

DHIPAYA INSURANCE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2021

Independent Auditor's Report

To the shareholders of Dhipaya Insurance Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Dhipaya Insurance Public Company Limited (the Company) as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the 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 financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing 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 intends to liquidate 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 Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

PricewaterhouseCoopers ABAS Ltd.

Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298

Bangkok

23 February 2022

Dhipaya Insurance Public Company Limited**Statement of Financial Position****As at 31 December 2021**

		2021	2020
	Notes	Baht	Baht
Assets			
Cash and cash equivalents	9	2,473,658,815	3,772,669,549
Premium receivables, net	10	4,473,957,602	3,611,061,235
Accrued investment income		37,576,327	38,316,774
Reinsurance assets, net	11, 18	18,304,764,652	15,520,842,450
Amount due from reinsurance, net	12	4,465,955,258	3,174,238,078
Invested assets			
Investments in securities, net	13	14,921,312,685	12,871,292,215
Investment properties, net	14	149,499,254	154,382,346
Property, plant and equipment, net	15	1,470,797,424	1,527,379,496
Intangible assets, net	16	49,869,502	59,889,012
Income tax receivables		40,841,059	-
Deferred tax assets	17	1,028,318,403	1,120,539,316
Prepaid reinsurance premiums, net		703,671,674	781,752,499
Prepaid commissions		806,226,701	895,776,318
Other assets		726,258,073	944,087,350
Total assets		49,652,707,429	44,472,226,638

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

Dhipaya Insurance Public Company Limited**Statement of Financial Position (Cont'd)****As at 31 December 2021**

	Notes	2021 Baht	2020 Baht
Liabilities and equity			
Liabilities			
Insurance contract liabilities	18	24,253,407,312	21,444,623,387
Due to reinsurers	19	7,127,135,126	5,750,234,123
Accrued commission expenses		1,062,459,957	788,531,967
Premium received in advance		5,402,859,062	5,925,986,081
Premium suspense accounts		67,722,172	92,953,486
Income tax payables		-	137,614,182
Employee benefit obligations	20	512,265,981	489,366,214
Other liabilities	21	1,537,354,916	1,399,738,007
Total liabilities		39,963,204,526	36,029,047,447

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

Dhipaya Insurance Public Company Limited**Statement of Financial Position (Cont'd)****As at 31 December 2021**

	Notes	2021 Baht	2020 Baht
Liabilities and equity (Cont'd)			
Equity			
Share capital			
Authorised share capital			
Ordinary shares, 600,000,000 shares of par Baht 1 each	23	600,000,000	600,000,000
Issued and paid-up share capital			
Ordinary shares, 600,000,000 shares paid-up Baht 1 each	23	600,000,000	600,000,000
Premium on share capital	23	904,000,058	904,000,058
Retained earnings			
Appropriated			
Legal reserve	24	60,000,000	60,000,000
General reserve	24	1,055,041,234	951,797,505
Unappropriated		8,493,066,473	7,832,937,954
Other components of equity		(1,422,604,862)	(1,905,556,326)
Total equity		9,689,502,903	8,443,179,191
Total liabilities and equity		49,652,707,429	44,472,226,638

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

Dhipaya Insurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
Revenues			
Premium written		29,410,096,347	25,398,527,522
<u>Less</u> Ceded premium		(21,225,921,910)	(17,728,005,990)
Net premium written		8,184,174,437	7,670,521,532
<u>Add(Less)</u> (Increase) decrease in unearned premium reserves from previous year		(374,967,479)	(97,184,520)
Net premium earned		7,809,206,958	7,573,337,012
Fee and commission income		4,839,095,792	4,362,285,705
Income on investments, net		590,190,280	568,671,903
Gains on investments		273,754,694	185,999,328
Gains on the revaluation of investments		10,037	638
Other income		101,555,653	50,570,452
Total revenues		13,613,813,414	12,740,865,038
Expenses			
Gross insurance claims and loss adjustment expenses		16,239,650,757	13,413,696,278
<u>Less</u> Insurance claims and loss adjustment expenses recovery		(10,779,398,913)	(9,195,816,173)
Commission and brokerage expenses		2,297,560,010	2,236,614,683
Other underwriting expenses		1,623,365,871	1,528,802,733
Operating expenses	26	1,973,774,863	2,202,590,135
Net expected credit losses	30	873,998	105,667
Total expenses		11,355,826,586	10,185,993,323
Profit before income tax		2,257,986,828	2,554,871,715
Income tax expense	29	(414,617,180)	(489,997,140)
Profit for the year		1,843,369,648	2,064,874,575

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

Dhipaya Insurance Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
Other comprehensive incomes (expenses)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Unrealised actuarial losses	20	-	(59,287,519)
Income tax relating to items that will not be reclassified subsequently to profit or loss	17	-	11,857,503
Total items that will not be reclassified subsequently to profit or loss		-	(47,430,016)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Unrealised gains (losses) in value of investments measured at fair value through other comprehensive income		465,259,581	(1,075,221,334)
Realised (gains) losses from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss		138,429,749	(13,180,510)
Income tax relating to items that will be reclassified subsequently to profit or loss	17	(120,737,866)	217,680,369
Total items that will be reclassified subsequently to profit or loss		482,951,464	(870,721,475)
Other comprehensive incomes (expenses) for the year, net of income tax		482,951,464	(918,151,491)
Total comprehensive income for the year		2,326,321,112	1,146,723,084
Earnings per share			
Basic earnings per share (Baht)	31	3.07	3.44

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

Dhipaya Insurance Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2021

	Other components of equity										
	Notes	Issued and paid-up share capital Baht	Share premium Baht	Unrealised gains (losses) on change in value of investments measured at fair value		Unrealised actuarial gains and losses - net of tax Baht	Total other components of equity Baht	Retained earnings		Total Baht	
				through other comprehensive income - net of tax Baht	Unrealised			Appropriated			Unappropriated Baht
								Legal reserve Baht	General reserve Baht		
Beginning balance as at 1 January 2020		600,000,000	904,000,058	(1,002,169,096)	14,764,261	(987,404,835)	60,000,000	858,637,842	6,851,221,577	8,286,454,642	
Net profit		-	-	-	-	-	-	-	2,064,874,575	2,064,874,575	
Dividend paid	25	-	-	-	-	-	-	-	(989,998,535)	(989,998,535)	
Transfer of unappropriated retained earnings	24	-	-	-	-	-	-	93,159,663	(93,159,663)	-	
Unrealised losses on change in value of investments measured at fair value through other comprehensive income - net of tax	22	-	-	(860,177,067)	-	(860,177,067)	-	-	-	(860,177,067)	
Realised gains from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss - net of tax	22	-	-	(10,544,408)	-	(10,544,408)	-	-	-	(10,544,408)	
Unrealised actuarial losses - net of tax	22	-	-	-	(47,430,016)	(47,430,016)	-	-	-	(47,430,016)	
Closing balance as at 31 December 2020		<u>600,000,000</u>	<u>904,000,058</u>	<u>(1,872,890,571)</u>	<u>(32,665,755)</u>	<u>(1,905,556,326)</u>	<u>60,000,000</u>	<u>951,797,505</u>	<u>7,832,937,954</u>	<u>8,443,179,191</u>	

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

Dhipaya Insurance Public Company Limited

Statement of Changes in Equity (Cont'd)

For the year ended 31 December 2021

	Notes	Other components of equity								Total Baht	
		Issued and paid-up share capital Baht	Share premium Baht	Unrealised gains (losses) on change in value of investments measured at fair value		Unrealised actuarial gains and losses - net of tax Baht	Total other components of equity Baht	Retained earnings			
				through other comprehensive income - net of tax Baht	Unrealised actuarial gains and losses - net of tax Baht			Appropriated			Unappropriated Baht
								Legal reserve Baht	General reserve Baht		
Beginning balance as at 1 January 2021		600,000,000	904,000,058	(1,872,890,571)	(32,665,755)	(1,905,556,326)	60,000,000	951,797,505	7,832,937,954	8,443,179,191	
Net profit		-	-	-	-	-	-	-	1,843,369,648	1,843,369,648	
Dividend paid	25	-	-	-	-	-	-	-	(1,079,997,400)	(1,079,997,400)	
Transfer of unappropriated retained earnings	24	-	-	-	-	-	-	103,243,729	(103,243,729)	-	
Unrealised gains on change in value of investments measured at fair value through other comprehensive income - net of tax	22	-	-	372,207,665	-	372,207,665	-	-	-	372,207,665	
Realised losses from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss - net of tax	22	-	-	110,743,799	-	110,743,799	-	-	-	110,743,799	
Closing balance as at 31 December 2021		<u>600,000,000</u>	<u>904,000,058</u>	<u>(1,389,939,107)</u>	<u>(32,665,755)</u>	<u>(1,422,604,862)</u>	<u>60,000,000</u>	<u>1,055,041,234</u>	<u>8,493,066,473</u>	<u>9,689,502,903</u>	

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

Dhipaya Insurance Public Company Limited**Statement of Cash Flows****For the year ended 31 December 2021**

	2021	2020
	Baht	Baht
Cash flows from (used in) operating activities		
Net direct premium written	27,807,183,750	24,430,829,476
Cash received (paid) for reinsurance	(6,240,250,965)	(5,101,268,149)
Losses incurred of direct insurance	(14,624,952,452)	(10,135,607,527)
Loss adjustment expenses of direct insurance	(537,152,473)	(511,086,957)
Commissions and brokerages of direct insurance	(2,064,169,378)	(1,901,574,143)
Other underwriting expenses	(1,199,247,450)	(1,131,955,204)
Interest income	133,681,487	162,216,616
Dividend received	497,925,547	440,699,461
Other income	107,206,694	51,216,198
Operating expenses	(2,300,904,387)	(2,395,177,411)
Income tax paid	(615,448,874)	(523,058,973)
Cash received from financial assets	17,812,174,644	17,658,464,268
Cash used in financial assets	(18,956,291,356)	(17,787,692,083)
Others	95,266,379	(154,244,548)
Net cash provided from operating activities	<u>(84,978,834)</u>	<u>3,101,761,024</u>
Cash flows from (used in) investing activities		
<u>Cash provided from</u>		
Proceeds from disposal of property, plant and equipment	3,004,014	1,466,075
Cash provided from investing activities	<u>3,004,014</u>	<u>1,466,075</u>
<u>Cash used in</u>		
Purchase of property, plant and equipment	(88,650,720)	(112,163,911)
Purchase of intangible assets	(10,323,286)	(15,350,288)
Cash used in investing activities	<u>(98,974,006)</u>	<u>(127,514,199)</u>
Net cash used in investing activities	<u>(95,969,992)</u>	<u>(126,048,124)</u>

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

Dhipaya Insurance Public Company Limited**Statement of Cash Flows (Cont'd)****For the year ended 31 December 2021**

	Note	2021 Baht	2020 Baht
Cash flows used in financing activities			
Repayment on lease liabilities		(38,064,508)	(41,406,949)
Dividend paid	25	(1,079,997,400)	(989,998,535)
Net cash used in financing activities		(1,118,061,908)	(1,031,405,484)
Net increase (decrease) in cash and cash equivalents		(1,299,010,734)	1,944,307,416
Cash and cash equivalents as at the beginning of the year		3,772,669,549	1,828,362,133
Cash and cash equivalents as at the end of the year		2,473,658,815	3,772,669,549
Significant non-cash transactions comprised of:			
Accounts payable - purchase of property, plant and equipment		3,193,500	20,641,836
Accounts payable - purchase of intangible assets		350,000	4,122,450
Acquisition of right-of-use assets		21,500,713	115,953,660
Reclassify investments in securities with maturity not over 3 months from acquisition date from investments measured at fair value through other comprehensive income to cash and cash equivalents		199,978,140	1,709,932,006

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

1. General information

1.1 Corporate information

Dhipaya Insurance Public Company Limited (“the Company”) is a public limited company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

The Company’s registered address is 1115 Rama III Road, Chong Nonsri, Yannawa, Bangkok.

The principal business operation of the Company is insurance business.

The ultimate parent company is Dhipaya Group Holdings Company Limited which is incorporated in Thailand and owns 99.05% of the Company’s issued and paid-up shares.

These financial statements were authorised for issue by the Board of Directors on 23 February 2022.

1.2 Restructuring plan

At the Extraordinary General Meeting of the shareholders No. 1/2020 of the Company held on 1 September 2020, the shareholders approved the Shareholding and Management Restructuring Plan of the Company and other related proceedings. According to such restructuring plan, the Company established Dhipaya Group Holdings Public Company Limited (“TIPH”), to engage in the business of investment and to hold the shares of the Company. TIPH made a tender offer for all ordinary shares of the Company by exchanging them for ordinary shares of TIPH at a rate of 1 per 1.

