

ALLIANZ AYUDHYA CAPITAL PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022



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 2022, 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 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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



Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of claim reserves</p> <p>Refer to Note 7, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to claim reserves and Note 21, claim reserves in consolidated financial statements</p> <p>Claim reserves of Baht 2,677 million composed of reported claim reserves not yet settled, claim payable, and claims incurred but not reported (IBNR), as well as claims handling reserve and payable.</p> <p>I focused on the valuation of claim reserves because of the size of the liability and inherent uncertainty when assessing the claims that had been incurred as of the end of the year. Estimation process therefore involved complexity and the significant judgements that management needed to make to estimate the related balance.</p> <p>Management hired the external actuarial specialist to calculate the claim reserves for the Group. The key assumptions that underpinned the reserve calculations included the expected ultimate loss ratio and the loss development factor by types of insurances. The valuation of claim reserves depended on complete and accurate data about the number of claims, claim amounts and the pattern of historical claims since these were often used to form expectations about future claims.</p>	<p>My key audit procedures in relation to the claim reserves included:</p> <ul style="list-style-type: none">• Obtained an understanding of the process to estimate claim reserves and setting processes in accordance with actuarial methodology.• Assessed the design and tested operating effectiveness of key controls around the claims handling and claim reserves setting processes.• Evaluated the competence, capabilities and objectivity of the actuary, who was management's expert.• Evaluated whether the Group's actuarial methodologies were consistent with those used in the industry and prior year. Obtained an understanding of the assumptions involved when determining the valuation of claim reserves. I evaluated the reasonableness of management's significant assumptions by comparing weighted average ultimate loss ratios in the past with the expected loss ratio used by the Group's actuary and investigated any significant differences.• Tested the completeness of data used in the actuarial reserving calculations by reconciling with data in accounting system.• Engaged auditor's actuarial specialists to carry out independent modelling to assess if the Group's best estimate of gross and net claims reserves fell into estimated reasonable ranges for selected types of insurance. Auditor's actuarial specialists' estimates of outstanding claims reserves were based on a statistical data of the claims process. <p>Based on all of the above procedures, I considered the management's assumptions used for valuation of claim reserves were reasonable based on available evidences.</p>



Key audit matter	How my audit addressed the key audit matter
<p>Assessment of goodwill impairment</p> <p>Refer to Note 7, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to goodwill and Note 17, goodwill in consolidated financial statements</p> <p>The Group had goodwill of Baht 1,926 million as at 31 December 2022, which related to cash generating units in insurance. The Group is required to, at least annually, test goodwill for impairment.</p> <p>I focused on this area due to the fact that goodwill balance was around 8.79% of total consolidated assets and the forecasts of cash flows each year involved significant management's judgement, which was based on various assumptions that were affected by expected future market and economic conditions.</p> <p>For the year ended 31 December 2022, the management performed an impairment assessment over the goodwill balance by:</p> <ol style="list-style-type: none"> 1. Calculating the value in use for each Cash Generating Unit ("CGU") using a discounted cash flow model. The model used cash flows (revenues and expenses) for each CGU for 5 years, with constant terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the weighted average cost of capital (WACC). The key assumptions were disclosed in Note 17. 2. Comparing the resulting value in use of each CGU to their respective book values. 	<p>My key audit procedures in relation to the assessment of goodwill impairment included:</p> <ul style="list-style-type: none"> • Understood and evaluated the composition of cash flow forecasts and calculation process, including test the mathematical accuracy of the management's underlying calculations. • Compared cash flow forecasts with the budget and approved business plan and other evidences supporting the plan. • Assessed management's key assumptions used in the forecasts by comparing them to historical results and economic and industry outlook by comparing with the observable data in the industry. The assumptions also included the business growth rate and expense forecasts. • Reviewed parameters used to determine the discount rate applied. • Assessed management on the adequacy of their sensitivity calculations over all their CGUs. The valuation of goodwill was sensitive to changes in key assumptions such as revenue growth and discount rate, in case they were not achieved, could reasonably be expected to give rise to impairment charge in the future. • Evaluated the adequacy of the disclosures made in notes of the financial statements, including those regarding the key assumptions and sensitivity of those assumptions. <p>Based on all of the above procedures, I considered management's key assumptions used in assessing the goodwill impairment were reasonable based on available evidences.</p>



Key audit matter	How my audit addressed the key audit matter
<p data-bbox="326 449 581 478">Business Acquisition</p> <p data-bbox="326 527 857 579">Refer to Note 36 to the financial statements related to acquisition of subsidiaries.</p> <p data-bbox="326 611 857 926">During the year ended 31 December 2022, the Group had acquired Aetna Group Thailand amounting to Baht 3,127 million to expand its client base and distribution channels and increase its market share in health insurance of the Group. The Group has acquired material amount of assets and liabilities under this acquisition. Management assessed that this acquisition is qualified as a business combination and significant management judgement were exercised on the valuation of tangible and intangible assets acquired.</p> <p data-bbox="326 957 857 1157">An important element of auditing this business combination transaction relates to the valuation of net assets acquired and liabilities assumed under the Purchase Price Allocation (PPA), where management engaged external valuation expert to complete the exercise based on several key assumptions.</p> <p data-bbox="326 1209 857 1377">I focused on this area as the transaction is material in amount to the consolidated financial statements, representing significant portion to the Group's assets and it also relates to significant judgement that management exercised on the valuation of net assets acquired and goodwill.</p>	<p data-bbox="883 449 1425 501">My key audit procedures in relation to the Business Acquisition included:</p> <ul data-bbox="883 533 1425 1121" style="list-style-type: none"><li data-bbox="883 533 1425 732">• I reviewed the purchase transactions and related agreements to obtain an understanding of the transactions and reviewed management's assessment to evaluate that the acquisition should be accounted for as business combination and also identify date of control of this business combination transaction.<li data-bbox="883 743 1425 837">• I assessed the competence, independence and objectivity of the external valuation expert engaged by management.<li data-bbox="883 848 1425 1058">• I assessed management's procedures and assumptions in determining the fair value of the assets acquired and liabilities assumed by comparing management's assumptions to data from other independent sources to assess appropriateness of key financial assumptions applied in the Purchase Price Allocation (PPA).<li data-bbox="883 1068 1425 1121">• I evaluated the adequacy of the disclosures made in notes of the financial statements. <p data-bbox="883 1152 1425 1268">Based on all of the above procedures, I considered management's key assumptions used in assessing the fair value of the net assets acquired to be reasonable based on available evidences</p>



Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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



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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Sakuna Y', with a stylized flourish extending from the end of the signature.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
28 February 2023

Allianz Ayudhya Capital Public Company Limited

Statement of Financial Position

As at 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Cash and cash equivalents, net	8	1,660,377	1,295,374	171,696	236,672
Premium due and uncollected, net	9	1,191,227	580,552	-	-
Accrued investment income		16,641	24,187	308	10,748
Reinsurance assets	10	1,983,484	1,923,852	-	-
Amounts due from reinsurers	11	354,944	569,982	-	-
Receivable from sale of securities		426	-	426	-
Financial assets measured at fair value through profit or loss	12	-	-	205,148	1,052,338
Financial assets measured at fair value through other comprehensive income	12	-	-	43,198	3,321,874
Investments in securities, net	13	6,963,055	8,793,852	-	-
Investment in an associate	14	6,480,922	9,492,515	5,455,863	5,455,863
Investment in a subsidiaries	14	-	-	5,699,783	2,572,379
Property, plant and equipment, net	15	65,565	46,170	1,627	1,649
Right-of-use asset, net	16	189,669	190,397	-	-
Goodwill	17	1,926,096	508,877	-	-
Intangible assets, net	18	172,388	84,731	5,189	5,860
Deferred tax assets (liabilities), net	19	470,587	400,105	(2,746)	39,489
Deferred commission expenses		102,108	80,233	-	-
Other assets, net	20	335,061	149,422	14,821	12,030
Total assets		21,912,550	24,140,249	11,595,313	12,708,902

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 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Liabilities					
Insurance contract liabilities	21	7,231,783	5,070,744	-	-
Amounts due to reinsurers	22	967,655	1,160,232	-	-
Payable from purchase of securities		1	-	1	-
Employee benefit obligations	23	158,542	135,407	-	-
Premium written received in advance		244,338	258,802	-	-
Commission and brokerage payables		148,452	121,109	-	-
Accrued expenses		521,802	406,612	30,340	11,122
Lease liabilities	24	193,546	197,784	-	-
Other liabilities	25	587,208	365,419	9,766	550
Total liabilities		10,053,327	7,716,109	40,107	11,672
Equity					
Share capital	26				
Authorised share capital					
463,473,361 ordinary shares of 1 Baht each		463,473	463,473	463,473	463,473
Issued and paid-up share capital					
389,266,931 ordinary shares of 1 Baht each		389,267	389,267	389,267	389,267
Premium on share capital		10,066,331	10,066,331	10,066,331	10,066,331
Retained earnings					
Appropriated					
Legal reserve	27	50,000	50,000	50,000	50,000
Unappropriated		2,479,121	3,790,996	1,062,464	2,219,669
Other components of equity					
Surplus (discount) on investments measured at fair value through other comprehensive income		41,616	97,437	(12,856)	(28,037)
Share of other comprehensive income (loss) in an associate		(1,167,112)	2,030,109	-	-
Total equity		11,859,223	16,424,140	11,555,206	12,697,230
Total liabilities and equity		21,912,550	24,140,249	11,595,313	12,708,902

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 2022

	Consolidated financial statements		Separate financial statements		
	2022	2021	2022	2021	
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenues					
Gross premiums written		8,031,778	5,584,707	-	-
<u>(Less)</u> Premiums ceded		(1,830,002)	(1,608,289)	-	-
Net premiums written		6,201,776	3,976,418	-	-
<u>Add (Less)</u> Unearned premium reserve decreased (increased) from previous period		150,149	(84,019)	-	-
Net premiums earned		6,351,925	3,892,399	-	-
Fees and commission income		467,161	325,926	-	-
Net investment income		87,247	140,543	1,291,858	804,837
Gain (loss) on investments	30	(96,313)	(8,151)	7,567	18,715
Share of profit on investment in an associate	14	981,916	1,287,852	-	-
Service income		22,157	-	-	-
Other income (Reversal)		12,104	34,202	(61)	57
Total revenues		7,826,197	5,672,771	1,299,364	823,609
Expenses					
Gross claim paid		4,222,280	2,537,959	-	-
<u>(Less)</u> Claim recovered from reinsurers		(387,886)	(485,380)	-	-
Net claim paid		3,834,394	2,052,579	-	-
Commission and brokerage expenses		1,142,710	894,232	-	-
Other underwriting expenses		968,966	694,004	-	-
Cost of service		1,313	-	-	-
Operating expenses	31	997,724	754,034	71,480	30,553
Finance cost		6,968	6,922	-	-
Impairment loss on equity instruments (Reversal)		(172,699)	40,048	-	-
Expected credit loss (Reversal)	33	(1,491)	174	(950)	465
Total expenses		6,777,885	4,441,993	70,530	31,018
Profit before income tax		1,048,312	1,230,778	1,228,834	792,591
Income tax expense	34	(43,585)	(749)	(38,439)	(24,615)
Net profit		1,004,727	1,230,029	1,190,395	767,976

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 2022

	Consolidated financial statements		Separate financial statements		
	2022	2021	2022	2021	
	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		-	-	(25,415)	16,402
(Gain) loss on sale of equity securities transferred to retained earnings		-	-	58,791	(6,360)
Actuarial gain (loss) on defined employee benefits plans		(3,313)	24,614	-	-
Share of other comprehensive gain in an associate	14	17,435	18,253	-	-
Income tax related to items that will not be subsequently reclassified to profit or loss		(2,824)	(8,574)	(6,675)	(2,008)
Total items that will not be subsequently reclassified to profit or loss		11,298	34,293	26,701	8,034
Items that will be subsequently reclassified to profit or loss					
Gain (loss) on revaluation of investments measured at fair value through other comprehensive income		(225,355)	39,383	-	-
Loss on sale of investment transferred to profit or loss		155,579	28,095	-	-
Loss on revaluation of debt instruments measured at fair value through other comprehensive income		-	-	(14,400)	(9,852)
Share of other comprehensive loss in an associate	14	(3,996,527)	(2,944,697)	-	-
Income tax on items that will be subsequently reclassified to profit or loss		813,261	575,444	2,880	1,970
Total items that will be subsequently reclassified to profit or loss		(3,253,042)	(2,301,775)	(11,520)	(7,882)
Other comprehensive income (loss) for the year, net of income tax		(3,241,744)	(2,267,482)	15,181	152
Total comprehensive income (loss) for the year		(2,237,017)	(1,037,453)	1,205,576	768,128
Earnings per share					
Basic earnings per share (Baht)	35	2.58	3.16	3.06	1.97
Weighted average number of ordinary shares (Thousand shares)		389,267	389,267	389,267	389,267

