

Thaivivat Insurance Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Thaivivat Insurance Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thaivivat Insurance Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thaivivat Insurance Public Company Limited for the same period.

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

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Insurance premiums recognition

In 2021, the Group had revenue from insurance premiums amounting to Baht 6,333 million, which were derived from retail insured and had a large number of policies. The insurance premiums are collected from variety customers and insurance premiums amount rely on the processing of information technology system. I therefore focused on examining that gross premium written was correctly recognised as actually incurred.

I have gained an understanding, assessed and tested the internal controls of information technology system and its internal controls with respect to underwriting, insurance premiums calculation and revenue recognition of insurance premiums by making enquiry of responsible executives to gain an understanding and selecting representative samples to test the operation of the designed controls in financial statements. In addition, I selected representative samples of insurance policies and related supporting documents to assess whether revenue recognition was consistent with conditions specified in the insurance policies and whether it was in compliance with the Group's policy. I reviewed the insurance policies and endorsement transactions occurring during the accounting period, before and after period-end, which were recognised as revenues of the Group. Moreover, I performed analytical procedures to compare insurance premiums recognised throughout the period and examined on sampling basis for accounting entries related to insurance premiums made through journal vouchers.

Insurance contract liabilities - claim reserves and outstanding claims

Insurance contract liabilities - claim reserves and outstanding claims account is highly significant to the financial statements. As at 31 December 2021, the Company and its subsidiary had claim reserves and outstanding claims amounted to Baht 2,123 million (representing 30 percent of total liabilities). Claim reserves and outstanding claims included both claims incurred and reported and claims incurred but not reported, which were calculated by the Company's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves so I addressed the adequacy of claim reserves and outstanding claims as a key audit matter. In addition, such claim reserves and outstanding claims are directly relevant to the claim reserves and outstanding claims refundable from reinsurers which were also calculated by the Company's management using actuarial techniques. As at 31 December 2021, the Company and its subsidiary had claim reserves and outstanding claims refundable from reinsurers amounting to Baht 155 million.

I gained an understanding, assessed and tested the internal controls relevant to claims, loss adjustments, estimation of claim reserves and outstanding claims and reinsurance, by making enquiry of responsible executives regarding the criteria and assumptions used in the estimates made by the actuary. I selected, on a sampling basis, and tested claim transactions against documents of major claims file, and performed analytical procedures on the frequency of claims and average loss per claim. In addition, I reviewed the actuarial report to assess whether it was consistent with the reserve recognised in the accounts, assessed the assumptions and methods used in the calculation, tested the data used by the actuary, and compared the assumptions to those used in the prior year. Moreover, I reviewed the estimates of claim reserves and outstanding claims refundable from reinsurers.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines 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, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 Group to cease to continue as a going concern.

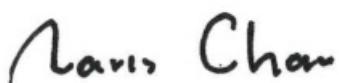
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

I am responsible for the audit resulting in this independent auditor's report.



Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 24 February 2022

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Cash and cash equivalents	7	745,844,663	332,677,458	737,770,587	329,948,597
Premium receivables	8	947,144,113	754,286,829	946,772,264	754,057,612
Accrued investment income		17,124,975	14,108,255	12,903,066	12,141,460
Reinsurance assets	9	386,029,716	427,847,412	386,029,716	427,847,412
Receivables from reinsurance contracts	10	46,871,177	178,405,004	48,318,967	179,804,575
Financial assets - debt instruments	11	4,380,655,300	3,865,601,145	4,338,515,916	3,819,936,601
Financial assets - equity instruments	12	756,017,811	695,222,022	756,017,811	695,222,022
Loans and interest receivables	14	4,071,757	6,231,917	4,071,757	6,231,917
Investment in subsidiaries	15	-	-	87,200,000	67,200,000
Property, buildings and equipment	16	326,551,230	332,452,239	325,308,603	331,043,296
Goodwill		15,840,000	16,800,000	-	-
Intangible assets - computer software	17	29,703,059	15,966,544	22,398,244	15,966,544
Deferred tax assets	18.1	210,408,991	179,924,636	210,408,991	179,924,636
Other assets	19	978,786,601	1,025,775,974	976,960,059	1,023,417,464
Total assets		8,845,049,393	7,845,299,435	8,852,675,981	7,842,742,136

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of financial position (Continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements		
		2021	2020	2021	2020	
Liabilities and equity						
Liabilities						
Insurance contract liabilities	20	5,461,598,022	5,023,161,995	5,457,074,493	5,019,917,126	
Amount due to reinsurers	21	355,748,382	459,782,660	355,748,382	459,782,660	
Derivative liabilities		764,195	-	764,195	-	
Income tax payable		115,185,052	32,539,311	115,185,052	32,539,311	
Employee benefit obligations	22	101,765,624	116,778,057	101,765,624	116,778,057	
Other liabilities	23	1,009,135,572	867,278,655	999,371,605	862,782,793	
Total liabilities		7,044,196,847	6,499,540,678	7,029,909,351	6,491,799,947	
Equity						
Share capital						
Registered						
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000	
Issued and paid-up						
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000	
Premium on share capital		163,800,007	163,800,007	163,800,007	163,800,007	
Retained earnings						
Appropriated - statutory reserve	24	30,300,000	30,300,000	30,300,000	30,300,000	
Unappropriated		1,113,476,840	690,278,577	1,133,960,004	698,357,966	
Other components of equity						
Surplus on changes in value of investments	13	191,706,619	155,484,216	191,706,619	155,484,216	
Exchange differences on translation of financial statements in foreign currency		(13,829,382)	(10,669,013)	-	-	
Equity attributable to shareholders of the Company		1,788,454,084	1,332,193,787	1,822,766,630	1,350,942,189	
Non-controlling interests of the subsidiaries	15.2	12,398,462	13,564,970	-	-	
Total equity		1,800,852,546	1,345,758,757	1,822,766,630	1,350,942,189	
Total liabilities and equity		8,845,049,393	7,845,299,435	8,852,675,981	7,842,742,136	

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



Directors

Directors

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit or loss:				
Income				
Gross premium written	6,332,882,249	5,985,825,664	6,329,647,718	5,982,238,201
Less: Premium ceded to reinsurers	(615,882,070)	(648,956,292)	(615,882,070)	(648,956,292)
Net premium written	5,717,000,179	5,336,869,372	5,713,765,648	5,333,281,909
Less: Unearned premium reserves increase from prior year	(299,810,442)	(796,568,660)	(299,832,869)	(796,614,904)
Net earned premium	5,417,189,737	4,540,300,712	5,413,932,779	4,536,667,005
Fee and commission income	127,528,424	140,375,724	127,528,424	140,375,724
Net investment income	25 88,755,975	71,459,090	86,038,814	68,628,108
Gain (loss) on financial instruments	26 103,773,397	(19,089,551)	103,773,397	(19,089,551)
Gain (loss) on fair value adjustments of financial instruments	27 3,797,172	(47,426,363)	3,797,172	(47,426,363)
Other income	13,105,006	8,024,211	13,370,714	8,280,378
Total income	5,754,149,711	4,693,643,823	5,748,441,300	4,687,435,301
Expenses				
Claims and loss adjustment expenses	3,248,860,868	3,191,825,864	3,246,117,309	3,189,298,685
Less: Claim recovered from reinsurers	(197,167,371)	(489,282,193)	(197,167,371)	(489,282,193)
Commission and brokerage expenses	1,004,188,196	942,171,843	1,003,839,516	941,725,965
Other underwriting expenses	321,031,697	351,881,336	320,749,662	351,538,801
Operating expenses	28 786,674,517	597,767,468	771,836,918	594,250,242
Financial cost	95,320	109,456	-	-
Expected credit loss	30 688,983	3,149,598	660,497	3,113,252
Total expenses	29 5,164,372,210	4,597,623,372	5,146,036,531	4,590,644,752
Profit before income tax	589,777,501	96,020,451	602,404,769	96,790,549
Income tax expenses	18.2 (117,773,084)	(18,350,934)	(117,773,084)	(18,350,934)
Profit for the year	472,004,417	77,669,517	484,631,685	78,439,615

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other comprehensive income:				
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods				
Exchange differences on translation of financial statements in foreign currency (loss)	(4,103,384)	2,097,974	-	-
Gain (loss) on change in value of debt instruments measured at fair value through other comprehensive income	(6,054,527)	10,264,521	(6,054,527)	10,264,521
Add (less): Income tax effect	1,210,906	(2,052,904)	1,210,906	(2,052,904)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)	(8,947,005)	10,309,591	(4,843,621)	8,211,617
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods				
Gain (loss) on change in value of equity instruments designed at fair value through other comprehensive income	49,573,950	(167,618,707)	49,573,950	(167,618,707)
Actuarial gains	16,221,496	3,297,492	16,221,496	3,297,492
Add (less): Income tax effect	(13,159,089)	32,864,243	(13,159,089)	32,864,243
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)	52,636,357	(131,456,972)	52,636,357	(131,456,972)
Other comprehensive income for the year				
- net of income tax (loss)	43,689,352	(121,147,381)	47,792,736	(123,245,355)
Total comprehensive income for the year (loss)	<u>515,693,769</u>	<u>(43,477,864)</u>	<u>532,424,421</u>	<u>(44,805,740)</u>
Profit for the year attributable to:				
Equity holders of the Company	472,227,910	77,900,547	484,631,685	78,439,615
Non-controlling interests of the subsidiaries (loss)	(223,493)	(231,030)		
	<u>472,004,417</u>	<u>77,669,517</u>		
Total comprehensive income for the year attributable to:				
Equity holders of the Company (loss)	516,860,277	(43,732,227)	532,424,421	(44,805,740)
Non-controlling interests of the subsidiaries (loss)	(1,166,508)	254,363		
	<u>515,693,769</u>	<u>(43,477,864)</u>		
Earnings per share	32			
Basic earnings per share				
Profit attributable to equity holders of the Company	1.56	0.26	1.60	0.26

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from (used in) operating activities				
Direct premium written	6,142,291,818	5,608,660,040	6,137,354,740	5,603,273,806
Cash paid for reinsurance	(245,562,258)	(37,460,113)	(244,224,291)	(35,951,160)
Interest income	44,490,975	40,145,068	44,144,090	32,392,601
Dividend income	41,754,697	29,550,891	41,754,697	29,550,891
Other investment income	918,590	1,423,690	918,590	1,423,690
Other income	5,364,257	6,516,941	5,382,532	6,518,984
Claim incurred on direct insurance	(2,991,512,851)	(2,640,984,536)	(2,989,731,357)	(2,638,448,740)
Loss adjustment expenses on direct insurance	(55,389,538)	(53,577,955)	(55,349,029)	(53,543,575)
Commission and brokerage on direct insurance	(960,046,129)	(938,882,013)	(959,481,299)	(938,038,427)
Other underwriting expenses	(315,621,139)	(348,737,531)	(315,339,103)	(348,394,996)
Operating expenses	(663,737,825)	(577,613,283)	(655,230,020)	(575,462,508)
Income tax	(77,911,685)	(64,205,499)	(77,911,598)	(64,205,499)
Cash received from investment assets	3,714,362,875	6,114,023,028	3,713,446,663	6,114,023,028
Cash paid for investment assets	(4,129,667,300)	(6,930,693,878)	(4,129,667,300)	(6,927,193,878)
Net cash from operating activities	509,734,487	208,164,850	516,067,315	205,944,217
Cash flows from (used in) investing activities				
Cash paid for investment in subsidiaries	-	-	(20,000,000)	-
Cash paid for purchases of property and equipment	(20,339,267)	(32,351,212)	(19,730,067)	(32,348,985)
Cash paid for purchase of intangible assets.	(15,753,767)	(7,894,623)	(8,812,578)	(7,894,623)
Cash received from disposals of equipment	765,135	889,762	765,135	889,762
Net cash used in investing activities	(35,327,899)	(39,356,073)	(47,777,510)	(39,353,846)
Cash flows used in financial activities				
Repayment of lease liabilities	(589,466)	(541,740)	-	-
Dividend paid	(60,599,980)	(60,599,980)	(60,599,980)	(60,599,980)
Net cash used in financial activities	(61,189,446)	(61,141,720)	(60,599,980)	(60,599,980)
Translation adjustments	(155,935)	31,481	-	-
Unrealised exchange rate change	801,749	(90,058)	801,749	(90,058)
Net increase in cash and cash equivalents	413,862,956	107,608,480	408,491,574	105,900,333
Allowance for expected credit loss	(695,751)	(226,270)	(669,584)	(176,624)
Cash and cash equivalents at beginning of year	332,677,458	225,295,248	329,948,597	224,224,888
Cash and cash equivalents at end of year	745,844,663	332,677,458	737,770,587	329,948,597