On 31 August 2021, TIPH reported that as a result of the tender offer in total 594,282,336 shares, TIPH had acquired 99.05% of the total number of paid up shares of the Company. The tender offer was accomplished and the Company becomes the subsidiary of TIPH. After the completion of the tender offer, TIPH’s shares were listed on the Stock Exchange of Thailand (“SET”) on 7 September 2021 in place of the Company’s shares which were delisted from the SET on the same day.

2. Significant events during the current year

Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) since early 2020 has adverse effects on operating results for the year ended 31 December 2021 particularly on Non-life insurance business.

The nationwide COVID-19 outbreak substantially affect the amount of claims under the COVID-19 policies issued by the Company and adequacy of the estimate of the of unexpired risk liabilities in respect of those policies. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of contingent liabilities, and has used estimates and judgement in respect of various issues (if any) as the situation has evolved.

3. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the formats prescribed by the Notification of the Office of Insurance Commission entitled “Principle, methodology, condition and timing of 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’).

The 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 the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 8.

An English version of the financial statements has been prepared from the financial statements that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

4. Accounting policies

4.1 Revenue recognition

(a) Net premium earned

Premium written comprised of direct premium written and inward reinsurance premium, less cancelled premium. Premium written is recognised on the date the insurance policy comes into effective date for insurance policies of which the coverage periods are less than 1 year. For long-term policies which the coverage periods are longer than 1 year, the related revenues is recorded as "Premium received in advance". The Company amortises the recognition of the unearned items as income over the coverage period on the annual basis. Inward reinsurance premium is recognised as income when the reinsurer places the reinsurance application or Statement of Accounts with the Company.

Ceded premium is premium income which the Company ceded to reinsurer. For long-term policies which the coverage periods are longer than 1 year, the Company presented as "Prepaid reinsurance premium, net" by net presenting with related prepaid commission income.

Net premium earned comprises of premium written after deducting ceded premium, adjusted with unearned premium reserve adjustment.

(b) Fee and commission income

Fee and commission from ceded premium are recognised as income within the accounting period when incurred.

Fee and commission from ceded premium with coverage periods longer than 1 year are recorded as unearned items net presenting in "Prepaid reinsurance premium, net" and recognised as income over the coverage period on the annual basis.

(c) Interest income and dividends

Interest income is recognised as interest accrues based on the effective rate method. Dividends are recognised when the right to receive the dividend is established.

(d) Gains (losses) on securities trading

Gains (losses) on trading in securities is recognised as incomes or expenses on the transaction date.

(e) Other income

Other income is recognised on the accrual basis.

4.2 Premium reserve

(a) Unearned premium reserve

Unearned premium reserve is set aside in compliance with the Notification of the Office of Insurance Commission governing the principle, methodology and condition of unearned premium reserves, loss reserves and other reserves of non-life insurance companies B.E.2554 as follows:-

Type of insurance	Reserve calculation method
- Fire, marine (hull), and miscellaneous (except for travel accident with coverage of less than 6 months)	- Monthly average basis (the one-twenty fourth basis)
- Marine and transportation, travel accident (the coverage not more than 6 months)	- 100% of net premium written starting from the policy effective date

(b) Unexpired risks reserve

Unexpired risks reserve is the reserve for the claims that may be incurred in respect of in-force policies. Unexpired risks reserve is set aside using an actuarial method, at the best estimate of the claims that are expected be incurred during the remaining period of coverage, based on historical claims data.

The Company compares the amounts of unexpired risks reserve with unearned premium reserve, and if unexpired risks reserve is higher than unearned premium reserve, the difference is recognised as unexpired risks reserve in the financial statements.

4.3 Loss reserve and outstanding claims

The Company records outstanding claims at the amount to be paid, while loss reserves are provided upon receipt of claim advices from the insured. They are recorded at the value appraised by an independent surveyors, or by the Company's officer as each case but not exceed the maximum of sum insured of each policy.

The Company sets up reserve for claims incurred but not yet reported (IBNR) which is calculated as based on the best estimate by professional actuary, the provision will be covered for all projected losses, such as losses incurred during this period, claims incurred but not reported (IBNR) and net by loss paid.

4.4 Product classification

The Company has classified the insurance and reinsurance contracts considering the transfer of significant insurance risk by agreeing to compensate the policyholder if a specified uncertain future event, insured event, adversely affects the policyholder. None of the insurance and reinsurance contracts contain embedded derivatives or are required to be unbundled the components or classified as financial reinsurance contract. Such contracts are accounted for as insurance contracts for the remainder of its lifetime until all right and obligations of loss compensation to the policyholder are extinguished or expired.

The Company has classified all insurance contracts as short term insurance contracts which mean the coverage period under the contract is not exceeding 1 year and no certification of automatic renewal. The insurance contracts that cover dread disease and the personal accident or health insurance contracts which the coverage period is exceeding 1 year, the Company is able to terminate the contract, the insurance premium can either be added or reduced, and any amendment of the benefit of the insurance contract can be made throughout coverage period.

4.5 Liabilities adequacy testing

Liability adequacy tests of insurance contract liabilities recognised in the financial statement are performed at the end of reporting period, using the best estimate of ultimate loss, best estimate of future contractual liabilities of the in-forced insurance contracts, also including claims handling expense, policy maintenance expense, and cost of reinsurance. If that assessment shows that the carrying amount of its insurance liabilities less related acquisition cost is inadequate in the light of the future estimates, the entire deficiency shall be recognised in profit or loss.

4.6 Commissions, brokerages and other expenses

Commissions and brokerages are expensed within the accounting period when incurred. For long-term policies which the coverage periods are longer than one year, the Company amortises the recognition of the "Prepaid commissions" as expenses over the coverage period on the annual basis.

Other expenses are recognised on the accrual basis.

4.7 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.

While cash and cash equivalents are also subject to the impairment requirements of The Accounting Guidance, the identified impairment loss was immaterial.

4.8 Premium due and uncollected

Premium due and uncollected is carried at its net realisable value. The Company sets up an allowance for doubtful accounts based on the estimated loss that may incurred in collection of receivables. The allowance is generally based on collection experiences by considering long outstanding balance more than 180 days and analysis of debtor aging and current status of the premium due as at the Statement of Financial Position date.

4.9 Reinsurance assets and due to reinsurers

(a) Reinsurance assets, net

Reinsurance assets are stated at the outstanding balance of insurance reserve refundable from reinsurers.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium reserve, loss reserve and claims incurred but not yet reported by insured accordance with the law regarding insurance reserve calculation.

The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection by considering financial status of reinsurers as at the end of the reporting period.

(b) Amount due from reinsurance, net

Amount due from reinsurance are stated at the outstanding balance of claims and various other items receivable from reinsurers, amounts deposit on reinsurance, and reinsurance premium receivable, less allowance for doubtful accounts.

The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection by considering long outstanding balance more than two years and financial status of reinsurers as at the end of the reporting period.

(c) Due to reinsurers

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. The Company presents net of reinsurance to the same entity (reinsurance assets or amounts due to reinsurers) when the criteria for offsetting as follows:

- (1) The Company has a legal right to offset amounts presented in the Statement of Financial Position, and
- (2) The Company intends to receive or pay the net amount recognised in the Statement of Financial Position, or to realise the asset at the same time as it pays the liability.

4.10 Investment in securities

(a) Classification

The Company classifies its investments in securities as follows:

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

(b) Recognition and derecognition

Regular way purchases, acquires and sales of investments in securities are recognised on trade-date, the date on which the Company commits to purchase or sell the investments. Investments in securities are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Company measures an investment in securities at its fair value plus, in the case of an investment in securities not at FVPL, transaction costs that are directly attributable to the acquisition of the investments. Transaction costs of investments carried at FVPL are expensed in profit or loss.

(d) Debt instruments

There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Investments in securities 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 investments is included in 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 gain (loss) on investments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVOCI: Investments in securities that the Company intends to either hold for an indefinite period or sell in response to the needs of the Company'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 1) impairment gains or losses, 2) interest income using the effective interest method, and 3) foreign exchange gains and losses which are recognised in profit or loss. When the investments is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gain (loss) on investments. Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.

(e) Equity instruments

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 still 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 investments in equity instruments at FVPL are recognised in gains (losses) on the revaluation of investments in the statement of comprehensive income.

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

The gains and losses from foreign currency translation of equity instruments is recognised at fair value through other comprehensive income.

The Company presents its investments in Property Fund unit trusts / Real Estate Investment Trust units / Infrastructure Fund units / Infrastructure Trust units (the fund / the trust) established and registered in Thailand as equity investments and measures them at FVOCI 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 fund / trust is required to distribute benefits of not less than 90% of its adjusted net profit.

As at 1 January 2021, the Company ceases applying the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by The Federation of Accounting Professions (TFAC) which were effective for reporting periods ending between 1 January 2020 and 31 December 2020 where the Company chose to represent fair value of FVOCI that is not based on observable market data as represented at 1 January 2020 (effective date of the exemption). The impact of the ceasing the guidance made the Company recognised unrealised gain (loss) of FVOCI that is not based on observable market data in the financial performance in the year ended 31 December 2021.

(f) Impairment

The Company assesses expected credit loss on a forward looking basis for its financial assets which classified as debt instruments carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been any significant increases in credit risk. The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company 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.

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

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

4.11 Investment property

Investment properties, principally freehold office buildings, are held for long-term rental yields or for capital appreciation or both and are not occupied by the Company.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

Building and improvements	20 years
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4.12 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 Company and capitalised where there is future economic benefits. 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:

Building and improvements	10 - 40 years
Furniture, fixtures and office equipment	5 - 20 years
Motor vehicles	5 - 7 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 profit or loss.

4.13 Intangible assets

Intangible asset is stated at cost less accumulated amortisation and impairment of assets (if any).

Amortisation of intangible assets is calculated by reference to their costs on a straight-line basis over the period of the lease and the expected beneficial period as follows:

Computer software	5 - 7 years
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4.14 Leasehold rights

Leasehold rights stated at cost less accumulated amortisation. Amortisation of leasehold rights is calculated by reference to their costs on a straight-line basis over the lease period of 30 years.

4.15 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.

4.16 Leases

Leases - where the Company 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 Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are recorded as "Property, Plant and equipment" in Statement of Financial Position.

Contracts may contain both lease and non-lease components. The Company 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 Company 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 Computer and Printer rental agreement.

Leases - where the Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4.17 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company'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.

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

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

4.18 Employee benefits

(a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, profit-sharing and bonuses, and medical care 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) Defined contribution plan

The Company pays contributions to a separate fund on a voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

(d) Other long-term benefits

The Company gives gold rewards to employees when they have worked for the Company for 20, 25 and 30 years.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

4.19 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 Company 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.

4.20 Provisions

Provisions are recognised when the Company 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 are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown as a deduction in equity.

4.22 Dividend distribution

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

4.23 New and amended financial reporting standards

For the new and amended financial reporting standards that are effective for the accounting period beginning or after 1 January 2021 and 1 January 2022, the management had assessed that they do not have significant impact to the Company.

5. Financial risk management

5.1 Financial risk

The Company 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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Financial risk management is carried out by the Risk Management Committee. The Company'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.

5.1.1 Market risk

Market risk arises from variability in fair values of financial instruments or related future cash flows due to variability in market risks variables. Market risk comprises foreign currency risk, interest rate risk and price risk.

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a) **Foreign currency risk**

The Company considers that there is significant foreign currency risk relating to receipts of insurance premiums and reinsurance with foreign insurance companies in foreign currencies which the Company does not buy any monetary instruments contract to prevent the foreign currency risk. However, the management believes that the Company has no significant effect because the traditional reinsurance will use the same foreign currencies as quoted with the insured.

The Company's exposure to foreign currency risk as of 31 December 2021 and 2020, expressed in Baht are as follows:

	2021			2020		
	US Dollar Baht	Euro Baht	Other Baht	US Dollar Baht	Euro Baht	Other Baht
Assets						
Premium receivables	371,790,755	1,921,177	1,498,966	185,471,256	1,946,084	1,091,637
Reinsurance assets	1,045,062,554	3,103,073	-	1,032,667,667	95,394	-
Amount due from Reinsurance	88,106,392	-	151,542	60,549,897	-	52,746
Investments in Securities	66,272,432	-	-	30,028,587	-	-
Liabilities						
Insurance contract Liabilities	1,079,449,376	5,056,224	585,942	1,070,143,389	988,111	124,414
Due to reinsurers	386,197,402	1,742,936	1,255,280	201,665,268	1,346,226	923,089
Accrued commission expenses	75,802,400	(14,771)	-	64,605,245	(14,374)	350

Foreign exchange risk sensitivity analysis

As shown in the table above, The Company is exposed to foreign exchange risk. The sensitivity of profit or loss to changes in the exchange rates.