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

Allianz Ayudhya Capital Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

	Consolidated financial statements							Total equity Thousand Baht
	Retained earnings		Other components of equity					
	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Legal reserve Thousand Baht	Unappropriated Thousand Baht	Change in fair value of investments measured at fair value through other comprehensive income Thousand Baht	Share of other comprehensive income of an associate Thousand Baht		
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 29)	-	-	-	(599,471)	-	-	(599,471)	
Net profit	-	-	-	1,230,029	-	-	1,230,029	
Other comprehensive income (loss)	-	-	-	19,691	-	-	19,691	
Actuarial gain on defined employee benefits plans - net of tax	-	-	-	-	-	-	-	
Gain on revaluation of investments measured at fair value through other comprehensive income - net of tax	-	-	-	-	31,506	-	31,506	
Loss on sale of investment transferred to profit or loss - net of tax	-	-	-	-	22,476	-	22,476	
Share of other comprehensive income (loss) of an associate - net of tax (Note 14)	-	-	-	14,602	-	(2,355,758)	(2,341,156)	
Balance as at 31 December 2021	389,267	10,066,331	50,000	3,790,996	97,437	2,030,109	16,424,140	
Balance as at 1 January 2022	389,267	10,066,331	50,000	3,790,996	97,437	2,030,109	16,424,140	
Dividend paid (Note 29)	-	-	-	(2,300,578)	-	-	(2,300,578)	
Net profit	-	-	-	1,004,727	-	-	1,004,727	
Other comprehensive income (loss)	-	-	-	(2,650)	-	-	(2,650)	
Actuarial gain on defined employee benefits plans - net of tax	-	-	-	-	-	-	-	
Gain on revaluation of investments measured at fair value through other comprehensive income - net of tax	-	-	-	-	(180,284)	-	(180,284)	
Loss on sale of investment transferred to profit or loss - net of tax	-	-	-	(27,322)	124,463	-	97,141	
Share of other comprehensive income (loss) of an associate - net of tax (Note 14)	-	-	-	13,948	-	(3,197,221)	(3,183,273)	
Balance as at 31 December 2022	389,267	10,066,331	50,000	2,479,121	41,616	(1,167,112)	11,859,223	

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 2022

	Separate financial statements					Total equity Thousand Baht
	Retained earnings			Other components of equity		
	Issued and paid-up share capital Thousand Baht	Premium on share capital 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 2021	389,267	10,066,331	50,000	2,046,076	(28,189)	12,523,485
Dividend paid (Note 29)	-	-	-	(599,471)	-	(599,471)
Net profit	-	-	-	767,976	-	767,976
Other comprehensive income (loss)						
Financial assets measured at fair value through other comprehensive income - net of tax	-	-	-	-	5,240	5,240
Realised loss from sale of financial assets measured at fair value through other comprehensive income transferred to retained earnings - net of tax	-	-	-	5,088	(5,088)	-
Balance as at 31 December 2021	389,267	10,066,331	50,000	2,219,669	(28,037)	12,697,230
Balance as at 1 January 2022	389,267	10,066,331	50,000	2,219,669	(28,037)	12,697,230
Dividend paid (Note 29)	-	-	-	(2,300,568)	-	(2,300,568)
Net profit	-	-	-	1,190,395	-	1,190,395
Other comprehensive income (loss)						
Financial assets measured at fair value through other comprehensive income - net of tax	-	-	-	-	(31,851)	(31,851)
Realised loss from sale of financial assets measured at fair value through other comprehensive income transferred to retained earnings - net of tax	-	-	-	(47,032)	47,032	-
Balance as at 31 December 2022	389,267	10,066,331	50,000	1,062,464	(12,856)	11,555,206

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 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cash flows from operating activities					
Direct premium received		7,816,478	5,310,536	-	-
Cash received from service income		9,112	-	-	-
Cash paid to reinsurance		(561,286)	(608,411)	-	-
Other income		44,703	35,538	-	-
Loss incurred from direct insurance		(4,144,139)	(2,730,089)	-	-
Commission and brokerage paid from direct insurance		(1,106,250)	(850,890)	-	-
Cash paid from medical service		(2,133)	-	-	-
Other underwriting expenses		(1,042,987)	(694,004)	-	-
Operating expenses		(914,134)	(707,301)	(45,144)	(34,246)
Income tax expense		(89,603)	(20,613)	-	-
Cash received from financial assets		10,277,864	2,916,262	4,108,183	1,283,321
Cash paid for financial assets		(5,562,139)	(4,510,223)	(8,766)	(2,626,166)
Cash received from investment in subsidiary		436,680	-	-	-
Cash received for deposits at bank with maturity over 3 months and deposits used as collateral		179,367	352,250	-	130,000
Cash paid for deposits at bank with maturity over 3 months and deposits used as collateral		(169,531)	(184,531)	-	-
Net cash flow provided by (used in) operating activities		5,172,002	(1,691,476)	4,054,273	(1,247,091)
Cash flows from investing activities					
<u>Cash flows provided</u>					
Interest income		109,287	119,621	40,875	54,534
Dividend income		826,085	763,332	1,267,849	763,315
Cash received from selling property, plant and equipment		246	5,978	-	-
Cash received from loan to related party		-	-	170,000	-
<u>Cash flows used</u>					
Cash paid for investment in subsidiary		(3,127,404)	-	(3,127,404)	-
Cash paid for loan to related party		-	-	(170,000)	-
Cash paid for purchasing property, plant and equipment		(9,212)	(13,797)	-	-
Cash paid for right-of-use assets		-	(61,930)	-	-
Cash paid for purchasing intangible assets		(93,885)	-	-	-
Net cash flow provided by (used in) investing activities		(2,294,883)	813,204	(1,818,680)	817,849
Cash flows from financing activities					
Dividend paid	29	(2,300,577)	(599,471)	(2,300,568)	(599,471)
Cash paid for loan repayment		(162,729)	-	-	-
Cash paid for lease liability		(39,282)	(21,301)	-	-
Cash paid for finance cost		(9,299)	(6,922)	-	-
Net cash flow used in financing activities		(2,511,887)	(627,694)	(2,300,568)	(599,471)
Net increase (decrease) in cash and cash equivalents		365,232	(1,505,966)	(64,975)	(1,028,713)
Cash and cash equivalents as at 1 January		1,295,374	2,801,346	236,672	1,265,386
Cash and cash equivalents as at 31 December		1,660,606	1,295,380	171,697	236,673
<u>(Less)</u> Allowance for expected credit loss		(229)	(6)	(1)	(1)
Cash and cash equivalents, net as at 31 December	8	1,660,377	1,295,374	171,696	236,672
Non-cash transactions					
Payable from purchase of securities		1	-	1	-
Receivable from sale of securities		426	-	426	-
Write-off work-in-progress computer software		3,287	-	-	-

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

1 General information

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

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

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

The Company has subsidiary companies, Allianz Ayudhya General Insurance Public Company Limited and Aetna Thailand group entities, which mainly operate non-life insurance business, holding by 99.99% and 99.88% respectively.

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

The consolidated and separate financial statements were authorised for issue by the board of directors on 28 February 2023.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. In addition, the financial statements presentation is based on the formats of non-life insurance financial statements attached in an Office of Insurance Commission’s Notification “Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for non-life insurance company (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, Allianz Ayudhya General Insurance Public Company Limited, Aetna Health Insurance (Thailand) Public Company Limited, My Health Services (Thailand) Co., Ltd., Aqua Holdings (Thailand) Limited, Health Care Management Co., Ltd and Minor Health Enterprise Ltd. Significant transactions for the year ended 31 December 2022 and balances between the Company and the subsidiary have been eliminated.

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

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

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

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

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

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

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

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

	Consolidated financial statements			
	2022	Change in	2021	Change in
	Fair value	Fair value	Fair value	Fair value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets				
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	8,615,175	(240,329)	8,855,504	(45,496)
Cash flows that are not solely payments of principal and interest on the principal amount outstanding on specified dates	236	(2)	238	(2)
Financial assets which the performance is evaluated based on fair value.	35,256	4,837	30,419	5,627
Other financial assets	103,663	(1,202,710)	1,306,373	(52,942)

As of 31 December 2022 and 2021, 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 1,546.17 million are not included above. (2021: 1,150.53 million)

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 and have significant impacts to the Group

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit the Company from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the Company is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the Company must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- d) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

Certain amended TFRSs have not been early adopted by the Group.

4 Accounting policies

4.1 Principles of consolidation accounting

a) Subsidiaries

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

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

b) Associates

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

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

c) Equity method

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

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

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

d) Intercompany transactions on consolidation

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

4.2 Insurance contract classification

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

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

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

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

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

4.3 Business combination

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

- fair value of the assets transferred,

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

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

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

Acquisition-related cost

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

4.4 Foreign currency transactions

a) Functional and presentation currency

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

b) Transactions and balances

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

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

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

4.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

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

4.6 Premium due and uncollected and allowance for doubtful debt

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

4.7 Reinsurance assets

Reinsurance assets are stated at insurance reserve refundable from reinsurers.

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

4.8 Due to and due from reinsurers

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

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

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

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

4.9 Financial asset

a) Classification

Separate financial statements

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

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

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

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

Consolidated financial statements

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

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

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

b) Recognition and derecognition

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

c) Measurement

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

Debt instruments

Separate financial statements

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

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

Consolidated financial statements

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

- Amortised cost: Investments in securities that are held to maturity are measured at amortised cost. Interest income from these investments in securities is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in gains/(losses) on investments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of 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.

Equity instruments

Separate financial statements

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

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

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

Consolidated financial statements

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

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

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

Consolidated and separate financial statements

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

d) Impairment

Consolidated and separate financial statements

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

- Stage 1 - from initial recognition of 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.

4.10 Loans

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

4.11 Property, plant and equipment

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	3 - 10 years
Office equipment, furniture and fixtures	3 - 10 years
Vehicles	5 years
Computer equipment	3 - 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.

4.12 Goodwill

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

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

4.13 Intangible assets

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	2 - 10 years
Bancassurance agreement	10 years

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

4.14 Impairment of assets

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

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

4.15 Leases

Leases - where the Group is the lessee

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

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

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

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

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

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

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

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

4.16 Insurance liabilities

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

4.16.2 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.

4.16.3 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.

4.16.4 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.

4.17 Current and deferred income taxes

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

Current tax

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

Deferred income tax

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

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

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

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

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

4.18 Employee benefits

a) Short-term employee benefits

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

b) Provident fund

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

c) Employee benefit obligations

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

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

4.19 Share-based compensation

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

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

4.20 Provisions

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

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

4.21 Share capital

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

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

4.22 Earnings per share

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

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.