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of changes in equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements

Equity attributable to equity holders of the Company											
Other components of equity											
Surplus (deficit) on changes in fair value of investments											
Issued and paid-up share capital	Premium on share capital	Appropriated - statutory reserve	Retained earnings	Debt instruments measured at fair value through other comprehensive	Equity instruments designed at fair value through other comprehensive	Exchange differences on translation of financial statements			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total equity
			Unappropriated	income	income	in foreign currency					
Balance as at 1 January 2020	303,000,000	163,800,007	30,300,000	667,270,238	9,191,207	275,246,136	284,437,343	(12,281,594)	1,436,525,994	13,310,607	1,449,836,601
Profit (loss) for the year	-	-	-	77,900,547	-	-	-	-	77,900,547	(231,030)	77,669,517
Other comprehensive income for the year (loss)	-	-	-	2,637,994	8,211,617	(134,094,966)	(125,883,349)	1,612,581	(121,632,774)	485,393	(121,147,381)
Total comprehensive income for the year (loss)	-	-	-	80,538,541	8,211,617	(134,094,966)	(125,883,349)	1,612,581	(43,732,227)	254,363	(43,477,864)
Transfer to retained earning (Note 12.3)	-	-	-	3,069,778	-	(3,069,778)	(3,069,778)	-	-	-	-
Dividend paid during the year (Note 33)	-	-	-	(60,599,980)	-	-	-	-	(60,599,980)	-	(60,599,980)
Balance as at 31 December 2020	303,000,000	163,800,007	30,300,000	690,278,577	17,402,824	138,081,392	155,484,216	(10,669,013)	1,332,193,787	13,564,970	1,345,758,757
Balance as at 1 January 2021	303,000,000	163,800,007	30,300,000	690,278,577	17,402,824	138,081,392	155,484,216	(10,669,013)	1,332,193,787	13,564,970	1,345,758,757
Profit (loss) for the year	-	-	-	472,227,910	-	-	-	-	472,227,910	(223,493)	472,004,417
Other comprehensive income for the year (loss)	-	-	-	12,977,197	(4,843,621)	39,659,160	34,815,539	(3,160,369)	44,632,367	(943,015)	43,689,352
Total comprehensive income for the year (loss)	-	-	-	485,205,107	(4,843,621)	39,659,160	34,815,539	(3,160,369)	516,860,277	(1,166,508)	515,693,769
Transfer to retained earning (Note 12.3)	-	-	-	(1,406,864)	-	1,406,864	1,406,864	-	-	-	-
Dividend paid during the year (Note 33)	-	-	-	(60,599,980)	-	-	-	-	(60,599,980)	-	(60,599,980)
Balance as at 31 December 2021	303,000,000	163,800,007	30,300,000	1,113,476,840	12,559,203	179,147,416	191,706,619	(13,829,382)	1,788,454,084	12,398,462	1,800,852,546

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of changes in equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements							
	Other components of equity - surplus (deficit) on changes in value of investments							
			Debt instruments		Equity instruments			
			measured at fair		designed at fair			
	Issued and paid-up share capital	Premium on share capital	Retained earnings		value through other comprehensive		value through other comprehensive	
			Appropriated - statutory reserve	Unappropriated	income	income	Total	Total equity
Balance as at 1 January 2020	303,000,000	163,800,007	30,300,000	674,810,559	9,191,207	275,246,136	284,437,343	1,456,347,909
Profit for the year	-	-	-	78,439,615	-	-	-	78,439,615
Other comprehensive income for the year (loss)	-	-	-	2,637,994	8,211,617	(134,094,966)	(125,883,349)	(123,245,355)
Total comprehensive income for the year (loss)	-	-	-	81,077,609	8,211,617	(134,094,966)	(125,883,349)	(44,805,740)
Transfer to retained earning (Note 12.3)	-	-	-	3,069,778	-	(3,069,778)	(3,069,778)	-
Dividend paid during the year (Note 33)	-	-	-	(60,599,980)	-	-	-	(60,599,980)
Balance as at 31 December 2020	303,000,000	163,800,007	30,300,000	698,357,966	17,402,824	138,081,392	155,484,216	1,350,942,189
Balance as at 1 January 2021	303,000,000	163,800,007	30,300,000	698,357,966	17,402,824	138,081,392	155,484,216	1,350,942,189
Profit for the year	-	-	-	484,631,685	-	-	-	484,631,685
Other comprehensive income for the year (loss)	-	-	-	12,977,197	(4,843,621)	39,659,160	34,815,539	47,792,736
Total comprehensive income for the year (loss)	-	-	-	497,608,882	(4,843,621)	39,659,160	34,815,539	532,424,421
Transfer to retained earning (Note 12.3)	-	-	-	(1,406,864)	-	1,406,864	1,406,864	-
Dividend paid during the year (Note 33)	-	-	-	(60,599,980)	-	-	-	(60,599,980)
Balance as at 31 December 2021	303,000,000	163,800,007	30,300,000	1,133,960,004	12,559,203	179,147,416	191,706,619	1,822,766,630
	-	-	-	-	-	-	-	-

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2021

1. General information

1.1 Company information

Thaivivat Insurance Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company's major shareholder is MAFAM Co., Ltd., which was incorporated in Thailand whereby as at 31 December 2021, such major shareholder held 48.07% of the issued and paid-up share capital of the Company. The Company is principally engaged in non-life insurance. The registered office of the Company is at 71 Thaivivat Insurance Building, Dindaeng Road, Samsen Nai, Phayathai, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The COVID-19 outbreak is continuing to evolve and affect to various business sectors whether directly or indirectly, resulting in an economic slowdown and significant volatility of money and capital market. This situation may cause uncertainty and may impact the Group's financial position and operating results in the future. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis for preparation of the financial statements

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the guidelines prescribed by the Office of Insurance Commission ("OIC"), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated 4 April 2019.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

2.2 Basis for consolidation financial statements

- (a) The consolidated financial statements include the financial statements of Thaivivat Insurance Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
Laovivat Insurance Co., Ltd.	Non-life insurance	Lao PDR	70.0	70.0
Motor AI Recognition Solution Co., Ltd.	Non-life insurance technology service	Thailand	100.0	-

As discussed in Note 15 to the financial statements, during the first quarter of 2021, the Company established and invested in Motor AI Recognition Solution Company Limited (“MARS”), with 100% shareholding of the registered share capital. As a result, MARS is considered as the Company’s subsidiary. The subsidiary has been fully consolidated since 8 January 2021, which is the date on which the Company has control over that subsidiary.

- (b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- (e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in equity.
- (f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.

- (g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Basis for preparation of separate financial statements

The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

(a) Premium income

Premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related premium are recorded as unearned items, and recognised as income over the coverage period each year.

Reinsurance premium income is recognised as income when the reinsurer places the reinsurance application or the statement of accounts with the Company.

(b) Commission and brokerage fees income

Commission and brokerage fees from ceded premium are recognised when the insurance risk is transferred to another insurer.

Commission and brokerage fees from ceded premium with coverage periods longer than 1 year are recorded as unearned items and amortised to income in annual amounts over the coverage period.

(c) Net investment income

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial assets, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial assets (net of the expected credit loss allowance).

Dividends

Dividends are recognised as revenue when the right to receive the dividends is established.

(d) Gain (loss) on financial instruments

Gain (loss) on disposal or write off of debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income and equity instruments measured at fair value through profit or loss. The Company recognises in profit or loss on the transaction date.

(e) Fair value gain (loss) on financial instruments

Fair value gain (loss) from the change in fair value of equity instruments and debt instruments measured at fair value through profit or loss and derivatives.

4.2 Expenses recognition

(a) Ceded premium

Ceded premium is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepaid expenses and recognised as expenses over the coverage period each year.

(b) Claim and loss adjustment expenses

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

Claims recovery from reinsurer is recognised when claim and loss adjustment expenses are recorded as the condition in the relevant reinsurance contract.

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

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

(c) Commission and brokerage expenses

Commission and brokerage are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepaid items and recognised as expenses over the coverage period each year.

(d) Other underwriting expenses

Other underwriting expenses are other insurance expenses for both direct and indirect expenses, including contributions, which are recognised as expenses on accrual basis.

(e) Operating expenses

Operating expenses are operating expenses, not related to underwriting and claim, which are recognised as expenses on accrual basis.

(f) Finance cost

Interest expenses from financial liabilities measured at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.3 Product classification

The Group classified the insurance contracts and outward reinsurance contracts based on the nature of the insurance contract. Insurance contracts are those contracts where the insurer has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. To determine whether a significant insurance risk has been accepted, the insurer compares the benefits payable after an insured event occur with the benefits payable if the insured event did not occur. If the criteria are not met, the Group classifies the insurance contract as an investment contract. Investment contracts have the legal form of insurance contracts and transfer financial risk to the insurer, but not significant insurance risk. Financial risks are specified as interest rate risk, exchange rate risk, or price risk.

The Group classifies contracts based on assessment of the insurance risk at an inception of contract, on a contract-by-contract basis. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at an inception date, it can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

The Company classifies all insurance contracts as short-term insurance contracts, which means insurance contracts that have coverage periods of up to 1 year and no automatic renewal clause, as well as critical illness, personal accident, health that have coverage periods of more than 1 year but the Company can terminate, increase or decrease insurance premiums or change any benefits of the insurance contracts throughout the coverage period.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Premium receivables and allowance for doubtful accounts

Premium receivable from direct insurance is stated at its net realisable value. The Group set up an allowance for doubtful account based on estimated loss that may incur in collection of the premium receivable, on the basis of collection experience, analysis of debtor aging and a review of current status of the premium receivable as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recorded as expenses during the year.

4.6 Reinsurance assets

Reinsurance assets consist of insurance reserve refundable from reinsurers which is estimated based on the related reinsurance contract of loss reserves and outstanding claim in accordance with the law regarding insurance reserve calculation, and unearned premium reserves.

The Group set up an allowance for doubtful accounts of reinsurance assets when had indicator for impairment, based on losses that may be incurred due to uncollectible, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting periods.

Increase (decrease) in allowance for doubtful accounts is recorded as expenses during the year.

4.7 Reinsurance receivables and amount due to reinsurers

- (a) Reinsurance receivables are stated at the outstanding balance of amount due from reinsurers and amount deposit on reinsurance.

Amount due from reinsurers consist of inward premium receivable, accrued fee and commission income, claim and various other items receivable from reinsurers, less allowance for doubtful accounts. The Group set up an allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

- (b) Due to reinsurers consist of outstanding balance of amount due to reinsurers and amount withheld on reinsurance.

Amount due to reinsurers consist of reinsurance premiums, and other items payable to reinsurers, excluding loss reserve from reinsurance.

The Group presents net of reinsurance to the same entity (reinsurance receivables or amounts due to reinsurers) when the following criteria for offsetting are met.

- (1) The Group has a legal right to offset amounts presented in the statements of financial position, and
- (2) The Group intend to receive or pay the net amount recognised in the statements of financial position, or to realise the asset at the same time as it pays the liability.

4.8 Financial instruments

Investment in debt and equity instruments

The Company has classified financial assets as financial assets - debt instruments and equity instruments as follows:

Financial assets - debt instruments

The Group has classified investments in debt instruments as financial assets to be subsequently measured at amortised cost or fair value, based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, on the basis of the facts on the date of acquisition, with classifications as follows:

- (a) Financial assets measured at fair value through profit or loss (FVTPL)

If the Company hold financial assets in debt instruments following business model, which the objective is not achieved collecting contractual cash flows or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. These financial assets are classified as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on change in fair value are recognised in profit or loss.

