78,036)	(90,464)	(8,266)	10,754	(166,012)	15,405	16,186
Vehicles	-	-	-	-	7,097	(5,986)	-	(804)	-	(6,790)	1,111	307
Leasehold improvement under installation	1,973	6,885	(463)	-	8,395	-	-	-	-	-	-	8,395
Total	183,539	10,346	(23,004)	-	342,999	(125,948)	(155,392)	(18,034)	21,940	(277,434)	46,170	65,565

The depreciation expense for the year ended 31 December 2023 and 2022 amounting to Baht 14.12 million and Baht 16.28 million, respectively were included in operating expenses and amounting to Baht 2.29 million and Baht 1.76 million, respectively, were included in other underwriting expenses.

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Separate financial statements										
2023										
	Cost			Accumulated depreciation					Property, plant and equipment, net	
	As at 1 January 2023 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	31 December 2023 Thousand Baht
Land	1,610	-	-	1,610	-	-	-	-	1,610	1,610
Building	773	-	-	773	(773)	-	-	(773)	-	-
Leasehold improvement	162	-	-	162	(162)	-	-	(162)	-	-
Furniture, fixtures and office equipment	812	-	-	812	(795)	(16)	-	(811)	17	1
Total	3,357	-	-	3,357	(1,730)	(16)	-	(1,746)	1,627	1,611

Separate financial statements										
2022										
	Cost			Accumulated depreciation					Property, plant and equipment, net	
	As at 1 January 2022 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	31 December 2022 Thousand Baht
Land	1,610	-	-	1,610	-	-	-	-	1,610	1,610
Building	773	-	-	773	(773)	-	-	(773)	-	-
Leasehold improvement	162	-	-	162	(162)	-	-	(162)	-	-
Furniture, fixtures and office equipment	812	-	-	812	(773)	(22)	-	(795)	39	17
Total	3,357	-	-	3,357	(1,708)	(22)	-	(1,730)	1,649	1,627

The depreciation expense for the year ended 31 December 2023 amounting to Baht 0.01 million were included in operating expenses (2022: Baht 0.02 million).

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16 Right-of-use asset, net

Right-of-use asset, net as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements											
	2023											
	Cost			Accumulated amortisation						Right-of-use asset, net		
As at 1 January 2023 Thousand Baht	Increase/ Decrease Thousand Baht	Change in contract Thousand Baht	As at 31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	Amortisation Thousand Baht	Write-off Thousand Baht	Change in contract Thousand Baht	31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	31 December 2023 Thousand Baht
Buildings and improvements	289,991	45,796	(42,084)	293,703	(113,244)	(48,228)	12,720	27,251	(121,501)		176,747	172,202
Vehicles	18,319	2,840	-	21,159	(5,397)	(3,712)	-	-	(9,109)		12,922	12,050
Total	308,310	48,636	(42,084)	314,862	(118,641)	(51,940)	12,720	27,251	(130,610)		189,669	184,252
	Consolidated financial statements											
	2022											
	Cost			Accumulated amortisation						Right-of-use asset, net		
As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Increase / Decrease Thousand Baht	Change in contract Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Amortisation Thousand Baht	Write-off Thousand Baht	Change in contract Thousand Baht	31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	31 December 2022 Thousand Baht
Buildings and improvements	239,027	63,308	(9,907)	(2,437)	289,991	(65,215)	(17,398)	(45,168)	11,150	3,387	(113,244)	173,812
Vehicles	21,652	-	(3,333)	-	18,319	(5,067)	-	(3,663)	3,333	-	(5,397)	16,585
Total	260,679	63,308	(13,240)	(2,437)	308,310	(70,282)	(17,398)	(48,831)	14,483	3,387	(118,641)	190,397

For the year ended 31 December 2023, the Group has lease payments resulting from lease contracts which are not capitalised comprised of short-term contracts amounting to Baht 1.01 million. (2022: nil).

The amortisation expense for the year ended 31 December 2023 and 2022 amounting to Baht 45.17 million and Baht 45.51 million, respectively were included in operating expenses and amounting to Baht 6.77 million and Baht 3.32 million, respectively, were included in other underwriting expenses.

17 Goodwill

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
As 1 January		
Cost	1,926,096	508,877
<u>Less</u> Accumulated impairment	-	-
Net book amount	1,926,096	508,877
For the year ended 31 December		
Opening net book amount	-	508,877
Share holdings between Aetna entities	-	158,497
Acquisition of subsidiary	-	1,258,722
Closing net book amount	1,926,096	1,926,096
At 31 December		
Cost	1,926,096	1,926,096
<u>Less</u> Accumulated impairment	-	-
Net book amount	1,926,096	1,926,096

On 6 May 2022, the Company acquires the Aetna Thailand group entities which comprises of goodwill of Baht 158 million from cross holding between Aetna Thailand group entities and Baht 1,259 million from business acquisition (Note 36).

Goodwill is allocated to a cash generating unit (CGU) identified according to business segment.

A segment-level summary of the goodwill allocation is presented below;

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Goodwill allocation to;		
Allianz General Insurance PCL	-	508,877
Aetna Thailand group entities	-	1,417,219
Allianz Ayudhya General Insurance PCL and related companies	1,926,096	-
Total	1,926,096	1,926,096

Impairment assessment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 7.1. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

As at 31 December 2023, the Group tested impairment of the goodwill and considered that there is no impairment for the goodwill.

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Management determined growth rate from budget based on past performance and its expectations of market development.

The recoverable amount goodwill is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates which are best estimate assumptions.

The key assumptions used for value-in-use calculations are as follows:

Allianz Ayudhya General Insurance PCL and related companies	
Long-term growth rate ¹ (%)	0 - 10
Discount rate ² (%)	8

¹ This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

² Pre-tax discount rate applied to the cash flow projections.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The key assumption that will affect the value in use is discount rate. The management has considered the sensitivity of the change in the discount rate. If the pre-tax discount had been 1% per annum higher than management's estimate, the value in use is still higher than the carrying value and no impairment recognised.