4.23 Dividend distribution

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

4.24 Recognition of revenues and expenses

4.24.1 Premium written

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

4.24.2 Reinsurance premium

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

4.24.3 Commission and brokerage income

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

4.24.4 Interest and dividend income

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

4.24.5 Service income

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

4.24.6 Claim and loss adjustment expenses

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

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

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

4.24.7 Claim recovery from reinsurers

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

4.24.8 Commissions and brokerages and other expenses

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

4.25 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

5 Insurance and financial risk management

5.1 Insurance risk

a) Insurance risk management policy

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

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

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

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

Product Design and Development and Price Structure

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

Underwriting strategy

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

Reinsurance strategy

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

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

b) Concentration insurance risk

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

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

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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 2022					
Gross	125,475	165,368	683,912	1,703,800	2,657,555
Net of reinsurance	90,384	122,751	677,219	710,600	1,600,954
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

5.2 Financial risk

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

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

5.2.1 Market risk

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

a) Foreign exchange risk

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

Exposure

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

	Consolidated financial statements			
	2022		2021	
	US Dollar Thousand Baht	EUR Thousand Baht	US Dollar Thousand Baht	EUR Thousand Baht
Cash and cash equivalents	176	-	5,121	74

Foreign exchange risk sensitivity analysis

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

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b) Cash flow and fair value interest rate risk

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

As at 31 December 2022 and 2021, significant financial assets and financial liabilities classified by type of interest rate and maturity date were as follows:

	Consolidated financial statements								
	2022								
	Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate
Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Thousand Baht			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Financial assets									
Cash and cash equivalents	820,012	-	-	763,917	-	-	76,677	1,660,606	0.00-1.00
Investment in securities									
Government and state enterprise securities	2,864,599	1,676,627	1,046	-	-	-	-	4,542,272	0.65-5.50
Private debt securities	372,046	1,316,731	-	-	-	-	236	1,689,013	0.97-5.28
Deposits at bank with maturity over 3 months	593,030	-	-	-	-	-	-	593,030	0.3-2.05
	4,649,687	2,993,358	1,046	763,917	-	-	76,913	8,484,921	
Financial liabilities									
Lease liabilities	44,925	112,769	35,852	-	-	-	-	193,546	1.68-3.97
	44,925	112,769	35,852	-	-	-	-	193,546	
	Consolidated financial statements								
	2021								
	Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate
Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Thousand Baht			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Financial assets									
Cash and cash equivalents	623,130	-	-	621,222	-	-	51,027	1,295,379	0.00-1.25
Investment in securities									
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	

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	Separate financial statements								
	2022								
	Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Financial assets									
Cash and cash equivalents	40,218	-	-	119,864	-	-	11,615	171,697	0.00-0.30
Investment in securities									
Government and state enterprise securities	-	-	1,046	-	-	-	-	1,046	2.875
Private debt securities	5,017	19,908	204,912	-	-	-	236	230,073	2.05-6.1
	45,235	19,908	205,958	119,864	-	-	11,851	402,816	

	Separate financial statements								
	2021								
	Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Financial assets									
Cash and cash equivalents	212,975	-	-	12,715	-	-	10,982	236,672	1.15
Investment in securities									
Government and state enterprise securities	1,374,538	-	5,412	-	-	-	-	1,379,950	0-2.88
Private debt securities	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	

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	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest rate - increase 1%*	6,686	5,505	(76,633)	(76,111)
Interest rate - decrease 1%*	(2,366)	(674)	76,034	77,586

* Holding all other variables constant

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	Separate financial statements			
	Impact to net profit		Impact to other components of equity	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Interest rate - increase 1%*	402	127	(716)	(24,648)
Interest rate - decrease 1%*	(402)	(127)	735	24,648

* 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.

5.2.2 Credit risk

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

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

a) Risk management

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

b) Impairment of financial assets

The Group has 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.

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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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	27	34	-	9
Increase (decrease) in loss allowance recognised in profit or loss during the year	152	(7)	-	(9)
As at 31 December	179	27	-	-

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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	1,709	942	952	450
Increase (decrease) in loss allowance recognised in profit or loss during the year	(1,378)	767	(950)	502
As at 31 December	331	1,709	2	952

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.

5.2.3 Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 699 million (2021: Baht 632 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.

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
	On demand	Within 1 year	1 - 5 years	Over 5 years	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2022					
Lease liabilities	-	44,925	112,769	35,852	193,546
Other payables	198,575	-	-	-	198,575
Total financial liabilities that is not derivatives	198,575	44,925	112,769	35,852	392,121
As at 31 December 2021					
Lease liabilities	3,614	24,506	109,860	59,804	197,784
Other payables	101,098	-	-	-	101,098
Total financial liabilities that is not derivatives	104,712	24,506	109,860	59,804	298,882
Maturity of financial liabilities	Separate financial statements				BV of assets / liabilities
	On demand	Within 1 year	1 - 5 years	Over 5 years	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2022					
Other payables	260	-	-	-	260
Total financial liabilities that is not derivatives	260	-	-	-	260
As at 31 December 2021					
Other payables	207	-	-	-	207
Total financial liabilities that is not derivatives	207	-	-	-	207

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5.3 Capital management

The Group's objectives when managing capital are to:

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

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

6 Fair value

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 2022					
<i>Financial assets measured at fair value</i>					
Investments in securities					
Debt securities	35,256	4,783,853	-	4,819,109	4,819,109
Equity securities	-	103,663	-	103,663	103,663
Total	35,256	4,887,516	-	4,922,772	4,922,772
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	1,660,377	1,660,377	1,660,377
Deposits at financial institutions with original maturities more than 3 months	-	-	593,030	593,030	593,030
Government and state enterprise debt securities	-	-	1,447,432	1,447,432	1,447,432
Accrued investment income	-	-	16,641	16,641	16,641
Others	-	-	113,849	113,849	113,849
Total	-	-	3,831,329	3,831,329	3,831,329
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	193,546	193,546	193,546
Others	-	-	198,575	198,575	198,575
Total liabilities	-	-	329,121	329,121	329,121

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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					
Debt securities	30,419	6,581,127	-	6,611,546	6,611,546
Equity securities	-	1,306,372	-	1,306,372	1,306,372
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	-	-	79,087	79,087	79,087
Total	-	-	2,274,609	2,274,609	2,274,609
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	197,784	197,784	197,784
Others	-	-	101,098	101,098	101,098
Total liabilities	-	-	298,882	298,882	298,882
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 2022					
<i>Financial assets measured at fair value</i>					
Debt securities	205,148	25,971	-	231,119	231,119
Equity securities	-	17,227	-	17,227	17,227
Total	205,148	43,198	-	248,346	248,346
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	171,696	171,696	171,696
Accrued investment income	-	-	308	308	308
Others	-	-	13,206	13,206	13,206
Total	-	-	185,210	185,210	185,210
<i>Financial liabilities not measured at fair value</i>					
Others	-	-	260	260	260
Total liabilities	-	-	260	260	260

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	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	-	-	10,325	10,325	10,325
Total	-	-	257,745	257,745	257,745
<i>Financial liabilities not measured at fair value</i>					
Others	-	-	207	207	207
Total liabilities	-	-	207	207	207

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 2022				
Financial assets				
Investments in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	4,783,853	-	4,783,853
Equity securities	9,799	-	93,864	103,663
Investments designated at fair value through profit or loss				
Debt securities	35,256	-	-	35,256
Total financial assets	45,055	4,783,853	93,864	4,922,772
As at 31 December 2021				
Financial assets				
Investments in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	6,581,127	-	6,581,127
Equity securities	1,229,339	-	77,034	1,306,373
Investments designated at fair value through profit or loss				
Debt securities	30,419	-	-	30,419
Total financial assets	1,259,758	6,581,127	77,034	7,917,919

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	Separate financial statements			Total Thousand Baht
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
As at 31 December 2022				
Financial assets				
Investments measured at fair value through other comprehensive income				
Debt securities	-	25,971	-	25,971
Equity securities	9,799	-	7,428	17,227
Investments designated at fair value through profit or loss				
Debt securities	-	236	204,912	205,148
Total financial assets	9,799	26,207	212,340	248,346
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

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price by reference to the Stock Exchange of Thailand the Frankfurt Stock Exchange.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments - discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

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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 2022

	Consolidated financial statements		Separate financial statements	
	Unlisted equity securities	Private debt securities	Unlisted equity securities	Unlisted equity securities
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2021	50,832	-	-	6,363
Acquisitions	-	200,000	-	-
Unrealised gains	26,202	10,106	-	333
As of 31 December 2021	77,034	210,106	-	6,696
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Gains (losses) recognised in other comprehensive income	16,830	(5,194)	-	732
As of 31 December 2022	93,864	204,912	-	7,428

Transfer between fair value hierarchy

During the year ended 31 December 2022 and 2021, there is no significant change in economic condition or business that effect to fair value of the Group's financial assets and there is no change in financial asset classification.

There was no transfer between levels during the year and there was no change in valuation techniques during the year.

The Group's valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable input of fair value hierarchy level 3 is risk adjusted discount rate. It is estimated based on public companies' weighted average cost of capital that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract. The Group has subscriptions to information brokers to gather such information.

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

7.1 Goodwill impairment

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 17. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

7.2 Impairment of premium receivable and amount due from reinsurers

The Group sets an allowance for doubtful accounts and amount due from reinsurers to reflect impairment of premium due, uncollected receivables and claim recoveries from reinsurer. The allowance for doubtful accounts and amount due from reinsurers are based on collection experience and a review of current status of the premium due as at the date of statement of financial position.

7.3 Reinsurance assets estimation

Reinsurance assets are determined from estimation using the same methods as the estimation of claims incurred but not yet reported by insured (Note 4.16) and the unearned premium reserve calculation. The reinsurance assets are assessed at the period end date to ensure that the amount shown in financial statement reflects the expected amount to be received in the future by taking into account the credit rating of reinsurance company and the contractual terms of reinsurance contracts.

7.4 Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Group considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Group's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from year to year may have a material impact on the Group's reported financial position and results of operations.

7.5 Loss reserve and outstanding claims

The Group determines the loss reserves and outstanding claims in accordance with survey information, and also reviews the outstanding claims at the end of each reporting date which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

There are 3 major methods to estimate the ultimate loss which are Chain Ladder, Bornhuetter-Ferguson and Expected Loss Ratio. The most appropriate method for each product category was selected based on actuarial judgement for both gross and net of reinsurance basis.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the original liability established.

7.6 Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, with reference to historical data and the best estimates available at the time.

7.7 Liability adequacy test

At the end of each reporting period, the Group assesses the adequacy of Insurance contract liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. If the assessment shows that the carrying amount of Insurance contract liabilities less related deferred acquisition cost is inadequate when compared to the estimated future cash flows. The liabilities is increased by the deficiency and it is charged to profit or loss.

7.8 Employee benefits obligations

Employee benefits obligations are determined by independent actuary. The amount recognised in the statement of financial position is determined on an estimation basis utilising various assumptions including the rate of salary inflation and employee turnover. Any change in these assumptions will impact the estimation for employee benefits. On an annual basis the Group determines the appropriate assumptions, which represents the provision expected to be required to settle the employee benefits.

7.9 Fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 6.

7.10 Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

7.11 Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

7.12 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

8 Cash and cash equivalents, net

Cash and cash equivalents as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cash on hand	887	524	-	-
Cheque on hand	60,678	39,521	-	-
Deposits at bank - at call	699,383	632,205	51,833	23,698
Short-term investments	899,658	623,130	119,864	212,975
Total	1,660,606	1,295,380	171,697	236,673
<u>Less</u> Allowance for expected credit loss	(229)	(6)	(1)	(1)
Total	1,660,377	1,295,374	171,696	236,672

9 Premium receivable, net

As at 31 December 2022 and 2021, the balances of premiums receivable - net were aged as follows:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Within credit terms	976,957	424,299
Overdue:		
Less than 30 days	114,956	84,883
31 - 60 days	39,675	20,469
61 - 90 days	24,500	18,849
Over 90 days	64,959	52,895
Total	1,221,047	601,395
<u>Less</u> Allowance for doubtful accounts	(29,820)	(20,843)
Premiums due and uncollected, net	1,191,227	580,552

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

10 Reinsurance assets

Reinsurance assets as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Insurance reserve refundable from reinsurers		
Loss reserves	1,076,601	1,255,210
Unearned premium reserve		
Unearned reinsurance premium reserve	906,883	668,642
Total reinsurance assets	1,983,484	1,923,852

11 Amount due from reinsurers

Amount due from reinsurers as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Amount deposit on reinsurance	3	43
Due from reinsurers	354,941	569,939
Total amount due from reinsurers	354,944	569,982

Aging analyses for due from reinsurers as at 31 December 2022 and 2021 were as follows:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Within credit terms	177,965	219,744
Not over 12 months	123,509	293,685
Over 1 year to 2 years	42,736	47,437
Over 2 years	14,331	13,428
<u>Less</u> Allowance for doubtful accounts	(3,600)	(4,355)
Total reinsurance receivable	354,941	569,939

12 Financial assets

Financial asset - Debt and equity securities as at 31 December 2022 and 2021 were as follows;

	Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Financial assets measured at fair value through profit or loss		
Private debt securities	205,148	210,344
Local equity securities	-	841,994
Total financial asset measured at fair value through profit or loss	205,148	1,052,338
Financial assets measured at fair value through other comprehensive income		
Government and state enterprise debt securities	1,046	1,379,950
Private debt securities	24,925	1,547,884
Local equity securities	17,227	394,040
Total financial assets measured at fair value through other comprehensive income	43,198	3,321,874

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.

