

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2021



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 2021, 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 2021;
- 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 issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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

Valuation of claim reserves

Refer to Note 8, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to claim reserves and Note 22, claim reserves in consolidated financial statements

Claim reserves of Baht 2,244 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.

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.

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.

How my audit addressed the key audit matter

My key audit procedures in relation to the claim reserves included:

- 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 fall 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.

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.

Key audit matter

How my audit addressed the key audit matter

Assessment of goodwill impairment

Refer to Note 8, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to goodwill and Note 19, goodwill in consolidated financial statements

The Group had goodwill of Baht 508.88 million as at 31 December 2021, which related to cash generating units in insurance business. The Group is required to, at least annually, test goodwill for impairment.

I focused on this area due to the fact that goodwill balance was around 2% 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.

For the year ended 31 December 2021, the management performed an impairment assessment over the goodwill balance by:

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 19.
2. Comparing the resulting value in use of each CGU to their respective book values.

My key audit procedures in relation to the assessment of goodwill impairment included:

- 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.

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.



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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
28 February 2022

Allianz Ayudhya Capital Public Company Limited
Statement of Financial Position
As at 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Cash and cash equivalents, net	9	1,295,374	2,801,346	236,672	1,265,386
Premium due and uncollected, net	10	580,552	555,606	-	-
Accrued investment income		24,187	25,141	10,748	10,695
Reinsurance assets	11	1,923,852	2,060,737	-	-
Amounts due from reinsurers	12	569,982	439,285	-	-
Financial assets measured at fair value through profit or loss	13	-	-	1,052,338	881,715
Financial assets measured at fair value through other comprehensive income	13	-	-	3,321,874	2,126,089
Financial assets measured at amortised cost	13	-	-	-	143,041
Investments in securities, net	14	8,793,852	7,384,276	-	-
Investment in an associate	15	9,492,515	11,252,204	5,455,863	5,455,863
Investment in a subsidiary	15	-	-	2,572,379	2,572,379
Property, plant and equipment, net	16	46,170	53,896	1,649	1,673
Goodwill	19	508,877	508,877	-	-
Right-of-use asset, net	17	190,397	208,804	-	-
Intangible assets, net	18	84,731	77,032	5,860	6,531
Deferred tax assets, net	20	400,105	419,272	39,489	64,141
Deferred commission expenses		80,233	78,959	-	-
Other assets, net	21	149,422	142,127	12,030	9,193
Total assets		24,140,249	26,007,562	12,708,902	12,536,706

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 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity				
Liabilities				
Insurance contract liabilities	5,070,744	5,157,764	-	-
Amounts due to reinsurers	1,160,232	1,249,805	-	-
Employee benefit obligations	135,407	151,266	-	-
Premium written received in advance	258,802	343,710	-	-
Commission and brokerage payables	121,109	99,257	-	-
Accrued expenses	406,612	460,023	11,122	12,977
Lease liabilities	197,784	207,876	-	-
Other liabilities	365,419	276,796	550	244
Total liabilities	7,716,109	7,946,497	11,672	13,221
Equity				
Share capital				
Authorised share capital	463,473	463,473	463,473	463,473
463,473,361 ordinary shares of 1 Baht each				
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	50,000	50,000	50,000	50,000
Unappropriated	3,790,996	3,126,145	2,219,669	2,046,076
Other components of equity				
Surplus (discount) on investments measured at fair value through other comprehensive income	97,437	43,455	(28,037)	(28,189)
Share of other comprehensive income in an associate	2,030,109	4,385,867	-	-
Total equity	16,424,140	18,061,065	12,697,230	12,523,485
Total liabilities and equity	24,140,249	26,007,562	12,708,902	12,536,706

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 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Notes Thousand Baht Thousand Baht		Notes Thousand Baht Thousand Baht	
Revenues				
Gross premiums written	5,584,707	5,676,918	-	-
<u>Less</u> Premiums ceded	(1,608,289)	(1,564,003)	-	-
Net premiums written	3,976,418	4,112,915	-	-
<u>Add (Less)</u> Unearned premium reserve decreased (increased) from previous period	(84,019)	57,381	-	-
Net premiums earned	3,892,399	4,170,296	-	-
Fees and commission income	325,926	292,826	-	-
Net investment income	140,543	128,608	804,837	513,172
Gain (loss) on investments	(8,151)	(112,273)	18,715	(85,481)
Share of profit on investment in an associate	1,287,852	1,049,595	-	-
Other income	34,202	62,053	57	241
Total revenues	5,672,771	5,591,105	823,609	427,932
Expenses				
Gross claim paid	2,537,959	3,456,194	-	-
<u>Less</u> Claim paid for (recovered from) reinsurers	(485,380)	(981,646)	-	-
Net claim paid	2,052,579	2,474,548	-	-
Commission and brokerage expenses	894,232	854,028	-	-
Other underwriting expenses	694,004	766,695	-	-
Operating expenses	754,034	839,182	30,553	31,645
Finance cost	6,922	4,652	-	-
Impairment loss on equity instruments	40,048	150,503	-	-
Expected credit loss	174	208	465	331
Total expenses	4,441,993	5,089,816	31,018	31,976
Profit before income tax	1,230,778	501,289	792,591	395,956
Income tax expense (income)	749	(129,825)	24,615	(29,263)
Net profit	1,230,029	631,114	767,976	425,219

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 2021

	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	
	Notes	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		-	-	16,402	(59,971)
Gain on sale of equity securities transferred to retained earnings		-	-	(6,360)	-
Actuarial gain on defined employee benefits plans		24,614	-	-	-
Share of other comprehensive loss in an associate	15	18,253	(40,730)	-	-
Income tax related to items that will not be subsequently reclassified to profit or loss		(8,574)	8,146	(2,008)	11,994
Total items that will not be subsequently reclassified to profit or loss		34,293	(32,584)	8,034	(47,977)
Items that will be subsequently reclassified to profit or loss					
Gain on revaluation of investments measured at fair value through other comprehensive income		39,383	131,873	-	-
Loss on sale of investment transferred to profit or loss		28,095	-	-	-
Gain (loss) on revaluation of debt instruments measured at fair value through other comprehensive income		-	-	(9,852)	18,849
Share of other comprehensive income (loss) in an associate	15	(2,944,697)	(460,245)	-	-
Income tax on items that will be subsequently reclassified to profit or loss		575,444	65,675	1,970	(3,770)
Total items that will be subsequently reclassified to profit or loss		(2,301,775)	(262,697)	(7,882)	15,079
Other comprehensive income (loss) for the year, net of income tax		(2,267,482)	(295,281)	152	(32,898)
Total comprehensive income (loss) for the year		(1,037,453)	335,833	768,128	392,321
Earnings per share					
Basic earnings per share (Baht)	29	3.16	1.63	1.97	1.10
Weighted average number of ordinary shares (Thousand shares)		389,267	387,563	389,267	387,563

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 2021

	Consolidated financial statements						
	Retained earnings				Other components of equity		Total equity Thousand Baht
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Change in fair value of investments measured at fair value through other comprehensive income	Share of other comprehensive income (loss) of an associate	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Balance as at 1 January 2020	384,965	9,907,791	50,000	3,075,705	(62,043)	4,786,647	18,143,065
Capital increase	4,302	158,540	-	-	-	-	162,842
Dividend paid (Note 28)	-	-	-	(580,674)	-	-	(580,674)
Net profit	-	-	-	631,114	-	-	631,114
Other comprehensive income (loss)							
Gain on revaluation of instruments measured at fair value through other comprehensive income	-	-	-	-	105,498	-	105,498
Share of other comprehensive loss in an associate (Note 15)	-	-	-	-	-	(400,780)	(400,780)
Balance as at 31 December 2020	<u>389,267</u>	<u>10,066,331</u>	<u>50,000</u>	<u>3,126,145</u>	<u>43,455</u>	<u>4,385,867</u>	<u>18,061,065</u>
Balance as at 1 January 2021	389,267	10,066,331	50,000	3,126,145	43,455	4,385,867	18,061,065
Dividend paid (Note 28)	-	-	-	(599,471)	-	-	(599,471)
Net profit	-	-	-	1,230,029	-	-	1,230,029
Other comprehensive income (loss)							
Actuarial gain on defined employee benefits plans	-	-	-	19,691	-	-	19,691
Gain on revaluation of investments measured at fair value through other comprehensive income	-	-	-	-	31,506	-	31,506
Loss on sale of investment transferred to profit or loss	-	-	-	-	22,476	-	22,476
Share of other comprehensive income (loss) of an associate (Note 15)	-	-	-	14,602	-	(2,355,758)	(2,341,156)
Balance as at 31 December 2021	<u>389,267</u>	<u>10,066,331</u>	<u>50,000</u>	<u>3,790,996</u>	<u>97,437</u>	<u>2,030,109</u>	<u>16,424,140</u>

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 2021

	Separate 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	Financial asset measured at fair value through other comprehensive income Thousand Baht	
Balance as at 1 January 2020	384,965	9,907,791	50,000	2,196,483	4,709	12,543,948
Capital increase	4,302	158,540	-	-	-	162,842
Dividend paid (Note 28)	-	-	-	(580,674)	-	(580,674)
Net profit	-	-	-	425,219	-	425,219
Other comprehensive income (loss)						
Financial assets measured at fair value through other comprehensive income	-	-	-	-	(32,898)	(32,898)
Realised gain from sale of investments measured at fair value through other comprehensive income transferred to profit or loss	-	-	-	5,048	-	5,048
Balance as at 31 December 2020	<u>389,267</u>	<u>10,066,331</u>	<u>50,000</u>	<u>2,046,076</u>	<u>(28,189)</u>	<u>12,523,485</u>
Balance as at 1 January 2021	389,267	10,066,331	50,000	2,046,076	(28,189)	12,523,485
Dividend paid (Note 28)	-	-	-	(599,471)	-	(599,471)
Net profit	-	-	-	767,976	-	767,976
Other comprehensive income (loss)						
Financial assets measured at fair value through other comprehensive income	-	-	-	-	5,240	5,240
Realised loss from sale of financial assets measured at fair value through other comprehensive income transferred to retained earnings	-	-	-	5,088	(5,088)	-
Balance as at 31 December 2021	<u>389,267</u>	<u>10,066,331</u>	<u>50,000</u>	<u>2,219,669</u>	<u>(28,037)</u>	<u>12,697,230</u>