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18 Intangible asset, net

Intangible assets, net as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements												
	2023												
	Cost				Accumulated amortisation					Intangible assets, net			
As at 1 January 2023 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	Amortisation Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	As at 31 December 2023 Thousand Baht			
Computer software	528,087	43,204	(40,335)	62,612	593,568	(377,341)	(34,122)	40,334	(371,129)	150,746	222,439		
Computer software in progress	21,642	81,709	(18)	(64,092)	39,241	-	-	-	-	21,642	39,241		
Total	549,729	124,913	(40,353)	(1,480)	632,809	(377,341)	(34,122)	40,334	(371,129)	172,388	261,680		
	Consolidated financial statements												
	2022												
	Cost				Accumulated amortisation					Intangible assets, net			
As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Increase Thousand Baht	Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Amortisation Thousand Baht	Write off Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	As at 31 December 2022 Thousand Baht	
Computer software	288,579	154,839	38,502	(11,740)	57,907	528,087	(223,558)	(138,338)	(26,587)	11,142	(377,341)	65,021	150,746
Computer software in progress	19,710	16,405	46,721	(3,287)	(57,907)	21,642	-	-	-	-	-	19,710	21,642
Others	11,916	-	-	(11,916)	-	(11,916)	-	-	-	11,916	-	-	-
Total	320,205	171,244	85,223	(26,943)	-	549,729	(235,474)	(138,338)	(26,587)	23,058	(377,341)	84,731	172,388

For the year ended 31 December 2023 and 2022, the amortisation expenses amounting to Baht 31.95 million and Baht 23.19 million, respectively, were included in operating expenses and amounting to Baht 2.17 million and Baht 3.40 million, respectively, were included in other underwriting expenses.

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	Separate financial statements								
	2023								
	Cost			Accumulated amortisation				Intangible assets, net	
	As at 1 January 2023 Thousand Baht	Increase Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	Amortisation Thousand Baht	As at 31 December 2023 Thousand Baht	As at 1 January 2023 Thousand Baht	As at 31 December 2023 Thousand Baht
Computer software	6,743	-	-	6,743	(1,554)	(669)	(2,223)	5,189	4,520
Total	6,743	-	-	6,743	(1,554)	(669)	(2,223)	5,189	4,520
	Separate financial statements								
	2022								
	Cost			Accumulated amortisation				Intangible assets, net	
	As at 1 January 2022 Thousand Baht	Increase Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	Amortisation Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	As at 31 December 2022 Thousand Baht
Computer software	6,743	-	-	6,743	(883)	(671)	(1,554)	5,860	5,189
Total	6,743	-	-	6,743	(883)	(671)	(1,554)	5,860	5,189

For the year ended 31 December 2023, the amortisation expenses amounting to Baht 0.67 million were included in operating expenses (2022: Baht 0.67 million).

19 Deferred tax assets (liabilities), net

Deferred tax assets, net as at 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Deferred tax assets	550,132	492,588	2,570	3,632
Deferred tax liabilities	(15,230)	(22,001)	(8,697)	(6,378)
Deferred tax asset (liabilities),net	534,902	470,587	(6,127)	(2,746)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	245,103	166,155	2,570	3,632
Deferred tax assets to be recovered after 12 months	305,029	326,433	-	-
	550,132	492,588	2,570	3,632
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(15,230)	(22,001)	(8,697)	(6,378)
Deferred tax liabilities to be settled more than 12 months	-	-	-	-
	(15,230)	(22,001)	(8,697)	(6,378)
Deferred tax assets, net	534,902	470,587	(6,127)	(2,746)

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The movements in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements			
	As at 1 January 2023 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other comprehensive income Thousand Baht	As at 31 December 2023 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	5,964	(486)	-	5,478
Allowance for doubtful accounts				
- Other receivable	1,984	349	-	2,333
Allowance for doubtful accounts				
- Reinsurance	720	(6)	-	714
Unearned premium reserve	128,205	(495,636)	-	(367,431)
Unrealised loss on the change in fair value of investment measured at fair value through other comprehensive income	8,453	89	1,645	10,187
Expected credit loss	78	(1,016)	941	3
Claim reserve, net	213,127	(8,949)	-	204,178
Claim incurred but not reported	69,128	(5,385)	-	63,743
Employee benefit obligations	19,547	1,746	1,116	22,409
Share-based benefit obligations	1,951	2,059	-	4,010
Accrued expense	42,288	(4,715)	-	37,573
Loss carried forward	-	563,714	-	563,714
Right of use	981	2,050	-	3,031
Others	162	28	-	190
	492,588	53,842	3,702	550,132
Deferred tax liabilities				
Unrealised gain on transfer investment	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	(1,563)	(2,294)	-	(3,857)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(15,309)	-	8,875	(6,434)
Interest income from not maturity debt securities	(190)	190	-	-
	(22,001)	(2,104)	8,875	(15,230)
Deferred tax assets, net	470,587	51,738	12,577	534,902

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	Consolidated financial statements				
	As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other comprehensive income Thousand Baht	As at 31 December 2022 Thousand Baht
Deferred tax assets					
Allowance for doubtful accounts					
- Premium due and uncollected	4,169	4,999	(3,204)	-	5,964
Allowance for doubtful accounts					
- Other receivable	192	2,274	(482)	-	1,984
Allowance for doubtful accounts					
- Reinsurance	871	-	(151)	-	720
Unearned premium reserve	77,765	83,694	(33,254)	-	128,205
Unrealised loss on the change in fair value of investment measured at fair value through other comprehensive income	27,086	-	(880)	(17,753)	8,453
Expected credit loss	6	-	(34,744)	34,816	78
Claim reserve, net	125,987	31,862	55,278	-	213,127
Claim incurred but not reported	44,735	20,537	3,856	-	69,128
Employee benefit obligations	15,629	3,603	(348)	663	19,547
Share-based benefit obligations	297	-	1,654	-	1,951
Accrued expense	28,857	29,425	(15,994)	-	42,288
Loss carried forward	98,755	-	(98,755)	-	-
Right of use	-	(2,432)	3,413	-	981
Others	1,934	588	(2,360)	-	162
	426,283	174,550	(125,971)	17,726	492,588
Deferred tax liabilities					
Unrealised gain on transfer investment	(4,939)	-	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	(1,327)	-	(236)	-	(1,563)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(19,912)	(1)	882	3,722	(15,309)
Interest income from not maturity debt securities	-	(459)	269	-	(190)
	(26,178)	(460)	915	3,722	(22,001)
Deferred tax assets, net	400,105	174,090	(125,056)	21,448	470,587