12.1 Financial assets at fair value through profit or loss

a) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has irrevocably not elected at initial recognition to recognise fair value gains and losses through OCI.

b) Amounts recognised in profit or loss

The following gains/(losses) were recognised in profit or loss during the year as follows:

	<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>
	Thousand Baht	Thousand Baht
Fair value gains (losses) on debt instruments at FVPL recognised in gains (losses) on investments	(5,196)	10,104
Fair value gains on equity instruments at FVPL recognised in gains on investments	-	21,510

For the information about the methods and assumptions used in determining fair value refer to Note 5.2.1 c). Information about the group's exposure to price risk is provided in Note 6.

12.2 Financial assets at fair value through other comprehensive income

a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.
- debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

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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	
	2022 Thousand Baht	2021 Thousand Baht
Gains (losses) recognised in other comprehensive income	(39,815)	6,551
Gains reclassified from other comprehensive income to profit or loss on the sale of investments at FVOCI in OCI to other gain (losses)	1,989	-
Interest income from debt investments at FVOCI recognised in profit or loss	8,636	36,792
Dividends from equity investments at FVOCI recognised in profit or loss	6,959	25,257
Expected credit losses for debt investments at FVOCI recognised in profit or loss (expected credit losses/lifetime expected credit loss) (Reversal) (Note 5.2.2)	950	(502)

Significant acquisitions and disposals during the year

During the year 2022, the Company acquired and disposed listed securities measured at FVOCI in the amount of Baht 8.32 million and Baht 371.42 million, respectively.

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.

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c) Expected credit loss

	Separate financial statements 2022	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensiv e income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	25,971	(2)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	25,971	(2)

	Separate financial statements 2021	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensiv e income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,927,834	(952)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	2,927,834	(952)

13 Investments in securities, net

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

	Consolidated financial statements	
	2022	
	Cost / Amortised cost Thousand Baht	Fair value Thousand Baht
Investments designated at fair value through profit or loss		
Foreign debt securities	25,203	35,256
Add Unrealised gain	10,053	-
Total investments designated at fair value through profit or loss	<u>35,256</u>	<u>35,256</u>
Investments measured at fair value through other comprehensive income		
Government and state enterprise debt securities	3,101,217	3,094,840
Private debt securities	1,697,477	1,689,013
Equity securities	54,594	103,663
Total	4,853,288	4,887,516
Add Unrealised gain	34,228	-
Total investments measured at fair value through other comprehensive income	<u>4,887,516</u>	<u>4,887,516</u>
Investments measured at amortised cost		
Deposits at financial institutions with original maturities more than 3 months	189,530	
Deposits at banks used as collateral	403,500	
Government and state enterprise debt securities	1,447,432	
Total	2,040,462	
Less Allowance for expected credit loss	(179)	
Total investments measured at amortised cost	<u>2,040,283</u>	
Total investments in securities, net	<u>6,963,055</u>	

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	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
<u>Add</u> 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
<u>Less</u> 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	
<u>Less</u> Allowance for expected credit loss	(27)	
Total investments measured at amortised cost	875,934	
Total investments in securities, net	8,793,852	

13.1 Investment designated at fair value through profit or loss

a) Amounts recognised in profit or loss

The following gains (losses) were recognised in profit or loss during the year as follows:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Fair value gains on debt securities measured at FVPL recognised in profit (loss)	1,956	2,016

13.2 Investment measured at fair value through other comprehensive income

a) Amounts recognised in profit or loss and other comprehensive income

The following gains (losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	Consolidated financial statements	
	2022	2021
	Thousand Baht	Thousand Baht
Gains (losses) recognised in other comprehensive income	(225,355)	39,383
Gains (losses) reclassified from other comprehensive income to profit or loss on the sale of investments at FVOCI in OCI to other gain (losses)	155,579	(28,095)
Interest income from debt investments at FVOCI recognised in profit or loss	63,348	89,190
Dividends from equity investments at FVOCI recognised in profit or loss	6,979	25,273
Expected credit losses for debt and equity investments at FVOCI recognised in profit or loss (Reversal) (Note 5.2.2)	1,378	(767)

Significant acquisitions and disposals during the year

During the year 2022, the Group acquired and disposed listed securities measured at FVOCI in the amount of Baht 8.32 million and Baht 371.42 million, respectively.

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.

b) Expected credit loss

	Consolidated financial statements	
	2022	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	4,783,853	(331)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	4,783,853	(331)

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	Consolidated financial statements	
	2021	
	Fair value	Expected credit loss recognised in other comprehensive income
	Thousand Baht	Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	6,581,127	(1,709)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	6,581,127	(1,709)

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c) The maturity of investment measured at fair value through other comprehensive income

The details of investment measured at fair value through other comprehensive income for the year ended 31 December 2022 and 2021 are aged as follows:

	Consolidated financial statements											
	2022					2021						
	1 year		1 - 5 years		Over 5 years	Total		1 year		1 - 5 years		Over 5 years
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Investments measured at fair value through other comprehensive income												
Government and state enterprise securities*	1,818,092	1,282,055	1,070	3,101,217	2,388,445	1,096,103	3,489,954	5,406	1,307,151	1,444,107	312,767	3,064,025
Private enterprise securities	371,756	1,325,721	-	1,697,477	1,307,151	1,444,107	3,064,025	-	-	-	-	-
Foreign company securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,189,848	2,607,776	1,070	4,798,694	3,695,596	2,540,210	6,553,979	318,173	4,344	19,719	3,085	27,148
Add (Less) Unrealised gains (losses)	(2,225)	(12,592)	(24)	(14,841)	4,344	19,719	27,148	3,085	-	-	-	-
Total investments measured at fair value through other comprehensive income	2,187,623	2,595,184	1,046	4,783,853	3,699,940	2,559,929	6,581,127	321,258	3,699,940	2,559,929	321,258	6,581,127

*As at 31 December 2022, the Group had government securities amounting to Baht 15.92 million (2021: nil) pledged with the Registrar in accordance with the Insurance Act (No.2) B.E. 2551 (Note 39).

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13.3 Investment measured at amortised cost

a) Expected credit loss

	Consolidated financial statements		
	2022		
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,040,462	(179)	2,040,283
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
Total	2,040,462	(179)	2,040,283

	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

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- b) The maturity of investment measured at amortised cost

The details of investment measured at amortised cost are aged for the year ended 31 December 2022 and 2021 as follows:

	Consolidated financial statements											
	2022					2021						
	1 year		1 - 5 years		Over 5 years	Total		1 year		1 - 5 years		Over 5 years
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Investments measured at amortised cost												
Government and state enterprise securities	1,049,257	398,175	-	-	-	1,447,432	676,594	-	-	-	-	676,594
Deposits at banks used as collateral	403,500	-	-	-	-	403,500	34,486	-	-	-	-	34,486
Premium saving certificates used as collateral	-	-	-	-	-	-	350	-	-	-	-	350
Deposits at financial institutions with original maturities more than 3 months*	189,530	-	-	-	-	189,530	164,531	-	-	-	-	164,531
Total	1,642,287	398,175	-	-	-	2,040,462	875,961	-	-	-	-	875,961
Less Expected credit loss	(179)	-	-	-	-	(179)	(27)	-	-	-	-	(27)
Total investments measured at amortised cost	1,642,108	398,175	-	-	-	2,040,283	875,934	-	-	-	-	875,934

*As at 31 December 2022 and 2021, the Group had deposits at financial institutions with original maturities more than 3 months pledged with the Registrar in accordance with the Insurance Act (No.2) B.E. 2551 amounting to Baht 403.50 million and Baht 14 million, respectively (Note 39).

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For the year ended 31 December 2022 and 2021, the Group and the Company has investment income as below:

- Interest income amounting to Baht 81.70 million and Baht 27.18 million, respectively (2021: Baht 95.97 million and Baht 45.57 million, respectively).
- Dividend income amounting to Baht 15.85 million and Baht 1,267.85 million, respectively (2021: Baht 56.95 million and Baht 763.31 million, respectively).
- Consideration from selling investments amounting to Baht 3,367.17 million and Baht 2,638.55 million, respectively (2021: Baht 1,163.26 million and Baht 717.77 million, respectively) and loss from selling investments amounting to Baht 12.76 million and Baht 12.76 million, respectively (2021 : Baht 12.90 million and Baht 12.90 million, respectively).

As at 31 December 2022, certain government and state enterprise securities of the Group and the Company were pledged and used for assets reserved with the Registrar amounting to Baht 483.93 million and Baht 1.05 million, respectively (2021: Baht 546.97 million and Baht 1.08 million, respectively) (Note 39).

As at 31 December 2022, deposits at bank with maturity over 3 months and government and state enterprise securities of the Group were pledged with the Registrar in accordance with Insurance Act (No.2) B.E. 2551 amounting to Baht 403.50 million and Baht 15.92 million, respectively (2021: Baht 14 million and nil, respectively) (Note 39).

As at 31 December 2022, the Group has no premium saving certificates used as collateral in case where the insured drivers are the alleged offenders (2021: 0.35 million baht) (Note 40).

As at 31 December 2022, none of investments in securities as bank deposits of the Group and the Company were pledged as collateral for bank overdrafts and borrowing facilities (Domestic Bill) (2021: Baht 20 million) (Note 40).

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14 Investments in a subsidiary and an associate

14.1 Investments in a subsidiary

As at 31 December 2022, the Group has subsidiaries included in consolidated financial statement are listed below. The subsidiaries have ordinary shares and preference Share in which the Group directly and indirectly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Company name	Nature of business	Place of incorporation and operation	Separate financial statements						
			Paid-up capital		Shareholding percentage (Direct and Indirect)		Cost		
			2022	2021	2022	2021	2022	2021	
Thousand Baht	Thousand Baht	Percentage	Percentage	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Subsidiary									
Allianz Ayudhya General Insurance Public Company Limited	Non-life Insurance	Thailand	2,548,800	2,548,800	99.99	99.99	2,572,379	2,572,379	
Aqua Holdings (Thailand) Limited (Formerly Aetna Holdings (Thailand) Company Limited)	Investment	Thailand	100	-	99.80	-	2,043	-	
Minor Health Enterprise Ltd.	Investment	Thailand	1,250	-	99.85	-	1,506,406	-	
Health Care Management Co., Ltd	Investment	Thailand	8,175	-	99.90	-	819,605	-	
Aetna Health Insurance (Thailand) Public Company Limited	Non-life Insurance	Thailand	20,000	-	99.90	-	799,350	-	
My Health Services (Thailand) Co., Ltd. (Formerly Aetna Services (Thailand) Company Limited)	Health Service	Thailand	141,500	-	99.90	-	0.03	-	
Total			2,719,825	2,548,000			5,699,783	2,572,379	

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14.2 Investments in an associate

As at 31 December 2022 and 2021, 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				Carrying value under equity method	
			Percentage of shareholding		Cost		2022	2021
			2022	2021	2022	2021	2022	2021
			Percentage	Percentage	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Associate company Allianz Ayudhya Assurance Public Company Limited	Life Insurance	Thailand	31.97	31.97	5,455,863	5,455,863	6,480,922	9,492,515

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- a) The movement in investments in an associate for the year ended 31 December 2022 and 2021 were as follows:

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Book value at the beginning year	9,492,515	11,252,204	5,455,863	5,455,863
Share of profit	981,916	1,287,852	-	-
Share of other comprehensive loss	(3,183,273)	(2,341,156)	-	-
Dividend income	(810,236)	(706,385)	-	-
Book value at the ending year	6,480,922	9,492,515	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.