The table below shows the sensitivity of profit or loss to 1% changes in the exchange rates

	Impact to net profit	
	2021	2020
	Baht	Baht
Foreign exchange increases 1% *		
US Dollar	297,830	(276,965)
Euro	(17,601)	(2,785)
Other	(1,907)	965
Foreign exchange decreases 1% *		
US Dollar	(297,830)	276,965
Euro	17,601	2,785
Other	1,907	(965)

* Holding all other variables constant

b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate and the Company's cash flows will affect due to changes in market interest rate.

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by considering the changes in interest rate under crisis situation in order to assess whether the Company has adequate assets to fulfil its obligations under the situation.

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Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

	2021								
	Fixed interest rates			Floating interest rates			Non-Interest bearing Million Baht	Total Million Baht	Interest rate (% p.a.)
	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			
Financial assets									
Cash and cash equivalents	200	-	-	2,167	-	-	107	2,474	0.13-2.00
Accrued investment income	6	30	1	-	-	-	-	37	0.09-4.94
Investment in securities	1,603	3,861	219	-	-	-	9,238	14,921	0.09-4.94
	1,809	3,891	220	2,167	-	-	9,345	17,432	
Financial liabilities									
Lease liabilities	27	56	2	-	-	-	-	85	2.43-5.00
	27	56	2	-	-	-	-	85	
	2020								
	Fixed interest rates			Floating interest rates			Non-Interest bearing Million Baht	Total Million Baht	Interest rate (% p.a.)
	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht			
Financial assets									
Cash and cash equivalents	2,244	-	-	1,522	-	-	6	3,772	0.14-3.10
Accrued investment income	16	22	-	-	-	-	-	38	0.25-4.97
Investment in securities	1,794	3,834	88	-	-	-	7,156	12,872	0.25-4.97
	4,054	3,856	88	1,522	-	-	7,162	16,682	
Financial liabilities									
Lease liabilities	32	58	7	-	-	-	-	97	2.62-5.00
	32	58	7	-	-	-	-	97	

Interest rate sensitivity analysis

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in 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

	Impact to net profit		Impact to other components of equity	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest rate - increase 1%*	23,057,064	15,224,391	(76,601,263)	(79,507,555)
Interest rate - decrease 1%*	(5,764,266)	(3,806,098)	79,632,298	81,797,811

* Holding all other variables constant

c) Price risk

Price risk is the risk that changes in the market prices of equity securities will result in fluctuations in revenues or in the values of financial assets.

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

As at 31 December 2021 and 2020, the Company had risk from its investments in securities of which the price will change with reference to market conditions. Investment Department will manage investment portfolios according to investment plan approved by Investment Committee and Board of Directors, in accordance to investment policies under related Notification of Office of Insurance Commission.

Equity price risk sensitivity analysis

The table below summarises the impact of increase/decrease of these equity indices on the Company's other components of equity and net profit for the period. The analysis is based on the assumption that the SET index had increased by 1% or decreased by 1%, respectively.

	Impact to net profit		Impact to other components of equity	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Equity prices - increase 1%*	119	-	43,517,428	53,654,871
Equity prices - decrease 1%*	(119)	-	(43,517,428)	(53,654,871)

* Holding all other variables constant and all the Company's equity instruments moved in line with the index

Post-tax profit for the period would increase or decrease as a result of gains/losses on equity securities classified at FVPL. Other components of equity would increase or decrease as a result of gains/losses on equity securities classified at FVOCI.

5.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

Credit risk arises from cash and cash equivalents, contractual cash flows of investment in debt instruments carried at amortised cost and at fair value through other comprehensive income (FVOCI), premium receivables, and amount due from reinsurance.

a) **Risk management**

The Company has the credit risk management policy that is approved by Risk Management Committee which consisted of:

Risk assessment

- to determine the credit risk limitation and verified by Risk Management Department;
- to consider the significant increase in credit risk - the Company determined whether the credit risk of financial instruments has increased significantly since initial recognition;
- to determine the definitions of default, including the reasons for selecting those definitions.

Risk reporting

Risk Management Department reports results to Risk Management Committee at least on a quarterly basis. Risk Management Committee assesses the appropriateness of credit risk management policy and adjusts the policy to be consistent with the entity's operation and industry.

Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Company's investments in debt instruments are considered to be low risk investments. The Company regularly monitors the credit ratings of the investments for credit deterioration.

The Company is exposed to credit risk primarily with respect to premium receivables and amount due from reinsurance. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of premium due and uncollected as stated in the Statement of Financial Position.

b) Impairment of financial assets

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

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

While cash and cash equivalents are also subject to the impairment requirements of The Accounting Guidance, the identified impairment loss was immaterial.

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether the significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired financial asset. The expected credit loss is the discounted product of probability of default, loss given default and exposure at default, defined as follows;

- The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation.
- The exposure at default is based on the amounts that the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- The loss given default represents the Company's expectation of the extent of loss on a defaulted exposure. The loss given default varies by type of borrower, type and seniority of claim and availability of collateral or other credit support. The loss given default is calculated on a 12-month or over the remaining lifetime of the loan.

The expected credit loss is determined by projecting the probability of default, loss given default and exposure at default for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival. This effectively calculates an expected credit loss for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the expected credit loss calculation is the original EIR.

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.

Maximum credit risk exposure

The exposure to credit risk of the Company equals their carrying amount in the statement of financial position as at reporting date. The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligation, no account taken of any collateral held and the maximum exposure to loss is considered to be the statement of financial position carrying amount.

Investment in debt instruments

The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company measures impairment losses and applies the effective interest rate method. The Company 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 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.

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Investment in debt instruments measured at amortised cost

Investment in debt instruments measured at amortised cost include debentures, bonds and saving lottery.

The allowance of expected credit loss for investment in debt instruments measured at amortised cost by stage of risk are as follows:

	2021			Total Baht
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht	
Investment in debt instruments measured at amortised cost				
Beginning balance	1,232	-	-	1,232
New financial assets purchased	5,871	-	-	5,871
Ending balance	7,103	-	-	7,103
	2020			
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht	Total Baht
Investment in debt instruments measured at amortised cost				
Beginning balance	-	-	-	-
New financial assets purchased	1,232	-	-	1,232
Ending balance	1,232	-	-	1,232

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Debt investments 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 allowance of expected credit loss for investment in debt investments measured at FVOCI by stage of risk are as follows:

	2021			Total Baht
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht	
Investment in debt investments measured at FVOCI				
Beginning balance	3,198,682	-	-	3,198,682
New financial assets purchased	3,348,825	-	-	3,348,825
Reversal	(2,480,698)	-	-	(2,480,698)
Ending balance	4,066,809	-	-	4,066,809
	2020			
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht	Total Baht
Investment in debt investments measured at FVOCI				
Beginning balance	3,094,247	-	-	3,094,247
New financial assets purchased	2,524,154	-	-	2,524,154
Reversal	(2,419,719)	-	-	(2,419,719)
Ending balance	3,198,682	-	-	3,198,682

5.1.3 Liquidity risk

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

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

The Company's financial assets mainly comprises of cash and cash equivalents, invested assets, and premium due and uncollected which are not yet due or overdue not more than 1 year, whereas most outstanding due to reinsurers and accrued commission payable are due within 1 year.

The Company has access to the following undrawn credit facilities as at 31 December as follows:

	2021	2020
	Baht	Baht
Floating rate		
Expiring within one year		
- Bank overdraft	10,000,000	10,000,000
	10,000,000	10,000,000

5.2 Capital management

5.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, 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 solvency capital as required by the Office of Insurance Commission and to maintain an optimal capital structure to reduce the cost of capital, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

6. Insurance risk

There are three major risk sub-categories in insurance risk which are underwriting risk, reinsurance risk and concentration of risk.

6.1 Underwriting risk

Underwriting risk is the risk that actual claims loss and related expenses deviate from underlying estimation assumptions which may cause insufficient Company's premium reserves and loss reserves. Underwriting risk management guideline was developed in order to manage the risks including underwriting standards and underwriting guidelines. Underwriting standards and underwriting guidelines were developed to ensure that premium charged is matched with coverage of risks. Underwriting principles were individually developed for each group of risk including house, commercial building, hotel and industrial facilities. The principles also limit insurance proportion for each risk group to control concentration of risks. Additionally, insurance claims monitoring process has been continuously conducted which consists of IBNR calculation and premium reserve adequacy testing to ensure that holding reserves will be sufficient for actual claim losses.

6.2 Reinsurance risk

Reinsurance risk is the risk that in-force reinsurance contracts are inadequate for risk transfer according to the Company's risk appetite level, and also the risk that reinsurers cannot fulfil their obligation according to reinsurance contracts. Reinsurance risk management guideline is developed in order to manage the risks including reinsurance guidelines and reinsurance plan selection. There are four types of reinsurance contracts which are facultative, proportional treaty, non-proportional treaty, and catastrophe reinsurance. Overall risk monitoring has been conducted in order to ensure that retained risks are according to risk management policy. In addition, reinsurer selection principles are developed for both domestic and foreign reinsurers to ensure that they will be able to fulfil their obligations.

6.3 Concentration of risks

Concentration of risks will increase the possibility of load of claims to incur at the same time and may result in actual claim losses deviate from expectation. Concentration risk monitoring and control has been conducted including insurance of various categories of products, insurance block control, geographic control and high risk area (natural disaster i.e. flood and earthquake) to limit risk exposure. The Company uses information technology system to collect data and prevent concentration of risk. Additionally, concentration of risk management also apply on reinsurance port in order to avoid too much reinsurance proportion to any single reinsurer. Concentration risk can be effectively managed by product diversification because the claims will not concentrate within any categories of products.

The Company has written premium divided into categories of products in gross of reinsurance basis as follows:

Categories of products	2021 Baht	2020 Baht
Fire	1,957,770,155	1,909,582,077
Marine and transportation	577,783,588	500,126,191
Motor	6,029,135,294	4,901,440,990
Personal accident	7,309,114,887	7,014,551,682
Miscellaneous	13,536,292,423	11,072,826,582
Total	29,410,096,347	25,398,527,522

The Company has written premium divided into categories of products in net of reinsurance basis as follows:

Categories of products	2021 Baht	2020 Baht
Fire	1,283,153,129	1,274,479,936
Marine and transportation	62,786,578	62,285,954
Motor	2,887,787,117	2,414,994,933
Personal accident	2,350,741,712	2,165,481,955
Miscellaneous	1,599,705,901	1,753,278,754
Total	8,184,174,437	7,670,521,532

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7. Fair value

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

	2021				
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
Financial assets measured at fair value					
Financial assets at FVPL	14,069	-	-	14,069	14,069
Financial assets at FVOCI	-	12,349,157,915	-	12,349,157,915	12,349,157,915
	14,069	12,349,157,915	-	12,349,171,984	12,349,171,984
Financial assets not measured at fair value					
Financial assets at amortised cost	-	-	2,572,140,701	2,572,140,701	2,574,512,767
	-	-	2,572,140,701	2,572,140,701	2,574,512,767
	2020				
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
Financial assets measured at fair value					
Financial assets at FVPL	4,033	-	-	4,033	4,033
Financial assets at FVOCI	-	10,251,901,226	-	10,251,901,226	10,251,901,226
	4,033	10,251,901,226	-	10,251,905,259	10,251,905,259
Financial assets not measured at fair value					
Financial assets at amortised cost	-	-	2,619,386,956	2,619,386,956	2,627,937,290
	-	-	2,619,386,956	2,619,386,956	2,627,937,290

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Proportion of the financial instruments' contract value grouped by counterparties are as follows:

	2021	2020
	%	%
Financial institutions	38.67	38.48
Government and state enterprise	5.05	2.32
Other parties	56.28	59.20
Total	100.00	100.00

The following table presents fair value of financial assets recognised or disclosed by their fair value hierarchy.

	2021			
	Level 1	Level 2	Level 3	Total
	Baht	Baht	Baht	Baht
Financial assets at fair value through profit or loss				
<u>Investment in securities</u>				
Equity securities	14,069	-	-	14,069
Financial assets at fair value through other comprehensive income				
<u>Investment in securities</u>				
Government and state enterprise securities	-	1,357,630,838	-	1,357,630,838
Private enterprise debt securities	-	2,772,855,978	-	2,772,855,978
Equity securities	7,411,457,844	-	807,213,255	8,218,671,099
Total	7,411,471,913	4,130,486,816	807,213,255	12,349,171,984

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	2020			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Financial assets at fair value through profit or loss				
<u>Investment in securities</u>				
Equity securities	4,033	-	-	4,033
Financial assets at fair value through other comprehensive income				
<u>Investment in securities</u>				
Government and state enterprise securities	-	278,312,049	-	278,312,049
Private enterprise debt securities	-	2,836,759,213	-	2,836,759,213
Equity securities	6,549,741,868	-	587,088,096	7,136,829,964
Total	6,549,745,901	3,115,071,262	587,088,096	10,251,905,259

The following table presents non-financial assets that are disclosed fair value:

	2021			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Assets				
Investment property	-	617,139,754	-	617,139,754
Total assets	-	617,139,754	-	617,139,754
	2020			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Assets				
Investment property	-	628,180,596	-	628,180,596
Total assets	-	628,180,596	-	628,180,596

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.
- 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

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices such as at the Statement of Financial Position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis such as prices obtained from The Stock Exchange of Thailand. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Financial instruments in level 2

Level 2 debt investments of marketable securities are fair valued based on quoted last bid price or the yield curve which the Thai Bond Market Association at the close of business on the Statement of Financial Position date. Level 2 unit trusts are fair valued using the net asset value of the investment which has majority investing portion in marketable securities which traded in the Stock Exchange of Thailand and debt securities which has fair valued announced by Thai Bond Market Association.