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 2021

	Consolidated		Separate		
	financial statements		financial statements		
	2021	2020	2021	2020	
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities					
Direct premium received		5,310,536	5,540,022	-	-
Cash paid to reinsurance		(608,411)	(622,169)	-	-
Interest income		119,621	101,166	54,534	57,572
Dividend income		763,332	450,474	763,315	450,458
Other income		35,538	65,313	-	6
Loss incurred from direct insurance		(2,730,089)	(3,410,586)	-	-
Commission and brokerage paid from direct insurance		(850,890)	(838,300)	-	-
Other underwriting expenses		(694,004)	(766,695)	-	-
Operating expenses		(707,301)	(642,526)	(34,246)	(36,547)
Income tax expense		(20,613)	(7,362)	-	-
Cash received from financial assets		2,916,262	16,022,440	1,283,321	11,448,829
Cash paid for financial assets		(4,510,223)	(17,432,156)	(2,626,166)	(10,492,474)
Cash received for deposits at bank with maturity over 3 months and deposits used as collateral		352,250	572,527	130,000	-
Cash paid for deposits at bank with maturity over 3 months and deposits used as collateral		(184,531)	(236,301)	-	83,877
Loans		-	14	-	-
Net cash flow provided by (used in) operating activities		(808,523)	(1,204,139)	(429,242)	1,511,721
Cash flows from investing activities					
<u>Cash flows provided</u>					
Cash received from selling property, plant and equipment		5,978	703	-	8
<u>Cash flows used</u>					
Cash paid for purchasing property, plant and equipment		(13,797)	(24,641)	-	-
Cash paid for right-of-use assets		(61,930)	-	-	-
Cash paid for purchasing intangible assets		-	(20,063)	-	(6,703)
Net cash flow provided by (used in) investing activities		(69,749)	(44,001)	-	(6,695)
Cash flows from financing activities					
<u>Increase capital</u>					
Dividend paid	28	-	162,842	-	162,842
Cash paid for lease liability		(599,471)	(580,673)	(599,471)	(580,673)
Cash paid for finance cost		(21,301)	(24,563)	-	(1,324)
		(6,922)	(4,777)	-	(125)
Net cash flow used in financing activities		(627,694)	(447,171)	(599,471)	(419,280)
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents as at 1 January		(1,505,966)	(1,695,311)	(1,028,713)	1,085,746
Cash and cash equivalents as at 31 December		2,801,346	4,497,250	1,265,386	1,79,669
<u>Less: Allowance for expected credit loss</u>					
Cash and cash equivalents as at 31 December		1,295,380	2,801,939	236,673	1,265,415
		(6)	(593)	(1)	(29)
Cash and cash equivalents, net as at 31 December	9	1,295,374	2,801,346	236,672	1,265,386

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

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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, 7th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

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

The Company has a subsidiary company, Allianz Ayudhya General Insurance Public Company Limited, which operates non-life insurance business, holding by 99.99%.

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 28 February 2022.

2 Significant events during the current period

In 2021, the Coronavirus Disease 2019 (COVID-19) continued to affect all sectors including the insurance industry. The Thai government issued various measures to stimulate the economy while the OIC issued various measures to support insurance customers.

Throughout 2021, several Thai insurers, suffered substantial losses from COVID-19 insurance policies and saw pressure on their financial results and their solvency margin, causing some of them to cease operation, impacting policyholders and the insurance industry in general. While the Group promptly paid COVID-19 related claims according to the policy terms, the overall Group's results have proven to be resilient and were not adversely affected by COVID-19, validating the Group's long-term business strategy and proper steering and control mechanisms in place. With a strong focus on digital tools for sales and for internal processes, the Group operated business as usual throughout the year.

3 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 (No.2) B.E. 2562" dated on 4 April 2019 ('OIC Notification').

These consolidated financial statements include the financial statements of Allianz Ayudhya Capital Public Company Limited and Allianz Ayudhya General Insurance Public Company Limited which 99.99% owned by the Company. Significant transactions for the year ended 31 December 2021 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').

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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 8.

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.

3.1 Financial reporting standards that are effective, but the Group elected to apply temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts.

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			
	2021		2020	
	Fair value Thousand Baht	Change in Fair value Thousand Baht	Fair value Thousand Baht	Change in Fair value 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	8,876,511	(3,979)	8,901,000	(17,688)
Cash flows that are not solely payments of principal and interest on the principal amount outstanding on specified dates	238	(2)	240	200
Financial assets which the performance is evaluated based on fair value.	30,419	2,016	24,792	6,082
Other financial assets	1,306,373	57,419	1,359,315	(1,143)

As of 31 December 2021 and 2020, 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 1,150.53 million are not included above.
(2020: 994.89 million)

4 New and amended financial reporting standards

- 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have significant impacts to the Group**
- a) Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive Income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

- b) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- c) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

- 4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 that are relevant to the Group**
- Amended TFRSs have not been early adopted by the Group and the Company before the effective date.

- a) Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. Insurers applying the temporary exemption from TFRS 9 by using accounting guidance, financial instruments and disclosures for insurance business are also required to apply the same practical expedient. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The Group's management is currently assessing the impacts from this amended financial reporting standards.

5 Accounting policies

5.1 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.

5.2 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.

5.3 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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

5.4 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 bank overdrafts.

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

5.5 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.

5.6 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.

5.7 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 the 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.

5.8 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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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.

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.

c) 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 the recognition of impairment gains or losses, interest income using the effective interest method, and 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 profit or loss.
 - 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.
- d) 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.

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

5.9 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.

5.10 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income or operating expenses.

5.11 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.

5.12 Intangible assets

The assets with limited life are subsequently carried and cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Computer software	5 - 10 years
Bancassurance agreement	10 years

Cost associated with maintaining computer software are recognised as an expense as incurred.

5.13 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.

5.14 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.

5.15 Insurance liabilities

5.15.1 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 and Miscellaneous	- Monthly average basis (the one - twenty fourth basis)
Transportation (Cargo), travelling accident with coverage periods of not over six-months	- 100% of premiums as from the effective date of the enforce policies over the insurance coverage period

5.15.2 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.

5.15.3 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.

5.15.4 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.

5.16 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.

5.17 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.

5.18 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.

5.19 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.

5.20 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.

5.21 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.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

5.22 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.

5.23 Recognition of revenues and expenses

5.23.1 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.

5.23.2 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.

5.23.3 Commission and brokerage income

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

5.23.4 Interest and dividend income

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

5.23.5 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.

5.23.6 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.

5.23.7 Commissions and brokerages and other expenses

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

5.24 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.

6 Insurance and financial risk management

6.1 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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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	Miscellaneous Thousand Baht	Total Thousand Baht
31 December 2021					
Gross	104,583	174,067	559,476	1,405,620	2,243,746
Net of reinsurance	79,818	78,692	548,129	281,897	988,536
31 December 2020					
Gross	88,568	107,442	776,061	1,464,710	2,436,781
Net of reinsurance	56,077	19,001	711,778	235,834	1,022,690

6.2 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.

6.2.1 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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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					
	2021			2020		
	US Dollar Thousand Baht	EUR Thousand Baht	US Dollar Thousand Baht	EUR Thousand Baht	US Dollar Thousand Baht	EUR Thousand Baht
Cash and cash equivalents	5,121	74	9,079	72		

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.

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 2021 and 2020, significant financial assets and financial liabilities classified by type of interest rate and maturity date were as follows:

	Consolidated financial statements									
	2021					2020				
	Variable interest rate		Fixed interest rate			Non- interest bearing				
	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	Interest bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a)	
Financial assets										
Cash and cash equivalents	623,130	-	-	621,222	-	-	51,027	1,295,379	0.00-1.25	
Government and state enterprise securities	3,065,760	1,096,318	5,412	-	-	-	-	4,167,490	0.61-4.75	
Private debt securities	1,310,536	1,463,610	315,846	-	-	-	238	3,090,230	0.97-6.10	
Deposits at bank with maturity over 3 months	199,368	-	-	-	-	-	-	199,368	0.30-0.70	
	5,198,794	2,559,928	321,258	621,222	-	-	51,265	8,752,467		
Financial liabilities										
Lease liabilities	28,120	109,860	59,804	-	-	-	-	197,784	2.93	
	28,120	109,860	59,804	-	-	-	-	197,784		

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Consolidated financial statements

	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			
Financial assets								
Cash and cash equivalents	2,339,936	-	-	445,761	-	16,241	2,801,938	0.22 - 2.25
Investment in securities								
Government and state enterprise securities	1,170,586	1,747,579	5,704	-	-	-	2,923,869	0.61 - 6.40
Private debt securities	484,774	1,822,909	327,595	-	-	240	2,635,518	1.17 - 5.50
Foreign company debt securities	60,680	-	-	-	-	24,791	85,471	0.88
Deposits at bank with maturity over 3 months	380,136	-	-	-	-	-	380,136	0.55 - 0.79
	4,436,112	3,570,488	333,299	445,761	-	41,272	8,826,932	
Financial liabilities								
Lease liabilities	29,642	96,418	81,816	-	-	-	207,876	2.93

Separate financial statements

	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			
Within 1 year Thousand Baht	212,975	-	-	12,715	-	10,982	236,672	1.15
1 - 5 years Thousand Baht	1,374,538	-	5,412	-	-	-	1,379,950	0-2.88
Over 5 years Thousand Baht	626,589	605,449	525,952	-	-	238	1,758,228	1.75-6.10
	2,214,102	605,449	531,364	12,715	-	11,220	3,374,850	

Separate financial statements

	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			
Within 1 year Thousand Baht	1,242,914	-	-	18,875	-	3,626	1,265,415	0.22
1 - 5 years Thousand Baht	460,780	-	5,704	-	-	-	466,484	2.16
Over 5 years Thousand Baht	164,412	734,227	327,595	-	-	240	1,226,474	3.11
	143,050	-	-	-	-	-	143,050	0.55
	2,011,396	734,227	333,299	18,875	-	3,866	3,101,423	

Financial assets
Cash and cash equivalents
Investment in securities
Government and state enterprise securities
Private debt securities
Deposits at bank with maturity over 3 months

Financial assets
Cash and cash equivalents
Investment in securities
Government and state enterprise securities
Private debt securities

Alianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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		
	2021	2020	2021	2020	2020
	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht
Interest rate - increase 1%*	5,505	4,525	(76,111)	(111,576)	(111,576)
Interest rate - decrease 1%*	(674)	(690)	77,586	113,816	113,816

* Holding all other variables constant

Separate financial statements					
Impact to net profit			Impact to other components of equity		
	2021	2020	2021	2020	2020
	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht
Interest rate - increase 1%*	127	254	(24,648)	(39,276)	(39,276)
Interest rate - decrease 1%*	(127)	21	24,648	39,276	39,276

* 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.

6.2.2 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).

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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 4 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
- Investment in debt instruments measured at 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.

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	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	34	38	9	12
Increase (decrease) in loss allowance recognised in profit or loss during the year	(7)	(4)	(9)	(3)
As at 31 December	27	34	-	9

Alianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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.