	2022 Thousand Baht	2021 Thousand Baht
<i>Summarised of performance</i>		
Revenue	40,865,462	39,918,873
Post-tax profit	3,071,406	3,862,175
Other comprehensive loss	(9,957,193)	(7,190,117)
Total comprehensive loss	(6,885,787)	(3,327,942)
Dividend received from associates	810,236	706,385
<i>Summarised of statement of financial position</i>		
Assets	214,483,736	219,698,702
Liabilities	200,434,330	196,229,109
Net assets	14,049,406	23,469,593
Group's share in associates (%)	31.97	31.97
Group's share in associates (Thousand Baht)	6,480,922	9,492,515
Goodwill	-	-
Associates carrying amount	5,455,863	5,455,863

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15 Property, plant and equipment, net

Property, plant and equipment, net as at 31 December 2022 and 2021 consisted of the following.

Consolidated financial statements
2022

	Consolidated financial statements 2022										Property, plant and equipment, net		
	Cost					Accumulated depreciation					Property, plant and equipment, net		
	As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Disposal/ Write off Thousand Baht	Transfer in / (out) Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Depreciation Thousand Baht	Disposal/ Write off Thousand Baht	As at 31 December 2022 Thousand Baht	As at 1 January 2022 Thousand Baht	As at 31 December 2022 Thousand Baht	
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610		
Building	773	-	-	-	773	(773)	-	-	(773)	-	-		
Leasehold improvement	69,197	84,061	(11,273)	-	142,926	(41,153)	(64,928)	11,186	(103,859)	28,044	39,067		
Furniture, fixtures and office equipment	93,441	97,505	(11,268)	-	182,198	(78,036)	(90,464)	10,754	(166,012)	15,405	16,186		
Vehicles	7,097	-	-	-	7,097	(5,986)	-	(804)	(6,790)	1,111	307		
Leasehold improvement under installation	-	1,973	(463)	-	8,395	-	-	-	-	-	8,395		
Total	172,118	183,539	10,346	(23,004)	342,999	(125,948)	(155,392)	21,940	(277,434)	46,170	65,565		

Consolidated financial statements
2021

	Consolidated financial statements 2021										Property, plant and equipment, net		
	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	As at 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	56,660	429	(3,190)	15,298	69,197	(38,374)	(4,885)	2,106	(41,153)	18,286	28,044		
Furniture, fixtures and office equipment	106,491	6,027	(19,077)	-	93,441	(88,427)	(7,974)	18,365	(78,036)	18,054	15,405		
Vehicles	26,488	-	(19,391)	-	7,097	(23,976)	(1,339)	19,329	(5,986)	2,512	1,111		
Leasehold improvement under installation	13,424	1,874	-	(15,298)	-	-	-	-	-	13,424	-		
Total	205,446	8,330	(41,658)	-	172,118	(151,550)	(14,198)	39,800	(125,948)	53,896	46,170		

The depreciation expense for the year ended 31 December 2022 and 2021 amounting to Baht 16.23 million and Baht 12.40 million, respectively were included in operating expenses, amounting to Baht 1.76 million and Baht 1.80 million, respectively, were included in other underwriting expenses, and amounting to Baht 0.05 million and nil, respectively, were included in claims and loss adjustment expenses.

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Separate financial statements 2022											
Property, plant and equipment, net											
Accumulated depreciation											
Cost											
As at 1 January 2022		As at 31 December 2022		As at 1 January 2022		As at 31 December 2022		Disposal / Write off		Disposal / Write off	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
1,610	-	1,610	-	-	-	-	-	-	-	-	-
773	-	773	-	(773)	-	-	(773)	-	-	-	-
162	-	162	-	(162)	-	-	(162)	-	-	-	-
812	-	812	-	(773)	(22)	-	(795)	-	-	39	17
3,357	-	3,357	-	(1,708)	(22)	-	(1,730)	-	-	1,649	1,627
Land											
Building											
Leasehold improvement											
Furniture, fixtures and office equipment											
Total											

Separate financial statements 2021											
Property, plant and equipment, net											
Accumulated depreciation											
Cost											
As at 1 January 2021		As at 31 December 2021		As at 1 January 2021		As at 31 December 2021		Disposal / Write off		Disposal / Write off	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
1,610	-	1,610	-	-	-	-	-	-	-	-	-
773	-	773	-	(773)	-	-	(773)	-	-	-	-
162	-	162	-	(162)	-	-	(162)	-	-	-	-
812	-	812	-	(749)	(24)	-	(773)	-	-	63	39
3,357	-	3,357	-	(1,684)	(24)	-	(1,708)	-	-	1,673	1,649
Land											
Building											
Leasehold improvement											
Furniture, fixtures and office equipment											
Total											

The depreciation expense for the year ended 31 December 2022 amounting to Baht 0.02 million were included in operating expenses (2021: Baht 0.02 million).

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16 Right-of-use asset, net

Right-of-use asset, net as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements											
	2022					2021						
	Cost		Accumulated amortisation			Right-of-use asset, net		As at 31 December 2022		As at 1 January 2022		
As at 1 January 2022	Increase From Business Acquisition	Change in contract	Increase / Decrease	As at 31 December 2022	As at 1 January 2022	From Business Acquisition	Change in contract	Write-off	Amortisation	As at 31 December 2022	As at 1 January 2022	As at 31 December 2022
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Leasehold improvement Vehicles	239,027 21,652	63,308 -	(9,907) (3,333)	(2,437) -	289,991 18,319	(17,398) -	11,150 3,333	(45,168) (3,663)	(113,244) (5,397)	173,812 16,585	176,747 12,922	
Total	260,679	63,308	(13,240)	(2,437)	308,310	(17,398)	14,483	(48,831)	(118,641)	190,397	189,669	

	Consolidated financial statements											
	2021					2020						
	Cost		Accumulated amortisation			Right-of-use asset, net		As at 31 December 2021		As at 1 January 2021		
As at 1 January 2021	Increase	Change in contract	From Business Acquisition	As at 31 December 2021	As at 1 January 2021	From Business Acquisition	Change in contract	Write-off	Amortisation	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	Thousand Baht	Thousand Baht	Thousand Baht
Leasehold improvement Vehicles	239,225 3,333	51 18,319	(249) -	(31,936) (1,818)	239,027 21,652	(17,398) -	- -	(33,279) (3,249)	(65,215) (5,067)	207,289 1,515	173,812 16,585	
Total	242,558	18,370	(249)	(33,754)	260,679	(17,398)	-	(36,528)	(70,282)	208,804	190,397	

For the year ended 31 December 2022, the Group has no lease payments resulting from lease contracts which are not capitalised comprised of short-term contracts (2021: nil).

The amortisation expense for the year ended 31 December 2022 and 2021 amounting to Baht 45.51 million and Baht 34.21 million, respectively were included in operating expenses and amounting to Baht 3.32 million and Baht 2.32 million, respectively, were included in other underwriting expenses.

17 Goodwill

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
As 1 January		
Cost	508,877	508,877
<u>Less</u> Accumulated impairment	-	-
Net book amount	508,877	508,877
For the year ended 31 December		
Opening net book amount	508,877	508,877
Share holdings between Aetna entities	158,497	-
Acquisition of subsidiary	1,258,722	-
Impairment charge	-	-
Closing net book amount	1,926,096	508,877
At 31 December		
Cost	1,926,096	508,877
<u>Less</u> Accumulated impairment	-	-
Net book amount	1,926,096	508,877

On 6 May 2022, the Company acquires the Aetna Thailand group entities which comprises of goodwill of Baht 158 million from cross holding between Aetna Thailand group entities and Baht 1,259 million from business acquisition (Note 36).

Goodwill is allocated to a cash generating unit (CGU) identified according to business segment.

A segment-level summary of the goodwill allocation is presented below;

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Goodwill allocation to;		
Allianz General Insurance PCL	508,877	508,877
Aetna Thailand group entities	1,417,219	-
Total	1,926,096	508,877

Impairment assessment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 7.1. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

As at 31 December 2022, the Group tested impairment of the goodwill and considered that there is no impairment for the goodwill.

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Management determined growth rate from budget based on past performance and its expectations of market development.

The recoverable amount goodwill is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates which 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:

	Allianz General Insurance PCL	Aetna Thailand group entities
Long-term growth rate ¹ (%)	6 - 12	6 - 12
Pre-tax discount rate ² (%)	10.1	10.1

¹ This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

² Reflect specific risks relating to the relevant segments and the countries in which they operate.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The key assumption that will affect the value in use is discount rate. The management has considered the sensitivity of the change in the discount rate. If the pre-tax discount had been 1% per annum higher than management's estimate, the value in use is still higher than the carrying value and no impairment recognised.

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18 Intangible asset, net

Intangible assets, net as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements										Intangible assets, net			
	2022					2021					2022		2021	
	Cost		Accumulated amortisation		Intangible assets, net		Cost		Accumulated amortisation		Intangible assets, net		Intangible assets, net	
As at 1 January 2022	Increase From Business Acquisition	Transfer in / (out)	As at 31 December 2022	As at 1 January 2022	Increase From Business Acquisition	Transfer in / (out)	As at 31 December 2021	As at 1 January 2021	Write off	As at 31 December 2021	As at 1 January 2021	Write off	As at 31 December 2021	As at 1 January 2021
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Computer software	288,579	154,839	57,907	528,087	(223,558)	(138,338)	(26,587)	(377,341)	11,142	(377,341)	65,021	19,710	150,746	21,642
Computer software in progress	19,710	16,405	(57,907)	21,642	-	-	-	-	-	-	-	-	-	-
Others	11,916	-	-	(11,916)	(11,916)	-	-	-	11,916	-	-	-	-	-
Total	320,205	171,244	-	549,729	(235,474)	(138,338)	(26,587)	(377,341)	23,058	(377,341)	84,731	172,388	172,388	172,388
	Consolidated financial statements													
	2021													
	Cost		Accumulated amortisation		Intangible assets, net		Cost		Accumulated amortisation		Intangible assets, net		Intangible assets, net	
As at 1 January 2021	Increase	Write off	Transfer in / (out)	As at 31 December 2021	As at 1 January 2021	Increase	Write off	Transfer in / (out)	As at 31 December 2021	As at 1 January 2021	Write off	Transfer in / (out)	As at 31 December 2021	As at 1 January 2021
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
264,781	23,798	-	-	288,579	(206,729)	(16,829)	-	-	(223,558)	58,052	18,980	-	65,021	19,710
18,980	36,132	(37,402)	-	19,710	(11,916)	-	-	-	(11,916)	18,980	-	-	19,710	-
11,916	-	-	-	11,916	(11,916)	-	-	-	(11,916)	-	-	-	-	-
Total	295,677	61,930	-	320,205	(218,645)	(16,829)	-	-	(235,474)	77,032	84,731	84,731	84,731	84,731

For the year ended 31 December 2022 and 2021, the amortisation expenses amounting to Baht 23.19 million and Baht 13.37 million, respectively, were included in operating expenses and amounting to Baht 3.40 million and Baht 3.46 million, respectively, were included in other underwriting expenses.

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Separate financial statements

2022											
		Cost				Accumulated amortisation				Intangible assets, net	
As at		Transfer	As at	As at	As at	31 December	As at	As at	As at	As at	
1 January	Increase	in / (out)	31 December	1 January	31 December	2022	2022	1 January	31 December	1 January	As at
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Computer software	6,743	-	6,743	(883)	(671)	(1,554)	(1,554)	5,860	5,860	5,860	5,189
Total	6,743	-	6,743	(883)	(671)	(1,554)	(1,554)	5,860	5,860	5,860	5,189

Separate financial statements

2021											
		Cost				Accumulated amortisation				Intangible assets, net	
As at		Transfer	As at	As at	As at	31 December	As at	As at	As at	As at	
1 January	Increase	in / (out)	31 December	1 January	31 December	2021	2021	1 January	31 December	1 January	As at
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Computer software	6,743	-	6,743	(212)	(671)	(883)	(883)	6,531	6,531	6,531	5,860
Total	6,743	-	6,743	(212)	(671)	(883)	(883)	6,531	6,531	6,531	5,860

For the year ended 31 December 2022, the amortisation expenses amounting to Baht 0.67 million were included in operating expenses (2021: Baht 0.67 million).