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	Separate financial statements			
	As at 1 January 2023	Transactions recognised in profit or loss	Transactions recognised in other comprehensive income	As at 31 December 2023
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred tax assets				
Unrealised loss on the change in fair value of financial assets measured at fair value through other comprehensive income	3,632	-	(1,062)	2,570
Expected credit loss	-	2	(2)	-
	<u>3,632</u>	<u>2</u>	<u>(1,064)</u>	<u>2,570</u>
Deferred tax liabilities				
Unrealised gain on transfer financial assets	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	(1,021)	(1,285)	-	(2,306)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(418)	-	(1,034)	(1,452)
	<u>(6,378)</u>	<u>(1,285)</u>	<u>(1,034)</u>	<u>(8,697)</u>
Deferred tax liabilities, net	<u>(2,746)</u>	<u>(1,283)</u>	<u>(2,098)</u>	<u>(6,127)</u>

	Separate financial statements			
	As at 1 January 2022	Transactions recognised in profit or loss	Transactions recognised in other comprehensive income	As at 31 December 2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred tax assets				
Unrealised loss on the change in fair value of financial assets measured at fair value through profit or loss	13,407	(13,407)	-	-
Unrealised loss on the change in fair value of financial assets measured at fair value through other comprehensive income	13,397	-	(9,765)	3,632
Expected credit loss	-	(190)	190	-
Loss carried forward	26,762	(26,762)	-	-
	<u>53,566</u>	<u>(40,359)</u>	<u>(9,575)</u>	<u>3,632</u>
Deferred tax liabilities				
Unrealised gain on transfer financial assets	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	(2,941)	1,920	-	(1,021)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(6,197)	-	5,779	(418)
	<u>(14,077)</u>	<u>1,920</u>	<u>5,779</u>	<u>(6,378)</u>
Deferred tax assets (liabilities), net	<u>39,489</u>	<u>(38,439)</u>	<u>(3,796)</u>	<u>(2,746)</u>

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20 Other assets, net

Other assets as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other receivables	16,730	12,304	3	3
<u>Less</u> Allowance for doubtful accounts	(188)	(188)	-	-
Other receivables, net	16,542	12,116	3	3
Claim service receivables	368,606	153,589	-	-
Revenue Department receivable	105,051	94,334	14,309	12,202
Withholding tax receivable	20,999	2,666	1,522	1,523
Prepaid expenses	16,865	17,901	26	14
Due from rice field insurance scheme	4,856	652	-	-
Accrued loss recovery	-	17,190	-	-
Deposits	11,541	16,661	51	51
Undue input value added tax	21,225	12,553	29	27
Others	11,293	7,399	993	1,001
Total	576,978	335,061	16,933	14,821

21 Insurance contract liabilities

Insurance contract liabilities as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements		
	2023		
	Insurance contract liabilities	Insurance liabilities recovered from reinsurers	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Claim reserves			
Loss incurred and reported	2,188,709	(984,153)	1,204,556
Loss incurred but not reported	392,356	(73,641)	318,715
Total	2,581,065	(1,057,794)	1,523,271
Premium reserve			
Unearned premium reserve	4,780,284	(1,125,371)	3,654,913
Total	7,361,349	(2,183,165)	5,178,184

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	Consolidated financial statements		
	2022		
	Insurance contract liabilities	Insurance liabilities recovered from reinsurers	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Claim reserves			
Loss incurred and reported	2,230,464	(975,145)	1,255,319
Loss incurred but not reported	447,091	(101,456)	345,635
Total	2,677,555	(1,076,601)	1,600,954
Premium reserve			
Unearned premium reserve	4,554,228	(906,883)	3,647,345
Total	7,231,783	(1,983,484)	5,248,299

21.1 Insurance reserve for short-term insurance contract

21.1.1 Claim reserves

	Consolidated financial statements		
	2023		
	Gross	Reinsurance	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at beginning year	2,677,555	(1,076,601)	1,600,954
Claim and loss adjustment expenses incurred during the year	5,216,863	(606,391)	4,610,472
Change in claim reserves and assumptions used in loss reserve calculation	22,653	72,412	95,065
Loss paid during the year	(5,336,006)	552,786	(4,783,220)
Balance as at ending year	2,581,065	(1,057,794)	1,523,271
	Consolidated financial statements		
	2022		
	Gross	Reinsurance	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at beginning year	2,243,746	(1,255,210)	988,536
Increase from Business Acquisition	380,148	-	380,148
Claim and loss adjustment expenses incurred during the year	4,818,459	(587,559)	4,230,900
Change in claim reserves and assumptions used in loss reserve calculation	(200,676)	215,606	14,930
Loss paid during the year	(4,564,122)	550,562	(4,013,560)
Balance as at ending year	2,677,555	(1,076,601)	1,600,954

Maturity analysis of claim reserves expected to be paid is as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Claim reserves expected to be paid within 1 year	2,267,077	2,212,944
Claim reserves expected to be paid between 1-2 years	231,598	294,388
Claim reserves expected to be paid between 2-5 years	82,390	170,223
Claim reserves expected to be paid over 5 years	-	-
Total Claim reserves expected to be paid	2,581,065	2,677,555

Sensitivity analysis of claim reserves is as follows:

	Consolidated financial statements				
	2023				
	Increase/ (decrease) in assumptions	Impact on reinsurance assets Thousand Baht	Impact on reserves and allocated loss adjustment expense Thousand Baht	Increase / (decrease) in profit Thousand Baht	Increase / (decrease) in owners' equity Thousand Baht
Loss ratio of the recent accident year	Increase 2%	27,819	144,334	(116,515)	(93,212)
	Decrease 2%	(27,823)	(139,731)	111,908	89,527
Claim reserve for big claims	Increase 2%	36,280	102,308	(66,028)	(52,823)
	Decrease 2%	(35,483)	(98,070)	62,587	50,069
Unallocated Loss Adjustment Expense ratio (ULAE)	Increase 20%	-	10,621	(10,621)	(8,497)
	Decrease 20%	-	(10,621)	10,621	8,497

	Consolidated financial statements				
	2022				
	Increase/ (decrease) in assumptions	Impact on reinsurance assets Thousand Baht	Impact on reserves and allocated loss adjustment expense Thousand Baht	Increase / (decrease) in profit Thousand Baht	Increase / (decrease) in owners' equity Thousand Baht
Loss ratio of the recent accident year	Increase 2%	36,331	198,687	(162,356)	(129,885)
	Decrease 2%	(35,008)	(191,587)	156,499	125,200
Claim reserve for big claims	Increase 2%	38,014	143,009	(104,995)	(83,996)
	Decrease 2%	(37,527)	(139,661)	102,135	81,708
Unallocated Loss Adjustment Expense ratio (ULAE)	Increase 20%	-	13,628	(13,628)	(10,902)
	Decrease 20%	-	(13,628)	13,628	10,902