- (b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Investments in debt instruments are classified as financial assets measured at fair value through other comprehensive income if they meet both of the following conditions: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value.

After initial recognition, gain or loss on changes in fair value are presented as a separate item in other comprehensive income. The expected credit loss and interest income, which is calculated using the effective interest rate method, are recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented at fair value and net of allowance for expected credit loss (if any) in the statement of financial position.

(c) Financial assets measured at amortised cost

Investments in debt instruments are classified as financial assets measured at amortised cost if they meet both of the following conditions: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value as at transaction date.

At the end of reporting period, investments in debt instruments measured at amortised cost are started at amortised cost and net of allowance for expected credit loss (if any) in the statement of financial position.

Financial assets - equity instruments

All equity instruments are recognised at fair value in the statement of financial position, classified as follows:

(a) Financial assets measured at fair value through profit or loss

Investment in equity instruments that are held for trading are classified as financial assets measured at fair value through profit or loss, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis.

After initial recognition, gain or loss arising from changes in fair value are recognised in profit or loss.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented at fair value in the statement of financial position.

(b) Financial assets measured at fair value through other comprehensive income

Investments in equity instruments that are not held for trading but held for strategic purposes or investments in securities with high market volatility are classified as financial assets measured at fair value through other comprehensive income, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis. The Company also classifies investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds as investments in equity instrument designated at fair value through other comprehensive income.

After initial recognition, gain or loss arising from changes in the fair value of investments in equity instruments are separately presented in other comprehensive income.

At the end of the reporting period, investments in equity instruments designated at fair value through other comprehensive income are presented at fair value in the statement of financial position.

Investments in equity instruments are designated to be measured at fair value through other comprehensive income without requiring impairment assessment.

Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flow techniques or approximated to their netbook value. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the Thai Bond Market Association while the fair value of non-listed unit trusts is determined based on their net asset value.

Investment income and disposal of investments

Gain or loss arising from disposal of investments are recognised in profit or loss on the transaction date, in statement of comprehensive income, except for gain or loss from disposal of investments in equity instruments designated to be measured at fair value through other comprehensive income, which are recognised in retained earnings. The weighted average method is used for computation of the cost of investments.

Dividends on these investments are recognised in profit or loss in the statement of comprehensive income, unless the dividends clearly represent a recovery of part of the cost of the investment.

Changes in classification of investments in debt instruments

When there are changes in the Group's business model for management of financial assets, the Group has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investments.

Loans and interest receivables

Loans and interest receivables are stated at amortise cost and net of allowance for expected credit loss (if any).

Allowance for expected credit loss of financial assets

The Group recognises expected credit loss on its financial assets that are debt instruments, such as cash and cash equivalent, financial assets that debt instruments measured at amortised cost, financial assets that are debt instruments measured at fair value through comprehensive income and loans and interest receivables by applying the general approach in accordance with TFRS9. The Group recognises an allowance for expected credit loss at the amount equivalent to the lifetime expected credit loss when there has been a significant increase in credit risk since the initial recognition date but that are not credit-impaired or that are impaired. However, if there has not been a significant increase in credit risk since initial recognition date, the Group recognised allowance for expected credit loss at the amount equivalent to the expected credit loss in the next 12 months.

At every reporting date, the Group assesses whether there has been a significant increase in the credit risk of financial assets since initial recognition by considering internal and external credit ratings of the counterparties and overdue status.

Expected credit loss (ECLs) are calculated using probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group assessed PD and LGD by considering the historical loss experience adjusted with current observable data and reasonable and supportable forward-looking information. The Group determines EAD using gross carrying value at the reporting date.

For other financial assets or contract assets that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit loss. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Increase (decrease) in allowance for expected credit loss is recognised as expenses during the year in profit or loss in statement of comprehensive income.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value and net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.9 Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of derivatives is based on their market price at the end of financial reporting period.

4.10 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method and net of allowance for impairment (if any). Loss on impairment is recognised as expense in the statement of comprehensive income.

4.11 Property, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	- 20 years
Furniture and equipment	- 2 - 5 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided on land and work in process.

An item of property, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (the difference between the net compensation from disposal of an asset and the carrying amounts) is included in profit or loss when the asset is derecognised.

4.12 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss. No amortisation is provided on computer software under development.

The intangible assets with finite useful lives which are computer software are 2 and 10 years.

4.13 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired.

Goodwill is carried at cost less any accumulated impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment loss relating to goodwill cannot be reversed in future periods.

4.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment review in respect of the property, buildings and equipment, right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss as part of the statement of comprehensive income.

In the assessment of asset impairment if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased in carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.15 Insurance contract liabilities

Insurance contract liabilities consist of claim reserve and outstanding claims and premium reserves.

(a) Claim reserves and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the management. The maximum value of claims estimate is however, not to exceed the sum-insured under the relevant policy.

Claim reserves are calculated by using an actuarial method based on a best estimate of claims which are expected to be paid in respect of losses that occurred before or as at the end of the reporting date, covering both reported and not reported loss, and including loss adjustment expense, after deducting salvage values and other recoverable value. The difference between the calculated claim reserves and the claim already recognised are recorded as incurred but not yet reported claims (IBNR).

(b) Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risk reserve.

(1) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Daily average basis by the period of coverage under policy

(2) Unexpired risk reserve

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

As at the end of reporting period, the Group compares the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is therefore presented in the financial statements.

The increase or decrease in premium reserve from prior year is to be recognised in profit or loss.

4.16 Employee benefits

(a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

(b) Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by an independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

4.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	2 - 7 years
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Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.

The Group discounted the present value of the lease payments by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.19 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and loss on exchange are included in the statement of income.

4.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and its carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting period, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.21 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities. In case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Allowances for expected credit loss of financial assets

The management is required to use judgement in estimating allowance for expected credit loss of financial assets. The Group's calculation of allowance for expected credit loss depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the debtors status analysis, and the probability of debt collection. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

5.3 Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, both of its fair value less costs of disposal and its value in use. The recoverable amount is based on available data or observable market prices or a discounted cash flow model. The cash flows are derived from the expected future cash-inflows. Changes in assumption relevant to the factors used in calculation may affect the assessment of impairment.

5.4 Allowance for doubtful accounts

In determining an allowance for doubtful accounts on premium receivables, and amounts due from reinsurers the management needs to make judgement and estimates based upon, among other things, past collection history, aging of outstanding debts and the prevailing economic condition.

5.5 Property, buildings and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual value of the buildings and equipment, and to review estimate useful lives and residual value when there are any changes.

In addition, the management is required to review property, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.6 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.7 Loss reserves and outstanding claims

At the end of each reporting period, the Group has to estimate loss reserves and outstanding claims taking into account two factors. These are claims incurred and reported, and the claims incurred but not yet reported (IBNR). The ultimate loss of outstanding claims is established using a range of standard actuarial claims projection techniques. The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred loss, average costs per claim and claim numbers, etc. Nevertheless, the estimation requires the management's judgements reflecting the best estimate available at that time, such estimates are forecasts of future outcomes, and actual results could differ.

5.8 Unexpired risk reserve

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

5.9 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.10 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess the results of the litigation and believes that loss incurred will not exceed the recorded amounts as at the end of reporting period.

5.11 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise 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 and disclosures of fair value hierarchy.

6. Classification of financial assets and financial liabilities

As at 31 December 2021 and 2020, carrying amount of financial assets and financial liabilities are classified as follow:

	Consolidated financial statements					(Unit: Baht)
	2021					
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total	
Financial assets						
Cash and cash equivalents	-	-	-	745,844,663	745,844,663	
Accrued investment income	-	-	-	17,124,975	17,124,975	
Financial assets - debt instruments	1,466,259,935	1,806,066,299	-	1,108,329,066	4,380,655,300	
Financial assets - equity instruments	412,646,589	-	343,371,222	-	756,017,811	
Loan and interest receivables	-	-	-	4,071,757	4,071,757	
Claim receivables from litigants	-	-	-	562,444,379	562,444,379	
Cash equivalents which subject to restrictions	-	-	-	9,039,892	9,039,892	
Financial liabilities						
Derivative liabilities	764,195	-	-	-	764,195	
Other liabilities - Lease liabilities	-	-	-	3,205,385	3,205,385	

	Consolidated financial statements					(Unit: Baht)
	2020					
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total	
Financial assets						
Cash and cash equivalents	-	-	-	332,677,458	332,677,458	
Accrued investment income	-	-	-	14,108,255	14,108,255	
Financial assets - debt instruments	1,467,639,493	1,210,687,624	-	1,187,274,028	3,865,601,145	
Financial assets - equity instruments	382,383,982	-	312,838,040	-	695,222,022	
Loan and interest receivables	-	-	-	6,231,917	6,231,917	
Claim receivables from litigants	-	-	-	484,905,778	484,905,778	
Cash equivalents which subject to restrictions	-	-	-	9,352,233	9,352,233	
Financial liabilities						
Other liabilities - Lease liabilities	-	-	-	3,661,317	3,661,317	

(Unit: Baht)

	Separate financial statements				
	2021				
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	737,770,587	737,770,587
Accrued investment income	-	-	-	12,903,066	12,903,066
Financial assets - debt					
instruments	1,466,259,935	1,806,066,299	-	1,066,189,682	4,338,515,916
Financial assets - equity					
instruments	412,646,589	-	343,371,222	-	756,017,811
Loan and interest receivables	-	-	-	4,071,757	4,071,757
Claim receivables from litigants	-	-	-	562,357,661	562,357,661
Cash equivalents which subject to restrictions	-	-	-	9,039,892	9,039,892
Financial liabilities					
Derivative liabilities	764,195	-	-	-	764,195

(Unit: Baht)

	Separate financial statements				
	2020				
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	329,948,597	329,948,597
Accrued investment income	-	-	-	12,141,460	12,141,460
Financial assets - debt					
instruments	1,467,639,493	1,210,687,624	-	1,141,609,484	3,819,936,601
Financial assets - equity					
instruments	382,383,982	-	312,838,040	-	695,222,022
Loan and interest receivables	-	-	-	6,231,917	6,231,917
Claim receivables from litigants	-	-	-	484,796,581	484,796,581
Cash equivalents which subject to restrictions	-	-	-	9,352,233	9,352,233

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash on hand	6,254,511	3,394,815	6,220,893	3,289,904
Deposits at banks with no fixed maturity date	736,900,031	326,923,102	728,786,597	324,249,506
Deposits at banks and certificate of deposit with fixed maturity date	3,609,305	2,585,811	3,609,305	2,585,811
Total cash and cash equivalents	746,763,847	332,903,728	738,616,795	330,125,221
Less: Allowance for expected credit loss	(919,184)	(226,270)	(846,208)	(176,624)
Cash and cash equivalents	745,844,663	332,677,458	737,770,587	329,948,597

As at 31 December 2021, saving deposits and fixed deposits carried interest between 0.00% and 1.00% per annum (Separate financial statements: 0.00% and 0.65% per annum) (2020: between 0.00% and 1.00% per annum for the consolidated financial statements and between 0.00% and 0.75% per annum for the separate financial statements).

8. Premium receivables

The balances as at 31 December 2021 and 2020 of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Not yet due	759,288,503	588,226,677	759,181,034	588,223,740
Not over 30 days	102,184,129	105,028,040	102,009,298	104,804,249
Over 30 days to 60 days	47,215,310	30,196,850	47,170,764	30,194,361
Over 60 days to 90 days	15,038,619	15,867,224	15,018,354	15,867,224
Over 90 days	24,576,838	15,775,473	24,552,100	15,775,473
Total premium receivables	948,303,399	755,094,264	947,931,550	754,865,047
Less: Allowance for doubtful accounts	(1,159,286)	(807,435)	(1,159,286)	(807,435)
Total premium receivables, net	947,144,113	754,286,829	946,772,264	754,057,612

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company takes legal actions with such agents and brokers on a case by case basis.