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Valuation process in level 3

The investment department performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the assistance managing director. Discussions of valuation processes and results are held between the assistance managing director and the valuation team at least once every quarter, in line with the Company's quarterly reporting dates.

The main Level 3 input of unquoted equity investments that was used by the Company pertains to estimated cash flows from gains on securities trading, dividends and/or other benefits to the shareholders. The discount rate is based on a zero-coupon bond yield, announced by ThaiBMA, plus appropriate risk premium.

Fair value hierarchy level 3 of Road Accident Victims Protection Company Limited is determine based on fair value calculated using discounted cashflows method announced by Thailand General Insurance Association.

Transfer between fair value hierarchy

There were no transfers between Levels 1 and 2 during the year.

Financial assets measured in level 3

Changes in level 3 financial instruments, which are unquoted equity investments, are as follows:

	2021	2020
	Baht	Baht
Beginning balance of the year	587,088,096	600,956,364
Gains (losses) recognised in other comprehensive income	220,125,159	(13,868,268)
Closing balance of the year	807,213,255	587,088,096

As at 31 December 2021, the discount rate used to compute the fair value is between 9 to 91 per annum (2020: 16.30% to 85.00% per annum), depending on risk premium of each security. Based on the sensitivity analysis, should the discount rate shifted up by +1%, the other comprehensive income would decrease by Baht 65.73 million (31 December 2020: Baht 11.86 million). On the other hand, should the discount rate shifted down by -1%, the other comprehensive income would increase by Baht 143.49 million (31 December 2020: Baht 12.70 million).

8. Critical accounting estimates, assumptions and judgements

Estimates, assumptions 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.

8.1 Impairment of premium receivable

The Company maintains an allowance for doubtful accounts to reflect impairment of premium due and uncollected receivables. The allowance for doubtful accounts is based on collection experience and a review of current status of the premium due as at the date of Statement of Financial Position.

8.2 Impairment on amount due from reinsurance

The objective evidence of impairment estimation on amount due from reinsurance is based on latest credit rating or solvency capital data available as at closing date and other public information.

8.3 Buildings and equipment and intangible assets

Management determines the estimated useful lives and residual values for the buildings and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete assets that have been abandoned or sold.

8.4 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 Company considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Company's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on the Company's reported financial position and results of operations.

8.5 Valuation of Insurance contract liabilities

Claim liabilities

Claim liabilities are provided upon receipt of claim advices from the insured for the amount reported. They are recorded at the value appraised by an independent appraiser, or by the Company's officer as each case but not exceed the maximum of sum insured of each policy.

Claims incurred but not yet reported by insured ("IBNR")

The IBNR recognised in the Statement of Financial Position is estimated based on various assumptions by using actuarial methods required by Office of Insurance Commission. The assumptions are regularly reviewed in the light of recent experience and current conditions.

The IBNR is estimated as the difference between estimated ultimate loss and reported incurred loss. Reported incurred loss is the summation of paid claims, loss reserve, and outstanding claims. The calculation was separately conducted for each product category in the following list.

- Fire
- Marine Hull
- Marine Cargo
- Motor Compulsory
- Motor Voluntary
- Personal Accident
- Travel Accident
- Aviation
- Engineering
- Health
- COVID-19
- Personal Liability
- Industrial All Risks (IAR)
- Crop
- Others

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

Unallocated loss adjustment expense (“ULAE”)

Unallocated loss adjustment expense (ULAE), estimated from ratio between past ULAE and past paid losses which is separately calculated between motor product categories and non-motor product categories.

8.6 Unexpired risk reserve

Unexpired risks reserve has two components, the claims that may be incurred in respect of in-force policies which is calculated based on ultimate loss ratio described in Note 8.5, and other claim processing expenses detailed below.

- Past maintenance expense, estimated from ratio between estimated maintenance expense and earned premium net of reinsurance.
- Unallocated loss adjustment expense (ULAE), estimated from ratio between past ULAE and past paid losses which was separately calculated between motor product categories and non-motor product categories.
- Cost of reinsurance, estimated based on current existing excess of loss reinsurance contracts.

8.7 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. The assumptions used in determining the cost for employee benefits include discount rate, future salary increase rate, staff turnover rate, mortality rate, gold prices and gold inflation rates. Any changes in these assumptions will impact the cost recorded for employee benefits. On an annual basis, the Company reviews the appropriate assumptions, which represents the provision expected to settle for the employee benefits.

8.8 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the Statement of Financial Position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the financial statements and disclosures of fair value hierarchy.

8.9 Impairment of financial assets

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

8.10 Determination of lease terms

Critical judgement in determining the lease term, the Company 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).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company 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 Company 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 Company.

8.11 Determination of discount rate applied to leases

The Company 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.

9. Cash and cash equivalents

	2021	2020
	Baht	Baht
Cash on hand	1,279,857	1,306,767
Bank deposits held at call	2,272,400,818	1,527,622,381
Bank deposits with fixed maturity and certificate of deposits	1,818,050,000	1,888,050,000
Investment in securities with maturity not over 3 months from acquisition date	199,978,140	2,243,740,401
Total cash and deposits at financial institutions	4,291,708,815	5,660,719,549
<u>Less</u> Deposits at banks and other institutions with maturity over 3 months from acquisition date (Note 13)	(1,763,950,000)	(1,763,950,000)
Restricted deposit at banks	(54,100,000)	(124,100,000)
Cash and cash equivalents	2,473,658,815	3,772,669,549

As at 31 December 2021, the Company had pledged fixed deposits totaling Baht 54.10 million (2020: Baht 124.10 million) as collaterals against bank overdrafts and as bail bond in cases where insured drivers have been charged with criminal offence, place as a reserve for insurance premiums with the Registrar, in accordance with Section 23 of the Insurance Act B.E. 2535, and placed with the Registrar, in accordance with Section 19 of the Insurance Act B.E. 2535, (as stated in Note 33, 34 and 37).

10. Premium receivables, net

The Company has balances of premium receivables which classified by aging from the due date of the premium collection as follows:

	2021	2020
	Baht	Baht
Undue	3,552,001,291	2,365,726,070
Overdue		
Less than 30 days	247,972,300	408,776,946
31 - 60 days	113,735,968	379,069,672
61 - 90 days	96,517,302	103,456,365
91 days - 1 year	319,193,898	355,005,527
More than 1 year	306,358,117	188,144,317
Total premium receivables	4,635,778,876	3,800,178,897
<u>Less</u> Allowance for doubtful accounts	(161,821,274)	(189,117,662)
Premium receivables, net	4,473,957,602	3,611,061,235

For premiums due from agents and brokers, the Company has established collection guidelines in accordance with the regulatory requirement for premium collection. For overdue premium receivables, the Company is pursuing legal proceedings against such agents and brokers case by case.

11. Reinsurance assets, net

The Company has assets from reinsurance as follows:

	2021	2020
	Baht	Baht
<u>Insurance reserve to be called from</u> <u>reinsurance companies</u>		
Loss reserve	6,897,749,138	5,793,311,148
<u>Less</u> Allowance for doubtful accounts	(22,840,015)	(22,840,015)
<u>Premium reserve</u>		
- Unearned premium reserve (UPR)	11,429,855,529	9,750,371,317
- Unexpired risk reserve (URR)	-	-
Reinsurance assets, net	18,304,764,652	15,520,842,450

11.1 Loss reserve to be called from reinsurance companies

	2021 Baht	2020 Baht
Beginning balance for the year	5,793,311,148	4,073,298,342
Claims and loss adjustment recovery and incurred during the year	11,764,668,497	8,871,452,820
Change in claim reserve of claim recovery and incurred in previous year	(418,719,593)	557,591,592
Change in claim reserve recovery from change in assumptions during the year	(220,628,621)	176,251,118
Claims and loss adjustment recovery settled during the year	(10,020,882,293)	(7,885,282,724)
Closing balance for the year	6,897,749,138	5,793,311,148

11.2 Unearned premium reserve to be called from reinsurance companies

	2021 Baht	2020 Baht
Beginning balance for the year	9,750,371,317	8,546,880,479
Ceded premium written for the year	21,225,921,910	17,728,005,990
Ceded premium earned in the year	(19,546,437,698)	(16,524,515,152)
Closing balance for the year	11,429,855,529	9,750,371,317

12. Amount due from reinsurance, net

The Company has amount due from reinsurance as follows:

	2021	2020
	Baht	Baht
Amounts deposited on reinsurance	3,182	3,182
Due from reinsurers	5,348,060,964	4,082,425,885
<u>Less</u> Allowance for doubtful accounts	5,348,064,146 (882,108,888)	4,082,429,067 (908,190,989)
Amount due from reinsurance, net	4,465,955,258	3,174,238,078

Balances of due from reinsurers are classified by aging as follows:

	2021	2020
	Baht	Baht
Undue	30,410,810	10,362,332
Overdue		
Less than 12 months	2,728,252,739	1,971,780,362
1 - 2 years	720,504,417	1,103,614,514
More than 2 years	1,868,892,998	996,668,677
Total due from reinsurers	5,348,060,964	4,082,425,885

As at 31 December 2021, the Company had reversed the previous year allowance for doubtful accounts of Baht 53.61 million (2020: nil) and recorded allowance for doubtful accounts in current year of Baht 27.54 million (2020: Baht 12.34 million) according to the current status of amount due from reinsurers as at the date of Statement of Financial Position. The amount recorded and reversed have been included in 'operating expenses' in the Statement of Comprehensive Income.

13. Investment in securities, net

The Company has investment in securities as follows:

	2021	
	Cost/ Amortised cost Baht	Fair Value Baht
Investments measured at fair value through profit or loss		
Equity securities	3,395	14,069
Total	3,395	14,069
<u>Add</u> Unrealised gains	10,674	-
Total investments measured at fair value through profit or loss	14,069	14,069
Investments measured at fair value through other comprehensive income		
Government and state enterprise securities	1,359,487,070	1,357,630,838
Private enterprise debt securities	2,780,679,793	2,772,855,978
Equity securities	9,950,486,180	8,218,671,099
Total	14,090,653,043	12,349,157,915
<u>Less</u> Unrealised (losses)	(1,741,495,128)	-
Total investments measured at fair value through other comprehensive income	12,349,157,915	12,349,157,915
Investment measured at amortised cost		
Government and state enterprise securities	798,197,804	-
Deposit at banks (Note 9)	1,763,950,000	-
Savings lottery	10,000,000	-
Total	2,572,147,804	-
<u>Less</u> Expected credit loss	(7,103)	-
Total investment measured at amortised cost	2,572,140,701	-
Total investments in securities, net	14,921,312,685	

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	2020	
	Cost/ Amortised cost Baht	Fair Value Baht
Investments measured at fair value through profit or loss		
Equity securities	3,395	4,033
Total	3,395	4,033
<u>Add</u> Unrealised gains	638	-
Total investments measured at fair value through profit or loss	4,033	4,033
Investments measured at fair value through other comprehensive income		
Government and state enterprise securities	277,550,227	278,312,049
Private enterprise debt securities	2,823,012,747	2,836,759,213
Equity securities	9,495,681,880	7,136,829,964
Total	12,596,244,854	10,251,901,226
<u>Less</u> Unrealised (losses)	(2,344,343,628)	-
Total investments measured at fair value through other comprehensive income	10,251,901,226	10,251,901,226
Investment measured at amortised cost		
Government and state enterprise securities	840,438,188	-
Deposit at banks (Note 9)	1,763,950,000	-
Savings lottery	15,000,000	-
Total	2,619,388,188	-
<u>Less</u> Expected credit loss	(1,232)	-
Total investment measured at amortised cost	2,619,386,956	-
Total investments in securities, net	12,871,292,215	

13.1 Financial assets at amortised cost

a) **Details of financial assets at amortised cost**

Investments in debt securities that are measured at amortised cost as at 31 December 2021 and 2020 will be due as follows:

	2021			
	Period to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Government and state enterprise Securities	244,920,528	553,277,276	-	798,197,804
Deposit at banks	763,950,000	1,000,000,000	-	1,763,950,000
Savings lottery	10,000,000	-	-	10,000,000
<u>Less</u> Expected credit loss	-	(7,103)	-	(7,103)
Total	1,018,870,528	1,553,270,173	-	2,572,140,701
	2020			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Government and state enterprise securities	639,381,580	188,161,766	12,894,842	840,438,188
Deposit at banks	763,950,000	1,000,000,000	-	1,763,950,000
Savings lottery	5,000,000	10,000,000	-	15,000,000
<u>Less</u> Expected credit loss	(1,232)	-	-	(1,232)
Total	1,408,330,348	1,198,161,766	12,894,842	2,619,386,956

b) **Fair values of financial assets at amortised cost**

Fair value for the following investments was determined by reference to significant observable inputs and, as little as possible, entity-specific estimates (classified as level 2 in the fair value hierarchy).