21.1.2 Unearned premium reserve

	Consolidated financial statements		
	2023		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning year	4,554,228	(906,883)	3,647,345
Premium written for the year	10,236,806	(2,189,938)	8,046,868
Earned premium for the year	(10,010,750)	1,971,450	(8,039,300)
Balance as at ending year	4,780,284	(1,125,371)	3,654,913

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	Consolidated financial statements		
	2022		
	Gross	Reinsurance	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Balance as at beginning year	2,826,998	(668,642)	2,158,356
Increase from Business Acquisition	1,641,373	(1,938)	1,639,435
Premium written for the year	8,031,778	(1,830,002)	6,201,776
Earned premium for the year	(7,945,921)	1,593,699	(6,352,222)
Balance as at ending year	4,554,228	(906,883)	3,647,345

As at 1 January 2023, the Company changed in accounting estimate of unearned premium reserve for fire, marine (hull), motor and miscellaneous from monthly average basis (the one - twenty four basis) to daily average basis (the one - three hundred sixty five basis). The Company recognized the impact of the change in accounting estimate in profit or loss for gross unearned premium reserve increased amounting to Baht 33.91 million and net of reinsurance increased amounting to Baht 10.22 million.

21.1.3 Unexpired risk reserve

As at 31 December 2023 and 2022, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Group amounting to Baht 2,833.04 million and Baht 2,683.08 million, respectively and net unexpired risk reserve estimated by the Group amounting to Baht 2,513.42 million and Baht 2,428.50 million, respectively, is lower than the unearned premium reserve.

21.2 Claim Development Table

21.2.1 Claim development table before reinsurance

Accident Year / Reporting Year	Consolidated financial statements					Total
	2023					
	2019	2020	2021	2022	2023	Thousand
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
Gross estimate of cumulative claim costs						
- At the end of the accident year	5,768,605	5,216,231	4,535,312	5,196,246	5,544,265	
- One year later	5,871,198	5,181,177	4,277,283	4,904,752	-	
- Two years later	5,837,294	5,132,902	4,217,238	-	-	
- Three years later	5,843,133	5,126,565	-	-	-	
- Four years later	5,854,437	-	-	-	-	
Absolute estimated claim	5,854,437	5,126,565	4,217,238	4,904,752	5,544,265	25,647,257
Cumulative claim paid	(5,530,989)	(5,090,137)	(4,136,400)	(4,668,525)	(4,031,839)	(23,457,890)
Total claim reserve	323,448	36,428	80,838	236,227	1,512,426	2,189,367
Claim liability before year 2019						391,698
Total claim liability						2,581,065

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Accident Year / Reporting Year	Consolidated financial statements					Total Thousand Baht
	2022					
	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	
Gross estimate of cumulative claim costs						
- At the end of the accident year	6,168,846	5,768,605	5,216,231	4,535,312	5,196,246	
- One year later	5,832,897	5,871,198	5,181,177	4,277,283	-	
- Two years later	5,736,608	5,837,294	5,131,902	-	-	
- Three years later	5,623,494	5,843,133	-	-	-	
- Four years later	5,610,465	-	-	-	-	
Absolute estimated claim	5,610,465	5,843,133	5,131,902	4,277,283	5,196,246	26,059,029
Cumulative claim paid	(5,568,916)	(5,521,631)	(5,056,774)	(4,069,431)	(3,443,212)	(23,659,964)
Total claim reserve	41,549	321,502	75,128	207,852	1,753,034	2,399,065
Claim liability before year 2018						278,490
Total claim liability						2,677,555

21.2.2 Claim development table after reinsurance

Accident Year / Reporting Year	Consolidated financial statements					Total Thousand Baht
	2023					
	2019 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	
Gross estimate of cumulative claim costs						
- At the end of the accident year	4,302,475	4,308,398	3,951,772	4,529,798	4,864,439	
- One year later	4,312,269	4,282,618	3,864,353	4,364,851	-	
- Two years later	4,311,999	4,285,383	3,815,347	-	-	
- Three years later	4,309,827	4,283,246	-	-	-	
- Four years later	4,313,061	-	-	-	-	
Absolute estimated claim	4,313,061	4,283,246	3,815,347	4,364,851	4,864,439	21,640,944
Cumulative claim paid	(4,301,674)	(4,276,664)	(3,768,855)	(4,249,262)	(3,722,287)	(20,318,742)
Total claim reserve	11,387	6,582	46,492	115,589	1,142,152	1,322,202
Claim liability before year 2019						201,069
Total claim liability						1,523,271

Accident Year / Reporting Year	Consolidated financial statements					Total Thousand Baht
	2022					
	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	
Gross estimate of cumulative claim costs						
- At the end of the accident year	4,172,771	4,302,475	4,308,398	3,951,772	4,529,798	
- One year later	4,157,078	4,312,269	4,282,618	3,864,353	-	
- Two years later	4,125,233	4,311,999	4,285,383	-	-	
- Three years later	4,118,628	4,309,827	-	-	-	
- Four years later	4,118,277	-	-	-	-	
Absolute estimated claim	4,118,277	4,309,827	4,285,383	3,864,353	4,529,798	21,107,638
Cumulative claim paid	(4,112,983)	(4,296,497)	(4,264,952)	(3,721,241)	(3,208,042)	(19,603,715)
Total claim reserve	5,294	13,330	20,431	143,112	1,321,756	1,503,923
Claim liability before year 2018						97,031
Total claim liability						1,600,954

22 Amount due to reinsurers

Amount due to reinsurers as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Amounts withheld on reinsurance	364,096	357,021
Reinsurance payables	855,553	610,634
Total amount due to reinsurers	1,219,649	967,655

23 Employee benefit obligations

The Group operates post-employment benefit plans under the Labor Protection Act, which are considered as unfunded defined benefits plans.