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

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	942	390	450	105
Increase (decrease) in loss allowance recognised in profit or loss during the year	767	552	502	345
As at 31 December	1,709	942	952	450

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.

6.2.3 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 632 million (2020: Baht 449 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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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					BV of assets / liabilities Thousand Baht
	On demand Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht		
As at 31 December 2021						
Lease liabilities	3,614	24,506	109,860	59,804	-	197,784
Other payables	86,553	-	-	-	-	86,553
Total financial liabilities that is not derivatives	90,167	24,506	109,860	59,804	-	284,337
As at 31 December 2020						
Lease liabilities	3,735	25,906	96,419	81,816	-	207,876
Other payables	85,677	-	-	-	-	85,677
Total financial liabilities that is not derivatives	89,412	25,906	96,419	81,816	-	293,553
		Separate financial statements				
Maturity of financial liabilities						
As at 31 December 2021						
Other payables	207	-	-	-	-	207
Total financial liabilities that is not derivatives	207	-	-	-	-	207
As at 31 December 2020						
Other payables	84	-	-	-	-	84
Total financial liabilities that is not derivatives	84	-	-	-	-	84

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

6.3 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.

7 Fair value

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 2021					
<i>Financial assets measured at fair value</i>					
Investments in securities	30,419	6,581,127	-	6,611,546	6,611,546
Debt securities	-	1,306,372	-	1,306,372	1,306,372
Equity securities	-	-	-	-	-
Total	30,419	7,887,499	-	7,917,918	7,917,918
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	1,295,374	1,295,374	1,295,374
Deposits at financial institutions with original maturities more than 3 months	-	-	199,367	199,367	199,367
Government and state enterprise debt securities	-	-	676,594	676,594	676,594
Accrued investment income	-	-	24,187	24,187	24,187
Others	-	-	100,094	100,094	100,094
Total	-	-	2,295,616	2,295,616	2,295,616
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	197,784	197,784	197,784
Others	-	-	86,553	86,553	86,553
Total liabilities	-	-	284,337	284,337	284,337

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

		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 2020					
<i>Financial assets measured at fair value</i>					
Investments in securities	24,792	5,620,067	-	5,644,859	5,644,859
Debt securities	-	1,359,315	-	1,359,315	1,359,315
Equity securities	-	-	-	-	-
Total	24,792	6,979,382	-	7,004,174	7,004,174
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	2,801,938	2,801,938	2,801,938
Deposits at financial institutions with original maturities more than 3 months	-	-	380,136	380,136	380,136
Accrued investment income	-	-	25,141	25,141	25,141
Others	-	-	73,958	73,958	73,958
Total	-	-	3,281,173	3,281,173	3,281,173
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	207,876	207,876	207,876
Others	-	-	85,677	85,677	85,677
Total liabilities	-	-	293,553	293,553	293,553
Separate 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 2021					
<i>Financial assets measured at fair value</i>					
Debt securities	210,344	2,927,834	-	3,138,178	3,138,178
Equity securities	841,994	394,040	-	1,236,034	1,236,034
Total	1,052,338	3,321,874	-	4,374,212	4,374,212
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	236,672	236,672	236,672
Accrued investment income	-	-	10,748	10,748	10,748
Others	-	-	10,468	10,468	10,468
Total	-	-	257,888	257,888	257,888
<i>Financial liabilities not measured at fair value</i>					
Others	-	-	207	207	207
Total liabilities	-	-	207	207	207

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Separate 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 2020					
<i>Financial assets measured at fair value</i>					
Debt securities	240	1,692,718	-	1,692,958	1,692,958
Equity securities	881,475	433,371	-	1,314,846	1,314,846
Total	881,715	2,126,089	-	3,007,804	3,007,804
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	1,265,415	1,265,415	1,265,415
Deposits at financial institutions with original maturities more than 3 months	-	-	143,050	143,050	143,050
Accrued investment income	-	-	10,695	10,695	10,695
Others	-	-	7,376	7,376	7,376
Total	-	-	1,426,536	1,426,536	1,426,536
<i>Financial liabilities not measured at fair value</i>					
Others	-	-	84	84	84
Total liabilities	-	-	84	84	84

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 2021				
Financial assets				
Investments in securities				
Investments measured at fair value through other comprehensive income	1,229,339	6,581,127	77,034	6,581,127
Equity securities	-	-	-	1,306,373
Investments designated at fair value through profit or loss	30,419	-	-	30,419
Debt securities	-	-	-	-
Total financial assets	1,259,758	6,581,127	77,034	7,917,919
As at 31 December 2020				
Financial assets				
Investments in securities				
Investments measured at fair value through other comprehensive income	-	5,620,067	-	5,620,067
Debt securities	828,296	480,187	50,832	1,359,315
Investments designated at fair value through profit or loss	24,792	-	-	24,792
Debt securities	-	-	-	-
Total financial assets	853,088	6,100,254	50,832	7,004,174

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Separate financial statements			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 31 December 2021				
Financial assets				
Investments measured at fair value through other comprehensive income				
Debt securities	-	2,927,834	-	2,927,834
Equity securities	387,344	-	6,696	394,040
Investments designated at fair value through profit or loss				
Debt securities	-	238	210,106	210,344
Equity securities	841,994	-	-	841,994
Total financial assets	1,229,338	2,928,072	216,802	4,374,212

As at 31 December 2020				
Financial assets				
Investments measured at fair value through other comprehensive income				
Debt securities	-	1,692,718	-	1,692,718
Equity securities	427,008	-	6,363	433,371
Investments designated at fair value through profit or loss				
Debt securities	-	240	-	240
Equity securities	401,288	480,187	-	881,475
Total financial assets	828,296	2,173,145	6,363	3,007,804

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 and 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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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

	Consolidated financial statements		Separate financial statements	
	Unlisted equity securities Thousand Baht	Private debt securities Thousand Baht	Unlisted equity securities Thousand Baht	Unlisted equity securities Thousand Baht
As of 1 January 2020	103,525	-	-	17,998
Unrealised gains/(losses)	(52,693)	-	-	(11,635)
As of 31 December 2020	50,832	-	-	6,363
Acquisitions	-	200,000	-	-
Disposals	-	-	-	-
Gains recognised in other comprehensive income	26,202	10,106	-	333
As of 31 December 2021	77,034	210,106	-	6,696

Transfer between fair value hierarchy

During the year ended 31 December 2021 and 2020, 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.

8 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.

a) Loss reserves

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.

b) 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 7.

c) 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 19. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

d) Employee benefits obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 24.

e) Deferred tax asset

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.

Deferred tax assets arising from the carried-forward tax losses

The Group has concluded that the deferred tax assets arising from the carried-forward tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. It is expected that the losses carried forward will be utilised within 5 years.

f) 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.

g) 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.
- h) 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.

i) 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 8 a) 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.

j) 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.

k) 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.

l) 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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

9 Cash and cash equivalents, net

Cash and cash equivalents as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Cash on hand	524	517	-	-
Cheque on hand	39,521	12,098	-	-
Deposits at bank - at call	632,205	449,387	23,698	22,501
Short-term investments	623,130	2,339,936	212,975	1,242,914
Total	1,295,380	2,801,938	236,673	1,265,415
<u>Less</u> Allowance for expected credit loss	<u>(6)</u>	<u>(592)</u>	<u>(1)</u>	<u>(29)</u>
Total	1,295,374	2,801,346	236,672	1,265,386

10 Premium receivable, net

As at 31 December 2021 and 2020, the balances of premiums receivable - net were aged as follows:

	Consolidated financial statements		Consolidated financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Within credit terms				
Overdue:				
Less than 30 days	84,883	63,494	424,299	393,625
31 - 60 days	20,469	34,837		
61 - 90 days	18,849	24,286		
Over 90 days	52,895	70,189		
Total	601,395	586,431		
<u>Less</u> Allowance for doubtful accounts	<u>(20,843)</u>	<u>(30,825)</u>		
Premiums due and uncollected, net	580,552	555,606		

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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

11 Reinsurance assets

Reinsurance assets as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Insurance reserve refundable from reinsurers		
Loss reserves	1,255,210	1,414,091
Unearned premium reserve	668,642	646,646
Unearned reinsurance premium reserve		
Total reinsurance assets	1,923,852	2,060,737

12 Amount due from reinsurers

Amount due from reinsurers as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Amount deposit on reinsurance	43	-
Due from reinsurers	569,939	439,285
Total amount due from reinsurers	569,982	439,285

Aging analyses for due from reinsurers as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Within credit terms	219,744	113,533
Not over 12 months	293,685	281,958
Over 1 year to 2 years	47,437	25,128
Over 2 years	13,428	18,666
Less Allowance for doubtful accounts	(4,355)	-
Total reinsurance receivable	569,939	439,285

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

13 Financial assets

Financial asset - Debt and equity securities as at 31 December 2021 and 2020 were as follows;

	Separate financial statements	
	2021	2020
	Thousand Baht	Thousand Baht
Financial assets measured at fair value through profit or loss		
Private debt securities	210,344	240
Local equity securities	841,994	881,475
Total financial asset measured at fair value through profit or loss	1,052,338	881,715
Financial assets measured at fair value through other comprehensive income		
Government and state enterprise debt securities	1,379,950	466,484
Private debt securities	1,547,884	1,226,234
Local equity securities	394,040	433,371
Total financial assets measured at fair value through other comprehensive income	3,321,874	2,126,089

Financial assets measured at amortised cost

Deposits at financial institutions with original maturities more than 3 months

Less Allowance for expected credit loss

Total financial assets measured at amortised cost

	-	143,050
	-	(9)
	-	143,041

On 30 July 2021, the Company invested in the 10-year subordinated bond issued by subsidiary amounting to Baht 200 million with the fixed interest rate at 6.10% per annum.

13.1 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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

- 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	
	2021	2020
	Thousand Baht	Thousand Baht
Fair value gains on debt instruments at FVPL recognised in gains/(losses) on investments	10,104	200
Fair value gains on equity instruments at FVPL recognised in gains/(losses) on investments	21,510	35,777

For the information about the methods and assumptions used in determining fair value refer to Note 6.2.1 c). Information about the group's exposure to price risk is provided in Note 7.

13.2 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	
	2021	2020
	Thousand Baht	Thousand Baht
Gains/(losses) recognised in other comprehensive income	6,551	(41,122)
Gains reclassified from other comprehensive income to profit or loss on the sale of investments at FVOCI in OCI to other gain/(losses)	-	1,246
Interest income from debt investments at FVOCI recognised in profit or loss	36,792	26,566
Dividends from equity investments at FVOCI recognised in profit or loss in other income	25,257	10,972
Expected credit losses for debt investments at FVOCI recognised in profit or loss (expected credit losses/lifetime expected credit loss) (Note 6.2.2)	(502)	-

Significant acquisitions and disposals during the year

During the year 2021, the Company acquired and disposed listed securities measured at FVOCI in the amount of Baht 131.58 million and Baht 179.58 million, respectively.