9. Reinsurance assets

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2021	2020
Insurance reserves refundable from reinsurers		
Claim reserves and outstanding claims	154,685,007	184,033,343
Unearned premium reserves	<u>231,344,709</u>	<u>243,814,069</u>
Reinsurance assets	<u>386,029,716</u>	<u>427,847,412</u>

10. Receivables from reinsurance contracts

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Amounts deposited on reinsurance	-	-	63,831	12,337
Amounts due from reinsurers	64,452,039	<u>178,405,004</u>	65,835,998	179,792,238
Total	64,452,039	<u>178,405,004</u>	65,899,829	179,804,575
Less: Allowance for doubtful accounts	<u>(17,580,862)</u>	-	<u>(17,580,862)</u>	-
Receivables from reinsurance contracts - net	<u>46,871,177</u>	<u>178,405,004</u>	<u>48,318,967</u>	<u>179,804,575</u>

As at 31 December 2021 and 2020, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Not yet due	20,532,191	28,669,193	20,532,191	29,307,400
Not over 1 year	43,702,335	149,518,298	45,086,294	150,267,325
Over 1 year to 2 years	<u>217,513</u>	<u>217,513</u>	<u>217,513</u>	<u>217,513</u>
Total	64,452,039	<u>178,405,004</u>	65,835,998	179,792,238
Less: Allowance for doubtful accounts	<u>(17,580,862)</u>	-	<u>(17,580,862)</u>	-
Total amounts due from reinsurers - net	<u>46,871,177</u>	<u>178,405,004</u>	<u>48,255,136</u>	<u>179,792,238</u>

11. Financial assets - debt instruments

11.1 Classified by type of financial assets

(Unit: Baht)

	Consolidated financial statements			
	2021		2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Debt instruments measured at FVTPL				
Government and state enterprise securities	29,965,916	29,764,552	20,333,131	20,540,780
Private debt securities	-	-	100,000,000	100,275,512
Unit trusts	1,490,226,711	1,436,495,383	1,393,031,327	1,346,823,201
Total	1,520,192,627	1,466,259,935	1,513,364,458	1,467,639,493
Less: Unrealised loss	(53,932,692)		(45,724,965)	
Total	1,466,259,935		1,467,639,493	
Debt instruments measured at FVOCI				
Government and state enterprise securities	80,004,673	80,311,963	80,009,421	81,769,216
Private debt securities	1,712,301,946	1,725,754,336	1,110,176,819	1,128,918,408
Total	1,792,306,619	1,806,066,299	1,190,186,240	1,210,687,624
Add: Unrealised gain	15,699,003		21,753,530	
Less: Allowance for expected credit loss	(1,939,323)		(1,252,146)	
Total	1,806,066,299		1,210,687,624	
Debt instruments measured at amortised cost				
Government and state enterprise securities	178,509,920		441,923,117	
Private debt securities	841,000		841,000	
Foreign debt instruments	25,000,000		30,000,000	
Deposits at financial institutions which				
amounts maturing in over 3 months	907,700,179		718,934,741	
Total	1,112,051,099		1,191,698,858	
Less: Allowance for expected credit loss	(3,722,033)		(4,424,830)	
Total	1,108,329,066		1,187,274,028	
Total financial assets - debt instruments - net	4,380,655,300		3,865,601,145	

(Unit: Baht)

	Separate financial statements			
	2021		2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Debt instruments measured at FVTPL				
Government and state enterprise securities	29,965,916	29,764,552	20,333,131	20,540,780
Private debt securities	-	-	100,000,000	100,275,512
Unit trusts	1,490,226,711	1,436,495,383	1,393,031,327	1,346,823,201
Total	1,520,192,627	1,466,259,935	1,513,364,458	1,467,639,493
Less: Unrealised loss	(53,932,692)		(45,724,965)	
Total	1,466,259,935		1,467,639,493	
Debt instruments measured at FVOCI				
Government and state enterprise securities	80,004,673	80,311,963	80,009,421	81,769,216
Private debt securities	1,712,301,946	1,725,754,336	1,110,176,819	1,128,918,408
Total	1,792,306,619	1,806,066,299	1,190,186,240	1,210,687,624
Add: Unrealised gain	15,699,003		21,753,530	
Less: Allowance for expected credit loss	(1,939,323)		(1,252,146)	
Total	1,806,066,299		1,210,687,624	
Debt instruments measured at amortised cost				
Government and state enterprise securities	178,509,920		441,923,117	
Private debt securities	841,000		841,000	
Foreign debt instruments	25,000,000		30,000,000	
Deposits at financial institutions which				
amounts maturing in over 3 months	865,540,390		673,248,074	
Total	1,069,891,310		1,146,012,191	
Less: Allowance for expected credit loss	(3,701,628)		(4,402,707)	
Total	1,066,189,682		1,141,609,484	
Total financial assets - debt instruments - net	4,338,515,916		3,819,936,601	

As at 31 December 2021 and 2020, certain investments of the Group has been placed and reserved as insurance reserves with the Registrar, and placed as other collateral in respect of certain performance as required in the normal course of business as described in Note 36 to the financial statements.

11.2 Classified by stage of credit risk

(Unit: Baht)

	Consolidated and separate financial statements			
	2021		2020	
	Allowance for expected Fair value	credit loss	Allowance for expected Fair value	credit loss
Debt instruments measured at FVOCI				
Stage 1 - Debt securities without a significant increase in credit risk	1,806,066,299	1,845,383	1,210,687,624	1,158,206
Stage 3 - Debt securities with credit impaired	-	93,940	-	93,940
Total	<u>1,806,066,299</u>	<u>1,939,323</u>	<u>1,210,687,624</u>	<u>1,252,146</u>

(Unit: Baht)

	Consolidated financial statements					
	2021			2020		
	Carrying value - gross	Allowance for expected credit loss	Carrying value	Carrying value - gross	Allowance for expected credit loss	Carrying value
Debt instruments measured at amortised cost						
Stage 1 - Debt securities without a significant increase in credit risk	1,086,210,099	501,711	1,085,708,388	1,160,857,858	446,180	1,160,411,678
Stage 2 - Debt securities with a significant increase in credit risk	25,000,000	2,379,322	22,620,678	30,000,000	3,137,650	26,862,350
Stage 3 - Debt securities with credit impaired	<u>841,000</u>	<u>841,000</u>	<u>-</u>	<u>841,000</u>	<u>841,000</u>	<u>-</u>
Total	<u>1,112,051,099</u>	<u>3,722,033</u>	<u>1,108,329,066</u>	<u>1,191,698,858</u>	<u>4,424,830</u>	<u>1,187,274,028</u>

(Unit: Baht)

	Separate financial statements					
	2021			2020		
	Carrying value - gross	Allowance for loss	Carrying value	Carrying value - gross	Allowance for loss	Carrying value
Debt instruments measured at amortised cost						
Stage 1 - Debt securities without a significant increase in credit risk	1,044,050,310	481,306	1,043,569,004	1,115,171,191	424,057	1,114,747,134
Stage 2 - Debt securities with a significant increase in credit risk	25,000,000	2,379,322	22,620,678	30,000,000	3,137,650	26,862,350
Stage 3 - Debt securities with credit impaired	841,000	841,000	-	841,000	841,000	-
Total	<u>1,069,891,310</u>	<u>3,701,628</u>	<u>1,066,189,682</u>	<u>1,146,012,191</u>	<u>4,402,707</u>	<u>1,141,609,484</u>

12. Financial assets - equity instruments

12.1 Classified by type of financial assets

	Consolidated and separate financial statements			
	2021		2020	
	Cost	Fair value	Cost	Fair value
Equity instruments measured at FVTPL				
Domestic listed equity instruments	342,806,892	353,037,286	299,669,977	284,164,427
Foreign listed equity instruments	65,382,652	59,609,303	21,250,675	23,544,346
Domestic unit trusts	-	-	69,775,380	74,675,209
Total	<u>408,189,544</u>	<u>412,646,589</u>	<u>390,696,032</u>	<u>382,383,982</u>
Add (less): Unrealised gain (loss)	<u>4,457,045</u>		<u>(8,312,050)</u>	
Total	<u>412,646,589</u>		<u>382,383,982</u>	
Equity instruments designated at FVOCI				
Domestic listed equity instruments	31,296,397	80,200,293	41,962,397	86,781,507
Non-listed equity instruments	3,720,650	143,523,049	3,720,650	90,611,795
Domestic unit trusts	84,419,905	119,647,880	94,553,253	135,444,738
Total	<u>119,436,952</u>	<u>343,371,222</u>	<u>140,236,300</u>	<u>312,838,040</u>
Add: Unrealised gain	<u>223,934,270</u>		<u>172,601,740</u>	
Total	<u>343,371,222</u>		<u>312,838,040</u>	
Total financial assets - equity instruments - net	<u>756,017,811</u>		<u>695,222,022</u>	

12.2 Equity instruments designated at FVOCI

(Unit: Baht)

	Consolidated and separate financial statements			
	2021		2020	
	Fair value	Dividend received	Fair value	Dividend received
Equity instruments designated at FVOCI				
Domestic listed equity instruments	80,200,293	2,205,086	86,781,507	3,055,110
Non-listed equity instruments	143,523,049	30,375	90,611,795	20,250
Domestic unit trusts	119,647,880	9,824,841	135,444,738	5,682,534
Total	<u>343,371,222</u>	<u>12,060,302</u>	<u>312,838,040</u>	<u>8,757,894</u>

12.3 Investments derecognition

During the years ended 31 December 2021 and 2020, the Company disposed off its investments in equity instruments designated at fair value through other comprehensive income from the accounts. The Company therefore transferred the previous recognised changes in the fair value of these investments in other comprehensive income, to be recognised in retained earnings as follows:

(Unit: Baht)

	Consolidated and separate financial statements			
	For the year ended 31 December 2021			
	Fair value at the derecognition date	Dividend received	Retained earnings (loss) from disposal	Reason for derecognition
Domestic listed equity instruments	16,661,580	7,801,920	(1,758,580)	Disposal
Total	<u>16,661,580</u>	<u>7,801,920</u>	<u>(1,758,580)</u>	
Add: Related tax			351,716	
			<u>(1,406,864)</u>	

(Unit: Baht)

	Consolidated and separate financial statements			
	For the year ended 31 December 2020			
	Fair value at the derecognition date	Dividend received	Retained earnings (loss) from disposal	Reason for derecognition
Domestic listed equity instruments	6,650,340	-	3,837,223	Disposal
Total	<u>6,650,340</u>	<u>-</u>	<u>3,837,223</u>	
Add: Related tax			(767,445)	
			<u>3,069,778</u>	

13. Other components of equity - surplus on changes in value of investments

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Debt instruments measured at FVOCI		
Balance - beginning of the year	17,402,824	11,489,009
Changes during the year		
Gain (loss) on revaluation during the year	(6,054,527)	10,264,521
Related income tax	1,210,906	(2,052,904)
Net comprehensive income for the year (loss)	(4,843,621)	8,211,617
Balance - end of the year	12,559,203	17,402,824
Equity instruments designated at FVOCI		
Balance - beginning of the year	138,081,392	275,246,136
Changes during the year		
Gain (loss) on revaluation during the year	49,573,950	(167,618,707)
Loss (gain) on sales recognised in retained earnings during the year	1,758,580	(3,837,223)
Total	51,332,530	(171,455,930)
Related income tax	(10,266,506)	34,291,186
Net comprehensive income for the year (loss)	41,066,024	(137,164,744)
Balance - end of the year	179,147,416	138,081,392
Total	191,706,619	155,484,216

14. Loans and interest receivables

As at 31 December 2021 and 2020, loans and interest receivables classified by stage of credit risk as follows:

(Unit: Baht)

Staging	Consolidated and separate financial statements		
	2021		
	Mortgage loans	Other loans	Total
Stage 1 - Loans without a significant increase in credit risk	3,572,140	499,617	4,071,757
Stage 3 - Loans with credit impaired	753,812	-	753,812
Total	4,325,952	499,617	4,825,569
Less: Allowance for expected credit loss	(753,812)	-	(753,812)
Loans and interest receivables - net	3,572,140	499,617	4,071,757

(Unit: Baht)

Staging	Consolidated and separate financial statements		
	2020		
	Mortgage loans	Other loans	Total
Stage 1 - Loans without a significant increase in credit risk	5,177,377	1,054,540	6,231,917
Stage 3 - Loans with credit impaired	753,812	-	753,812
Total	5,931,189	1,054,540	6,985,729
Less: Allowance for expected credit loss	(753,812)	-	(753,812)
Loans and interest receivables - net	5,177,377	1,054,540	6,231,917

The assets used as collateral for mortgage loans are mainly land and construction thereon. The mortgage value of these assets according to mortgage agreements have been used in assessing the loan loss allowance.