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Long-term employee benefits	8,744	-
Share - based compensation	30,828	22,595
Retirement benefits	141,568	135,947
Total employee benefit obligations	181,140	158,542

23.1 Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movements in the present value of employee benefit obligation for the years are as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
As at 1 January	135,947	114,858
Increase from business acquisition	-	18,864
Current service cost	19,249	18,028
Interest expense	2,663	2,245
Actuarial loss	5,581	3,314
Benefit payment during the year	(21,872)	(21,362)
As at 31 December	141,568	135,947

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The expenses that were recorded in the statement of profit or loss and other comprehensive income for employee benefit obligations for the year 31 December 2023 consisted of the following:

	Consolidated financial statements	
	2023	2022
	Thousand Baht	Thousand Baht
Current service cost	19,249	18,028
Interest expense	2,663	2,245
Actuarial (gain) losses on actuarial remeasurements:		
from change in demographic assumptions	5,637	(583)
from change in financial assumptions	(5,608)	(2,380)
from experience gain adjustment	5,552	6,277
Total employee benefit expenses	27,493	23,587

The Group calculated employee benefit obligations by an actuary using the projected unit credit cost method. The assumptions consisted of the following:

	Consolidated financial statements	
	2023	2022
Financial assumptions:		
Discount rate (%)	2.36 - 4.55	1.67, 1.68, 2.35
Salary growth rate (%)	3.5 - 6.0	3, 4.5
Demographic assumptions:		
Turnover rate (%) subject to range of age of employees	7 - 27.5	9 - 27.5
Retirement age (Years)	60	60

Significant actuarial assumptions - Impact on increase (decrease) in defined benefit obligation

	Consolidated financial statements	
	2023	2022
	Thousand Baht	Thousand Baht
Financial assumptions:		
Discount rate - 0.5 % increase in 2023 and 1% in 2022	(6,138)	(12,135)
Discount rate - 0.5 % decrease in 2023 and 1% in 2022	6,555	13,811
Expected rate of salary - 0.25% increase in 2023 and 1% in 2022	3,181	14,195
Expected rate of salary - 0.25% decrease in 2023 and 1% in 2022	(3,093)	(12,659)
Demographic assumptions:		
Turnover rate - 1% increase	(6,732)	(12,911)
Turnover rate - 1% decrease	7,440	5,097
Life expectancy - 1 year increase	470	605
Life expectancy - 1 year decrease	(552)	(601)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

Maturity analysis of the benefit payments of the post-employment benefits obligation as at 31 December 2023 and 2022 were as follows:

	Consolidated financial statements	
	2023	2022
Weighted average duration of the defined benefit obligation (Years)	9.6, 10.55	10.45, 11.23, 11.50
Maturity analysis of undiscounted benefits expected to be paid (Thousand Baht)		
Benefits expected to be paid within 1 year	1,994	7,917
Benefits expected to be paid between 1 - 5 years	59,857	46,715
Benefits expected to be paid more than 5 years	385,264	613,145
Total	447,115	667,777

23.2 Long term employee benefits - Share-based compensation

The Group has share-based compensation in accordance with Allianz Group policy using the share price of Allianz SE, a listed company in Frankfurt am Main in XETRA trading.

During the year 2023, there was a share-based compensation plan to employee. The details are as below:

Employee Stock Purchase Plan (ESPP)

The Allianz Group offers Allianz SE shares in 42 countries to entitled employees at favourable conditions. The offer provides an additional 1 Euro on top for every 3 Euro that had been invested by the employees. The shares have a three-year restriction period for not transferring or selling.

During the year ended 31 December 2023, the total Company's contribution under this plan was Baht 1.39 million (2022: Baht 0.63 million).

Employee Stock Benefit Plan

During the year ended 31 December 2023, the total recognized compensation in other employee benefit for the year ended 31 December 2023 amounting to Baht 4.30 million.

Restricted stock unit (RSU)

The Allianz Equity Incentive (AEI) is a long-term equity-based plan granting Restricted Stock Units (RSU) provided to executives. The AEI are granted once a year and have a four-year vesting period from the time of their grant. The plan participant is required to formally accept the grant during a defined period. Failure to do so will result in forfeiture of the grant. Any value can be realized if the plan participant remains employed within the Allianz Group or under certain conditions.

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Performance criteria are set by the Board of Directors and will measure the performance of the Group.

	RSU	
	2023 Number of shares	2022 Number of shares
As at 1 January	5,384	4,317
Granted/Transferred in	1,294	1,908
Exercised	(1,208)	(841)
As at 31 December	5,470	5,384

The total recognised compensation in other employee benefits for the year ended 31 December 2023 amounting to Baht 15.87 million (2022: Baht 9.38 million) and the total compensation liabilities under “Employee benefits” amounting to Baht 30.83 million (2022: Baht 22.60 million). The Company uses projected cash flow technique to calculate the fair value of this share-based payment plan. The key assumptions for valuations are expected share price and employee turn-over rate.

23.3 Long term employee benefits - Long service award

The Company has long service award compensation according to the years of service with the Company. The years of service will be counted since the first working day. The awarded employee must be the Company’s employee on the benefit pay out date.

For the year 31 December 2023, the total recognized compensation in other employee benefit amounting to Baht 8.74 million.

24 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Maturity		
Within 1 year	37,498	44,925
Between 1 - 2 years	37,250	36,498
Between 2 - 3 years	35,243	28,045
Between 3 - 4 years	33,582	24,636
Between 4 - 5 years	34,144	23,590
Over 5 years	15,857	35,852
Total	193,574	193,546
<i>Including - Principal</i>	214,296	212,380
<i>- Interest</i>	(20,722)	(18,834)

For the year ended 31 December 2023 and 2022, the Group have Interest expenses on lease liabilities amounted to Baht 6.78 million and Baht 6.73 million, respectively are recorded as “finance cost” in the statement of comprehensive income.

25 Other liabilities

Other liabilities as at 31 December 2023 and 2022 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Other payables - Promotion expense	51,981	35,110	-	-
Other payables - Claim settling service	62,936	55,038	-	-
Other payables - Claim service deposit	23,730	23,730	-	-
Other payables - others	38,603	19,631	-	-
Premium refund	38,758	32,662	-	-
Premium suspense	263,553	292,119	-	-
Withholding tax payable	33,675	33,830	68	260
Undue output VAT	38,675	3,089	1	1
Contribution related to non-life insurance	24,593	18,205	-	-
Decommission expense	12,492	23,526	-	-
Others	45,527	50,268	8,864	9,505
Total	634,523	587,208	8,933	9,766

26 Share capital

As at 31 December 2023, the Group had total authorised number of ordinary shares were 463.47 million shares (2022: 463.47 million shares) amounting to Baht 463.47 million (2022: Baht 463.47 million) with a par value of Baht 1 per share (2022: Baht 1 per share). The Group have total issued and paid-up number of ordinary shares is 389.27 million shares (2022: 389.27 million shares) amounting to Baht 389.27 million (2022: Baht 389.27 million).