During the year 2020, the Company acquired and disposed listed securities measured at FVOCI in the amount of Baht 218.73 million and Baht 21.35 million, respectively.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

c) Expected credit loss

Separate financial statements	Separate financial statements
2021	2020
Expected credit loss recognised in other comprehensive income Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
2,927,834	2,927,834
-	(952)
-	-
-	-
2,927,834	(952)

Investments in debt securities which credit risk has not significantly increased (Stage 1)

Investments in debt securities which credit risk has significantly increased (Stage 2)

Credit-impaired investments in debt securities (Stage 3)

Total

Separate financial statements	Separate financial statements
2021	2020
Fair value Thousand Baht	Fair value Thousand Baht
1,692,718	1,692,718
-	(450)
-	-
-	-
1,692,718	(450)

Investments in debt securities which credit risk has not significantly increased (Stage 1)

Investments in debt securities which credit risk has significantly increased (Stage 2)

Credit-impaired investments in debt securities (Stage 3)

Total

13.3 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

b) Expected credit loss

Separate financial statements		
2021		
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)	-	-
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	-	-

Separate financial statements		
2020		
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)	143,050	143,041
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	143,050	143,041

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

14 Investments in securities, net

The details of investments in securities as at 31 December 2021 and 2020 are as follows:

	Consolidated financial statements	
	2021	
	Cost / Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	22,322	30,419
Add Unrealised gain	8,097	-
Total investments designated at fair value through profit or loss	30,419	30,419
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	3,489,954	3,490,896
Private debt securities	3,064,025	3,090,231
Equity securities	1,369,413	1,306,372
Total	7,923,392	7,887,499
Less Net unrealised loss	(35,893)	-
Total investments measured at fair value through other comprehensive income	7,887,499	7,887,499
Investments measured at amortised cost		
Deposits at financial institutions with original maturities more than 3 months	164,531	
Deposits at banks used as collateral	34,486	
Premium saving certificates used as collateral	350	
Government and state enterprise debt securities	676,594	
Total	875,961	
Less Allowance for expected credit loss	(27)	
Total investments measured at amortised cost	875,934	
Total investments in securities, net	8,793,852	

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

		Consolidated financial statements	
		2020	
	Cost / Amortised cost Thousand Baht	Fair value Thousand Baht	
Investments designated at fair value through profit or loss			
Foreign debt securities	18,710	24,792	
Add Unrealised gain	6,082	-	
Total investments designated at fair value through profit or loss	<u>24,792</u>	<u>24,792</u>	
Investments measured at fair value through other comprehensive income			
Government and state enterprise debt securities	2,905,193	2,923,869	
Private debt securities	2,597,010	2,635,518	
Foreign company debt securities	59,965	60,680	
Equity securities	1,514,371	1,359,315	
Total	7,076,539	6,979,382	
Less Net unrealised loss	(97,157)	-	
Total investments measured at fair value through other comprehensive income	<u>6,979,382</u>	<u>6,979,382</u>	
Investments measured at amortised cost			
Deposits at financial institutions with original maturities more than 3 months	343,300		
Deposits at banks used as collateral	34,486		
Premium saving certificates used as collateral	2,350		
Total	380,136		
Less Allowance for expected credit loss	(34)		
Total investments measured at amortised cost	<u>380,102</u>		
Total investments in securities, net	<u>7,384,276</u>		

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

14.1 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	
	2021 Thousand Baht	2020 Thousand Baht
Fair value gains (losses) on debt securities measured at FVPL recognised in profit (loss)	2,016	6,082

14.2 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	
	2021 Thousand Baht	2020 Thousand Baht
Gains recognised in other comprehensive income	39,383	6,685
Losses reclassified from other comprehensive income to profit or loss on the sale of investments at FVOCI in OCI to other gain/(losses)	(28,095)	(125,188)
Interest income from debt investments at FVOCI recognised in profit or loss	89,190	78,043
Dividends from equity investments at FVOCI recognised in profit or loss	25,273	44,742
Expected credit losses for debt and equity investments at FVOCI recognised in profit or loss (Note 6.2.2)	(767)	(552)

Significant acquisitions and disposals during the year

During the year 2021, the Group acquired and disposed listed securities measured at FVOCI in the amount of Baht 131.58 million and Baht 179.58 million, respectively.

During the year 2020, the Group acquired and disposed listed securities measured at FVOCI in the amount of Baht 218.73 million and Baht 21.35 million, respectively.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

b) Expected credit loss

Consolidated financial statements	
2021	Expected credit loss recognised in other comprehensive income
Fair value Thousand Baht	Thousand Baht
6,581,127	(1,709)
-	-
-	-
Total	(1,709)

Investments in debt securities which credit risk has not significantly increased (Stage 1)
Investments in debt securities which credit risk has significantly increased (Stage 2)
Credit-impaired investments in debt securities (Stage 3)

Consolidated financial statements	
2020	Expected credit loss recognised in other comprehensive income
Fair value Thousand Baht	Thousand Baht
5,620,067	(942)
-	-
-	-
Total	(942)

Investments in debt securities which credit risk has not significantly increased (Stage 1)
Investments in debt securities which credit risk has significantly increased (Stage 2)
Credit-impaired investments in debt securities (Stage 3)

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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 are aged as follows:

	Consolidated financial statements							
	2021				2020			
	Maturing within			Total	Maturing within			Total
	1 year	1 - 5 years	Over 5		1 year	1 - 5 years	Over 5	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Investments measured at fair value through other comprehensive income								
Government and state enterprise securities*	2,388,445	1,096,103	5,406	3,489,954	1,162,383	1,737,347	5,463	2,905,193
Private enterprise securities	1,307,111	1,444,107	312,767	3,063,985	481,870	1,796,354	318,748	2,596,972
Foreign company securities	-	-	-	-	59,965	-	-	59,965
Total	3,695,556	2,540,210	318,173	6,553,939	1,704,218	3,533,701	324,211	5,562,130
<u>Add</u> Unrealised gains	4,384	19,719	3,085	27,188	11,821	36,789	9,087	57,697
Total investments measured at fair value through other comprehensive income	3,699,940	2,559,929	321,258	6,581,127	1,716,039	3,570,490	333,298	5,619,827

*As at 31 December 2021, the Group had no government securities (2020: Baht 14 million) pledged with the Registrar in accordance with the Insurance Act B.E. 2535 section 19 (Note 37).

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

14.3 Investment measured at amortised cost

a) Expected credit loss

Consolidated financial statements			
2021			
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)	875,961	(27)	875,934
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	875,961	(27)	875,934
Consolidated financial statements			
2020			
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)	380,136	(34)	380,102
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	380,136	(34)	380,102

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

b) The maturity of investment measured at amortised cost

The details of investment measured at amortised cost are aged as follows:

	Consolidated financial statements							
	2021				2020			
	Maturing within			Total	Maturing within			Total
	1 year	1 - 5 years	Over 5		1 year	1 - 5 years	Over 5	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Investments measured at amortised cost								
Government and state enterprise securities	676,594	-	-	676,594	-	-	-	-
Deposits at banks used as collateral	34,486	-	-	34,486	20,000	14,486	-	34,486
Premium saving certificates used as collateral	350	-	-	350	2,350	-	-	2,350
Deposits at financial institutions with original maturities more than 3 months*	164,531	-	-	164,531	343,300	-	-	343,300
Total	875,961	-	-	875,961	365,650	14,486	-	380,136
Less Expected credit loss	(27)	-	-	(27)	(31)	(3)	-	(34)
Total investments measured at amortised cost	875,934	-	-	830,934	365,619	14,483	-	380,102

*As at 31 December 2021 and 2020, the Group had deposits at financial institutions with original maturities more than 3 months pledged with the Registrar in accordance with the Insurance Act B.E. 2535 section 19 amounting to Baht 14 million and Baht 14 million, respectively (Note 37).

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

For the year ended 31 December 2021 and 2020, the Group and the Company has investment income as below:

- Interest income amounting to Baht 95.97 million and Baht 45.57 million, respectively (2020: Baht 92.83 million and Baht 27.72 million, respectively).
- Dividend income amounting to Baht 56.95 million and Baht 763.31 million, respectively (2020: Baht 44.75 million and Baht 484.21 million, respectively).
- Consideration from selling investments amounting to Baht 1,163.26 million and Baht 717.77 million, respectively (2020: Baht 2,682.57 million and Baht 2,597.49 million, respectively) and loss from selling investments amounting to Baht 12.90 million and Baht 12.90 million, respectively (2020 : Baht 0.29 million and Baht 0.29 million, respectively).

As at 31 December 2021, certain investments in securities (certain government and state enterprise securities and certain deposits at bank) of the Group and Company are pledged and used for assets reserved with the Registrar amounting to Baht 575.94 million and Baht 1.08 million, respectively (2020: Baht 629.96 million and Baht 1.14 million, respectively) (Note 37).

As at 31 December 2021 and 2020, premium saving certificates of the Group were used as collateral for insured drivers are the alleged offenders amounting to Baht 0.35 million and Baht 1.25 million, respectively (Note 38).

As at 31 December 2021, certain bank deposits of the Group and the Company were pledged as collateral for bank overdrafts and borrowing facilities (Domestic Bill) amounting to Baht 20 million and Baht 0 million, respectively (2020: Baht 50.00 million and Baht 30.00 million, respectively) (Note 38).

15 Investments in a subsidiary and an associate

15.1 Investments in a subsidiary

As at 31 December 2021, the Group has subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Subsidiary	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	2021 Thousand Baht	2020 Thousand Baht	2021 Percentage	2020 Percentage	2021 Thousand Baht	2020 Thousand Baht
Allianz Ayudhya General Insurance Public Company Limited	2,548,800	2,548,800	99.99	99.99	2,572,379	2,572,379

15.2 Investments in an associate

As at 31 December 2021 and 2020, 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	
			2021 Percentage	2020 Percentage	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Associate company Allianz Ayudhya Assurance Public Company Limited	Life Insurance	Thailand	31.97	31.97	5,455,863	5,455,863	9,492,515	11,252,204

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

- a) The movement in investments in an associate for the year ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Book value at the beginning year	11,252,204	11,062,234	5,455,863	5,455,863
Share of profit	1,287,852	1,049,595	-	-
Share of other comprehensive income (loss)	(2,341,157)	(400,780)	-	-
Dividend income	(706,384)	(439,486)	-	-
Adjustment	-	(19,359)	-	-
Book value at the ending year	9,492,515	11,252,204	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.