	2021	2020
	Baht	Baht
Government and state enterprise		
Securities	800,562,767	848,987,290
Savings lottery	10,000,000	15,000,000

For deposit at banks with maturity over 3 months from issuance, their carrying amount is considered to be the same as their fair value.

c) **Financial assets pledged as security**

As at 31 December 2021, the Company pledge bonds, debenture and savings lottery at the carrying amounts of Baht 736.20 million (2020: Baht 776.93 million) as collateral against premium reserve with the registrar, collateral for underwriting policies and collateral in case of the insured driver is an alleged offender (as stated in Notes 34 and 37).

d) **Loss allowance**

Debt securities that are measured at amortised cost

	2021		
	Gross	Expected	Carrying value
	carrying value	credit loss	Baht
	Baht	Baht	Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,572,147,804	(7,103)	2,572,140,701
Total	2,572,147,804	(7,103)	2,572,140,701

	2020		
	Gross carrying value Baht	Expected credit loss Baht	Carrying value Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,619,388,188	(1,232)	2,619,386,956
Total	2,619,388,188	(1,232)	2,619,386,956

13.2 Financial assets at fair value through other comprehensive income

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

Financial assets at FVOCI comprise the following investments:

	2021 Baht	2020 Baht
Investments in equity investments		
- Listed securities	7,414,224,711	6,549,741,868
- Unlisted securities	804,446,388	587,088,096
Investments in debt securities		
- Listed bonds	4,130,486,816	3,115,071,262
Total	12,349,157,915	10,251,901,226

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Investments in debt securities that are measured at fair value through other comprehensive income as at 31 December 2021 and 2020 will be due as follows:

	2021			
	Period to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Government and state enterprise securities	40,000,000	279,851,332	1,039,635,738	1,359,487,070
Private enterprise debt securities	544,179,749	2,031,404,198	205,095,846	2,780,679,793
<u>Less</u> Unrealised gains (losses)	332,387	(3,216,501)	(6,795,933)	(9,680,047)
Total	584,512,136	2,308,039,029	1,237,935,651	4,130,486,816
	2020			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Government and state enterprise securities	157,734,591	80,000,000	39,815,636	277,550,227
Private enterprise debt securities	226,551,476	2,540,547,774	55,913,497	2,823,012,747
<u>Less</u> Unrealised gains (losses)	1,061,716	14,970,241	(1,523,669)	14,508,288
Total	385,347,783	2,635,518,015	94,205,464	3,115,071,262

Disposals of equity and debt investments

For the year ended 31 December 2021, the Company has sold its investment in equity and debt securities at fair value of Baht 13,831.79 million and realised a gain of Baht 273.75 million to profit or loss (net of tax of Baht 219 million).

For the year ended 31 December 2020, the Company has sold its investment in equity securities at fair value of Baht 12,736.13 million and realised a loss of Baht 182.64 million to profit or loss (net of tax of Baht 146.11 million).

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:

	2021	2020
	Baht	Baht
Gains/(losses) recognised in other comprehensive income	465,259,581	(1,075,221,334)
Gains/(losses) reclassified from other comprehensive income to profit or loss on the sale of investments at FVOCI (reclassified FVOCI reserve in OCI to other gains/(losses))	138,429,749	(13,180,510)
Dividends from equity investments at FVOCI recognised as income on investments in profit or loss		
- Related to investments derecognised during the year	72,110,813	33,526,522
- Related to investments held at the end of the reporting period	425,814,733	407,172,939
Expected credit losses for debt investments at FVOCI recognised in profit or loss (12 months expected credit losses / Lifetime expected credit losses) (Reversal)	(868,127)	104,435

Significant acquisitions and disposals during the year

During the year 2021, the Company acquired listed securities measured at FVOCI in the amount of Baht 10,115 million. (2020: Baht 14,876 million)

During the year 2021, the Company disposed listed securities measured at FVOIC in the amount of Baht 8,901 million. (2020: Baht 12,456 million)

c) Financial assets pledged as security

As at 31 December 2021, the Company pledge debenture at the carrying amounts of Baht 383.59 million (2020: Baht 300.73 million) as collateral against premium reserve with the registrar, collateral for underwriting policies and collateral in case of the insured driver is an alleged offender (as stated in Notes 34 and 37).

d) **Loss allowance**

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

	2021	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	4,130,486,816	4,066,809
Total	4,130,486,816	4,066,809
	2020	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	3,115,071,262	3,198,682
Total	3,115,071,262	3,198,682

13.3 Financial assets at fair value through profit or loss

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

Financial assets measured at FVPL include the following:

	2021 Baht	2020 Baht
Listed equity securities	14,069	4,033
Total	14,069	4,033

b) **Amounts recognised in profit or loss**

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

	2021	2020
	Baht	Baht
Fair value gains (losses) on equity investments at FVPL recognised in other gains/(losses)	10,674	638

Significant acquisitions and disposals during the year

During the year 2021, the Company acquired listed securities measured at FVPL in the amount of Baht 1,600 million (2020: Baht 1,599 million) and the Company disposed listed securities measured FVPL in the amount of Baht 1,598 million. (2020: Baht 1,603 million)

13.4 Disclosure on fair value of investments

The fair value measurement of investments were as follows.

	2021		
	Opening	Changes in	Ending
	Fair value	Fair value	Fair value
	Baht	Baht	Baht
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	9,553,994,875	(337,760,149)	9,216,234,726
Financial assets defined as held-for-sell	4,033	10,036	14,069
Others	7,136,829,964	1,081,841,135	8,218,671,099

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	2020		
	Opening	Changes in	Ending
	Fair value	Fair value	Fair value
	Baht	Baht	Baht
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	9,239,471,762	314,523,113	9,553,994,875
Financial assets defined as held-for-sell	-	4,033	4,033
Others	6,386,512,598	750,317,366	7,136,829,964

14. Investment property, net

	Land Baht	Buildings and improvements Baht	Total Baht
As at 1 January 2021			
Cost	136,804,876	128,767,469	265,572,345
<u>Less</u> Accumulated depreciation	-	(111,189,999)	(111,189,999)
Net book amount	136,804,876	17,577,470	154,382,346
For the year ended 31 December 2021			
Opening net book amount	136,804,876	17,577,470	154,382,346
Transferred in/(out) (Note 15.1)	-	(3,123,789)	(3,123,789)
Depreciation	-	(1,759,303)	(1,759,303)
Closing net book amount	136,804,876	12,694,378	149,499,254
As at 31 December 2021			
Cost	136,804,876	105,883,496	242,688,372
<u>Less</u> Accumulated depreciation	-	(93,189,118)	(93,189,118)
Net book amount	136,804,876	12,694,378	149,499,254
Fair value	566,054,095	51,085,659	617,139,754

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	Land Baht	Buildings and improvements Baht	Total Baht
As at 1 January 2020			
Cost	139,914,078	127,214,722	267,128,800
<u>Less</u> Accumulated depreciation	-	(109,038,739)	(109,038,739)
Net book amount	139,914,078	18,175,983	158,090,061
For the year ended 31 December 2020			
Opening net book amount	139,914,078	18,175,983	158,090,061
Transferred in/(out) (Note 15.1)	(3,109,202)	1,552,747	(1,556,455)
Depreciation	-	(2,151,260)	(2,151,260)
Closing net book amount	136,804,876	17,577,470	154,382,346
As at 31 December 2020			
Cost	136,804,876	128,767,469	265,572,345
<u>Less</u> Accumulated depreciation	-	(111,189,999)	(111,189,999)
Net book amount	136,804,876	17,577,470	154,382,346
Fair value	566,054,095	62,126,501	628,180,596

Investment property mainly represents land and buildings located at Rama IX Road for the purpose of rental.

For the year 2021, the Company's investment properties were valued as at 2021: as at 11 August 2020 by independent professionally qualified valuers (2020: as at 11 August 2020), who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. Management have considered and believed that there is no factor which will significantly affect the latest valuation amount of Baht 617 million.

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The methods used to determine the fair value of investment properties are as follows:

For land with building, land is determine using the market approach which are based on sales prices of comparable property in close proximity and adjusted for differences in key attributes such as size and shape, location and condition of investment property. Building and improvement are determine using the replacement cost approach which estimates the cost to replace the building and building improvements based on current construction cost, less depreciation based on useful life determined by valuer. Such information is sufficient for comparison to determine the fair values of investment property. The Company classified the fair value measurement as level 2 of fair value hierarchy.

The fair value is based on valuations by independent valuers which will be revalued every three years. However, management will review the fair value to reflect market conditions at the end of the reporting period.

Amounts recognised in profit and loss that are related to investment property are as follows:

	2021	2020
	Baht	Baht
Rental and service income	20,281,507	23,906,465
Direct operating expense arise from investment property that generated rental and service income	5,361,248	6,539,123
Direct operating expense arise from investment property that did not generated rental and service Income	2,396,379	1,241,324

15. Property, plant and equipment, net

15.1 Property, plant and equipment

	Land Baht	Buildings and improvements Baht	Fixtures and equipment Baht	Vehicles Baht	Assets under construction Baht	Total Baht
At 1 January 2021						
Cost	473,825,365	1,181,262,507	632,732,629	141,795,832	2,067,436	2,431,683,769
<u>Less</u> Accumulated depreciation	-	(407,440,738)	(475,013,766)	(119,571,038)	-	(1,002,025,542)
Net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227
For the year ended 31 December 2021						
Opening net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227
Additions	-	528,412	13,945,269	32,100	56,696,603	71,202,384
Disposals	-	-	(11,573)	(6,025,256)	-	(6,036,829)
Write-off	-	-	-	-	-	-
Transfers in/(out)	-	10,865,832	6,509,544	-	(17,375,376)	-
Transferred from (to) investment properties (Note 14)	-	3,123,789	-	-	-	3,123,789
Transferred from right-of-use assets (Note 15.2)	-	-	-	6,809,095	-	6,809,095
Depreciation charge	-	(60,690,639)	(43,879,802)	(10,811,384)	-	(115,381,825)
Closing net book amount	473,825,365	727,649,163	134,282,301	12,229,349	41,388,663	1,389,374,841
At 31 December 2021						
Cost	473,825,365	1,215,540,724	652,741,144	129,015,942	41,388,663	2,512,511,838
<u>Less</u> Accumulated depreciation	-	(487,891,561)	(518,458,843)	(116,786,593)	-	(1,123,136,997)
Net book amount	473,825,365	727,649,163	134,282,301	12,229,349	41,388,663	1,389,374,841

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	Land Baht	Buildings and improvements Baht	Fixtures and equipment Baht	Vehicles Baht	Assets under construction Baht	Total Baht
At 1 January 2020						
Cost	461,695,361	1,161,161,890	581,916,829	127,373,066	17,950,464	2,350,097,610
<u>Less</u> Accumulated depreciation	-	(347,347,212)	(425,699,941)	(103,154,060)	-	(876,201,213)
Net book amount	461,695,361	813,814,678	156,216,888	24,219,006	17,950,464	1,473,896,397
For the year ended 31 December 2020						
Opening net book amount	461,695,361	813,814,678	156,216,888	24,219,006	17,950,464	1,473,896,397
Additions	9,020,802	7,005,926	28,000,075	165,000	21,895,625	66,087,428
Disposals	-	-	(29,140)	(20,526)	-	(49,666)
Write-off	-	-	(18)	-	-	(18)
Transfers in/(out)	-	14,647,438	23,131,215	-	(37,778,653)	-
Transferred from (to) investment properties (Note 14)	3,109,202	(1,552,747)	-	-	-	1,556,455
Transferred from right-of-use assets (Note 15.2)	-	-	-	9,575,888	-	9,575,888
Depreciation charge	-	(60,093,526)	(49,600,157)	(11,714,574)	-	(121,408,257)
Closing net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227
At 31 December 2020						
Cost	473,825,365	1,181,262,507	632,732,629	141,795,832	2,067,436	2,431,683,769
<u>Less</u> Accumulated depreciation	-	(407,440,738)	(475,013,766)	(119,571,038)	-	(1,002,025,542)
Net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227