27 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
As at 1 January	50,000	50,000	50,000	50,000
Appropriation during the year	16,200	-	-	-
As at 31 December	66,200	50,000	50,000	50,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

As at 31 December 2023 and 2022, the Company already had legal reserve of not less than 10% of the authorised capital in separate financial statements.

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28 Financial information by segment

The business segment results are prepared based on the preparation of management report of the Group. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to and assessing the performance of operating segments is measured in accordance with Financial Reporting Standards.

The Group has been operating in three principal business segments: (1) Non-life insurance business (2) Investment business and (3) Service business, which are only organised and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the year ended 31 December 2023 and 2022, there is no revenue from a single external customer contributed 10% or more to the Group's total revenue.

The financial statements of the Group for the year ended 31 December 2023 and 2022 were presented by business segment as follows:

	Consolidated financial statements									
	Non-life insurance business		Investment business		Service business		Elimination of inter-segment		Total	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Revenue from external	8,700,580	6,901,813	1,206,709	1,299,445	4,341	3,783	(1,207,870)	(1,372,864)	8,703,760	6,832,177
Share of profit on investment in an associate	-	-	607,983	981,916	-	-	-	-	607,983	981,916
Other income	14,135	15,657	136,194	465,022	1	3	(138,034)	(468,578)	12,296	12,104
Total revenue	8,714,715	6,917,470	1,950,886	2,746,383	4,342	3,786	(1,345,904)	(1,841,442)	9,324,039	7,826,197
Insurance business expenses	7,245,965	5,942,218	-	-	-	-	(34,916)	3,852	7,211,049	5,946,070
Cost of medical service	-	-	-	-	2,796	1,313	-	-	2,796	1,313
Directors and key management personnel's remuneration	155,691	150,650	12,478	14,438	-	-	-	-	168,169	165,088
Other expenses	911,092	778,983	13,979	58,361	15,697	18,971	(20,809)	(190,901)	919,959	665,414
Income tax expense (income)	88,160	(17,906)	1,283	38,439	-	-	(379)	23,052	89,064	43,585
Total expenses	8,400,908	6,853,945	27,740	111,238	18,493	20,284	(56,104)	(163,997)	8,391,037	6,821,470
Net income (loss)	313,807	63,525	1,923,146	2,635,145	(14,151)	(16,498)	(1,289,800)	(1,677,445)	933,002	1,004,727

29 Dividend

At the Annual General Meeting of Shareholders on 24 April 2023, the payment of dividend was approved from the unappropriated retained earnings at Baht 0.26 per share, totalling Baht 101.21 million. The dividend payment was made on 24 May 2023.

At the Board of Directors' meeting on 15 August 2023, the payment of interim dividend was approved from the operating results at Baht 0.90 per share, totalling Baht 350.34 million. The dividend payment was made on 14 September 2023.

At the Annual General Meeting of Shareholders on 29 April 2022, the payment of dividend was approved from the unappropriated retained earnings at Baht 0.77 per share, totalling Baht 299.74 million. The dividend payment was made on 17 May 2022.

At the Board of Directors' meeting on 31 August 2022, the payment of interim dividend was approved from the unappropriated retained earnings at Baht 5.14 per share, totalling Baht 2,000.83 million. The dividend payment was made on 28 September 2022.

30 Gain (Loss) on investment

Gain (Loss) on investment for the year ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gains (Losses) on investment measured at fair value through profit or loss				
Gains (losses) on sale of investments Equity securities	-	-	-	10,774
Gains (losses) on fair value adjustment Debt securities	-	-	6,424	(5,196)
	-	-	6,424	5,578
Gains (losses) on investment designated at fair value through profit or loss				
Gains (losses) on fair value adjustment Debt securities	3,125	592	-	-
	3,125	592	-	-
Gains (losses) on investment measured at fair value through other comprehensive income				
Gains (losses) on sale of investments Debt securities	-	1,989	-	1,989
Equity securities	(5,738)	(98,894)	-	-
	(5,738)	(96,905)	-	1,989
Gains (losses) on investments	(2,613)	(96,313)	6,424	7,567

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31 Operating expenses

Operating expenses for the year ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Employee expenses not relating to underwriting or claim administrative expense	509,432	435,236	25	26
Premises and equipment expense, not relating to underwriting expense	279,840	220,883	1,984	1,736
Stamp and tax duty	12,922	9,804	382	1,763
Bad debt and doubtful debt	18	2,493	-	-
Directors' remuneration	13,283	12,279	11,126	10,382
Management fee	72,658	63,077	-	-
Advertising and sales promotion expenses	24,335	30,143	1	10
Professional fee	14,911	18,119	5,954	11,251
Integration Cost	102,031	102,646	5,663	45,618
Other operating expense	56,769	103,044	640	694
Total operating expenses	1,086,199	997,724	25,775	71,480

32 Employee expenses

The employee expenses for the year ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Salary and wages	712,043	640,534	-	-
Social fund expenses	7,321	3,950	-	-
Employee benefit expenses	31,423	12,802	-	-
Providend fund (Note 38)	25,880	24,588	-	-
Share-based compensation	56,496	42,368	-	-
Other employee benefits	21,769	9,239	-	-
Other	11,937	4,089	25	26
Total employee expenses	866,869	737,570	25	26

33 Expected credit loss

The expected credit loss for the year ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Cash and cash equivalent (Reversal)	(222)	72	-	-
Investments in debt securities measured at fair value through other comprehensive income (Reversal)	274	(1,378)	7	(950)
Investments in debt securities measured at amortised cost (Reversal)	(172)	(185)	-	-
Total expected credit loss	(120)	(1,491)	7	(950)