	2021 Thousand Baht	(Restated) 2020 Thousand Baht
<i>Summarised of performance</i>		
Revenue	39,918,873	38,139,608
Post-tax profit	3,862,175	3,449,296
Other comprehensive income (loss)	(7,190,117)	(1,386,614)
Total comprehensive income (loss)	(3,327,942)	2,062,682
Dividend received from associates	706,384	439,486
<i>Summarised of statement of financial position</i>		
Assets	219,698,702	223,637,783
Liabilities	196,229,109	194,630,698
Net assets	23,469,593	29,007,085
Group's share in associates (%)	31.97	31.97
Group's share in associates (Thousand Baht)	9,492,515	11,252,204
Goodwill	-	-
Associates carrying amount	5,455,863	5,455,863

The Group's associate company has changed its accounting policies relating to the application of shadow accounting under TFRS 4 Insurance contracts and restated its prior year financial statements. As the impact to consolidated financial statements is not material, The Group's prior year consolidated financial statements were not restated.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

16 Property, plant and equipment, net

Property, plant and equipment, net as at 31 December 2021 and 2020 consisted of the following.

	Consolidated financial statements									
	2021									
	Cost				Accumulated depreciation					Property, plant and equipment, net
As at 1 January 2021 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	As at 31 December 2021 Thousand Baht
Land	1,610	-	-	-	1,610	-	-	-	1,610	1,610
Building	773	-	-	-	773	(773)	-	(733)	-	-
Leasehold improvement	56,660	429	(3,190)	15,298	69,197	(38,374)	(4,885)	2,106	(41,153)	28,044
Furniture, fixtures and office equipment	106,491	6,027	(19,077)	-	93,441	(88,427)	(7,974)	18,365	(78,036)	15,405
Vehicles	26,488	-	(19,391)	-	7,097	(23,976)	(1,339)	19,329	(5,986)	1,111
Leasehold improvement under installation	13,424	1,874	-	(15,298)	-	-	-	-	-	-
Total	205,446	8,330	(41,658)	-	172,118	(151,550)	(14,198)	39,800	(125,948)	46,170

	Consolidated financial statements									
	2020									
	Cost				Accumulated depreciation					Property, plant and equipment, net
As at 1 January 2021 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	As at 31 December 2021 Thousand Baht
Land	1,610	-	-	-	1,610	-	-	-	1,610	1,610
Building	773	-	-	-	773	(773)	-	(773)	-	-
Leasehold improvement	63,784	12,269	(19,792)	399	56,660	(47,506)	(7,421)	16,553	(38,374)	18,286
Furniture, fixtures and office equipment	111,514	6,678	(11,701)	-	106,491	(88,158)	(8,833)	8,564	(88,427)	18,064
Vehicles	26,488	-	-	-	26,488	(19,781)	(4,195)	-	(23,976)	2,512
Leasehold improvement under installation	539	13,284	-	(399)	13,424	-	-	-	-	-
Total	204,708	32,231	(31,493)	-	205,446	(156,218)	(20,449)	25,117	(151,550)	53,896

The depreciation expense for the year ended 31 December 2021 and 2020 amounting to Baht 12.40 million and Baht 18.42 million, respectively were included in operating expenses and amounting to Baht 1.80 million and Baht 2.03 million, respectively, were included in other underwriting expenses.

Separate financial statements

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	2021									
	Cost			Accumulated depreciation					Property, plant and equipment, net	
	As at 1 January 2021	Increase	Disposal / Write off	As at 31 December 2021	As at 1 January 2021	Depreciation	Disposal / Write off	As at 31 December 2021	As at 1 January 2021	As at 31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	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	(749)	(24)	-	(773)	63	39
Total	3,357	-	-	3,357	(1,684)	(24)	-	(1,708)	1,673	1,649
	Separate financial statements									
	2020									
	Cost			Accumulated depreciation					Property, plant and equipment, net	
	As at 1 January 2021	Increase	Disposal / Write off	As at 31 December 2021	As at 1 January 2021	Depreciation	Disposal / Write off	As at 31 December 2021	As at 1 January 2021	As at 31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Land	1,610	-	-	1,610	-	-	-	-	1,610	1,610
Building	773	-	-	773	(773)	-	-	(773)	-	-
Leasehold improvement	344	-	(182)	162	(344)	-	182	(162)	-	-
Furniture, fixtures and office equipment	1,058	-	(246)	812	(970)	(25)	246	(749)	88	63
Total	3,785	-	(428)	3,357	(2,087)	(25)	428	(1,684)	1,698	1,673

The depreciation expense for the year ended 31 December 2021 amounting to Baht 0.02 million was included in operating expenses (2020: Baht 0.03 million).

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

17 Right-of-use asset, net

Right-of-use asset, net as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements									
	2021									
	Cost			Accumulated amortisation				Right-of-use asset, net		
As at 1 January 2021 Thousand Baht	Increase Thousand Baht	Change in contract Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	Amortisation Thousand Baht	Change in contract Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	As at 31 December 2021 Thousand Baht	
Leasehold improvement	239,225	51	(249)	239,027	(31,936)	-	(65,215)	207,289	173,812	
Vehicles	3,333	18,319	-	21,652	(1,818)	-	(5,067)	1,515	16,585	
Total	242,558	18,370	(249)	260,679	(33,754)	-	(70,282)	208,804	190,397	

	Consolidated financial statements									
	2020									
	Cost			Accumulated amortisation				Right-of-use asset, net		
As at 1 January 2021 Thousand Baht	Increase Thousand Baht	Change in contract Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	Amortisation Thousand Baht	Change in contract Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	As at 31 December 2021 Thousand Baht	
Leasehold improvement	147,806	33,734	57,685	239,225	(2,809)	2,685	(31,936)	144,997	207,289	
Vehicles	3,333	-	-	3,333	-	-	(1,818)	3,333	1,515	
Total	151,139	33,734	57,685	242,558	(2,809)	2,685	(33,754)	148,330	208,804	

For the year ended 31 December 2021, the Group has no lease payments resulting from lease contracts which are not capitalised comprised of short-term contracts (2020: Baht 0.15 million).

The amortisation expense for the year ended 31 December 2021 and 2020 amounting to Baht 34.21 million and Baht 29.82 million, respectively were included in operating expenses and amounting to Baht 2.32 million and Baht 2.43 million, respectively, were included in other underwriting expenses.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

18 Intangible asset, net

Intangible assets, net as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements										
	2021										
	Cost				Accumulated amortisation				Intangible assets, net		
As at 1 January 2021 Thousand Baht	Increase Thousand Baht	Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	Amortisation Thousand Baht	Write off Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	As at 31 December 2021 Thousand Baht	
Computer software	264,781	23,798	-	-	288,579	(206,729)	(16,829)	-	(223,558)	58,052	65,021
Computer software in progress	18,980	38,132	(37,402)	-	19,710	-	-	-	18,980	19,710	
Bancassurance agreement	100,000	-	-	-	100,000	(100,000)	-	-	(100,000)	-	
Total	383,761	61,930	(37,402)	-	408,289	(306,729)	(16,829)	-	(323,558)	77,032	84,731

	Consolidated financial statements										
	2020										
	Cost				Accumulated amortisation				Intangible assets, net		
As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Amortisation Thousand Baht	Write off Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	As at 31 December 2020 Thousand Baht	
Computer software	233,110	9,609	-	22,062	264,781	(189,023)	(17,706)	-	(206,729)	44,087	58,052
Computer software in progress	32,556	10,456	(1,970)	(22,062)	18,980	-	-	-	32,556	18,980	
Bancassurance agreement	100,000	-	-	-	100,000	(91,568)	(8,432)	-	(100,000)	8,432	
Total	365,666	20,065	(1,970)	-	383,761	(280,591)	(26,138)	-	(306,729)	85,075	77,032

For the year ended 31 December 2021 and 2020, the amortisation expenses amounting to Baht 13.37 million and Baht 13.73 million, respectively, were included in operating expenses and amounting to Baht 3.46 million and Baht 12.40 million, respectively, were included in other underwriting expenses.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Separate financial statements									
2021									
	Cost			Accumulated amortisation			Intangible assets, net		
	As at 1 January 2021 Thousand Baht	Increase Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	Amortisation Thousand Baht	As at 31 December 2021 Thousand Baht	As at 1 January 2021 Thousand Baht	As at 31 December 2021 Thousand Baht
Computer software	6,743	-	-	6,743	(212)	(671)	(883)	6,531	5,860
Total	6,743	-	-	6,743	(212)	(671)	(883)	6,531	5,860
Separate financial statements									
2020									
	Cost			Accumulated amortisation			Intangible assets, net		
	As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Amortisation Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	As at 31 December 2020 Thousand Baht
Computer software	41	6,702	-	6,743	(41)	(171)	(212)	-	6,531
Computer software in progress	1,968	-	(1,968)	-	-	-	-	1,968	-
Total	2,009	6,702	(1,968)	6,743	(41)	(171)	(212)	1,968	6,531

For the year ended 31 December 2021, the Company included the amortisation expenses amounted to Baht 0.67 million in operating expenses (2020: Baht 0.17 million).

19 Goodwill

As at 31 December 2021, the Group has goodwill amounting to Baht 508.88 million which occurred from the purchased and accepted of the entire business of Allianz Insurance Public company limited on 30 April 2019.

Impairment assessment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 8 c). 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 2021, the Group tested impairment of the goodwill and considered that there is no impairment for the goodwill.

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 does not exceed the long-term average market growth rate for the business in which the Group operates.