The Company has set the criteria for loans granted to employees, which include term of repayment and applicable interest rate. The Company charges interest on such loan at the rate of 5.5% per annum, 8.5% per annum on the first consecutive loan and an additional 2.0% per annum on further consecutive loans. The Company has determined the credit limit of each project as follows:

Project	Collateral	Credit line
General loan	Personal guarantees	- Not exceeding 4 times monthly salary, with a limit of Baht 50,000
Housing loan	Land and/or construction thereon	<ul style="list-style-type: none"> - Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 70% of the appraisal value of the land - Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the land and construction thereon
Housing maintenance loan	Personal guarantees and/or securities	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the housing

15. Investments in subsidiaries

15.1 Detail of investments in subsidiaries as presented in separate financial statements is as follow:

Company's name	Shareholding					
	Paid up capital		percentage		Cost	
	2021	2020	2021	2020	2021	2020
	Baht	Baht	%	%	Baht	Baht
Laovivat Insurance Co., Ltd. (engaged in non-life insurance business)	67,200,000	67,200,000	70.0	70.0	67,200,000	67,200,000
Motor AI Recognition Solution Co., Ltd. (engaged in non-life insurance technology service)	20,000,000	-	100.0	-	20,000,000	-
					<u>87,200,000</u>	<u>67,200,000</u>

On 17 December 2020, a meeting of the Board of Directors of the Company passed a resolution approving the Company's incorporation of investments in a new company with the objective to operate technology business that is beneficial to the insurance business. On 8 January 2021, the Company established and invested in Motor AI Recognition Solution Company Limited ("MARS") and acquired 0.2 million ordinary shares of MARS, or a total of Baht 20 million, representing 100 % of the registered share capital. The Company reported the investments to OIC in February 2021.

15.2 Details of investments in subsidiary that have material non-controlling interests

Company's name	(Unit: Baht)					
	Proportion of equity		Loss allocated to			
	interest held by		Accumulated balance of		non-controlling interests	
	non-controlling interests	non-controlling interests	2021	2020	2021	2020
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
Laovivat Insurance Co., Ltd.	30.0	30.0	12,398,462	13,564,970	(223,493)	(231,030)

15.3 Summarised financial information about subsidiaries that based on amounts before inter-company elimination

(a) Summarised information about financial position

	(Unit: Baht)			
	Laovivat Insurance Co., Ltd.		Motor AI Recognition Solution Co., Ltd.	
	2021	2020	2021	2020
Assets	53,850,233	56,977,977	14,016,702	-
Liabilities	12,522,026	11,761,411	5,898,992	-
Net assets value	<u>41,328,207</u>	<u>45,216,566</u>	<u>8,117,710</u>	-

(b) Summarised information about comprehensive income

	(Unit: Baht)			
	For the years ended 31 December			
	Laovivat Insurance Co., Ltd.		Motor AI Recognition Solution Co., Ltd.	
	2021	2020	2021	2020
Revenue	6,001,170	6,838,236	77,748	-
Loss for the period	(744,976)	(770,098)	(11,882,290)	-
Other comprehensive income	-	-	-	-
Total comprehensive income (loss)	<u>(744,976)</u>	<u>(770,098)</u>	<u>(11,882,290)</u>	-

(c) Summarised information about cash flows

	(Unit: Baht)			
	For the years ended 31 December			
	Laovivat Insurance Co., Ltd.		Motor AI Recognition Solution Co., Ltd.	
	2021	2020	2021	2020
Cash flow from (used in) operating activities	220,808	2,202,469	(6,553,636)	-
Cash flow used in investing activities	-	(2,227)	(7,550,389)	-
Cash flow from (used in) financing activities	(589,466)	(541,740)	20,000,000	-
Net increase (decrease) in cash and cash equivalents	<u>(368,658)</u>	<u>1,658,502</u>	<u>5,895,975</u>	-

16. Property, buildings and equipment

(Unit: Baht)

	Consolidated financial statements						
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Work in process	Total
Cost							
As at 1 January 2020	211,950,180	232,489,557	49,801,344	97,261,130	91,879,143	781,035	684,162,389
Additions	-	-	1,855,160	10,828,989	8,901,692	10,003,005	31,588,846
Transfer in/(out)	-	5,786,991	233,826	2,795,322	214,766	(9,030,905)	-
Disposals	-	-	-	(3,341,062)	(7,815,351)	-	(11,156,413)
Exchange differences on translation of financial statements in foreign currency	-	-	129,146	59,352	29,318	7,639	225,455
As at 31 December 2020	211,950,180	238,276,548	52,019,476	107,603,731	93,209,568	1,760,774	704,820,277
Additions	-	-	153,040	6,372,173	-	14,014,922	20,540,135
Transfer in/(out)	-	-	452,000	776,335	-	(1,228,335)	-
Disposals	-	-	-	(2,186,412)	(10,386,659)	-	(12,573,071)
Exchange differences on translation of financial statements in foreign currency	-	-	(271,654)	(120,747)	(58,636)	-	(451,037)
As at 31 December 2021	211,950,180	238,276,548	52,352,862	112,445,080	82,764,273	14,547,361	712,336,304
Accumulated depreciation							
As at 1 January 2020	-	162,967,845	38,507,783	79,481,134	75,313,216	-	356,269,978
Depreciation for the year	-	4,878,646	4,250,172	10,620,052	7,339,081	-	27,087,951
Accumulated depreciation on disposals	-	-	-	(3,340,470)	(7,815,278)	-	(11,155,748)
Adjustments	-	-	(67,716)	67,716	-	-	-
Exchange differences on translation of financial statements in foreign currency	-	-	127,377	25,779	12,701	-	165,857
As at 31 December 2020	-	167,846,491	42,817,616	86,854,211	74,849,720	-	372,368,038
Depreciation for the year	-	5,134,082	4,426,510	11,037,914	5,756,786	-	26,355,292
Accumulated depreciation on disposals	-	-	-	(2,181,091)	(10,386,640)	-	(12,567,731)
Exchange differences on translation of financial statements in foreign currency	-	-	(257,403)	(75,960)	(37,162)	-	(370,525)
As at 31 December 2021	-	172,980,573	46,986,723	95,635,074	70,182,704	-	385,785,074
Net book value							
As at 31 December 2020	211,950,180	70,430,057	9,201,860	20,749,520	18,359,848	1,760,774	332,452,239
As at 31 December 2021	211,950,180	65,295,975	5,366,139	16,810,006	12,581,569	14,547,361	326,551,230
Depreciation for the year							
2020							27,087,951
2021							26,355,292

(Unit: Baht)

	Separate financial statements						
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Work in process	Total
Cost							
As at 1 January 2020	211,950,180	232,489,557	45,410,380	95,243,152	90,882,325	521,325	676,496,919
Additions	-	-	1,855,160	10,826,762	8,901,692	10,003,005	31,586,619
Transfer in/(out)	-	5,786,991	-	2,761,800	214,766	(8,763,557)	-
Disposals	-	-	-	(3,341,062)	(7,815,351)	-	(11,156,413)
As at 31 December 2020	211,950,180	238,276,548	47,265,540	105,490,652	92,183,432	1,760,773	696,927,125
Additions	-	-	153,040	5,666,933	-	14,014,922	19,834,895
Transfer in/(out)	-	-	452,000	776,335	-	(1,228,335)	-
Disposals	-	-	-	(2,186,412)	(10,386,659)	-	(12,573,071)
As at 31 December 2021	211,950,180	238,276,548	47,870,580	109,747,508	81,796,773	14,547,360	704,188,949
Accumulated depreciation							
As at 1 January 2020	-	162,967,845	34,109,274	78,672,347	74,881,367	-	350,630,833
Depreciation for the year	-	4,878,646	4,203,782	10,193,023	7,133,293	-	26,408,744
Accumulated depreciation on disposals	-	-	-	(3,340,470)	(7,815,278)	-	(11,155,748)
As at 31 December 2020	-	167,846,491	38,313,056	85,524,900	74,199,382	-	365,883,829
Depreciation for the year	-	5,134,082	4,024,616	10,842,264	5,563,286	-	25,564,248
Accumulated depreciation on disposals	-	-	-	(2,181,091)	(10,386,640)	-	(12,567,731)
As at 31 December 2021	-	172,980,573	42,337,672	94,186,073	69,376,028	-	378,880,346
Net book value							
As at 31 December 2020	211,950,180	70,430,057	8,952,484	19,965,752	17,984,050	1,760,773	331,043,296
As at 31 December 2021	211,950,180	65,295,975	5,532,908	15,561,435	12,420,745	14,547,360	325,308,603
Depreciation for the year							
2020							26,408,744
2021							25,564,248

As at 31 December 2021, certain equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 308.0 million (Separate financial statements: Baht 303.8 million) (2020: Baht 294.9 million in consolidated financial statements and Baht 290.4 million in separate financial statements).

17. Intangible assets - computer software

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software under development		Total	Computer software under development		Total
	Computer software			Computer software		
Cost						
As at 1 January 2020	53,084,304	2,207,355	55,291,659	52,743,765	2,207,355	54,951,120
Additions	132,400	7,762,223	7,894,623	132,400	7,762,223	7,894,623
Transfer in/(out)	4,317,200	(4,317,200)	-	4,317,200	(4,317,200)	-
Exchange differences on translation of financial statements in foreign currency	10,016	-	10,016	-	-	-
As at 31 December 2020	57,543,920	5,652,378	63,196,298	57,193,365	5,652,378	62,845,743
Additions	719,400	15,397,992	16,117,392	719,400	8,093,178	8,812,578
Transfer in/(out)	8,907,875	(8,907,875)	-	8,907,875	(8,907,875)	-
Exchange differences on translation of financial statements in foreign currency	(20,032)	-	(20,032)	-	-	-
As at 31 December 2021	67,151,163	12,142,495	79,293,658	66,820,640	4,837,681	71,658,321
Accumulated amortisation						
As at 1 January 2020	45,267,650	-	45,267,650	44,937,008	-	44,937,008
Amortisation for the year	1,952,379	-	1,952,379	1,942,191	-	1,942,191
Exchange differences on translation of financial statements in foreign currency	9,725	-	9,725	-	-	-
As at 31 December 2020	47,229,754	-	47,229,754	46,879,199	-	46,879,199
Amortisation for the year	2,380,877	-	2,380,877	2,380,878	-	2,380,878
Exchange differences on translation of financial statements in foreign currency	(20,032)	-	(20,032)	-	-	-
As at 31 December 2021	49,590,599	-	49,590,599	49,260,077	-	49,260,077
Net book value						
As at 31 December 2020	10,314,166	5,652,378	15,966,544	10,314,166	5,652,378	15,966,544
As at 31 December 2021	17,560,564	12,142,495	29,703,059	17,560,563	4,837,681	22,398,244
Amortisation for the year						
2020				1,952,379		1,942,191
2021				2,380,877		2,380,878

As at 31 December 2021, certain computer software items of the Group has been fully amortisation but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 40.6 million (Separate financial statements: Baht 40.3 million) (2020: Baht 37.8 million in consolidated financial statements and Baht 37.5 million in separate financial statements).