34 Income tax expense

Income tax expense for the year ended 31 December 2023 and 2022 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Current tax:				
Current tax on profits for the year	140,802	10,236	-	-
Adjustments in respect of prior year	-	(91,707)	-	-
Total current tax	140,802	(81,471)	-	-
Deferred income tax:				
Decrease (increase) in deferred tax assets (Note 19)	(53,842)	125,971	(2)	40,359
Increase (decrease) in deferred tax liabilities (Note 19)	2,104	(915)	1,285	(1,920)
Total deferred income tax	(51,738)	125,056	1,283	38,439
Income tax expense	89,064	43,585	1,283	38,439

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The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Profit before tax	1,022,066	1,048,312	1,180,630	1,228,834
Tax calculated at a tax rate of 20% (2020: 20%)	204,413	209,662	236,126	245,767
Tax effect of:				
Revenue that are granted income tax exemption				
Dividend	(20)	(15)	(236,338)	(250,423)
Share of profit on investment in an associate	(121,597)	(196,383)	-	-
Others	(5,660)	(1,464)	-	-
Expenses not deductible for tax purpose	510	7,329	(1,059)	(9,406)
Reversal of unutilised derered tax assets in the future	-	87,014	-	26,762
Tax losses for which no deferred income tax asset was recorded	5,460	(61,892)	2,554	25,739
Tax losses from prior period for which no deferred income tax asset was recorded	5,958	(666)	-	-
Tax charge	89,064	43,585	1,283	38,439

For the year ended 31 December 2023, the effective tax rate for the Group and the Company were 8.71% and 0.11%, respectively (2022: 4.16% and 3.13%, respectively).

Effect from income tax relating to components of other comprehensive income.

	Consolidated financial statements					
	2023			2022		
	Before tax Thousand Baht	Benefit of tax (expense) Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Benefit of tax (expense) Thousand Baht	Net of tax Thousand Baht
Item that will not be reclassified subsequently to profit or loss						
Actuarial gain (loss) on deficit employee benefit plans	(5,581)	1,116	(4,465)	(3,313)	663	(2,650)
Share of other comprehensive income (loss) in an associate	(2,188)	438	(1,750)	17,435	(3,487)	13,948
Item that will be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of investments measured at fair value through other comprehensive income	(64,371)	12,874	(51,497)	(225,355)	45,071	(180,284)
Gain (loss) on sale of investment transferred to profit or loss	7,062	(1,412)	5,650	155,579	(31,116)	124,463
Share of other comprehensive income (loss) in an associate	419,734	(83,947)	335,787	(3,996,527)	799,306	(3,197,221)
Total	354,656	(70,931)	283,725	(4,052,181)	810,437	(3,241,744)

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	Separate financial statements					
	2023			2022		
	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht
Item that will not be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of equity instruments measured at fair value through other comprehensive income	4,054	(811)	3,243	(25,415)	5,084	(20,331)
Gain (loss) on sale of investment transferred to profit or loss	6,617	(1,323)	5,294	58,791	(11,759)	47,032
Item that will be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of debt instruments measured at fair value through other comprehensive income	(180)	36	(144)	(14,400)	2,880	(11,520)
Total	10,491	(2,098)	8,393	18,976	(3,795)	15,181

35 Earnings per share

Basic Earnings per share for the year ended 31 December 2023 and 2022 calculated from net profit for the year of the Company's shareholders and the number of issued share capital. The calculation was as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Basic Earnings per share				
Profit attributable to Shareholders of the Company (Thousand Baht)	933,002	1,004,727	1,179,347	1,190,395
Weighted average number of ordinary shares (Thousand share)	389,267	389,267	389,267	389,267
Basic Earnings per share (Baht per share)	2.40	2.58	3.03	3.06

36 Business Acquisition

On 6 May 2022, the Company acquired 99.86% of the issued shares in group of entities of Aetna Thailand for a consideration of Baht 3,147,745,484 and on 26 September 2022, the Company received the refund from assets and liabilities adjustment and price consideration amounting to Baht 20,341,291. The net price consideration amounting to Baht 3,127,404,193.

The Amalgamation strengthens customer segment and distribution channel as well as strengthens the Group's market share in Thai non-life market, including the profitability growth and expected synergies from expenses.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	As at acquisition date Thousand Baht
Purchase consideration	
Cash paid	3,127,404
Total purchase consideration	3,127,404

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value Thousand Baht
Cash and cash equivalents	436,529
Premiums due and uncollected	601,527
Investments	2,952,064
Reinsurance assets	1,938
Deferred tax assets, net	174,090
Property, plant and equipment	28,147
Intangible assets	32,906
Right of use assets	45,910
Goodwill	158,497
Other assets	233,479
Liabilities	(2,796,405)
Net identifiable assets acquired	1,868,682
<u>Less:</u> Non-controlling interests	-
<u>Add:</u> Goodwill	1,258,722
Net assets acquired	3,127,404

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Purchase consideration - cash outflow

	Thousand Baht
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	3,127,404
Less: Balances acquired	
- Cash	436,680
	2,690,724
Net outflow of cash - investing activities	2,690,724

a) Acquired premiums due and uncollected

The fair value of acquired premiums due and uncollected is Baht 601.53 million. The gross contractual amount for Premiums due and uncollected due is Baht 124.69 million, of which Baht 36.36 million is expected to be uncollectible.

b) Acquired other receivables

The fair value of acquired other receivables is Baht 200.70 million. The gross contractual amount for other receivables due is Baht 13.97 million.

c) Acquired identifiable intangible assets

The fair value of the acquired identifiable intangible assets of Baht 32.91 million.

d) Revenue and profit contribution

The revenue included in the consolidated income statement from 6 May 2022 to 31 December 2022 contributed by Aetna Thailand group entities was Baht 1,958.06 million. Aetna Thailand group entities also contributed loss of Baht 27.82 million over the same period.

Had Aetna Thailand group entities been consolidated from 1 January 2022, the consolidated income statement for the year ended 31 December 2022 would show revenue of Baht 8,795.73 million and profit of Baht 1,002.97 million.

e) Expenses related to the acquisition of a subsidiary

Expenses related to the acquisition of a subsidiary of Baht 101.38 million are recognised as administrative expenses in profit or loss in the consolidated financial statements for the year ending 2022.