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19 Deferred tax assets, net

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

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Deferred tax assets	487,767	426,001	3,632	53,566
Deferred tax liabilities	(17,180)	(25,896)	(6,378)	(14,077)
Deferred tax asset, net	470,587	400,105	(2,746)	39,489

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

	Consolidated financial statements				
	As at 1 January 2022 Thousand Baht	Increase From Business Acquisition Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other comprehensive income Thousand Baht	As at 31 December 2022 Thousand Baht
Deferred tax assets					
Allowance for doubtful accounts					
- Premium due and uncollected	4,169	4,999	(3,204)	-	5,964
Allowance for doubtful accounts					
- Other receivable	192	2,274	(482)	-	1,984
Allowance for doubtful accounts					
- Reinsurance	871	-	(151)	-	720
Unearned premium reserve	77,765	83,694	(33,254)	-	128,205
Unrealised loss on the change in fair value of investment measured at fair value through other comprehensive income	26,804	-	(880)	(22,292)	3,632
Expected credit loss	6	-	(34,744)	34,816	78
Claim reserve, net	125,987	31,862	55,278	-	213,127
Claim incurred but not reported	44,735	20,537	3,856	-	69,128
Employee benefit obligations	15,629	3,603	(348)	663	19,547
Share-based benefit obligations	297	-	1,654	-	1,951
Accrued expense	28,857	26,058	(16,034)	-	38,881
Loss carried forward	98,755	-	(98,755)	-	-
Right of use	-	-	2,663	-	2,663
Others	1,934	1,523	(1,570)	-	1,887
	426,001	174,550	(125,971)	13,187	487,767
Deferred tax liabilities					
Unrealised gain on transfer investment	(4,939)	-	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	(1,327)	-	(236)	-	(1,563)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(19,630)	(460)	1,151	8,261	(10,678)
	(25,896)	(460)	915	8,261	(17,180)
Deferred tax assets, net	400,105	174,090	(125,056)	21,448	470,587

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	Consolidated financial statements			
	As at 1 January 2021 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other comprehensive income Thousand Baht	As at 31 December 2021 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts				
- Premium due and uncollected	6,165	(1,996)	-	4,169
Allowance for doubtful accounts				
- Other receivable	908	(716)	-	192
Allowance for doubtful accounts				
- Reinsurance	-	871	-	871
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

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	Separate financial statements			
	As at 1 January 2022 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other comprehensive income Thousand Baht	As at 31 December 2022 Thousand Baht
Deferred tax assets				
Unrealised loss on the change in fair value of financial assets measured at fair value through profit or loss	13,407	(13,407)	-	-
Unrealised loss on the change in fair value of financial assets measured at fair value through other comprehensive income	13,397	-	(9,765)	3,632
Expected credit loss	-	(190)	190	-
Loss carried forward	26,762	(26,762)	-	-
	<u>53,566</u>	<u>(40,359)</u>	<u>(9,575)</u>	<u>3,632</u>
Deferred tax liabilities				
Unrealised gain on transfer financial assets	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	(2,941)	1,920	-	(1,021)
Unrealised gain on the change in fair value of investment designated at fair value through other comprehensive income	(6,197)	-	5,779	(418)
	<u>(14,077)</u>	<u>1,920</u>	<u>5,779</u>	<u>(6,378)</u>
Deferred tax assets, net	<u>39,489</u>	<u>(38,439)</u>	<u>(3,796)</u>	<u>(2,746)</u>
	Separate financial statements			
	As at 1 January 2021 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transactions recognised in other comprehensive 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
	<u>77,062</u>	<u>(21,714)</u>	<u>(1,782)</u>	<u>53,566</u>
Deferred tax liabilities				
Unrealised gain on transfer financial assets	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	(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)
	<u>(12,921)</u>	<u>(2,901)</u>	<u>1,745</u>	<u>(14,077)</u>
Deferred tax assets, net	<u>64,141</u>	<u>(24,615)</u>	<u>(37)</u>	<u>39,489</u>

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20 Other assets, net

Other assets as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other receivables	12,304	21,068	3	25
Less Allowance for doubtful accounts	(188)	(960)	-	-
Other receivables, net	12,116	20,108	3	25
Claim service receivables	153,589	-	-	-
Revenue Department receivable	94,334	47,673	12,202	9,285
Withholding tax receivable	2,666	22,036	1,523	1,523
Prepaid expenses	17,901	9,781	14	121
Due from rice field insurance scheme	652	583	-	-
Accrued loss recovery	17,190	20,791	-	-
Deposits	16,661	7,454	51	51
Undue input value added tax	12,553	9,690	27	10
Others	7,399	11,306	1,001	1,015
Total	335,061	149,422	14,821	12,030

21 Insurance contract liabilities

Insurance contract liabilities as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements		
	2022		
	Insurance contract liabilities	Insurance liabilities recovered from reinsurers	Net
	Thousand Baht	Thousand Baht	Thousand Baht
Claim reserves			
Loss incurred and reported	2,230,464	(975,145)	1,255,319
Loss incurred but not reported	447,091	(101,456)	345,635
Total	2,677,555	(1,076,601)	1,600,954
Premium reserve			
Unearned premium reserve	4,554,228	(906,883)	3,647,345
Total	7,231,783	(1,983,484)	5,248,299

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	Consolidated financial statements		
	2021		
	Insurance contract liabilities Thousand Baht	Insurance liabilities recovered from reinsurers Thousand Baht	Net 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

21.1 Insurance reserve for short-term insurance contract

21.1.1 Claim reserves

	Consolidated financial statements		
	2022		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning year	2,243,746	(1,255,210)	988,536
Increase from Business Acquisition	380,148	-	380,148
Claim and loss adjustment expenses incurred during the year	4,818,459	(587,559)	4,230,900
Change in claim reserves and assumptions used in loss reserve calculation	(200,676)	215,606	14,930
Loss paid during the year	(4,564,122)	550,562	(4,013,560)
Balance as at ending year	2,677,555	(1,076,601)	1,600,954

	Consolidated financial statements		
	2021		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net 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

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

	Consolidated financial statements	
	2022	2021
	Thousand Baht	Thousand Baht
Claim reserves expected to be paid within 1 year	2,212,944	1,594,142
Claim reserves expected to be paid between 1-2 years	294,388	354,913
Claim reserves expected to be paid between 2-5 years	170,223	294,691
Claim reserves expected to be paid over 5 years	-	-
Total Claim reserves expected to be paid	2,677,555	2,243,746

Sensitivity analysis of claim reserves is as follows:

Consolidated financial statements					
2022					
Increase/ (decrease) in assumptions	Impact on reinsurance assets Thousand Baht	Impact on reserves and allocated loss adjustment expense Thousand Baht	Increase / (decrease) in profit Thousand Baht	Increase / (decrease) in owners' equity Thousand Baht	
	Decrease 2%	(35,008)	(191,587)	156,499	125,200
Claim reserve for big claims	Increase 2%	38,014	143,009	(104,995)	(83,996)
	Decrease 2%	(37,527)	(139,661)	102,135	81,708
Unallocated Loss Adjustment Expense ratio (ULAE)	Increase 20%	-	13,628	(13,628)	(10,902)
	Decrease 20%	-	(13,628)	13,628	10,902
Consolidated financial statements					
2021					
Increase/ (decrease) in assumptions	Impact on reinsurance assets Thousand Baht	Impact on reserves and allocated loss adjustment expense Thousand Baht	Increase / (decrease) in profit Thousand Baht	Increase / (decrease) in owners' equity Thousand Baht	
	Decrease 2%	(26,261)	(123,557)	97,296	77,837
Claim reserve for big claims	Increase 2%	35,480	130,270	(94,791)	(75,832)
	Decrease 2%	(35,086)	(128,038)	92,952	74,361
Unallocated Loss Adjustment Expense ratio (ULAE)	Increase 20%	-	11,865	(11,865)	(9,492)
	Decrease 20%	-	(11,865)	11,865	9,492

21.1.2 Unearned premium reserve

	Consolidated financial statements		
	2022		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
Balance as at beginning year	2,826,998	(668,642)	2,158,356
Increase from Business Acquisition	1,641,373	(1,938)	1,639,435
Premium written for the year	8,031,778	(1,830,002)	6,201,776
Earned premium for the year	(7,945,921)	1,593,699	(6,352,222)
Balance as at ending year	4,554,228	(906,883)	3,647,345
Consolidated financial statements			

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	2021		
	Gross Thousand Baht	Reinsurance Thousand Baht	Net Thousand Baht
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)	1,586,293	(3,892,399)
Balance as at ending year	2,826,998	(668,642)	2,158,356

21.1.3 Unexpired risk reserve

As at 31 December 2022 and 2021, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Group amounting to Baht 2,683.08 million and Baht 1,436.61 million, respectively and net unexpired risk reserve estimated by the Group amounting to Baht 2,428.50 million and Baht 1,255.57 million, respectively, is lower than the unearned premium reserve.

21.2 Claim Development Table

21.2.1 Claim development table before reinsurance

Accident Year / Reporting Year	Consolidated financial statements					
	2022					
	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	Total Thousand Baht
Gross estimate of cumulative claim costs						
- At the end of the accident year	6,168,846	5,768,605	5,216,231	4,535,312	5,196,246	
- One year later	5,832,897	5,871,198	5,181,177	4,277,283	-	
- Two years later	5,736,608	5,837,294	5,131,902	-	-	
- Three years later	5,623,494	5,843,133	-	-	-	
- Four years later	5,610,465	-	-	-	-	
Absolute estimated claim	5,610,465	5,843,133	5,131,902	4,277,283	5,196,246	26,059,029
Cumulative claim paid	(5,568,916)	(5,521,631)	(5,056,774)	(4,069,431)	(3,443,212)	(23,659,964)
Total claim reserve	41,549	321,502	75,128	207,852	1,753,034	2,399,065
Claim liability before year 2018						278,490
Total claim liability						<u>2,677,555</u>
	Consolidated financial statements					
	2021					
2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2020 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	
- 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	2,759,600	3,422,647	3,827,627	3,084,562	2,592,080	15,686,516
Cumulative claim paid	(2,741,638)	(3,367,206)	(3,496,097)	(2,814,810)	(1,386,689)	(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						<u>2,243,746</u>

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21.2.2 Claim development table after reinsurance

Accident Year / Reporting Year	Consolidated financial statements					Total Thousand Baht
	2022					
	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	
Gross estimate of cumulative claim costs						
- At the end of the accident year	4,172,771	4,302,475	4,308,398	3,951,772	4,529,798	
- One year later	4,157,078	4,312,269	4,282,618	3,864,353	-	
- Two years later	4,125,233	4,311,999	4,285,383	-	-	
- Three years later	4,118,628	4,309,827	-	-	-	
- Four years later	4,118,277	-	-	-	-	
Absolute estimated claim	4,118,277	4,309,827	4,285,383	3,864,353	4,529,798	21,107,638
Cumulative claim paid	(4,112,983)	(4,296,497)	(4,264,952)	(3,721,241)	(3,208,042)	(19,603,715)
Total claim reserve	5,294	13,330	20,431	143,112	1,321,756	1,503,923
Claim liability before year 2018						97,031
Total claim liability						1,600,954
	Consolidated financial statements					
	2021					
Accident Year / Reporting Year	2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	Total Thousand Baht
Gross estimate of cumulative claim costs						
- At the end of the accident year	1,698,005	2,027,944	2,341,472	2,312,948	2,008,540	
- One year later	1,649,769	1,956,231	2,302,602	2,186,004	-	
- Two years later	1,653,168	1,924,386	2,302,332	-	-	
- Three years later	1,655,087	1,917,781	-	-	-	
- Four years later	1,650,508	-	-	-	-	
Absolute estimated claim	1,650,508	1,917,781	2,302,332	2,186,004	2,008,540	10,065,165
Cumulative claim paid	(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						86,706
Total claim liability						988,536

22 Amount due to reinsurers

Amount due to reinsurers as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Amounts withheld on reinsurance	357,021	663,132
Reinsurance payables	610,634	497,100
Total amount due to reinsurers	967,655	1,160,232

23 Employee benefit obligations

The Group operates post-employment benefit plans under the Labor Protection Act, which are considered as unfunded defined benefits plans.