18. Deferred tax assets/Income tax expenses

18.1 Deferred tax assets

As at 31 December 2021 and 2020, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	Changes in deferred tax assets or liabilities			
	Consolidated and separate financial statements		For the years ended 31 December	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit loss	23,085,539	19,657,944	3,427,595	19,657,944
Allowance for doubtful accounts	4,877,990	1,291,448	3,586,542	(10,259,142)
Allowance for impairment of investments	1,562,618	1,562,618	-	-
Unearned premium reserves	163,818,242	134,290,367	29,527,875	38,377,392
Provision for claim incurred but not yet reported and outstanding claim	35,597,922	27,701,400	7,896,522	9,122,406
Loss on changes in value of investments				
Trading securities	-	-	-	(1,807,665)
Investments measured at FVTPL	9,895,129	10,807,403	(912,274)	10,807,403
Loss on change in value of derivatives	152,839	-	152,839	-
Unrealised loss on foreign exchange	-	128,899	(128,899)	128,899
Post employee benefit obligations	20,353,127	23,355,611	(3,002,484)	(1,138,994)
Total	<u>259,343,406</u>	<u>218,795,690</u>		
Deferred tax liabilities				
Gain on changes in value of investments				
Available-for-sale securities	-	-	-	(37,152,992)
Investments measured at FVOCI	47,926,654	38,871,054	9,055,600	38,871,054
Unrealised gain on foreign exchange	1,007,761	-	1,007,761	-
Total	<u>48,934,415</u>	<u>38,871,054</u>		
Deferred tax assets, net	<u>210,408,991</u>	<u>179,924,636</u>		
Total changes			<u>30,484,355</u>	<u>63,170,181</u>
Recognition of changes:				
- Profit or loss			42,784,254	65,666,444
- Other comprehensive income			(11,948,183)	30,881,339
- Retained earnings from disposal of investments measured at FVOCI (Note 12.3)			(351,716)	767,445
- Cumulative effect of the changes in accounting policies			-	(34,075,047)
Total changes			<u>30,484,355</u>	<u>63,170,181</u>

As at 31 December 2021, the subsidiaries have temporary differences and unused tax losses totaling Baht 16.7 million (2020: Baht 5.7 million), on which deferred tax assets have not been recognised as the subsidiaries believe that there is an uncertainty to allow utilisation of temporary differences and unused tax losses.

The unused tax losses amounting to Baht 16.7 million will expire by 2026.

18.2 Income tax expenses

The income tax expenses for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Current income tax:		
Corporate income tax charge in accordance with Revenue Code	160,410,620	85,129,575
Adjustments in respect of income tax of previous year	(204,998)	(344,752)
Deferred tax:		
Relating to origination and reversal of temporary differences	(42,784,254)	(65,666,444)
Relating to disposals of equity instruments designated at fair value through other comprehensive income during the year	351,716	(767,445)
Income tax expenses reported in profit or loss	<u>117,773,084</u>	<u>18,350,934</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Deferred tax relating to:		
Loss (gain) on changes in value of debt instruments measured at fair value through other comprehensive income	1,210,906	(2,052,904)
Loss (gain) on changes in value of equity instruments designated at fair value through other comprehensive income	(9,914,790)	33,253,741
Actuarial gains	<u>(3,244,299)</u>	<u>(659,498)</u>
Total	<u>(11,948,183)</u>	<u>30,811,339</u>

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2021	2020	2021	2020
Accounting profit before income tax expenses	<u>589,777,501</u>	<u>96,020,451</u>	<u>602,404,769</u>	<u>96,790,549</u>
Applicable corporate income tax rate	20%, 24%	20%, 24%	20%	20%
Income tax at the applicable tax rate	117,925,702	19,173,286	120,480,954	19,358,110
Adjustments in respect of income tax of previous year	(204,998)	(344,752)	(204,998)	(344,752)
Tax effects of:				
Temporary differences and tax loss which are not recognised as deferred tax assets	2,492,986	12,678	-	-
Tax-exempted revenues	(5,583,984)	(4,082,252)	(5,583,984)	(4,082,252)
Additional expenses deductions allowed	(788,764)	(1,336,841)	(788,764)	(1,336,841)
Non-deductible expenses	3,932,142	4,928,815	3,869,876	4,756,669
Income tax expenses reported in profit or loss	<u>117,773,084</u>	<u>18,350,934</u>	<u>117,773,084</u>	<u>18,350,934</u>

19. Other assets

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Claim receivables from litigants, net	562,444,379	484,905,778	562,357,661	484,796,581
Prepaid payment of ceded premium	109,046,403	102,130,559	109,046,403	102,130,559
Deposits on rice field insurance scheme	201,168,922	332,541,326	201,168,922	332,541,326
Prepaid commission expenses	50,605,880	50,770,908	50,605,880	50,770,908
Receivable from sale of investments	365,006	3,280,196	365,006	3,280,196
Right-of-use assets	2,665,136	3,340,598	-	-
Cash equivalents which subject to restrictions, net	9,039,892	9,352,233	9,039,892	9,352,233
Others	<u>43,450,983</u>	<u>39,454,376</u>	<u>44,376,295</u>	<u>40,545,661</u>
Total other assets	<u>978,786,601</u>	<u>1,025,775,974</u>	<u>976,960,059</u>	<u>1,023,417,464</u>

As at 31 December 2021 and 2020, the Group has pledged deposit at financial institutions mature within 3 months as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence as described in Notes 36 to the financial statements.

20. Insurance contract liabilities

(Unit: Baht)

	Consolidated financial Statements		
	2021		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,938,212,009	50,772,689	1,887,439,320
- Provision for claim incurred but not reported	185,029,524	103,912,318	81,117,206
Premium reserves			
- Unearned premium reserves	3,338,356,489	231,344,709	3,107,011,780
Total	5,461,598,022	386,029,716	5,075,568,306

(Unit: Baht)

	Consolidated financial Statements		
	2020		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,776,241,573	59,945,954	1,716,295,619
- Provision for claim incurred but not reported	196,329,408	124,087,389	72,242,019
Premium reserves			
- Unearned premium reserves	3,050,591,014	243,814,069	2,806,776,945
Total	5,023,161,995	427,847,412	4,595,314,583

(Unit: Baht)

Separate financial Statements			
	2021		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,937,116,282	50,772,689	1,886,343,593
- Provision for claim incurred but not reported	184,016,032	103,912,318	80,103,714
Premium reserves			
- Unearned premium reserves	3,335,942,179	231,344,709	3,104,597,470
Total	5,457,074,493	386,029,716	5,071,044,777

(Unit: Baht)

Separate financial Statements			
	2020		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,775,681,184	59,945,954	1,715,735,230
- Provision for claim incurred but not reported	195,657,272	124,087,389	71,569,883
Premium reserves			
- Unearned premium reserves	3,048,578,670	243,814,069	2,804,764,601
Total	5,019,917,126	427,847,412	4,592,069,714

During the years 2021 and 2020, the management of the Group entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, insurance contract liabilities disclosures have been made on both a gross and net basis in order to provide a comprehensive set of disclosures.

20.1 Claim reserves and outstanding claims

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2021	2020	2021	2020
Balance - beginning of the year	1,972,570,981	1,492,514,950	1,971,338,456	1,491,843,728
Claim incurred and loss adjustment expenses for the year	3,649,268,495	3,441,626,051	3,648,096,648	3,440,377,716
Changes in claim reserves and outstanding claims of prior year	(172,569,700)	(89,161,567)	(172,569,700)	(89,279,958)
Changes in claim reserves and assumptions	(11,194,847)	102,298,862	(11,641,240)	101,843,865
Claim and loss adjustment expenses paid during the year	(3,314,732,752)	(2,974,743,186)	(3,314,091,850)	(2,973,446,895)
Exchange differences on translation of financial statements in foreign currency	(100,644)	35,871	-	-
Balance - end of the year	<u>2,123,241,533</u>	<u>1,972,570,981</u>	<u>2,121,132,314</u>	<u>1,971,338,456</u>

As at 31 December 2021, the Group has claim reserves and outstanding claims under reinsurance contracts of Baht 2.7 million (Separate financial statements: Baht 2.8 million) (2020: Baht 0.5 million in consolidated financial statements and Baht 0.7 million in separate financial statements).

20.2 Unearned premium reserves

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2021	2020	2021	2020
Balance - beginning of the year	3,050,591,014	2,336,168,313	3,048,578,670	2,333,895,909
Premium written for the year	6,332,882,249	5,985,825,664	6,329,647,718	5,982,238,201
Premium earned for the current year	(6,044,960,246)	(5,271,488,122)	(6,042,284,209)	(5,267,555,440)
Exchange differences on translation of financial statements in foreign currency	(156,528)	85,159	-	-
Balance - end of the year	<u>3,338,356,489</u>	<u>3,050,591,014</u>	<u>3,335,942,179</u>	<u>3,048,578,670</u>

20.3 Claims development table

(a) Gross claims table

(Unit: Million Baht)

Consolidated financial Statements											
Reporting year /	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Accident year											
Claim provision:											
- as at accident year	1,309	1,662	1,773	1,684	1,820	1,969	2,258	2,862	3,288	3,339	
- Next one year	1,172	1,484	1,653	1,644	1,775	1,784	2,223	2,585	2,974		
- Next two years	1,150	1,556	1,599	1,630	1,759	1,677	2,079	2,526			
- Next three years	1,154	1,531	1,589	1,631	1,761	1,676	2,077				
- Next four years	1,173	1,529	1,585	1,627	1,763	1,674					
- Next five years	1,174	1,525	1,584	1,626	1,762						
- Next six years	1,170	1,508	1,584	1,626							
- Next seven years	1,154	1,508	1,584								
- Next eight years	1,154	1,508									
- Next nine years	1,154										
Ultimate claim reserves	1,154	1,508	1,584	1,626	1,762	1,674	2,077	2,526	2,974	3,339	20,224
Cumulative payment to date	1,154	1,508	1,584	1,626	1,762	1,671	2,072	2,509	2,796	2,017	18,699
Net	-	-	-	-	-	-	3	5	17	178	1,525
Adjusted claim incurred but not reported											540
Unallocated loss adjustment expenses											58
Total claim reserves and outstanding claims before reinsurance											2,123

(Unit: Million Baht)

Separate financial Statements											
Reporting year /	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Accident year											
Claim provision:											
- as at accident year	1,309	1,662	1,773	1,684	1,820	1,969	2,255	2,859	3,285	3,336	
- Next one year	1,172	1,484	1,653	1,644	1,775	1,784	2,221	2,582	2,971		
- Next two years	1,150	1,556	1,599	1,630	1,759	1,677	2,077	2,523			
- Next three years	1,154	1,531	1,589	1,631	1,761	1,676	2,075				
- Next four years	1,173	1,529	1,585	1,627	1,763	1,674					
- Next five years	1,174	1,525	1,584	1,626	1,762						
- Next six years	1,170	1,508	1,584	1,626							
- Next seven years	1,154	1,508	1,584								
- Next eight years	1,154	1,508									
- Next nine years	1,154										
Ultimate claim reserves	1,154	1,508	1,584	1,626	1,762	1,674	2,075	2,523	2,971	3,336	20,213
Cumulative payment to date	1,154	1,508	1,584	1,626	1,762	1,671	2,070	2,506	2,793	2,016	18,690
Net	-	-	-	-	-	-	3	5	17	178	1,523
Adjusted claim incurred but not reported											540
Unallocated loss adjustment expenses											58
Total claim reserves and outstanding claims before reinsurance											2,121

(b) Net claims table

(Unit: Million Baht)