15.2 Right-of-use asset

	Land Baht	Buildings Baht	Vehicles Baht	Total Baht
At 1 January 2021				
Cost	37,221,512	13,155,148	80,199,000	130,575,660
<u>Less</u> Accumulated amortisation	(6,845,290)	(6,052,329)	(19,956,772)	(32,854,391)
Net book amount	30,376,222	7,102,819	60,242,228	97,721,269
For the year ended 31 December 2021				
Opening net book amount	30,376,222	7,102,819	60,242,228	97,721,269
Additions	-	5,384,388	16,116,325	21,500,713
Transferred to property, plant and equipment (Note 15.1)	-	-	(6,809,095)	(6,809,095)
Amortisation charge	(6,845,289)	(7,787,515)	(16,357,500)	(30,990,304)
Closing net book amount	23,530,933	4,699,692	53,191,958	81,422,583
At 31 December 2021				
Cost	37,221,512	18,539,536	83,551,325	139,312,373
<u>Less</u> Accumulated amortisation	(13,690,579)	(13,839,844)	(30,359,367)	(57,889,790)
Net book amount	23,530,933	4,699,692	53,191,958	81,422,583

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	Land Baht	Buildings Baht	Vehicles Baht	Total Baht
At 1 January 2020				
Cost	37,221,512	9,695,371	82,652,014	129,568,897
<u>Less</u> Accumulated amortisation	-	-	(12,285,789)	(12,285,789)
Net book amount	37,221,512	9,695,371	70,366,225	117,283,108
For the year ended 31 December 2020				
Opening net book amount	37,221,512	9,695,371	70,366,225	117,283,108
Additions	-	3,459,777	15,789,986	19,249,763
Transferred to property, plant and equipment (Note 15.1)	-	-	(9,575,888)	(9,575,888)
Amortisation charge	(6,845,290)	(6,052,329)	(16,338,095)	(29,235,714)
Closing net book amount	30,376,222	7,102,819	60,242,228	97,721,269
At 31 December 2020				
Cost	37,221,512	13,155,148	80,199,000	130,575,660
<u>Less</u> Accumulated amortisation	(6,845,290)	(6,052,329)	(19,956,772)	(32,854,391)
Net book amount	30,376,222	7,102,819	60,242,228	97,721,269

Related lease liabilities are disclosed in Note 21.

For the year ended 31 December 2021, the lease payments resulting from lease and service contracts which are not capitalised comprised of variable lease payments amounting to Baht 2.30 million (2020 : 3.14 million), short-term leases amounting to Baht 0.74 million (2020 : 1.06 million), and low-value leases amounting to Baht 28.61 million (2020 : 26.41 million).

16. Intangible assets, net

	Computer software Baht	Computer software under installation Baht	Total Baht
At 1 January 2021			
Cost	299,859,942	15,340,960	315,200,902
<u>Less</u> Accumulated amortisation	(255,311,890)	-	(255,311,890)
Net book amount	44,548,052	15,340,960	59,889,012
For the year ended 31 December 2021			
Opening net book amount	44,548,052	15,340,960	59,889,012
Additions	2,627,136	3,923,700	6,550,836
Transfers in/(out)	9,425,000	(9,425,000)	-
Amortisation charge	(16,570,346)	-	(16,570,346)
Closing net book amount	40,029,842	9,839,660	49,869,502
At 31 December 2021			
Cost	311,912,078	9,839,660	321,751,738
<u>Less</u> Accumulated amortisation	(271,882,236)	-	(271,882,236)
Net book amount	40,029,842	9,839,660	49,869,502

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	Computer software Baht	Computer software under installation Baht	Total Baht
At 1 January 2020			
Cost	273,286,306	24,618,160	297,904,466
<u>Less</u> Accumulated amortisation	(236,468,304)	-	(236,468,304)
Net book amount	36,818,002	24,618,160	61,436,162
For the year ended 31 December 2020			
Opening net book amount	36,818,002	24,618,160	61,436,162
Additions	4,575,886	12,720,550	17,296,436
Transfers in/(out)	21,997,750	(21,997,750)	-
Amortisation charge	(18,843,586)	-	(18,843,586)
Closing net book amount	44,548,052	15,340,960	59,889,012
At 31 December 2020			
Cost	299,859,942	15,340,960	315,200,902
<u>Less</u> Accumulated amortisation	(255,311,890)	-	(255,311,890)
Net book amount	44,548,052	15,340,960	59,889,012

17. Deferred income tax

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

	2021	2020
	Baht	Baht
Deferred tax assets	1,028,320,537	1,120,539,443
Deferred tax liabilities	(2,134)	(127)
Deferred tax asset, net	1,028,318,403	1,120,539,316

Deferred taxes are calculated on all temporary differences under the liabilities method using a principal tax rate of 20% (2020: 20%).

The movement on the net deferred tax assets for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
	Baht	Baht
Beginning balance as at 1 January	1,120,539,316	874,600,992
Change in net deferred tax per Statement of Income	28,516,953	16,400,452
Change in deferred tax relating to unrealised gains (losses) on investments in Statement of Comprehensive Income	(120,737,866)	229,537,872
Closing balance as at 31 December	1,028,318,403	1,120,539,316

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The movement in deferred tax for the year ended 31 December 2021 and 2020 are as follows:

	Balance as of 1 January 2021 Baht	Charges to profit or loss Baht	Charges to other comprehensive income Baht	Balance as of 31 December 2021 Baht
Deferred tax assets				
Provision for losses incurred but not yet reported (IBNR)	88,429,741	(34,771,199)	-	53,658,542
Allowance for doubtful accounts	110,487,139	(4,170,920)	-	106,316,219
Allowance for impairment of Investments	26,207,509	-	-	26,207,509
Loss reserves	161,519,625	31,754,257	-	193,273,882
Employee benefit liabilities	83,470,857	4,579,953	-	88,050,810
Unrealised actuarial gains and losses	14,402,384	-	-	14,402,384
Unrealised losses on the change in value of investments measured at fair value through other comprehensive Income	468,222,643	-	(120,737,866)	347,484,777
Unearned premium reserves	132,782,920	33,901,262	-	166,684,182
Depreciation of intangible assets	12,283,458	(1,617,346)	-	10,666,112
Unallocated loss adjustment expense reserve (ULAE)	22,733,167	(1,157,047)	-	21,576,120
	1,120,539,443	28,518,960	(120,737,866)	1,028,320,537
Deferred tax liabilities				
Unrealised gain on the change in value of trading securities	(127)	(2,007)	-	(2,134)
	(127)	(2,007)	-	(2,134)
Deferred tax assets, net	1,120,539,316	28,516,953	(120,737,866)	1,028,318,403

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	Balance as of 1 January 2020 Baht	Charges to profit or loss Baht	Charges to other comprehensive income Baht	Balance as of 31 December 2020 Baht
Deferred tax assets				
Provision for losses incurred but not yet reported (IBNR)	53,086,133	35,343,608	-	88,429,741
Allowance for doubtful accounts	106,699,669	3,787,470	-	110,487,139
Allowance for impairment of Investments	26,207,509	-	-	26,207,509
Loss reserves	119,399,902	42,119,723	-	161,519,625
Employee benefit liabilities	80,773,490	2,697,367	-	83,470,857
Unrealised actuarial gains and losses	2,544,881	-	11,857,503	14,402,384
Unrealised losses on the change in value of investments measured at fair value through other comprehensive Income	250,542,274	-	217,680,369	468,222,643
Unearned premium reserves	204,516,340	(71,733,420)	-	132,782,920
Depreciation of intangible assets	12,957,966	(674,508)	-	12,283,458
Unallocated loss adjustment expense reserve (ULAE)	17,872,828	4,860,339	-	22,733,167
	<u>874,600,992</u>	<u>16,400,579</u>	<u>229,537,872</u>	<u>1,120,539,443</u>
Deferred tax liabilities				
Unrealised gain on the change in value of trading securities	-	(127)	-	(127)
	<u>-</u>	<u>(127)</u>	<u>-</u>	<u>(127)</u>
Deferred tax assets, net	<u>874,600,992</u>	<u>16,400,452</u>	<u>229,537,872</u>	<u>1,120,539,316</u>

18. Insurance contract liabilities

	2021			2020		
	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Claim liabilities						
- Reported claims	7,450,837,076	(5,985,458,409)	1,465,378,667	6,296,234,986	(4,660,391,798)	1,635,843,188
- Claims incurred but not reported	1,265,624,021	(889,450,714)	376,173,307	1,665,893,877	(1,110,079,335)	555,814,542
Premium liabilities						
- Unearned premium reserve	15,536,946,215	(11,429,855,529)	4,107,090,686	13,482,494,524	(9,750,371,317)	3,732,123,207
Total	24,253,407,312	(18,304,764,652)	5,948,642,660	21,444,623,387	(15,520,842,450)	5,923,780,937

18.1 Claim liabilities

	2021	2020
	Baht	Baht
Beginning balance for the year	7,962,128,863	5,519,604,925
Claims and loss adjustment expenses incurred during the year	17,504,095,021	12,891,219,304
Change in claim reserve of claim incurred in previous year	(273,930,946)	627,762,149
Change in claim reserve from change in assumptions during the year	(400,269,856)	377,270,857
Claims and loss adjustment expenses paid during the year	(16,075,561,985)	(11,453,728,372)
Closing balance for the year	<u>8,716,461,097</u>	<u>7,962,128,863</u>

18.2 Unearned premium reserve

	2021	2020
	Baht	Baht
Beginning balance for the year	13,482,494,524	12,181,819,166
Premium written for the year	29,410,096,347	25,398,527,522
Premium earned in the year	(27,355,644,656)	(24,097,852,164)
Closing balance for the year	<u>15,536,946,215</u>	<u>13,482,494,524</u>

As at 31 December 2021, the Company had not provided for unexpired risk reserve for the amount of Baht 9,695.45 million (2020: Baht 7,519.70 million) since unexpired risk reserve was lower than unearned premium reserve.

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18.3 Gross claim development table

Accident Year / Reporting Year	prior 2017 Baht	2017 Baht	2018 Baht	2019 Baht	2020 Baht	2021 Baht	Total Baht
Gross estimate of cumulative claim cost							
- As at accident year		10,038,400,440	10,465,346,024	10,495,218,828	12,357,554,807	15,823,956,386	
- One year later		9,371,754,352	9,616,399,239	12,124,748,237	12,082,684,526		
- Two years later		9,281,411,590	9,562,679,956	12,046,239,823			
- Three years later		9,305,950,286	9,515,872,553				
- Four years later		9,277,330,076					
Current estimate of ultimate loss	86,012,665,948	9,277,766,617	9,516,682,192	12,050,407,204	12,095,839,993	15,912,898,078	
Cumulative payments	85,949,408,819	9,211,160,464	9,389,637,779	11,534,706,364	10,429,818,795	9,702,811,782	
Total	63,257,129	66,606,153	127,044,413	515,700,840	1,666,021,198	6,210,086,296	8,648,716,029
Foreign exchange impact							67,745,068
Total gross claim liabilities as at 31 December 2021							8,716,461,097

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18.4 Net claim development table

Accident Year / Reporting Year	prior 2017 Baht	2017 Baht	2018 Baht	2019 Baht	2020 Baht	2021 Baht	Total Baht
Net estimate of cumulative claim cost							
- As at accident year		3,009,622,932	2,674,877,944	3,181,663,268	4,349,616,215	4,419,457,261	
- One year later		2,907,563,564	2,840,033,590	3,955,239,387	4,476,938,284		
- Two years later		2,863,918,578	2,807,165,491	3,532,376,090			
- Three years later		2,834,127,281	2,799,983,890				
- Four years later		2,823,909,304					
Current estimate of ultimate loss	22,275,837,842	2,824,345,845	2,800,793,528	3,536,543,471	4,490,093,751	4,508,398,953	
Cumulative payments	22,268,590,959	2,792,820,437	2,798,290,258	3,476,835,031	4,299,497,314	2,982,082,101	
Total	7,246,883	31,525,408	2,503,270	59,708,440	190,596,437	1,526,316,852	1,817,897,290
Foreign exchange impact							814,669
Allowance for doubtful accounts - loss reserve to be called from reinsurance companies							22,840,015
Total net claim liabilities as at 31 December 2021							1,841,551,974

18.5 Maturity analysis of claim liabilities expected to be paid

	2021	2020
	Baht	Baht
Claim liabilities expected to be paid within 12 months	5,970,512,084	5,771,491,284
Claim liabilities expected to be paid between 1 and 2 years	1,625,383,573	1,331,966,615
Claim liabilities expected to be paid between 2 and 5 years	949,777,234	801,332,705
Claim liabilities expected to be paid in more than 5 years	170,788,206	57,338,259
Total claim liabilities expected to be paid	8,716,461,097	7,962,128,863