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Long-term employee benefits	22,595	20,549
Retirement benefits	135,947	114,858
Total employee benefit obligations	158,542	135,407

23.1 Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movements in the defined benefit obligation for the years are as follows:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
As at 1 January	114,858	132,201
Increase from business acquisition	18,864	-
Current service cost	18,028	15,377
Interest expense	2,245	1,758
	153,995	149,336
Remeasurements:		
Losses from change in demographic assumptions	(583)	(15,217)
Gains (losses) from change in financial assumptions	(2,380)	2,739
Experience gain	6,277	(12,136)
	3,314	(24,614)
Payment from plans:		
Benefit payment during the year	(21,362)	(9,864)
Curtailment	-	-
As at 31 December	135,947	114,858

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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	
	2022	2021
Financial assumptions:		
Discount rate (%)	1.67, 1.68, 2.35	1.68
Salary growth rate (%)	3, 4.5	3
Demographic assumptions:		
Turnover rate (%) subject to range of age of employees	9 - 27.5	9, 14, 22
Retirement age (Year)	60	60

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

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Financial assumptions:		
Discount rate - 1 % increase	(12,135)	(9,564)
Discount rate - 1 % decrease	13,811	10,901
Expected rate of salary - 1% increase	14,195	10,167
Expected rate of salary - 1% decrease	(12,659)	(9,106)
Demographic assumptions:		
Turnover rate - 1% increase	(12,911)	(10,054)
Turnover rate - 1% decrease	5,097	2,600
Life expectancy - 1 year increase	605	556
Life expectancy - 1 year decrease	(601)	(553)

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 2022 and 2021 were as follows:

	Consolidated financial statements	
	2022	2021
Weighted average duration of the defined benefit obligation (Year)	10.45, 11.23, 11.50	10.73
Maturity analysis of undiscounted benefits expected to be paid (Thousand Baht)		
Benefits expected to be paid within 1 year	7,917	10,495
Benefits expected to be paid between 1 - 5 years	46,715	33,046
Benefits expected to be paid more than 5 years	613,145	571,773
Total	667,777	615,314

23.2 Long term employee benefits - Share-based compensation

The Group has share-based compensation in accordance with Allianz Group policy using the share price of Allianz SE, a listed company in Frankfurt am Main in XETRA trading.

During the year 2022, 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 2022, the total Company's contribution under this plan was Baht 0.63 million (2021: Baht 0.65 million).

Employee Stock Benefit Plan

During the year ended 31 December 2022, the total recognized compensation in other employee benefit for the year ended 31 December 2022 amounting to Baht 1.80 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	
	2022 Number of shares	2021 Number of shares
As at 1 January	4,317	3,642
Granted/Transferred in	1,908	1,720
Exercised	(841)	(1,045)
As at 31 December	5,384	4,317

The total recognised compensation in other employee benefits for the year ended 31 December 2022 amounting to Baht 9.38 million (2021: Baht 9.51 million) and the total compensation liabilities under "Employee benefits" amounting to Baht 22.60 million (2021: Baht 20.55 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.

24 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	Consolidated financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Maturity		
Within 1 year	44,925	28,120
Between 1 - 2 years	36,498	29,323
Between 2 - 3 years	28,045	28,440
Between 3 - 4 years	24,636	27,758
Between 4 - 5 years	23,590	24,339
Over 5 years	35,852	59,804
Total	193,546	197,784
<i>Including - Principal</i>	212,380	222,397
<i>- Interest</i>	(18,834)	(24,613)

For the year ended 31 December 2022 and 2021, the Group have Interest expenses on lease liabilities amounted to Baht 6.73 million and Baht 6.92 million, respectively are recorded as "finance cost" in the statement of comprehensive income.

25 Other liabilities

Other liabilities as at 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Other payables - Promotion expense	35,110	62,957	-	-
Other payables - Claim settling service	55,038	-	-	-
Other payables - Claim service deposit	23,730	-	-	-
Premium refund	32,662	-	-	-
Premium suspense	283,781	239,158	-	-
Withholding tax payable	33,830	14,636	260	207
Undue output VAT	3,089	1,425	1	1
Contribution to non-life guarantee fund	18,205	23,505	-	-
Decommission expense	23,526	-	-	-
Others	78,237	23,738	9,505	342
Total	587,208	365,419	9,766	550

26 Share capital

As at 31 December 2022, the Group had total authorised number of ordinary shares were 463.47 million shares (2021: 463.47 million shares) amounting to Baht 463.47 million (2021: Baht 463.47 million) with a par value of Baht 1 per share (2021: Baht 1 per share). The Group have total issued and paid-up number of ordinary shares is 389.27 million shares (2021: 389.27 million shares) amounting to Baht 389.27 million. (2021: Baht 389.27 million)

27 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	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 2022 and 2021, the Company already had legal reserve of not less than 10% of the authorised capital.

28 Financial information by segment

The business segment results are prepared based on the preparation of management report of the Group. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to and assessing the performance of operating segments is measured in accordance with Financial Reporting Standards.

The Group has been operating in three principal business segments: (1) Non-life insurance business (2) Investment business and (3) Service business, which are only organised and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the year ended 31 December 2022 and 2021, there is no revenue from a single external customer contributed 10% or more to the Group's total revenue.

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The financial statements of the Group for the year ended 31 December 2022 and 2021 were presented by business segment as follows:

	Consolidated financial statements									
	Non-life insurance business		Investment business		Service business		Elimination of inter-segment		Total	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Revenue from external	6,901,813	4,260,073	1,299,445	823,552	3,783	-	(1,372,864)	(732,908)	6,832,177	4,350,717
Share of profit on investment in an associate	-	-	981,916	1,287,852	-	-	-	-	981,916	1,287,852
Other income	15,657	35,539	465,022	57	3	-	(468,578)	(1,394)	12,104	34,202
Total revenue	6,917,470	4,295,612	2,746,383	2,111,461	3,786	-	(1,841,442)	(734,302)	7,826,197	5,672,771
Insurance business expenses	5,942,218	3,640,815	-	-	-	-	3,852	-	5,946,070	3,640,815
Cost of medical service	-	-	-	-	1,313	-	-	-	1,313	-
Directors and key management personnel's remuneration	150,650	125,153	14,438	13,970	-	-	-	-	165,088	139,123
Other expenses	778,983	606,351	58,361	17,048	18,971	-	(190,901)	38,656	665,414	662,055
Income tax expense (income)	(17,906)	(9,534)	38,439	24,615	-	-	23,052	(14,332)	43,585	749
Total expenses	6,853,945	4,362,785	111,238	55,633	20,284	-	(163,997)	24,324	6,821,470	4,442,742
Net income (loss)	63,525	(67,173)	2,635,145	2,055,828	(16,498)	-	(1,677,445)	(758,626)	1,004,727	1,230,029

29 Dividend

At the Annual General Meeting of Shareholders on 29 April 2022, the payment of dividend was approved from the operating results at Baht 0.77 per share, totalling Baht 299.74 million. The dividend payment was made on 17 May 2022.

At the Board of Directors' meeting on 31 August 2022, the payment of interim dividend was approved from the retained earnings at Baht 5.14 per share, totalling Baht 2,000.83 million. The dividend payment was made on 28 September 2022.

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 operating results at Baht 0.77 per share, totalling Baht 299.75 million. The dividend payment was made on 10 September 2021.

30 Gain (Loss) on investment

Gain (Loss) on investment for the year ended 31 December 2022 and 2021 were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gains (Losses) on investment measured at fair value through profit or loss				
Gains (losses) on sale of investments				
Debt securities	-	-	-	500
Equity securities	-	-	10,774	(13,399)
Gains (losses) on fair value adjustment				
Debt securities	-	-	(5,196)	10,104
Equity securities	-	-	-	21,510
	-	-	5,578	18,715
Gains (losses) on investment designated at fair value through profit or loss				
Gains (losses) on fair value adjustment				
Debt securities	592	(453)	-	-
	592	(453)	-	-
Gains (losses) on investment measured at fair value through other comprehensive income				
Gains (losses) on sale of investments				
Debt securities	1,989	611	1,989	-
Equity securities	(98,894)	(8,309)	-	-
	(96,905)	(7,698)	1,989	-
Gains (losses) on investments	(96,313)	(8,151)	7,567	18,715

31 Operating expenses

Operating expenses for the year ended 31 December 2022 and 2021 were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Employee benefit expenses, excluded underwriting and loss adjustment expenses (reversal)	435,236	273,067	26	(411)
Premises and equipment expense, excluded underwriting expenses	220,883	255,877	1,736	2,852
Taxes and duties	9,804	2,906	1,763	1,962
Bad debt and allowance for doubtful accounts	2,493	1,286	-	-
Directors' remuneration	12,279	11,409	10,382	14,673
Management fee	63,077	128,398	-	-
Marketing and promotion expenses	30,143	5,676	10	31
Professional fee	64,963	15,847	56,869	10,254
Other operating expense	158,846	59,568	694	1,192
Total operating expenses	997,724	754,034	71,480	30,553

32 Employee expenses

The employee expenses for the year ended 31 December 2022 and 2021 were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Salary and wages	613,282	466,977	-	(429)
Social fund expenses	3,950	3,014	-	-
Employee benefit expenses	19,223	20,609	-	-
Providend fund	24,588	14,847	-	-
Other benefits	76,527	51,660	26	18
Total employee expenses	737,570	557,107	26	(411)

33 Expected credit loss

The expected credit loss for the year ended 31 December 2022 and 2021 were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Cash and cash equivalent (Reversal)	72	(586)	-	(28)
Investments in debt securities measured at fair value through other comprehensive income (Reversal)	(1,378)	767	(950)	502
Investments in debt securities measured at amortised cost (Reversal)	(185)	(7)	-	(9)
Total expected credit loss	(1,491)	174	(950)	465

34 Income tax expense

Income tax expense for the year ended 31 December 2022 and 2021 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current tax:				
Current tax on profits for the year	10,236	-	-	-
Adjustments in respect of prior year	(91,707)	-	-	-
Total current tax	(81,471)	-	-	-
Deferred income tax:				
Decrease (increase) in deferred tax assets (Note 19)	125,971	(637)	40,359	21,714
Increase (decrease) in deferred tax liabilities (Note 19)	(915)	1,386	(1,920)	2,901
Total deferred income tax	125,056	749	38,439	24,615
Income tax expense (income)	43,585	749	38,439	24,615

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The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Profit before tax	1,048,312	1,230,778	1,228,834	792,591
Tax calculated at a tax rate of 20% (2020: 20%)	209,662	246,156	245,767	158,518
Tax effect of:				
Revenue that are granted income tax exemption				
Dividend	(15)	(6,199)	(250,423)	(147,474)
Share of profit on investment in an associate	(196,383)	(257,570)	-	-
Others	(1,464)	(1,018)	-	-
Expenses not deductible for tax purpose	7,329	5,096	(9,406)	-
Reversal of unutilised dererred tax assets in the future	87,014	-	26,762	-
Tax losses for which no deferred income tax asset was recorded	(61,892)	2,818	25,739	2,105
Tax losses from prior period for which no deferred income tax asset was recorded	(666)	11,466	-	11,466
Tax charge	43,585	749	38,439	24,615

For the year ended 31 December 2022, the effective tax rate for the Group and the Company were 4.16% and 3.13%, respectively (2021: 0.06% and 3.11%, respectively).