Consolidated financial Statements											
Reporting year /	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Accident year											
Claim provision:											
- as at accident year	1,080	1,317	1,403	1,346	1,494	1,511	1,739	2,089	2,681	3,022	
- Next one year	993	1,173	1,321	1,314	1,465	1,416	1,699	1,914	2,517		
- Next two years	967	1,239	1,287	1,316	1,456	1,325	1,567	1,866			
- Next three years	972	1,213	1,279	1,317	1,459	1,325	1,565				
- Next four years	991	1,212	1,276	1,313	1,459	1,324					
- Next five years	992	1,208	1,275	1,312	1,458						
- Next six years	989	1,192	1,275	1,313							
- Next seven years	973	1,191	1,275								
- Next eight years	973	1,191									
- Next nine years	973										
Ultimate claim reserves	973	1,191	1,275	1,313	1,458	1,324	1,565	1,866	2,517	3,022	16,504
Cumulative payment to date	973	1,191	1,275	1,313	1,458	1,321	1,560	1,851	2,347	1,819	15,108
Net	-	-	-	-	-	-	3	5	15	170	1,203
Adjusted claim incurred but not reported											515
Unallocated loss adjustment expenses											58
Total claim reserves and outstanding claims after reinsurance											1,969
Separate financial Statements											
Reporting year /	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Accident year											
Claim provision:											
- as at accident year	1,080	1,317	1,403	1,346	1,494	1,511	1,737	2,087	2,679	3,020	
- Next one year	993	1,173	1,321	1,314	1,465	1,416	1,697	1,912	2,516		
- Next two years	967	1,239	1,287	1,316	1,456	1,325	1,565	1,864			
- Next three years	972	1,213	1,279	1,317	1,459	1,325	1,563				
- Next four years	991	1,212	1,276	1,313	1,459	1,324					
- Next five years	992	1,208	1,275	1,312	1,458						
- Next six years	989	1,192	1,275	1,313							
- Next seven years	973	1,191	1,275								
- Next eight years	973	1,191									
- Next nine years	973										
Ultimate claim reserves	973	1,191	1,275	1,313	1,458	1,324	1,563	1,864	2,516	3,020	16,497
Cumulative payment to date	973	1,191	1,275	1,313	1,458	1,321	1,559	1,849	2,347	1,818	15,104
Net	-	-	-	-	-	-	3	4	15	169	1,202
Adjusted claim incurred but not reported											515
Unallocated loss adjustment expenses											58
Total claim reserves and outstanding claims after reinsurance											1,966

20.4 Methodology and assumptions

The methodology and assumptions adopted by the Group for the gross and net valuations of insurance liabilities as at 31 December 2021 are presented as follows:

(1) Estimation method for best estimate of claims liabilities

Direct and Inward Facultative Business

There are three main actuarial methods applied in determining the best estimate of claims liabilities as follows.

- (i) Chain Ladder method (CL) based on both claims paid and claims incurred
- (ii) Bornhuetter-Ferguson method (BF) based on both claims paid and claims incurred
- (iii) Expected Loss Ratio method (ELR) based on both claims paid and claims incurred

The Company mostly relies on the Chain Ladder method on claims incurred to derive the best estimate of claims liabilities. The BF and ELR methods are also used where appropriate. The subsidiary mostly relies on the ELR method.

Inward Treaty Business

The Group employed a simple approach in estimating the IBNR reserves for inward treaty. This approach assumes that the IBNR requirements for the inward treaty business would be similar in proportion (as a percentage of outstanding case reserves) to the direct and inward facultative business.

(2) Assumptions of relevant expenses

There are 4 types of expenses relevant to determining insurance contract liabilities, as follows:

2.1 Allocated Loss Adjustment Expenses - ALAE

Since the ALAE are not included in claims paid triangles, a separate ALAE valuation is made, using the proportion of loss adjustment expenses to claims paid to determine an ALAE rate in triangles and ultimate claims projection.

2.2 Unallocated Loss Adjustment Expenses - ULAE

In determining the allowance for future ULAE (which is equivalent to Claims Handling Expenses), the Group derived assumptions from an estimate made using the Kittel method, with ULAE ratio computed separately for motor and non-motor classes.

The Group noted that for the purposes of this valuation, the gross outstanding liabilities exclude outstanding liabilities arising from the severe floods. For premium liabilities, the ULAE ratio was applied to the gross URR to obtain the Claims Handling Expenses for premium liabilities.

2.3 Maintenance Expenses

A percentage of historical maintenance expenses to historical gross earned premiums each year was applied onto the gross UPR to obtain the maintenance expense reserves for the premium liabilities at the end of the year.

2.4 Reinsurance Cost

Allowance for future costs of reinsurance is estimated based on the ratio of excess of loss reinsurance XOL premiums divided by net written premiums then applied to the net UPR.

21. Amount due to reinsurers

(Unit: Baht)

	Consolidated and separate financial statements	
	2021	2020
Amounts withheld on reinsurances	266,752,816	373,062,408
Outward premium payable	88,995,566	86,720,252
Total amounts due to reinsurers	355,748,382	459,782,660

22. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, for the years ended 31 December 2021 and 2020 was as follows:

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2021	2020
Provision for employee benefits at beginning of year	116,778,057	122,473,024
Recognised in profit or loss		
Current service cost	9,431,951	8,870,171
Interest cost	1,868,449	2,092,355
Recognised in other comprehensive income		
Actuarial loss (gain)		
Financial assumptions changes	(14,603,163)	1,336,110
Experience adjustments	(1,618,333)	(4,633,602)
Benefits paid during the year	<u>(10,091,337)</u>	<u>(13,360,001)</u>
Provision for employee benefits at end of year	<u>101,765,624</u>	<u>116,778,057</u>

The Group expects to pay Baht 16.1 million of long-term employee benefits during the next year (2020: Baht 15.8 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 16 years (2020: 16 years).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2021	2020
	% per annum	% per annum
Discount rate	2.8	1.6
Salary increase rate	5.0	5.0
Staff turnover rate (depending on age)	0.0 - 12.0	0.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Million Baht)

Consolidated and separate financial statements				
	2021		2020	
	Rate increase 0.5% per annum	Rate decrease 0.5% per annum	Rate increase 0.5% per annum	Rate decrease 0.5% per annum
Discount rate	Liabilities decrease 5.8	Liabilities increase 5.3	Liabilities decrease 6.7	Liabilities increase 6.4
Salary increase rate	Liabilities increase 5.3	Liabilities decrease 5.9	Liabilities increase 6.4	Liabilities decrease 6.7
Staff turnover rate	Liabilities decrease 1.8	Liabilities increase 0.9	Liabilities decrease 2.0	Liabilities increase 1.3

23. Other liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Premium received in advance	349,990,369	325,857,716	349,990,369	325,857,716
Accrued commissions	156,077,325	115,363,825	155,788,411	115,221,111
Accrued operating expenses	192,764,987	109,680,273	186,632,269	108,991,684
Payables on purchase of investments	3,615,365	2,950,051	3,615,365	2,950,051
Commission received in advance	56,078,383	50,191,499	56,078,384	50,191,499
Other payable	96,111,920	109,603,894	96,137,250	109,685,260
Lease liabilities	3,205,385	3,661,317	-	-
Others	151,291,838	149,970,080	151,129,557	149,885,472
Total other liabilities	1,009,135,572	867,278,655	999,371,605	862,782,793

24. Statutory reserve

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 after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

25. Net investment income

During the years ended 31 December 2021 and 2020, the Group had net investment income as below.

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest income from financial assets	47,005,266	41,923,980	44,288,105	39,092,998
Dividend from financial assets	41,750,709	29,535,110	41,750,709	29,535,110
Total	<u>88,755,975</u>	<u>71,459,090</u>	<u>86,038,814</u>	<u>68,628,108</u>

26. Gain (loss) on financial instruments

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Gain (loss) from disposals of investments measured at FVTPL		
Debt instruments	32,996,725	14,827,274
Equity instruments	<u>70,776,672</u>	<u>(33,916,825)</u>
Total	<u>103,773,397</u>	<u>(19,089,551)</u>

27. Gain (loss) on fair value valuation financial instruments

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Gain (loss) from fair value valuation of investments measured at FVTPL		
Debt and equity instruments	4,561,367	(47,426,363)
Derivatives	<u>(764,195)</u>	<u>-</u>
Total	<u>3,797,172</u>	<u>(47,426,363)</u>

28. Operating expenses

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2021	2020	2021	2020
Personal expenses	131,585,540	106,637,781	129,161,708	106,233,156
Property and equipment expenses	93,046,402	91,558,029	90,693,333	89,908,500
Taxes and duties	3,203,014	2,712,994	3,173,533	2,647,555
Bad debts and doubtful accounts (reversal)	17,932,714	(2,057,998)	17,932,714	(2,057,998)
Support services expenses	431,321,119	312,507,318	431,319,435	312,504,874
Advertising and promotion expenses	52,352,678	41,681,138	52,243,484	41,500,798
Other operating expenses	57,233,050	44,728,206	47,312,711	43,513,357
Total	<u>786,674,517</u>	<u>597,767,468</u>	<u>771,836,918</u>	<u>594,250,242</u>

29. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2021	2020	2021	2020
Net claims and loss adjustment expenses	2,892,762,023	2,558,145,032	2,890,764,832	2,556,465,258
Commissions and brokerage expenses	1,004,188,196	942,171,843	1,003,839,516	941,725,965
Personnel expenses	425,425,298	367,274,605	421,973,063	365,680,039
Other underwriting expenses	179,318,413	227,888,152	179,318,413	227,888,152
Support services expenses	431,321,120	312,507,318	431,319,435	312,504,874
Premises and equipment expenses	93,046,401	91,558,029	90,693,333	89,908,500
Advertise and promotion expenses	52,352,678	41,681,138	52,243,484	41,500,798
Other operating expenses	57,233,102	44,728,207	47,312,711	43,513,357
Financial cost	95,320	109,456	-	-
Expected credit loss	688,983	3,149,598	660,497	3,113,252
Others	<u>27,940,676</u>	<u>8,409,994</u>	<u>27,911,247</u>	<u>8,344,557</u>
Total	<u>5,164,372,210</u>	<u>4,597,623,372</u>	<u>5,146,036,531</u>	<u>4,590,644,752</u>

30. Expected credit loss

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2021	2020	2021	2020
Expected credit loss from:				
Cash and cash equivalents	695,774	68,325	669,584	19,110
Accrued investment income	7,674	48,392	4,921	46,088
Debt instruments measured at FVOCI	687,177	(34,035)	687,177	(34,035)
Debt instruments measured at amortised cost	(701,536)	3,062,135	(701,079)	3,077,308
Cash equivalents which subject to restrictions	(106)	4,781	(106)	4,781
Total	<u>688,983</u>	<u>3,149,598</u>	<u>660,497</u>	<u>3,113,252</u>

31. Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by the employees on a monthly basis at rate of 5%, 10% and 15% of the employees' basic salaries, and by the Company on a monthly basis at rate of 7.5% of the employees' basic salaries. The fund is managed by a fund manager which has been approved by the Ministry of Finance. The contributions for the year 2021 amounting to approximately Baht 13.1 million (2020: Baht 12.5 million) were recognised as expenses.