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37 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business. Transactions with the related parties are mainly as follows:

The relationships between the Company and its related parties are summarised below:

Companies	Relationship	Type of Business
Allianz SE	Ultimate parent company	Insurance
Allianz SE Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Technology SE	Related company of ultimate parent company	Information technology
Allianz Global Corporate&Speciality SE	Related company of ultimate parent company	Insurance
Allianz Global Corporate&Speciality AG	Related company of ultimate parent company	Insurance
Allianz Australia Limited	Related company of ultimate parent company	Insurance
Euler Hermes Deutschland	Related company of ultimate parent company	Insurance
Euler Hermes Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Fire and Marine Insurance Japan Ltd.	Related company of ultimate parent company	Insurance
Allianz General Insurance Malaysia Berhad	Related company of ultimate parent company	Insurance
Allianz Global Risks US Insurance Company	Related company of ultimate parent company	Insurance
AWP P&C S.A.	Related company of ultimate parent company	Service
Allianz Suisse Versicherungs-Gesellschaft AG	Related company of ultimate parent company	Insurance
Allianz China General Insurance Company Ltd.	Related company of ultimate parent company	Insurance
Allianz Benelux S.A	Related company of ultimate parent company	Insurance
AWP Services (Thailand) Co., Ltd.	Related company of ultimate parent company	Service
Allianz Technology (Thailand) Co., Ltd.	Related company of ultimate parent company	Information technology
Allianz Investment Management Singapore Pte. Ltd.	Related company of ultimate parent company	Service
Allianz Global Investors Singapore Ltd.	Related company of ultimate parent company	Service
Allianz Ayudhya General Insurance Plc.	Subsidiary	Insurance
Allianz Ayudhya Assurance Plc.	Associate	Life Insurance
CPRN (Thailand) Co., Ltd.	Related company of shareholders	Holding
My Health Services (Thailand) Co., Ltd.,	Subsidiary	Service
Aqua Holdings (Thailand) Limited	Subsidiary	Holding
Health Care Management Co., Ltd.	Subsidiary	Holding
Minor Health Enterprise Ltd.	Subsidiary	Holding

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Significant balances with related parties as at 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Assets				
Related company of ultimate parent				
Amounts due from reinsurers	279,811	156,612	-	-
Investment in securities	45,774	35,256	-	-
Other assets	13,680	14,846	-	-
Subsidiaries				
Financial asset measured at fair value through profit or loss	-	-	211,337	204,911
Accrued investment income	-	-	6,184	67
Other assets	-	-	50	50
Associates				
Other assets	120	863	-	-
Liabilities				
Related company of ultimate parent				
Amounts withheld on reinsurance	301,095	200,436	-	-
Amount due to reinsurers	731,543	429,700	-	-
Other liabilities	54,161	51,536	-	-
Subsidiaries				
Other liabilities	-	-	600	600
Associates				
Other liabilities	27,334	6,019	-	-

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Significant transactions for year ended 31 December 2023 and 2022 with related parties were as follows:

	Consolidated financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Revenues		
Related company of ultimate parent company		
Claim recovered from reinsurers	534,678	428,158
Fee and commission income	365,866	340,379
Other income	1,774	9,784
Associates		
Other income	630	-
Expenses		
Related company of ultimate parent company		
Premiums ceded to reinsurers	1,556,149	1,203,209
Commission and brokerage expenses	51,554	27,828
Other expenses	236,447	184,086
Associate		
Other expenses	68,389	49,688
	Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht
Revenues		
Associate		
Net investment income	782,776	810,236
Subsidiary		
Net investment income	411,018	453,984
Gain (loss) on investment	6,425	(5,195)
Expenses		
Related company of ultimate parent company		
Other expenses	-	196
Associate		
Other expense	342	1,484
Subsidiary		
Other expense	1,392	1,392

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The Group used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

The Company entered into a management service agreement with a subsidiary for providing about services of managerial and administrative services of accounting, personnel, internal audit and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

The Group paid commissions and brokerages and other underwriting expenses between the Group and related companies. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Group has offered to other insurance broker companies.

The Company has office service agreements with a subsidiary for a term of 3 years. Service rates and conditions are the same as the subsidiary offer to other companies.

Directors and key management personnel's remuneration

During the year ended 31 December 2023 and 2022, the Group had salaries, bonuses, directors' allowance and other benefits of its directors and key management personnel recognised as expenses as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Directors and key management personnel's remuneration				
Short-term benefits	145,482	140,948	-	-
Post-employment benefits	7,487	7,131	-	-
Directors' remuneration	15,200	17,009	12,478	14,438
Total	168,169	165,088	12,478	14,438

38 Provident fund

The Group have established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, employees must pay their contributions, with the Group matching the individuals' contributions as follows:

Year of services	Percentage
Less than 5 years	5
5 years and above	5, 7

A registered provident fund manager has been appointed to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended 31 December 2023 and 2022, the Group's contributions recorded as expenses were Baht 25.88 million and Baht 24.59 million, respectively.

39 Securities and assets pledged with the Registrar

As at 31 December 2023 and 2022, certain investments in securities of the Group were pledged and used for assets reserved with the Registrar (Note 13) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557", respectively as follows:

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

	Consolidated financial statements			
	2023		2022	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Deposit at bank	-	-	400,000	400,000
Government and state enterprise securities	931,305	931,000	483,928	471,000
	Separate financial statements			
	2023		2022	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Government and state enterprise securities	1,020	1,000	1,046	1,000

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

	Consolidated financial statements			
	2023		2022	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Deposits at banks	-	-	3,500	3,500
Government and state enterprise securities	15,427	15,000	15,917	15,000

40 Restricted assets

As at 31 December 2023, the Group has undrawn committed credit facilities amounting to Baht 5 million, with savings at banks pledged as collateral (31 December 2022: Saving at banks amounting to Baht 5 million).

41 Contribution to non-life guarantee fund

The Group has accumulated funding amount which was paid into contribution to non-life guarantee fund as at 31 December 2023 and 2022 amounting to Baht 288.11 million and Baht 163.08 million, respectively.

42 Litigation

As at 31 December 2023 and 2022, lawsuits have been brought against the Group, as insurer, from which the Group estimates losses totalling Baht 198.14 million and Baht 236.72 million, respectively. The Group's management believes that such estimation is adequate to losses and does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Group's operating results.

43 Event after the statement of financial position date

On 29 February 2024, the Board of Directors' meeting of the Company approved a dividend of Baht 1.67 per share, totalling to the amount of Baht 650.08 million from operating results. Such dividend payment shall be made on 29 May 2024. The dividend payment shall be made subject to the approval of the Annual General Meeting of the shareholders.