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

	Consolidated financial statements					
	2022			2021		
	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 (loss) on deficit employee benefit plans	(3,313)	663	(2,650)	24,614	(4,923)	19,691
Share of other comprehensive income (loss) in an associate	17,435	(3,487)	13,948	18,253	(3,651)	14,602
Item that will be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of investments measured at fair value through other comprehensive income	(225,355)	45,071	(180,284)	39,383	(7,876)	31,507
Gain (loss) on sale of investment transferred to profit or loss	155,579	(31,116)	124,463	28,095	(5,619)	22,476
Share of other comprehensive income (loss) in an associate	(3,996,527)	799,306	(3,197,221)	(2,944,697)	588,939	(2,355,758)
Total	(4,052,181)	810,437	(3,241,744)	(2,834,352)	556,870	(2,267,482)

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	Separate financial statements					
	2022			2021		
	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht
Item that will not be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of equity instruments measured at fair value through other comprehensive income	(25,415)	5,084	(20,331)	16,402	(3,280)	13,122
Gain (loss) on sale of investment transferred to profit or loss	58,791	(11,759)	47,032	(6,360)	1,272	(5,088)
Item that will be reclassified subsequently to profit or loss						
Gain (loss) on revaluation of debt instruments measured at fair value through other comprehensive income	(14,400)	2,880	(11,520)	(9,852)	1,970	(7,882)
Total	18,976	(3,795)	15,181	190	(38)	152

35 Earnings per share

Basic Earnings per share for the year ended 31 December 2022 and 2021 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	
	2022	2021	2022	2021
Basic Earnings per share				
Profit attributable to Shareholders of the Company (Thousand Baht)	1,004,727	1,230,029	1,190,395	767,976
Weighted average number of ordinary shares (Thousand share)	389,267	389,267	389,267	389,267
Basic Earnings per share (Baht per share)	2.58	3.16	3.06	1.97

36 Business Acquisition

On 6 May 2022, the Company acquired 99.86% of the issued shares in group of entities of Aetna Thailand for a consideration of Baht 3,147,745,484 and on 26 September 2022, the Company received the refund from assets and liabilities adjustment and price consideration amounting to Baht 20,341,291. The net price consideration amounting to baht 3,127,404,193.

The Amalgamation strengthens customer segment and distribution channel as well as strengthens the Group's market share in Thai non-life market, including the profitability growth and Expected synergies from expenses.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	As at acquisition date Thousand Baht
Purchase consideration	
Cash paid	3,127,404
Total purchase consideration	3,127,404

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value Thousand Baht
Cash and cash equivalents	436,529
Premiums due and uncollected	601,527
Investments	2,952,064
Reinsurance assets	1,938
Deferred tax assets, net	174,090
Property, plant and equipment	28,147
Intangible assets	32,906
Right of use assets	45,910
Goodwill	158,497
Other assets	233,479
Liabilities	(2,796,405)
Net identifiable assets acquired	1,868,682
Less: Non-controlling interests	-
Add: Goodwill	1,258,722
Net assets acquired	3,127,404

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Purchase consideration - cash outflow

	<u>Thousand Baht</u>
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	3,127,404
Less: Balances acquired	
- Cash	436,680
	<u>2,690,724</u>
Net outflow of cash - investing activities	2,690,724

a) Acquired premiums due and uncollected

The fair value of acquired premiums due and uncollected is Baht 601.53 million. The gross contractual amount for Premiums due and uncollected due is Baht 124.69 million, of which Baht 36.36 million is expected to be uncollectible.

b) Acquired other receivables

The fair value of acquired other receivables is Baht 200.70 million. The gross contractual amount for other receivables due is Baht 13.97 million.

c) Acquired identifiable intangible assets

The fair value of the acquired identifiable intangible assets of Baht 32.91 million.

d) Revenue and profit contribution

The revenue included in the consolidated income statement from 6 May 2022 to 31 December 2022 contributed by Aetna Thailand group entities was Baht 1,958.06 million. Aetna Thailand group entities also contributed loss of Baht 27.82 million over the same period.

Had Aetna Thailand group entities been consolidated from 1 January 2022, the consolidated income statement for the year ended 31 December 2022 would show revenue of Baht 8,795.73 million and profit of Baht 1,002.97 million.

e) Expenses related to the acquisition of a subsidiary

Expenses related to the acquisition of a subsidiary of Baht 101.38 million are recognised as administrative expenses in profit or loss in the consolidated financial statements for the year ending 2022.

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37 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business. Transactions with the related parties are mainly as follows:

The relationships between the Company and its related parties are summarised below:

Companies	Relationship	Type of Business
Allianz SE	Ultimate parent company	Insurance
Allianz SE Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Technology SE	Related company of ultimate parent company	Information technology
Allianz Global Corporate&Speciality SE	Related company of ultimate parent company	Insurance
Allianz Global Corporate&Speciality AG	Related company of ultimate parent company	Insurance
Allianz Australia Limited	Related company of ultimate parent company	Insurance
Euler Hermes Deutschland	Related company of ultimate parent company	Insurance
Euler Hermes Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Fire and Marine Insurance Japan Ltd.	Related company of ultimate parent company	Insurance
Allianz General Insurance Malaysia Berhad	Related company of ultimate parent company	Insurance
Allianz Global Risks US Insurance Company	Related company of ultimate parent company	Insurance
AWP P&C S.A.	Related company of ultimate parent company	Service
Allianz Suisse Versicherungs-Gesellschaft AG	Related company of ultimate parent company	Insurance
Allianz China General Insurance Company Ltd.	Related company of ultimate parent company	Insurance
Allianz Benelux S.A	Related company of ultimate parent company	Insurance
AWP Services (Thailand) Co., Ltd.	Related company of ultimate parent company	Service
Allianz Technology (Thailand) Co., Ltd.	Related company of ultimate parent company	Information technology
Allianz General Insurance Plc.	Related company of ultimate parent company	Insurance
Allianz Investment Management Singapore Pte. Ltd.	Related company of ultimate parent company	Service
Allianz Global Investors Singapore Ltd.	Related company of ultimate parent company	Service
Allianz Ayudhya General Insurance Plc.	Subsidiary	Insurance
Allianz Ayudhya Assurance Plc.	Associate	Life Insurance
CPRN (Thailand) Co., Ltd.	Related company of shareholders	Holding
Bangkok Broadcasting & Television Co., Ltd.	Related company of shareholders	Television
BBTV Equity Company Limited	Related company of shareholders	Office space rental
Great Luck Equity Co., Ltd	Related company of shareholders	Advertising
Bank of Ayudhya Plc.	Related company of shareholders	Banking
Krungsri Asset Management Co., Ltd.	Related company of shareholders	Fund management
Krungsri Securities Plc.	Related company of shareholders	Finance
Ayudhya Development Leasing Co., Ltd.	Related company of shareholders	Hire-purchase and leasing
Ayudhya Capital Auto Lease Plc.	Related company of shareholders	Hire-purchase and auto leasing
Siam City Cement Plc.	Related company of shareholders	Construction Materials
Eastern Star Real Estate Plc.	Related company of shareholders	Property
Super Asset Co., Ltd.	Related company of shareholders	Investments
CKS Holding Co., Ltd.	Related company of shareholders	Investments
Grand Canal Land Plc.	Related company of shareholders	Advertising
Krungsri Ayudhya AMC Ltd.	Related company of shareholders	Asset Management
Siam Realty and Service Co., Ltd.	Related company of shareholders	Services
Krungsri Factoring Co., Ltd.	Related company of shareholders	Factoring
Krungsri Ayudhya Card Co., Ltd.	Related company of shareholders	Services
Khao Kheow Country Club Co., Ltd.	Related company of shareholders	Golf club
Aetna Health Insurance (Thailand) Public Company Limited	Subsidiary	Insurance
My Health Services (Thailand) Co., Ltd.,	Subsidiary	Service
Aqua Holdings (Thailand) Limited	Subsidiary	Holding
Health Care Management Co., Ltd.	Subsidiary	Holding
Minor Health Enterprise Ltd.	Subsidiary	Holding

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

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Assets				
Related company of ultimate parent				
Amounts due from reinsurers	156,612	229,768	-	-
Investment in securities	35,256	30,419	-	-
Other assets	14,846	14,430	-	-
Related company of shareholders				
Deposits at financial institutions	271,672	295,876	30,171	4,011
Premium receivable	5,689	10,778	-	-
Other assets	5,221	5,221	51	51
Subsidiary				
Financial asset measured at fair value through profit or loss	-	-	204,911	210,106
Accrued investment income	-	-	67	67
Other assets	-	-	50	50
Associates				
Other assets	863	863	-	-
Liabilities				
Related company of ultimate parent				
Amounts withheld on reinsurance	200,436	458,067	-	-
Amount due to reinsurers	429,700	246,108	-	-
Other liabilities	51,536	22,727	-	-
Related company of shareholders				
Commission and brokerage payable	15,696	15,578	-	-
Accrued other underwriting expenses	58,917	47,740	-	-
Lease Liabilities	126,041	146,688	-	-
Other liabilities	8,632	8,715	-	-
Subsidiary				
Other liabilities	-	-	600	300
Associates				
Other liabilities	6,019	21,130	-	-

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	Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht
Expenses		
Related company of ultimate parent company		
Other expenses	196	765
Related company of shareholders		
Other expenses	282	126
Associate		
Other expense	1,484	3,196
Subsidiary		
Other expense	1,392	1,392

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

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

The Company entered into a management service agreement with a subsidiary for providing about services of managerial and administrative services of accounting, personnel, internal audit and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

The Group paid commissions and brokerages and other underwriting expenses 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.

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.

Directors and key management personnel's remuneration

During the year ended 31 December 2022 and 2021, 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	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Directors and key management personnel's remuneration				
Short-term benefits	140,948	116,625	-	-
Post-employment benefits	7,131	6,457	-	-
Directors' remuneration	17,009	16,041	14,438	13,970
Total	165,088	139,123	14,438	13,970

38 Provident fund

The Group have established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, employees must pay their contributions, with the Group matching the individuals' contributions as follows:

Year of services	Percentage
Less than 5 years	5
5 years and above	5, 7

A registered provident fund manager has been appointed to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended 31 December 2022 and 2021, the Group's contributions recorded as expenses were Baht 24.59 million and Baht 14.85, respectively.

39 Securities and assets pledged with the Registrar

As at 31 December 2022 and 2021, certain investments in securities of the Group were pledged and used for assets reserved with the Registrar (Note 13) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2557", respectively as follows:

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

	Consolidated financial statements			
	2022		2021	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Government and state enterprise securities	483,928	471,000	546,967	521,000
	Separate financial statements			
	2022		2021	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Government and state enterprise securities	1,046	1,000	1,082	1,000

39.2 The investments in debt securities which the Group pledged with the Registrar in accordance with the Insurance Act (No.2) B.E. 2551 were as follows:

	Consolidated financial statements			
	2022		2021	
	Book value Thousand Baht	Face value Thousand Baht	Book value Thousand Baht	Face value Thousand Baht
Deposits at banks	403,500	403,500	14,000	14,000
Government and state enterprise securities	15,917	15,000	-	-

40 Restricted assets

As at 31 December 2022, the Group has no premium saving certificates used as collateral in case where the insured drivers are the alleged offenders (31 December 2021: 0.35 million baht).

As at 31 December 2022, the Group has undrawn committed credit facilities amounting to Baht 5 million, with savings at banks pledged as collateral (31 December 2021: Fixed deposit at banks amounting to Baht 20 million).

41 Contribution to non-life guarantee fund

The Group has accumulated funding amount which was paid into contribution to non-life guarantee fund as at 31 December 2022 and 2021 amounting to Baht 163.08 million and Baht 124.05 million, respectively.

42 Litigation

As at 31 December 2022 and 2021, lawsuits have been brought against the Group, as insurer, from which the Group estimates losses totalling Baht 236.72 million and Baht 314.90 million, respectively. The Group's management believes that such estimation is adequate to losses and does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Group's operating results.

43 Event after the statement of financial position date

On 22 July 2022, Allianz Ayudhya General Insurance Public Company Limited ("Subsidiary") submitted a request to Office of Insurance Commission to approve the amalgamation between the Allianz Ayudhya General Insurance Public Company Limited and Aetna Health Insurance (Thailand) Public Company Limited ("Subsidiary"). The request was approved on 27 January 2023. Allianz Ayudhya General Insurance Public Company Limited ("Subsidiary") expects that the amalgamation will be completed in the first quarter of 2023.