The key assumptions used for value-in-use calculations are as follows:

Net earned premium growth rate from 2022 - 2026: 7% - 12%

Pre-tax discount rate applied to the cash flow projections: 9.4%

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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

20 Deferred tax assets, net

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Deferred tax assets	426,001	444,434	53,566	77,062
Deferred tax liabilities	(25,896)	(25,162)	(14,077)	(12,921)
Deferred tax asset, net	400,105	419,272	39,489	64,141

The movements in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements			
	As at 1 January 2021 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other income Thousand Baht	As at 31 December 2021 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	6,165	(1,996)	-	4,169
- Premium due and uncollected				
Allowance for doubtful accounts	908	(716)	-	192
- Other receivable				
Allowance for doubtful accounts	-	871	-	871
- Reinsurance				
Unearned premium reserve	50,042	27,723	-	77,765
Unrealised loss on the change in fair value of investment measured at fair value				
through other comprehensive income	38,828	(6,040)	(5,984)	26,804
Allowance for Impairment Losses	-	8,009	(8,009)	-
Expected credit loss	426	(266)	(154)	6
Claim reserve, net	141,779	(15,792)	-	125,987
Claim incurred but not reported	35,588	9,147	-	44,735
Employee benefit obligations	19,097	1,455	(4,923)	15,629
Share-based benefit obligations	-	297	-	297
Accrued expense	24,305	4,552	-	28,857
Loss carried forward	125,362	(26,607)	-	98,755
Others	1,934	-	-	1,934
	444,434	637	(19,070)	426,001
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	(821)	(506)	-	(1,327)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(19,402)	(880)	652	(19,630)
	(25,162)	(1,386)	652	(25,896)
Deferred tax assets, net	419,272	(749)	(18,418)	400,105

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Consolidated financial statements			
	As at 1 January 2020 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other income Thousand Baht	As at 31 December 2020 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	6,620	(455)	-	6,165
Allowance for doubtful accounts				
- Other receivable	567	341	-	908
Unearned premium reserve	100,061	(50,019)	-	50,042
Unrealised loss on the change in fair value of investment measured at fair value through other comprehensive income	34,950	(4,006)	7,884	38,828
Expected credit loss	495	30,142	(30,211)	426
Claim reserve, net	137,009	4,770	-	141,779
Claim incurred but not reported	25,905	9,683	-	35,588
Employee benefit obligations	19,760	(663)	-	19,097
Accrued expense	11,841	12,464	-	24,305
Loss carried forward	-	125,362	-	125,362
Others	2,913	(979)	-	1,934
	340,121	126,640	(22,327)	444,434
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	-	(821)	-	(821)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(19,360)	4,006	(4,048)	(19,402)
	(24,299)	3,185	(4,048)	(25,162)
Deferred tax assets, net	315,822	129,825	(26,375)	419,272

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax asset of Baht 15.84 million from tax losses of Baht 79.20 million, to carry forward against future taxable income; these tax losses of Baht 79.20 million will expire in 2025 (2020: The Group does not recognise deferred tax asset of Baht 3.79 million from tax losses of Baht 18.97 million, to carry forward against future taxable income; these tax losses will expire in 2025).

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Separate financial statements			
	As at 1 January 2021 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other income Thousand Baht	As at 31 December 2021 Thousand Baht
Deferred tax assets				
Unrealised loss on the change in fair value of financial assets measured at fair value through profit or loss	23,749	(10,342)	-	13,407
Unrealised loss on the change in fair value of financial assets measured at fair value through other comprehensive income	15,079	-	(1,682)	13,397
Expected credit loss	308	(208)	(100)	-
Loss carried forward	37,926	(11,164)	-	26,762
	77,062	(21,714)	(1,782)	53,566
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	(40)	(2,901)	-	(2,941)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(7,942)	-	1,745	(6,197)
	(12,921)	(2,901)	1,745	(14,077)
Deferred tax assets, net	64,141	(24,615)	(37)	39,489

	Separate financial statements			
	As at 1 January 2020 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other income Thousand Baht	As at 31 December 2020 Thousand Baht
Deferred tax assets				
Unrealised loss on the change in fair value of financial assets measured at fair value through profit or loss	34,950	(11,201)	-	23,749
Unrealised loss on the change in fair value of financial assets measured at fair value through other comprehensive income	-	-	15,079	15,079
Employee benefit obligations	1,534	(1,534)	-	-
Expected credit loss	311	66	(69)	308
Loss carried forward	-	37,926	-	37,926
	36,795	25,257	15,010	77,062
Deferred tax liabilities				
Unrealised gain on transfer of financial assets	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of financial assets measured at fair value through profit or loss	(4,046)	4,006	-	(40)
Unrealised gain on the change in fair value of financial assets measured at fair value through other comprehensive income	(1,156)	-	(6,786)	(7,942)
	(10,141)	4,006	(6,786)	(12,921)
Deferred tax assets, net	26,654	29,263	8,224	64,141

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Company does not recognise deferred tax asset of Baht 15.84 million from tax losses of Baht 79.20 million, to carry forward against future taxable income; these tax losses of Baht 79.20 million will expire in 2025 (2020: The Company does not recognise deferred tax asset of Baht 3.79 million from tax losses of Baht 18.97 million, to carry forward against future taxable income; these tax losses will expire in 2025).

21 Other assets, net

Other assets as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other receivables	21,068	25,720	25	-
Less: Allowance for doubtful accounts	(960)	(4,542)	-	-
Revenue Department receivable	20,108	21,178	25	-
Withholding tax receivable	47,673	27,814	9,285	6,625
Prepaid expenses	22,036	18,620	1,523	1,522
Due from rice field insurance scheme	9,781	11,123	121	110
Accrued loss recovery	583	1,819	-	-
Deposits	20,791	38,687	-	-
Undue input value added tax	7,454	8,313	51	52
Others	9,690	8,643	10	-
	11,306	5,930	1,015	884
Total	149,422	142,127	12,030	9,193

22 Insurance contract liabilities

Insurance contract liabilities as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements		
	2021		
	Insurance contract liabilities	Insurance liabilities recovered from reinsurers	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Claim reserves			
Loss incurred and reported	1,929,799	(1,164,937)	764,862
Loss incurred but not reported	313,947	(90,273)	223,674
Total	2,243,746	(1,255,210)	988,536
Premium reserve			
Unearned premium reserve	2,826,998	(668,642)	2,158,356
Total	5,070,744	(1,923,852)	3,146,892

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Consolidated financial statements

2020

	Insurance liabilities recovered from reinsurers	Net
Thousand Baht	Thousand Baht	Thousand Baht

Claim reserves		
Loss incurred and reported	2,174,147	(1,329,395)
Loss incurred but not reported	262,634	(84,696)
Total	2,436,781	(1,414,091)

Total

1,022,690

Premium reserve

Unearned premium reserve

2,720,983 (646,646) 2,074,337

Total

5,157,764 (2,060,737) 3,097,027

22.1 Insurance reserve for short-term insurance contract

22.1.1 Claim reserves

Consolidated financial statements

2021

Gross	Reinsurance	Net
Thousand Baht	Thousand Baht	Thousand Baht

Balance as at beginning year	2,436,781	(1,414,091)	1,022,690
Claim and loss adjustment expenses incurred during the year	2,286,356	(482,526)	1,803,830
Change in claim reserves and assumptions used in loss reserve calculation	276,727	(56,440)	220,287
Loss paid during the year	(2,756,118)	697,847	(2,058,271)
Balance as at ending year	2,243,746	(1,255,210)	988,536

Consolidated financial statements

2020

Gross	Reinsurance	Net
Thousand Baht	Thousand Baht	Thousand Baht

Balance as at beginning year	2,460,703	(1,535,684)	925,019
Claim and loss adjustment expenses incurred during the year	2,989,731	(833,666)	2,156,065
Change in claim reserves and assumptions used in loss reserve calculation	429,437	(156,141)	273,296
Loss paid during the year	(3,443,090)	1,111,400	(2,331,690)
Balance as at ending year	2,436,781	(1,414,091)	1,022,690

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Maturity analysis of claim reserves expected to be paid is as follows:

	Consolidated financial statements		
	2021	2020	
	Thousand Baht	Thousand Baht	Thousand Baht
Claim reserves expected to be paid within 1 year	1,594,142	2,093,003	
Claim reserves expected to be paid between 1-2 years	354,913	270,300	
Claim reserves expected to be paid between 2-5 years	294,691	73,478	
Claim reserves expected to be paid over 5 years	-	-	
Total Claim reserves expected to be paid	2,243,746	2,436,781	

Sensitivity analysis of claim reserves is as follows:

	Consolidated financial statements			
	2021		2020	
	Increase / (decrease) in insurance contract liabilities	Increase / (decrease) in profit	Increase / (decrease) in owners' equity	Increase / (decrease) in owners' equity
Loss ratio of the recent accident year	27,419	128,534	(101,115)	(80,892)
Claim reserve for big claims	(26,261)	(123,557)	97,296	77,837
Unallocated Loss Adjustment Expense ratio (ULAE)	35,480	130,270	(94,791)	(75,832)
	(35,086)	(128,038)	92,952	74,361
	-	11,865	(11,865)	(9,492)
	-	(11,865)	11,865	9,492

	Consolidated financial statements			
	2021		2020	
	Increase / (decrease) in assumptions	Increase / (decrease) in contract liabilities	Increase / (decrease) in profit	Increase / (decrease) in owners' equity
Loss ratio of the recent accident year	25,895	116,416	(90,520)	(72,416)
Claim reserve for big claims	(28,468)	(108,278)	79,810	63,848
Unallocated Loss Adjustment Expense ratio (ULAE)	48,995	149,095	(100,100)	(80,080)
	(49,783)	(144,072)	94,290	75,432
	-	13,318	(13,318)	(10,655)
	-	(13,318)	13,318	10,655

22.1.2 Unearned premium reserve

	Consolidated financial statements		
	2021		
	Gross	Reinsurance	Net
Balance as at beginning year	2,720,983	(646,646)	2,074,337
Premium written for the year	5,584,707	(1,608,289)	3,976,418
Earned premium for the year	(5,478,692)	1,586,294	(3,892,398)
Balance as at ending year	2,826,998	(668,641)	2,158,357

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Consolidated financial statements					
	2020					
	Gross Thousand Baht	Reinsurance Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Net Thousand Baht
Balance as at beginning year	3,337,238	(1,205,520)				2,131,718
Premium written for the year	5,676,918	(1,564,003)				4,112,915
Earned premium for the year	(6,293,173)	2,122,877				(4,170,296)
Balance as at ending year	2,720,983	(646,646)				2,074,337

22.1.3 Unexpired risk reserve

As at 31 December 2021 and 2020, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Group amounting to Baht 1,436.61 million and Baht 1,355.52 million, respectively and net unexpired risk reserve estimated by the Group amounting to Baht 1,255.57 million and Baht 1,292.36 million, respectively, is lower than the unearned premium reserve.