18.6 Sensitivity analysis

	2021				
	Change in key assumption	Effect to Reinsurance Assets	Effect to Claim liabilities and unallocated loss adjustment expenses	Effect to Profit or loss	Effect to Owners' Equity
Loss Development Factor (LDF)	+10%	552,442,256	703,756,331	(151,314,075)	(121,051,260)
	-10%	(673,685,377)	(857,728,385)	184,043,008	147,234,406
Expected Ultimate Loss Ratio	+10%	381,541,311	598,246,282	(216,704,971)	(173,363,977)
	-10%	(381,541,311)	(598,246,280)	216,704,969	173,363,975

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	2020				
	Change in key assumption	Effect to Reinsurance Assets	Effect to Claim liabilities and unallocated loss adjustment expenses	Effect to Profit or loss	Effect to Owners' Equity
Loss Development Factor (LDF)	+10%	591,836,945	830,285,371	(238,448,426)	(190,758,741)
	-10%	(723,356,265)	(1,014,793,233)	291,436,968	233,149,574
Expected Ultimate Loss Ratio	+10%	274,838,233	442,538,126	(167,699,893)	(134,159,914)
	-10%	(274,838,232)	(442,538,128)	167,699,896	134,159,917

19. Due to reinsurers

	2021 Baht	2020 Baht
Outward premium payables	3,973,070,482	2,677,365,997
Amounts withheld on reinsurance treaties	3,154,064,644	3,072,868,126
Total due to reinsurers	7,127,135,126	5,750,234,123

20. Employee benefit obligations

	2021 Baht	2020 Baht
Statement of Financial Position:		
Post-employment benefit	462,041,790	438,705,723
Other benefit	50,224,191	50,660,491
Statement of Comprehensive Income:		
Post-employment benefit	41,816,334	41,345,228
Other benefit	4,787,285	4,169,496
Remeasurement for:		
Post-employment benefit	-	43,951,700
Other benefit	-	15,335,819

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The movement of employee benefit obligations over the year is as follows:

	2021		
	Post- employment benefit Baht	Other benefit Baht	Total Baht
Beginning balance for the year	438,705,723	50,660,491	489,366,214
Current service cost	36,578,641	4,293,850	40,872,491
Interest cost	5,237,693	493,435	5,731,128
Remeasurements :			
Actuarial (gains) losses due to experience adjustments	-	-	-
Actuarial (gains) losses - demographic Assumptions	-	-	-
Actuarial (gains) losses - financial Assumptions	-	-	-
<u>Less</u> Benefits paid	(18,480,267)	(5,223,585)	(23,703,852)
Closing balance for the year	462,041,790	50,224,191	512,265,981
	2020		
	Post- employment benefit Baht	Other benefit Baht	Total Baht
Beginning balance for the year	379,744,181	36,847,676	416,591,857
Current service cost	31,299,950	3,326,939	34,626,889
Interest cost	10,045,278	842,557	10,887,835
Remeasurements :			
Actuarial (gains) losses due to experience adjustments	3,968,212	2,955,527	6,923,739
Actuarial (gains) losses - demographic Assumptions	(19,788,752)	(1,800,293)	(21,589,045)
Actuarial (gains) losses - financial Assumptions	59,772,240	14,180,585	73,952,825
<u>Less</u> Benefits paid	(26,335,386)	(5,692,500)	(32,027,886)
Closing balance for the year	438,705,723	50,660,491	489,366,214

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The principal actuarial assumptions used are as follows:

	2021	2020
Discount rate	1.6% per year	1.6% per year
Salary increase rate	7.0% per year	7.0% per year
Average turnover rate	4.5% per year	4.5% per year
Mortality rate	TMO 2017 with 3 % improvement	TMO 2017 with 3 % improvement
Retirement age	60 years	60 years
Gold prices	27,350 Baht	27,350 Baht
Gold Inflation rate	2.0% per year	2.0% per year

Sensitivity analysis on key assumption changes are as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2021	2020	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Discount rate	1%	1%	(49,337,952)	(47,760,261)	56,097,603	53,465,353
Expected rate of salary increase	1%	1%	54,867,739	48,482,202	(47,424,190)	(42,107,986)
Turnover rate	20%	20%	(24,153,492)	(20,865,717)	26,624,859	22,920,193
Mortality rate improvement	1%	1%	1,663,877	1,468,322	(1,892,752)	(1,664,509)
Gold prices	20%	20%	10,077,569	10,132,054	(10,077,610)	(10,132,118)

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 (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the Statement of Financial Position.

The methods and types of assumptions used in preparing the sensitivity analysis were not changed when compared to the prior year.

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Through its post-employment benefit plan and other benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

An increase in government bond yields will decrease plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings

The weighted average duration of the defined benefit obligation is 16.8 years (2020: 16.8 years)

	2021	2020
	Baht	Baht
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 12 months	39,388,633	23,527,934
Benefits expected to be paid between 1 and 2 years	26,822,713	39,388,633
Benefits expected to be paid between 2 and 5 years	131,307,721	107,343,949
Benefits expected to be paid in more than 5 years	1,269,548,783	1,320,662,268

21. Other liabilities

	2021	2020
	Baht	Baht
Subrogation payables	4,941,404	5,942,178
Suspense accounts	312,093,515	413,851,559
Lease liabilities	84,527,823	97,204,579
Accrued expenses	10,232,689	10,684,641
Amount withheld on insurance	80,729,667	-
Others	1,044,829,818	872,055,050
Total other liabilities	1,537,354,916	1,399,738,007

21.1 Lease liabilities

Maturity of lease liabilities are as follows:

	2021 Baht	2020 Baht
Minimum lease liabilities payments		
Not later than one year	30,057,852	35,532,722
Later than 1 year but not later than 5 years	60,026,197	63,569,741
Later than 5 years	1,783,158	7,132,632
	91,867,207	106,235,095
<u>Less</u> Future finance charges on leases	(7,339,384)	(9,030,516)
Present value of lease liabilities	84,527,823	97,204,579
Present value of lease liabilities:		
Not later than one year	26,766,118	31,832,192
Later than 1 year but not later than 5 years	55,993,494	58,440,326
Later than 5 years	1,768,211	6,932,061
	84,527,823	97,204,579

For the year ended 31 December 2021, interest expense on lease liabilities amounted to Baht 3.89 million (2020: Baht 4.36 million) is recorded as "Operating expenses" in the statement of comprehensive income.

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22. Tax effects relating to each component of other comprehensive income

	2021			2020		
	Amount before tax Baht	Income (expense) tax Baht	Amount after tax Baht	Amount before tax Baht	Income (expense) tax Baht	Amount after tax Baht
Remeasurement of post-employee benefit obligations	-	-	-	(59,287,519)	11,857,503	(47,430,016)
Changes in value of investments measured at fair value through FVOCI	465,259,581	(93,051,916)	372,207,665	(1,075,221,334)	215,044,267	(860,177,067)
(Gain) loss on sales of investments measured at fair value through FVOCI	138,429,749	(27,685,950)	110,743,799	(13,180,510)	2,636,102	(10,544,408)
Total	603,689,330	(120,737,866)	482,951,464	(1,147,689,363)	229,537,872	(918,151,491)

23. Share capital and premium on share capital

	Number of shares Shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
At 1 January 2020	600,000,000	600,000,000	904,000,058	1,504,000,058
Issue of shares	-	-	-	-
At 31 December 2020	600,000,000	600,000,000	904,000,058	1,504,000,058
Issue of shares	-	-	-	-
At 31 December 2021	600,000,000	600,000,000	904,000,058	1,504,000,058

The total number of authorised ordinary shares is 600,000,000 shares (2020: 600,000,000 shares) with a par value of Baht 1 per share (2020: Baht 1 per share). All issued shares are fully paid.

24. Statutory reserve and general reserve

	Statutory reserve		General reserve	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	60,000,000	60,000,000	951,797,505	858,637,842
Appropriation during the year	-	-	103,243,729	93,159,663
At 31 December	60,000,000	60,000,000	1,055,041,234	951,797,505

On 22 April 2021, the Company's shareholders passed a resolution at the Annual General Meeting to allocate its unappropriated retained earnings amounting to Baht 103.24 million to appropriated general reserve for the Company's business expansion consecutively (9 July 2020: Baht 93.16 million).

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2021, the Company had sufficient statutory reserve of Baht 60 million (2020: Baht 60 million).

25. Dividend paid

At the Board of Directors' meeting no. 7 held on 10 June 2021, the directors approved an interim dividend from net profit for 3-month period ended 31 March 2021 at Baht 0.50 per share, totalling Baht 300,000,000. Such dividend was paid to the shareholders on 7 July 2021.

At the Annual General Meeting of the shareholders of the Company held on 22 April 2021, the shareholders approved the payment of annual dividend from net profit for the year ended 31 December 2020 at Baht 1.30 per share, totalling Baht 780,000,000. Such dividend was paid to the shareholders on 19 May 2021 and appropriate its retained earnings to general reserve amounting to Baht 103,243,729.

At the Board of Directors' meeting no. 8 held on 25 August 2020, the directors approved an interim dividend payment of Baht 0.50 per share, totalling to the amount of Baht 300,000,000 from net profit for the interim period ended 30 June 2020.

At the Annual General Meeting of the shareholders of the Company held on 9 July 2020, the shareholders approved appropriate retained earnings to general reserve amounting to Baht 93,159,663.

At the Board of Directors' meeting no. 3 held on 31 March 2020, the directors approved an interim dividend payment of Baht 1.15 per share, totalling to the amount of Baht 690,000,000 instead of an annual dividend payment for the year 2019. Such dividend was paid to the shareholders on 27 April 2020.

26. Operating expenses

	2021	2020
	Baht	Baht
Personal expenses which are not expenses for underwritings and claims	875,363,409	861,670,893
Premises and equipment expenses which is not expenses for underwriting and claims	370,890,165	389,071,656
(Reversal) Bad debts and doubtful accounts	(54,079,200)	126,752,236
Directors' remuneration	34,592,000	28,821,000
Other operating expenses	747,008,489	796,274,350
Total operating expenses	1,973,774,863	2,202,590,135

27. Employee and company's committee expenses

	2021	2020
	Baht	Baht
Salary and wages	1,086,116,335	1,040,456,132
Social security fund	6,535,976	7,960,270
Contribution to provident fund	59,475,215	56,461,758
Other benefits	98,399,385	112,029,124
Total employee and company's committee expenses	1,250,526,911	1,216,907,284

28. Provident fund

The Company and its employees have jointly registered a provident fund scheme under Provident Fund Act B. E. 2530. The fund is contributed to by employees at the monthly rate of 5 percent, 10 percent and 15 percent of the employees' basic salary, and the company at the monthly rate of 5 percent and 10 percent based on the length of employment and will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by Tisco Asset Management Company Limited. For the year ended 31 December 2021 the Company contributed to the Fund approximately Baht 59.48 million (2020: Baht 56.46 million)

29. Income tax expense

Income tax expense for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
	Baht	Baht
Current tax:		
Current tax on profits for the year	443,134,133	506,397,592
Deferred tax:		
Temporary differences	(28,516,953)	(16,400,452)
Total deferred tax	(28,516,953)	(16,400,452)
Income taxes expense	414,617,180	489,997,140

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

	2021	2020
	Baht	Baht
Profit before tax	2,257,986,828	2,554,871,715
Tax calculated at a tax rate of 20%	451,597,366	510,974,343
Tax effect of:		
Additional eligible expenses and expenses not deductible for tax purpose	(36,980,186)	(20,977,203)
Income tax expense	414,617,180	489,997,140

The weighted average applicable tax rate was 18% (2020: 19%).

More information relating to deferred tax is presented in Note 17.

30. Net expected credit losses

	2021	2020
	Baht	Baht
Investments in securities	873,998	105,667
Total expected credit loss	873,998	105,667

For the year ended 31 December 2021, there is an increase in allowance for expected credit loss amounting to Baht 873,998 (2020 : Baht 105,667).

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	2021	2020
Net profit attributable to shareholders (Baht)	1,843,369,648	2,064,874,575
Weighted average number of ordinary shares outstanding (Shares)	600,000,000	600,000,000
Basic earnings per share (Baht)	3.07	3.44

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2021 and 2020.

32. Related party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities 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.