22.2 Claim Development Table

22.2.1 Claim development table before reinsurance

	Consolidated financial statements									
	2021									
	2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2021 Thousand Baht	2021 Thousand Baht	2021 Thousand Baht	2021 Thousand Baht	Total Thousand Baht
Gross estimate of cumulative claim costs										
- At the end of the accident year	2,899,143	4,024,019	3,807,602	3,220,781	2,592,080					15,686,516
- One year later	2,758,139	3,632,050	3,861,531	3,084,562						-
- Two years later	2,764,663	3,535,761	3,827,627							-
- Three years later	2,795,797	3,422,647								-
- Four years later	2,759,600	-								-
Absolute estimated claim Cumulative claim paid	2,759,600 (2,741,638)	3,422,647 (3,367,206)	3,827,627 (3,496,097)	3,084,562 (2,814,810)	2,592,080 (1,386,689)					15,686,516 (13,806,440)
Total claim reserve	17,962	55,441	331,530	269,752	1,205,391					1,880,076
Claim liability before year 2017										363,670
Total claim liability										2,243,746

	Consolidated financial statements									
	2020									
	2016 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2020 Thousand Baht	2020 Thousand Baht	2020 Thousand Baht	2020 Thousand Baht	Total Thousand Baht
Gross estimate of cumulative claim costs										
- At the end of the accident year	2,812,467	2,899,143	4,024,019	3,807,602	3,220,781					16,141,157
- One year later	2,774,379	2,758,139	3,632,050	3,861,531						-
- Two years later	2,733,172	2,764,663	3,535,761							-
- Three years later	2,725,206	2,795,797								-
- Four years later	2,727,287	-								-
Absolute estimated claim Cumulative claim paid	2,727,287 (2,678,826)	2,795,797 (2,699,520)	3,535,761 (3,258,890)	3,861,531 (3,383,670)	3,220,781 (1,934,151)					16,141,157 (13,955,057)
Total claim reserve	48,461	96,277	276,871	477,861	1,286,630					2,186,100
Claim liability before year 2016										250,681
Total claim liability										2,436,781

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

22.2.2 Claim development table after reinsurance

Accident Year / Reporting Year	Consolidated financial statements					
	2021					
	2017	2018	2019	2020	2021	Total
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gross estimate of cumulative claim costs	1,698,005	2,027,944	2,341,472	2,312,948	2,008,540	10,065,165
- At the end of the accident year	1,649,769	1,956,231	2,302,602	2,186,004	-	-
- One year later	1,653,168	1,924,386	2,302,332	-	-	-
- Two years later	1,655,087	1,917,781	-	-	-	-
- Three years later	1,650,508	-	-	-	-	-
- Four years later	-	-	-	-	-	-
Absolute estimated claim Cumulative claim paid	1,650,508	1,917,781	2,302,332	2,186,004	2,008,540	10,065,165
	(1,644,490)	(1,911,195)	(2,279,510)	(2,120,235)	(1,207,905)	(9,163,335)
Total claim reserve	6,018	6,586	22,822	65,769	800,635	901,830
Claim liability before year 2017	-	-	-	-	-	86,705
Total claim liability	-	-	-	-	-	988,535

Accident Year / Reporting Year	Consolidated financial statements					
	2020					
	2016	2017	2018	2019	2020	Total
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gross estimate of cumulative claim costs	1,654,967	1,698,005	2,027,944	2,341,472	2,312,948	9,789,166
- At the end of the accident year	1,606,464	1,649,769	1,956,231	2,302,602	-	-
- One year later	1,589,685	1,653,168	1,924,386	-	-	-
- Two years later	1,589,927	1,655,087	-	-	-	-
- Three years later	1,594,143	-	-	-	-	-
- Four years later	-	-	-	-	-	-
Absolute estimated claim Cumulative claim paid	1,594,143	1,655,087	1,924,386	2,302,602	2,312,948	9,789,166
	(1,588,971)	(1,645,764)	(1,892,005)	(2,238,482)	(1,486,727)	(8,851,949)
Total claim reserve	5,172	9,323	32,381	64,120	826,221	937,217
Claim liability before year 2016	-	-	-	-	-	85,473
Total claim liability	-	-	-	-	-	1,022,690

23 Amount due to reinsurers

Amount due to reinsurers as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements			
	2021		2020	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Amounts withheld on reinsurance	663,132	748,482	497,100	501,323
Reinsurance payables	1,160,232	1,249,805	-	-
Total amount due to reinsurers	1,823,364	1,998,287	497,100	501,323

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

24 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	
	2021	2020
	Thousand Baht	Thousand Baht
Long-term employee benefits	20,549	19,065
Retirement benefits	114,858	132,201
Total amount due to reinsurers	135,407	151,266

24.1 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 defined benefit obligation for the years are as follows:

	Consolidated financial statements	
	2021	2020
	Thousand Baht	Thousand Baht
As at 1 January	132,201	135,518
Current service cost	15,377	20,548
Interest expense	1,758	3,128
	149,336	159,194
Remeasurements:		
Gain from change in demographic assumptions	(15,217)	-
Loss from change in financial assumptions	2,739	-
Experience gain	(12,136)	-
	(24,614)	-
Payment from plans:		
Benefit payment during the year	(9,864)	(24,423)
Curtailment	-	(2,570)
As at 31 December	114,858	132,201

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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	
	2021	2020
Financial assumptions:		
Discount rate (%)	1.68	2.04
Salary growth rate (%)	3	5
Demographic assumptions:		
Turnover rate (%) subject to range of age of employees	9, 14, 22	10, 15, 25
Retirement age (Year)	60	60

Significant actuarial assumptions - Impact on increase (decrease) in defined benefit obligation

	Consolidated financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Financial assumptions:		
Discount rate - 1 % increase	(9,564)	(13,000)
Discount rate - 1 % decrease	10,901	14,773
Expected rate of salary - 1% increase	10,167	15,435
Expected rate of salary - 1% decrease	(9,106)	(13,791)
Demographic assumptions:		
Turnover rate - 1% increase	(10,054)	(13,746)
Turnover rate - 1% decrease	2,600	3,424
Life expectancy - 1 year increase	556	776
Life expectancy - 1 year decrease	(553)	(771)

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 2021 and 2020 were as follows:

	Consolidated financial statements	
	2021	2020
Weighted average duration of the defined benefit obligation (Year)	10.73	12.04
Maturity analysis of undiscounted benefits expected to be paid (Thousand Baht)		
Benefits expected to be paid within 1 year	10,495	10,126
Benefits expected to be paid between 1 - 5 years	33,046	50,550
Benefits expected to be paid more than 5 years	571,773	810,396
Total	615,314	871,072

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

24.2 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 2021, 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 2021, the total Company's contribution under this plan was Baht 0.60 million (2020: Baht 0.65 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.

Performance criteria are set by the Board of Directors and will measure the performance of the Group.

	RSU	
	2021	2020
As at 1 January	3,642	-
Granted/Transferred in	1,720	4,460
Exercised	(1,045)	(818)
Forfeited/Transferred out	-	-
As at 31 December	4,317	3,642

The total recognised compensation in other employee benefits for the year ended 31 December 2021 amounting to Baht 9.51 million (2020: Baht 7.74 million) and the total compensation liabilities under "Employee benefits" amounting to Baht 20.55 million (2020: Baht 19.07 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.

Employee stock benefit plan

The Allianz Group offers Allianz SE shares in 42 countries to entitled employees at favourable conditions. The offer provides to the eligible employees for one share. The shares have 3 years restriction period which will be held and administered in a central omnibus account during the period. During the year ended 31 December 2021, there is no shares provided to employees under these plans and no other employee benefits (2020: 199 shares and Baht 1.22 million, respectively).

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

25 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	Consolidated financial statements			
	2021		2020	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Maturity				
Within 1 year		28,120		29,642
Between 1 - 2 years		29,323		28,636
Between 2 - 3 years		28,440		26,383
Between 3 - 4 years		27,758		21,192
Between 4 - 5 years		24,339		20,208
Over 5 years		59,804		81,815
Total		197,784		207,876
<i>Including - Principal</i>		<i>222,397</i>		<i>233,902</i>
<i>- Interest</i>		<i>(24,613)</i>		<i>(26,026)</i>

For the year ended 31 December 2021 and 2020, the Group have Interest expenses on lease liabilities amounted to Baht 6.92 million and Baht 4.65 million, respectively are recorded as "finance cost" in the statement of comprehensive income.

26 Other liabilities

Other liabilities as at 31 December 2021 and 2020 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2021		2020	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other payables - Promotion expense	62,957	65,925	-	-
Premium suspense	239,158	139,824	-	-
Withholding tax payable	14,636	19,610	207	85
Undue output VAT	1,425	4,001	1	-
Contribution to non-life guarantee fund	23,505	19,668	-	-
Others	23,738	27,768	342	159
Total	365,419	276,796	550	244

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

27 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 two principal business segments: (1) Non-life insurance business and (2) Investment 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 2021 and 2020, 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 2021 and 2020 were presented by business segment as follows:

	Consolidated financial statements							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Revenue from external Share of profit on investment in an associate Other income	4,260,073	4,522,192	823,552	427,691	(732,908)	(470,426)	4,350,717	4,479,457
Total revenue	4,295,612	4,587,499	2,111,461	1,477,527	(734,302)	(473,921)	5,672,771	5,591,105
Insurance business expenses Directors and key management personnel's remuneration Other expenses Income tax expense (income)	3,640,815	4,095,271	-	-	-	-	3,640,815	4,095,271
Total expenses	4,362,785	4,847,567	55,633	2,713	24,324	109,711	4,442,742	4,959,991
Net income (loss)	(67,173)	(260,069)	2,055,828	1,474,814	(758,626)	(583,632)	1,230,029	631,114

28 Dividend

At the Board of Directors' meeting on 26 April 2021, the payment of interim dividend was approved from the retained earnings at Baht 0.77 per share, totalling Baht 299.74 million. The dividend payment was made on 13 May 2021.

At the Board of Directors' meeting on 13 August 2021, the payment of interim dividend was approved from the retained earnings at Baht 0.77 per share, totalling Baht 299.74 million. The dividend payment was made on 10 September 2021.

At the Board of Directors' meeting on 8 April 2020, the payment of interim dividend was approved from the retained earnings at Baht 0.75 per share, totalling Baht 288.72 million. The dividend payment was made on 7 May 2020.