Related parties are as follows:

Company's name	Nature of relationship
Dhipaya Group Holdings Public Company Limited	Ultimate parent company
PTT Public Company Limited	Related company of ultimate parent company
Government Saving Bank	Related company of ultimate parent company
Krung Thai Bank Public Company Limited	Related company of ultimate parent company
Dhipaya Life Assurance Public Company Limited	17.76% of shares held by the Company and common director
Dhipaya Insurance Co., Ltd. (Lao PDR)	10.00% of shares held by the Company and common director
Community and Estate Management Co., Ltd.	10.00% of shares held by the Company and common director
Vejthani Public Company Limited	1.54 % of shares held by the Company and common director
TIP ISB Company Limited	Affiliated company of the Group

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During the year, the Company had significant business transactions with related parties. These transactions have been conducted on commercial terms in the ordinary course of businesses. Below is a summary of those transactions.

	2021	2020	
	Baht	Baht	Pricing policies
Statement of Comprehensive Income			
Premium written	1,079,877,208	813,642,130	Normal commercial terms for major customers.
Commission and Brokerage expenses	389,169,795	507,430,497	Rate of commission terms for depending on types of insurance that not over the rate under the regulation.
Net investment income			
Interest income	12,184,047	15,588,496	Interest rate 0.25% - 1.10% per annum.
Dividend received	10,631,750	732,600	According to the payment declaration.
Gains(Loss) on investments	(728,464)	2,194,467	Offer price
Other income			
Rental revenue	5,539,146	5,984,340	Contract price referencing to market rate.
Service revenue	8,140,463	8,800,500	Contract price referencing to market rate.

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The Company has the following assets, which mainly arise from investments, and liabilities, which are significant to related companies:

	2021	2020
	Baht	Baht
Statement of Financial Position		
Investments in securities, net		
<u>Stocks</u>		
PTT Public Company Limited	321,860,000	-
Dhipaya Life Assurance Public Company Limited	486,367,337	323,254,398
Dhipaya Insurance Company Limited (Lao PDR)	10,392,252	496,213
Community and Estate Management Company Limited	1,206,375	856,485
Vejthani Public Company Limited	49,332,650	13,761,500
	869,158,614	338,368,596
<u>Less</u> Allowance for impairment	(8,326,400)	(8,326,400)
Total	860,832,214	330,042,196
<u>Debentures</u>		
PTT Public Company Limited	351,276,320	86,720,767
Government Savings Bank	60,081,309	60,306,923
Total	411,357,629	147,027,690
Deposits at financial institutions		
Government Savings Bank	1,023,199,131	1,016,188,516
Krung Thai Bank Public Company Limited	504,467,046	510,201,061
Total	1,527,666,177	1,526,389,577
Accrued investment income		
Government Savings Bank	15,671,233	4,671,233
Krung Thai Bank Public Company Limited	128,129	184,028
Total	15,799,362	4,855,261

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	2021	2020
	Baht	Baht
Premium receivables		
PTT Public Company Limited	2,067,329	12,170,273
Government Savings Bank	12,723,501	2,952,555
Krung Thai Bank Public Company Limited	8,452,374	8,409,431
Vejthani Public Company Limited	204,326	6,300,471
Total	23,447,530	29,832,730
Amount due from reinsurance		
Dhipaya Insurance Company Limited (Lao PDR)	49,208,567	58,810,356
Total	49,208,567	58,810,356
Other assets		
Dhipaya Group Holdings Public Company Limited	14,763,054	-
Total	14,763,054	-
Accrued commission expenses		
Government Savings Bank	111,871,832	58,199,440
Krung Thai Bank Public Company Limited	43,034,504	38,693,261
Total	154,906,336	96,892,701
Other liabilities		
PTT Public Company Limited	1,238,390	48,607
Government Savings Bank	96,328	6,815
Krung Thai Bank Public Company Limited	52,876	23,042
Dhipaya Life Assurance Public Company Limited	3,696,210	3,696,210
Total	5,083,804	3,774,674

Key management compensation

The compensation paid or payable to key management for their services for the year ended 31 December 2021 and 2020 is as follows:

	2021	2020
	Baht	Baht
Short-term employee benefits	135,327,011	119,025,007
Post-employment benefits	2,833,216	4,252,462
Other long-term employee benefits	79,434	64,613
Total	138,239,661	123,342,082

33. Assets pledged with registrar

As at 31 December 2021, the Company had placed bank deposit amount of Baht 14 million (2020: Baht 14 million) as collateral with the registrar in accordance with the Section 19 of Insurance Act B.E. 2535 (Note 9).

34. Assets reserve pledged with registrar

As at 31 December 2021, bonds, debentures and fixed deposits amount of Baht 919.66 million (2020: Baht 939.41 million) had been placed as collateral against premium reserve with the registrar in accordance with the Section 23 of Insurance Act B.E. 2535 (Note 9 and 13).

35. Contribution to Non-life guarantee fund

As at 31 December 2021, the Company had cumulated contribution to Non-life guarantee fund in accordance with the OIC Notification subject: the Rates, Rules, Procedures, Conditions, and Period that the Company has to Submit Contribution to the Non-Life Insurance Fund B.E. 2552 of Baht 632.36 million (2020: Baht 559.87 million).

36. Financial information by segment

The Company's operations involve only its single business being of non-life insurance, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial information pertain to the aforementioned business segment and geographical area. However, for the purposes of administration, the Company reported operating segments divided into categories of products that include fire insurance, marine and transport insurance, motor insurance, personal accident insurance and miscellaneous insurance. The operating segment performance are measured by underwriting revenues deducted underwriting expenses. Financial information by segment of the Company for the years ended 31 December 2021 and 2020 are as follows:

	2021					Total Baht
	Fire Baht	Marine and transportation Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	
Underwriting revenues						
Premium written	1,957,770,155	577,783,588	6,029,135,294	7,309,114,887	13,536,292,423	29,410,096,347
Less Ceded premium	(674,617,026)	(514,997,010)	(3,141,348,177)	(4,958,373,175)	(11,936,586,522)	(21,225,921,910)
Net premium written	1,283,153,129	62,786,578	2,887,787,117	2,350,741,712	1,599,705,901	8,184,174,437
Add (Less) (Increase) decrease in unearned premium reserves from previous year	(1,525,993)	(5,886,532)	(369,718,091)	63,347,287	(61,184,150)	(374,967,479)
Net premium earned	1,281,627,136	56,900,046	2,518,069,026	2,414,088,999	1,538,521,751	7,809,206,958
Fee and commission income	272,531,280	103,512,166	1,044,977,825	1,684,335,250	1,733,739,271	4,839,095,792
Total underwriting revenues	1,554,158,416	160,412,212	3,563,046,851	4,098,424,249	3,272,261,022	12,648,302,750

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	2021					
	Fire Baht	Marine and transportation Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
<u>Underwriting expenses</u>						
Gross Insurance claims and loss adjustment expenses	353,629,550	216,308,061	3,165,487,180	4,329,539,014	8,174,686,952	16,239,650,757
<u>Less</u> Insurance claims and loss adjustment expenses recovery	(79,586,936)	(180,880,619)	(1,638,043,169)	(2,736,204,700)	(6,144,683,489)	(10,779,398,913)
Commission and brokerage expenses	387,634,575	44,491,995	731,641,886	423,914,687	709,876,867	2,297,560,010
Other underwriting expenses	265,806,360	24,419,715	521,176,366	462,307,901	349,655,529	1,623,365,871
Total underwriting expenses before operating expenses	927,483,549	104,339,152	2,780,262,263	2,479,556,902	3,089,535,859	9,381,177,725
Operating expenses						1,973,774,863
Total underwriting expenses						11,354,952,588
Gains on underwriting						1,293,350,162
Income on investments, net						590,190,280
Gains on investments						273,764,731
Other income						101,555,653
Net expected credit losses						(873,998)
Profit before income tax						2,257,986,828
Income tax expense						(414,617,180)
Profit for the year						1,843,369,648

Dhipaya Insurance Public Company Limited
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	2020					Total Baht
	Fire Baht	Marine and transportation Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	
<u>Underwriting revenues</u>						
Premium written	1,909,582,077	500,126,191	4,901,440,990	7,014,551,682	11,072,826,582	25,398,527,522
<u>Less</u> Ceded premium	(635,102,141)	(437,840,237)	(2,486,446,057)	(4,849,069,727)	(9,319,547,828)	(17,728,005,990)
Net premium written	1,274,479,936	62,285,954	2,414,994,933	2,165,481,955	1,753,278,754	7,670,521,532
<u>Add (Less)</u> (Increase) decrease in unearned premium reserves from previous year	(40,980,512)	(5,019,558)	(64,409,489)	210,725,722	(197,500,683)	(97,184,520)
Net premium earned	1,233,499,424	57,266,396	2,350,585,444	2,376,207,677	1,555,778,071	7,573,337,012
Fee and commission income	275,723,400	83,340,522	811,700,812	1,716,927,357	1,474,593,614	4,362,285,705
Total underwriting revenues	1,509,222,824	140,606,918	3,162,286,256	4,093,135,034	3,030,371,685	11,935,622,717

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	2020					
	Fire Baht	Marine and transportation Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
<u>Underwriting expenses</u>						
Gross Insurance claims and loss adjustment expenses	411,574,162	247,132,488	3,008,228,253	4,799,501,128	4,947,260,247	13,413,696,278
<u>Less</u> Insurance claims and loss adjustment expenses recovery	(116,042,307)	(221,616,917)	(1,478,159,362)	(3,102,827,194)	(4,277,170,393)	(9,195,816,173)
Commission and brokerage expenses	379,397,193	39,388,686	582,296,752	618,478,817	617,053,235	2,236,614,683
Other underwriting expenses	278,495,220	21,298,249	493,202,073	432,946,392	302,860,799	1,528,802,733
Total underwriting expenses before operating expenses	953,424,268	86,202,506	2,605,567,716	2,748,099,143	1,590,003,888	7,983,297,521
Operating expenses						2,202,590,135
Total underwriting expenses						10,185,887,656
Gains on underwriting						1,749,735,061
Income on investments, net						568,671,903
Gains on investments						185,999,966
Other income						50,570,452
Net expected credit losses						(105,667)
Profit before income tax						2,554,871,715
Income tax expense						(489,997,140)
Profit for the year						2,064,874,575

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The following table presents segment assets and liabilities of the Company's operating segments are as follows:

	Fire Baht	Marine and transportation Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Unallocated assets Baht	Total Baht
<u>Assets</u>							
As at 31 December 2021	1,536,745,901	709,760,539	2,902,190,799	5,989,202,839	17,901,072,926	20,613,734,425	49,652,707,429
As at 31 December 2020	1,454,071,346	609,367,111	2,383,356,272	6,916,985,153	13,141,073,029	19,967,373,727	44,472,226,638
<u>Liabilities</u>							
As at 31 December 2021	4,623,320,810	823,354,616	5,986,188,305	8,374,731,924	18,325,171,461	1,830,437,410	39,963,204,526
As at 31 December 2020	4,456,439,296	704,149,725	4,834,429,830	9,265,755,698	14,765,879,099	2,002,393,799	36,029,047,447

37. Restricted assets and commitment

As at 31 December 2021, bonds of Baht 190.13 million (2020: Baht 198.25 million) and savings lottery of Baht 10 million (2020: Baht 10 million) were used as collateral in case where the insured drivers are alleged offenders and as guarantees for underwriting business, and bank deposits of Baht 40.10 million (2020: Baht 40.10 million) were used as collateral in case where the insured drivers are alleged offenders and as guarantee for credit lines with banks (Note 9 and 13).

As at 31 December 2021, the Company had the undrawn committed borrowing facilities of Baht 10 million at the fixed term deposit interest rate plus 2% per year (2020: Baht 10 million with fixed term deposit interest rate plus 2% per year).

38. Contingent liabilities and commitment

Operating lease and building construction obligations

As at 31 December 2021, the Company had entered into the lease agreements with third parties for the building area, tools, constructions and other services over the period of 1-3 years in which the Company is to be liable for lease payment of Baht 147.89 million for 1 year (2020: 65.44 million) and Baht 54.78 million for over 1 year respectively (2020: Baht 15.85 million).

Litigation cases

As at 31 December 2021, the Company was still under legal process in the normal course of the business as the Company was litigated as the insurer with the prosecution value of Baht 719.86 million (2020: Baht 607.96 million). However, the Company's value of contingent liabilities from outstanding litigation cases should not be more than the policy coverage amount of Baht 617.38 million (2020: Baht 568.22 million). Those litigation cases have been still ongoing and the Company expects to win most of these cases. Nevertheless, the Company recorded the provision for contingent loss amount of Baht 211.72 million in the financial statements (2020: Baht 228.42 million).

Guarantees

As at 31 December 2021, the Company had unused letters of guarantee issued by banks under the name of the Company for underwriting business of Baht 15.66 million (2020: Baht 13.41 million).

39. Event after the Statement of Financial Position date

On 23 February 2022, the Board of Directors approved a dividend payment of Baht 1.50 per share, totaling to the amount of Baht 900,000,000, from net profit for the year ended 31 December 2021. A dividend payment will be further considered in the Annual General Meeting of shareholders.