At the Board of Directors' meeting on 14 August 2020, the payment of interim dividend was approved from the retained earnings at Baht 0.75 per share, totalling Baht 291.95 million. The dividend payment was made on 11 September 2020.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

29 Earnings per share

Earnings per share for the year ended 31 December 2021 and 2020 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	
	2021	2020	2021	2020
Basic earnings per share				
Profit attributable to Shareholders of the Company (Thousand Baht)	1,230,029	631,114	767,976	425,219
Weighted average number of ordinary shares (Thousand share)	389,267	387,563	389,267	387,563
Earnings (loss) per share (Baht per share)	3.16	1.63	1.97	1.10

30 Gain (Loss) on investment

Gain (Loss) on investment for the year ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Gains (Losses) on investment measured at fair value through profit or loss				
Gains (losses) on sale of investments	-	-	500	(1,534)
Debt securities	-	-	(13,399)	-
Equity securities	-	-	-	-
Gains (losses) on fair value adjustment	-	-	10,104	(6,796)
Debt securities	-	-	21,510	(78,397)
Equity securities	-	-	18,715	(86,727)
Gains (losses) on investment designated at fair value through profit or loss	(453)	4,105	-	-
Gains (losses) on fair value adjustment	(453)	4,105	-	-
Debt securities	-	-	-	-
Gains (losses) on investment measured at fair value through other comprehensive income				
Gains (losses) on sale of investments	611	(121,416)	-	1,246
Debt securities	(8,309)	5,038	-	-
Equity securities	(7,698)	(116,378)	-	1,246
Gains (losses) on investments	(8,151)	(112,273)	18,715	(85,481)

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

31 Operating expenses

Operating expenses for the year ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Employee benefit expenses, excluded underwriting and loss adjustment expenses	273,067	280,935	(411)	10,218
Premises and equipment expense, excluded underwriting expenses	255,877	133,693	2,852	2,485
Taxes and duties	2,906	2,093	1,962	1,087
Bad debt and allowance for doubtful accounts (Reversal)	1,286	(567)	-	-
Directors' remuneration	11,409	13,810	14,673	8,845
Management fee	128,398	160,733	-	-
Marketing and promotion expenses	5,676	5,838	31	6
Professional fee	15,847	112,113	10,254	5,179
Other operating expense	59,568	130,534	1,192	3,825
Total operating expenses	754,034	839,182	30,553	31,645

32 Employee expenses

The employee expenses for the year ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Salary and wages	466,977	466,831	(429)	3,273
Social fund expenses	3,014	3,788	-	10
Employee benefit expenses	20,609	42,822	-	1,052
Providend fund	14,847	18,477	-	157
Other benefits	51,660	41,278	18	5,726
Total employee expenses	557,107	573,196	(411)	10,218

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

33 Expected credit loss

The expected credit loss for the year ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Cash and cash equivalent (Reversal)	(586)	(340)	(28)	(11)
Investments in debt securities measured at fair value through other comprehensive income	767	552	502	345
Investments in debt securities measured at amortised cost (Reversal)	(7)	(4)	(9)	(3)
Total expected credit loss	174	208	465	331

34 Income tax expense

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Current tax:				
Current tax on profits for the year	-	-	-	-
Adjustments in respect of prior year	-	-	-	-
Total current tax	-	-	-	-
Deferred income tax:				
Decrease (increase) in deferred tax assets (Note 20)	(637)	(126,640)	21,714	(25,257)
Increase (decrease) in deferred tax liabilities (Note 20)	1,386	(3,185)	2,901	(4,006)
Total deferred income tax	749	(129,825)	24,615	(29,263)
Income tax expense (income)	749	(129,825)	24,615	(29,263)

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

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	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Profit before tax	1,230,778	501,289	792,591	395,956
Tax calculated at a tax rate of 20% (2020: 20%)	246,156	100,258	158,518	79,191
Tax effect of:				
Revenue that are granted income tax exemption	(264,787)	(217,944)	(147,474)	(94,912)
Expenses not deductible for tax purpose	5,096	2,655	-	-
Reversal of unutilised dererred tax assets in the future	-	-	-	-
Tax losses for which no deferred income tax asset was recorded	2,818	3,658	2,105	3,658
Tax losses from prior period for which no deferred income tax asset was recorded	11,466	(18,452)	11,466	(17,200)
Tax charge (benefit)	749	(129,825)	24,615	(29,263)

For the year ended 31 December 2021, the effective tax rate for the Group and the Company are 0.06% and 3.11%, respectively (2020: 25.90% and 7.39%, respectively).

Effect from income tax relating to components of other comprehensive income.

	Consolidated financial statements					
	2021		2020			
	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						
Actuarial gain on deficit employee benefit plans	24,614	(4,923)	19,691	-	-	-
Share of other comprehensive income (loss) in an associate	18,253	(3,651)	14,602	(40,730)	8,146	(32,584)
Item that will be reclassified subsequently to profit or loss						
Gain on revaluation of investments measured at fair value through other comprehensive income	39,383	(7,876)	31,507	131,873	(26,374)	105,499
Loss on sale of investment transferred to profit or loss	28,095	(5,619)	22,476	-	-	-
Share of other comprehensive income (loss) in an associate	(2,944,697)	588,939	(2,355,758)	(460,245)	92,049	(368,196)
Total	(2,834,352)	556,870	(2,267,482)	(369,102)	73,821	(295,281)

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Separate financial statements

	2021		2020			
	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						
Loss on revaluation of equity instruments measured at fair value through other comprehensive income	16,402	(3,280)	13,122	(59,971)	11,994	(47,977)
Gain on sale of investment transferred to profit or loss	(6,360)	1,272	(5,088)	-	-	-
Item that will be reclassified subsequently to profit or loss						
Gain on revaluation of debt instruments measured at fair value through other comprehensive income	(9,852)	1,970	(7,882)	18,849	(3,770)	15,079
Total	190	(38)	152	(41,122)	8,224	(32,898)

35 Related party transactions

a) Parent entities

The Group is controlled by the following entities:

Name	Type	Place of Incorporation
ALLIANZ SE	Ultimate controlling party	Germany

The remaining percentage of ownership 61.07% of the shares is widely held.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

b) Significant balances with related parties as at 31 December 2021 and 2020 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Assets				
Related company of ultimate parent				
Amounts due from reinsurers	229,768	207,203	-	-
Investment in securities	30,419	24,792	-	-
Other assets	15,293	7,773	-	-
Related company of shareholders				
Deposits at financial institutions	295,876	288,441	4,011	37,980
Premium receivable	10,778	5,907	-	-
Other assets	5,221	3,920	51	66
Subsidiary				
Financial asset measured at fair value through profit or loss	-	-	210,106	-
Accrued investment income	-	-	67	-
Other assets	-	-	50	-
Liabilities				
Related company of ultimate parent				
Amounts withheld on reinsurance	458,067	464,795	-	-
Amount due to reinsurers	246,108	227,042	-	-
Other liabilities	11,017	48,652	-	-
Related company of shareholders				
Commission and brokerage payable	15,578	12,927	-	-
Accrued other underwriting expenses	47,740	37,218	-	-
Lease Liabilities	146,688	168,225	-	-
Other liabilities	8,715	6,859	-	-
Subsidiary				
Other liabilities	-	-	300	2,175

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

c) Significant transactions for year ended 31 December 2021 and 2020 with related parties were as follows:

	Consolidated	
	financial statements	
	2021	2020
	Thousand Baht	Thousand Baht
Revenues		
Related company of ultimate parent company		
Claim recovered from reinsurers	163,500	279,842
Fee and commission income	105,861	101,664
Written premium	-	193
Other income	32,365	38,837
Related company of shareholders		
Written premium	105,990	100,375
Investment Income	19	276
Expenses		
Related company of ultimate parent company		
Premiums ceded to reinsurers	576,800	509,262
Commission and brokerage expenses	11,839	7,750
Other expenses	198,614	225,670
Related company of shareholders		
Commission and brokerage expenses	185,289	178,969
Underwriting expenses	110,536	157,449
Other expenses	21,148	25,705
Associate		
Other expenses	3,196	3,264
Revenues		
Related company of shareholders		
Net investment income	19	276
Associate		
Net investment income	706,384	439,465
Subsidiary		
Net investment income	5,181	-
Gain on financial asset measured at fair value through profit or loss	10,106	-
	Separate	Separate
	financial statements	financial statements
	2021	2020
	Thousand Baht	Thousand Baht

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

	Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht
Expenses		
Related company of ultimate parent company		
Other expenses	765	976
Related company of shareholders		
Other expenses	126	3,307
Associate		
Other expense	3,196	3,264
Subsidiary		
Other expense	1,392	3,496

The Group used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

The Group paid commissions and brokerages and other underwriting expenses as specified in the Bancassurance Agreement made between the Group and such related bank. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Group has offered to other insurance broker companies.

Interest was charged at the same interest rates as the bank has offered to other insurance companies.

Custodian fee and commission were paid at the same rates and conditions as the related parties charged other customers.

The Group has office rental, equipment rental and service agreements with related companies for a term of 3 years. Rental rates and conditions are the same as the related parties offer to other companies.

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.

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

Directors and key management personnel's remuneration

During the year ended 31 December 2 0 2 1 and 2 0 2 0 , 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	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Directors and key management personnel's remuneration				
Short-term benefits	116,625	144,035	-	3,480
Post-employment benefits	6,457	13,768	-	6,372
Directors' remuneration	16,041	5,505	13,970	4,648
Total	139,123	163,308	13,970	14,500

Both of Directors' remuneration of the Company and subsidiary for the year of 2021 were approved in Annual General Meeting of shareholders held on 29 June 2021 and 27 April 2021, respectively (2020: approved on 31 July 2020 and 10 July 2020, respectively).

36 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 follow:

Year of services	Percentage
Less than 5 years	5
5 years and above	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 2021, the Group's and Company's contributions recorded as expenses were Baht 14.85 million and Baht 0, respectively (2020: Baht 18.48 million and Baht 0.16 million, respectively).

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

37 Securities and assets pledged with the Registrar

As at 31 December 2021 and 2020, certain investments in securities of the Group were pledged and used for assets reserved with the Registrar (Note 14) 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:

37.1 The investments in debt securities which the Group placed for policy reserve with the Registrar in accordance with the Non-Life Insurance Commission Act B.E. 2535 section 24 and the announcement of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557" were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Government and state enterprise securities	561,453	601,960	1,082	1,140

37.2 The investments in debt securities which the Group pledged with the Registrar in accordance with the Insurance Act B.E. 2535 section 19 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Deposits at banks	14,000	14,000	-	-
Government and state enterprise securities	-	14,000	-	-

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

38 Restricted assets

As at 31 December 2021 and 2020, the Group has premium saving certificates amount of Baht 0.35 million and Baht 1.25 million, respectively, were used as collateral in case where the insured drivers are the alleged offenders.

As at 31 December 2021 and 2020, the Group has credit facilities which was secured by deposit at bank of the Group in the same amount of credit limit as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Overdraft facilities	20,000	40,000	-	20,000
Borrowing facilities	-	10,000	-	10,000

39 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 2021 and 2020 amounting to Baht 124.05 million and Baht 97.75 million, respectively.

40 Contingent liabilities

As at 31 December 2021 and 2020, lawsuits have been brought against the Group, as insurer, from which the Group estimates losses totalling Baht 314.90 million and Baht 160.69 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.

41 Share capital

As at 31 December 2021, the Group have total authorised number of ordinary shares is 473.47 million shares (2020: 473.47 million shares) amounting to Baht 473.47 million (2020: Baht 473.47 million) with a par value of Baht 1 per share (2020: Baht 1 per share). The Group have total issued and paid-up number of ordinary shares is 389.27 million shares (2020: 389.27 million shares) amounting to Baht 389.27 million. (2020: Baht 389.27 million)

Allianz Ayudhya Capital Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2021

42 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
As at 1 January	50,000	50,000	50,000	50,000
Appropriation during the year	-	-	-	-
As at 31 December	50,000	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 2021 and 2020, the Company already had legal reserve of not less than 10% of the authorised capital.