32. Earnings per share

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

33. Dividend paid

Dividend declared during the year 2021 and 2020 consists of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 28 April 2021	60.60	0.20
Final dividends for 2019	Annual General Meeting of the shareholders on 24 April 2020	60.60	0.20

34. Related party transactions

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

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

Name of related parties	Nature of relationship
MAFAM Co., Ltd.	Major shareholder
Laovivat Insurance Co., Ltd	Subsidiary company
Motor AI Recognition Solution Co., Ltd.	Subsidiary company
Thai Reinsurance Plc.	Related by way of shareholding and common directors
Road Accident Victims Protection Co., Ltd.	Related by way of shareholding and common directors
T.I.I. Co., Ltd..	Related by way of shareholding
Vichitbhan Palmoil Plc.	Related by way of common directors
J&A Jewelry Co., Ltd.	Related by way of common directors
Encourage Co., Ltd.	A related person of the Company's director is a shareholder
Force Co., Ltd.	A related person of the Company's director is a shareholder

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)						
	Consolidated financial statements		Separate financial statements		Pricing policies	
	For the years ended 31 December					
	2021	2020	2021	2020		
<u>Transactions with major shareholder</u>						
MAFAM Co., Ltd.						
Premium written	76	35	76	35	Underwriting rates depending on type of insurance	
Claim expenses	60	74	60	74	As actually incurred	
Dividend paid	29,131	29,131	29,131	29,131	As declared	

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policies	
	For the years ended 31 December					
	2021	2020	2021	2020		
<u>Transactions with subsidiary</u>						
Laovivat Insurance Co., Ltd.						
(eliminated from the consolidated financial statements)						
Reinsurance premium written	-	-	1,858	1,842	Reinsurance rates depending on type of insurance and reinsurance contracts	
Commission expenses	-	-	371	374	As stated in the agreement	
Claim expenses	-	-	348	432	As actually incurred, in proportions per agreement	
Other income	-	-	-	15	As stated in the agreement	
<u>Transactions with related parties</u>						
Thai Reinsurance Plc.						
Premium ceded	137,931	140,132	137,931	140,132	Reinsurance rates depending on type of insurance and reinsurance contracts	
Commission income	15,821	11,654	15,821	11,654	As stated in the agreement	
Claims refunded	55,009	106,762	55,009	106,762	As actually incurred, in proportions per agreement	
Reinsurance premium written	-	1	-	1	Reinsurance rates depending on type of insurance and reinsurance contracts	
Dividend income	147	-	147	-	As declared	
Claim expenses (reversal)	(41)	224	(41)	224	As actually incurred, in proportions per agreement	
Road Accident Victims Protection Co., Ltd.						
Contribution expenses	17,086	16,270	17,086	16,270	12.25% of premium written received from insurers under the Public Protection of Traffic Injury Act B.E. 2535	
Other income	4,034	5,562	4,034	5,562	As stated in the agreement	
T.I.I. Co., Ltd.						
Dividend income	30	20	30	20	As declared	
J&A Jewelry Co., Ltd.						
Premium written	82	81	82	81	Underwriting rates depending on type of insurance	
Encourage Co., Ltd.						
Commission expenses	74,281	76,777	74,281	76,777	As stated in the agreement	
Force Co., Ltd.						
Commission expenses	57,512	64,329	57,512	64,329	As stated in the agreement	

As at 31 December 2021 and 2020, the Company had the following significant balances of assets and liabilities with its related parties:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Transactions with major shareholder</u>				
MAFAM Co., Ltd.				
Outstanding claims	59,588	62,875	59,588	62,875
<u>Transactions with subsidiary</u>				
Laovivat Insurance Co., Ltd.				
Receivables from reinsurance contracts	-	-	1,447,790	1,399,571
Insurance contract liabilities	-	-	1,794,352	1,255,642
Other assets	-	-	1,402,472	1,317,822
Other liabilities	-	-	47,646	47,646
<u>Transactions with related parties</u>				
Thai Reinsurance Plc.				
Receivables from reinsurance contracts	18,382,564	42,047,864	18,382,564	42,047,864
Investments in equity instruments measured				
at FVTPL	4,183,255	4,660,293	4,183,255	4,660,293
Amounts due to reinsurers	74,304,432	109,266,999	74,304,432	109,266,999
Road Accident Victims Protection Co., Ltd.				
Investments in equity instruments designated				
at FVOCI	142,657,464	89,811,333	142,657,464	89,811,333
Other assets	4,033,520	5,511,240	4,033,520	5,511,240
Other liabilities	9,236,870	4,244,110	9,236,870	4,244,110
T.I.I. Co., Ltd.				
Investments in equity instruments designated				
at FVOCI	865,585	800,462	865,585	800,462
Vichitbhan Palmoil Plc.				
Investments in equity instruments measured				
at FVTPL	177,000	51,000	177,000	51,000
Encourage Co., Ltd.				
Premium receivables	72,139,626	69,795,737	72,139,626	69,795,737
Accrued commission	12,111,724	12,078,860	12,111,724	12,078,860
Other liabilities	1,616,910	1,371,489	1,616,910	1,371,489
Force Co., Ltd.				
Premium receivable	62,710,305	61,063,109	62,710,305	61,063,109
Accrued commission	10,425,249	10,147,848	10,425,249	10,147,848
Other liabilities	2,035,661	2,613,304	2,035,661	2,613,304

Directors and management's remuneration

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses to their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2021	2020	2021	2020
Short-term employee benefits	100,056,522	92,558,869	99,556,522	92,558,869
Post-employee benefits	6,256,621	6,813,715	6,256,621	6,813,715
Total	106,313,143	99,372,584	105,813,143	99,372,584

35. Segment information

The Company is principally engaged in the provision of all types of non-life insurance products and for the purpose of operation management, the Company has divided into business units that correspond to the types of insurance product offered i.e. Fire, Marine and transportation, Motor and Miscellaneous. The operating segment information presented below is consistent with the internal reports that the Company's Chief Operating Decision Maker (who is granted authority by the Board of Directors) regularly receives and reviews for use in making decisions about the allocation of resources to the segment and assess its performance. The Chairman of the Executive Board has been identified as Chief Operating Decision Maker, with decisions passing through the Board of Directors.

Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Segment revenue and profit information of the Group for the years ended 31 December 2021 and 2020 are as follows:

	Consolidate financial statements For the year end 31 December 2021								(Unit: Baht)
	Total of the Company								
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiaries	Elimination	Total	
Underwriting income									
Premium written	177,779,553	10,591,633	5,236,938,730	904,337,802	6,329,647,718	5,092,808	(1,858,277)	6,332,882,249	
Less: Premium ceded	(111,325,067)	(672,819)	(25,072,213)	(478,811,971)	(615,882,070)	(1,858,277)	1,858,277	(615,882,070)	
Net premium written	66,454,486	9,918,814	5,211,866,517	425,525,831	5,713,765,648	3,234,531	-	5,717,000,179	
Add (Less): Unearned premium reserves									
(increase) decrease from prior year	(1,779,050)	(89,009)	(298,047,104)	82,294	(299,832,869)	22,427	-	(299,810,442)	
Earned premium	64,675,436	9,829,805	4,913,819,413	425,608,125	5,413,932,779	3,256,958	-	5,417,189,737	
Fee and commission income	57,444,844	5,475	5,775,807	64,302,298	127,528,424	370,506	(370,506)	127,528,424	
Total underwriting income	122,120,280	9,835,280	4,919,595,220	489,910,423	5,541,461,203	3,627,464	(370,506)	5,544,718,161	
Underwriting expenses									
Claims and loss adjustment expenses	17,287,118	35,791	2,829,324,100	202,302,929	3,048,949,938	2,743,559	-	3,051,693,497	
Commission and brokerage expenses	39,267,866	1,357,186	877,674,900	85,539,564	1,003,839,516	719,186	(370,506)	1,004,188,196	
Other underwriting expenses	5,364,878	476,786	264,249,047	50,658,951	320,749,662	282,035	-	321,031,697	
Total underwriting expenses before operating expenses	61,919,862	1,869,763	3,971,248,047	338,501,444	4,373,539,116	3,744,780	(370,506)	4,376,913,390	
Profit (loss) from underwriting before operating expenses	60,200,418	7,965,517	948,347,173	151,408,979	1,167,922,087	(117,316)	-	1,167,804,771	
Operating expenses					(771,836,918)	(14,837,599)	-	(786,674,517)	
Profit (loss) from underwriting					396,085,169	(14,954,915)	-	381,130,254	
Investment income					86,038,814	2,717,161	-	88,755,975	
Gain on financial instruments					103,773,397	-	-	103,773,397	
Gain on fair value adjustments of financial instruments					3,797,172	-	-	3,797,172	
Other income (expenses)					13,370,714	(265,708)	-	13,105,006	
Financial Cost					-	(95,320)	-	(95,320)	
Expected credit loss					(660,497)	(28,486)	-	(688,983)	
Profit (loss) before income tax expenses					602,404,769	(12,627,268)	-	589,777,501	
Income tax expenses					(117,773,084)	-	-	(117,773,084)	
Profit (loss) for the year					484,631,685	(12,627,268)	-	472,004,417	

(Unit: Baht)

	Consolidate financial statements							
	For the year end 31 December 2020							
	Total of the Company							
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiaries	Elimination	Total
Underwriting income								
Premium written	152,723,009	10,067,489	4,842,038,644	977,409,059	5,982,238,201	5,429,005	(1,841,542)	5,985,825,664
Less: Premium ceded	(89,338,869)	(681,194)	(17,655,338)	(541,280,891)	(648,956,292)	(1,841,542)	1,841,542	(648,956,292)
Net premium written	63,384,140	9,386,295	4,824,383,306	436,128,168	5,333,281,909	3,587,463	-	5,336,869,372
Add (Less): Unearned premium reserves								
(increase) decrease from prior year	(8,013,923)	519,053	(739,718,036)	(49,401,998)	(796,614,904)	46,244	-	(796,568,660)
Earned premium	55,370,217	9,905,348	4,084,665,270	386,726,170	4,536,667,005	3,633,707	-	4,540,300,712
Fee and commission income	46,812,993	8,073	23,739,854	69,814,804	140,375,724	373,547	(373,547)	140,375,724
Total underwriting income	102,183,210	9,913,421	4,108,405,124	456,540,974	4,677,042,729	4,007,254	(373,547)	4,680,676,436
Underwriting expenses								
Claims and loss adjustment expenses	10,157,393	1,134,229	2,489,686,727	199,038,143	2,700,016,492	2,527,179	-	2,702,543,671
Commission and brokerage expenses	33,328,713	1,297,092	816,287,904	90,812,256	941,725,965	819,425	(373,547)	942,171,843
Other underwriting expenses	4,234,741	417,662	237,287,115	109,599,283	351,538,801	342,535	-	351,881,336
Total underwriting expenses before operating expenses	47,720,847	2,848,983	3,543,261,746	399,449,682	3,993,281,258	3,689,139	(373,547)	3,996,596,850
Profit from underwriting before operating expenses	54,462,363	7,064,438	565,143,378	57,091,292	683,761,471	318,115	-	684,079,586
Operating expenses					(594,250,242)	(3,532,284)	15,058	(597,767,468)
Profit (loss) from underwriting					89,511,229	(3,214,169)	15,058	86,312,118
Investment income					68,628,108	2,830,982	-	71,459,090
Loss on financial instruments					(19,089,551)	-	-	(19,089,551)
Loss on fair value adjustments of financial instruments					(47,426,363)	-	-	(47,426,363)
Other income (expenses)					8,280,378	(241,109)	(15,058)	8,024,211
Financial Cost					-	(109,456)	-	(109,456)
Expected credit loss					(3,113,252)	(36,346)	-	(3,149,598)
Profit (loss) before income tax expenses					96,790,549	(770,098)	-	96,020,451
Income tax expenses					(18,350,934)	-	-	(18,350,934)
Profit (loss) for the year					78,439,615	(770,098)	-	77,669,517

Segment assets and liabilities as at 31 December 2021 and 2020 are as follows:

(Unit: Baht)

	Consolidated financial statements								
	Total of the Company								
	Marine and								
	Fire	transportation	Motor	Miscellaneous	Unallocated	Total	subsidiaries	Elimination	Total
Assets									
As at 31 December 2021	212,341,430	1,106,569	1,378,230,463	466,558,090	6,794,439,429	8,852,675,981	67,866,935	(75,493,523)	8,845,049,393
As at 31 December 2020	159,318,896	1,183,668	1,117,796,350	544,462,840	6,019,980,382	7,842,742,136	56,977,977	(54,420,678)	7,845,299,435
Liabilities									
As at 31 December 2021	341,626,235	2,677,334	5,013,466,818	952,756,887	719,382,077	7,029,909,351	18,421,019	(4,133,523)	7,044,196,847
As at 31 December 2020	261,641,998	2,988,125	4,503,181,703	1,184,324,283	539,663,838	6,491,799,947	11,761,411	(4,020,680)	6,499,540,678

Geographic information

Underwriting income is based on locations of the customers.

(Unit: Baht)

	2021	2020
Underwriting income		
Thailand	5,541,461,203	4,677,042,729
Lao	3,256,958	3,633,707
Total	5,544,718,161	4,680,676,436
Assets		
Thailand	8,791,199,160	7,788,321,458
Lao	53,850,233	56,977,977
Total	8,845,049,393	7,845,299,435

Major customer

For the years ended 31 December 2021 and 2020, the Company has premiums written of Baht 2,457.6 million and Baht 2,372.1 million, respectively, from three major brokers. Furthermore, the Company has premiums written from its two related brokerage companies amounting Baht 725.6 million and Baht 772.0 million, respectively.

36. Assets subject to restrictions

36.1 Assets pledged and assets reserved with the Registrar

As at 31 December 2021 and 2020, the Group had placed certain assets as securities and insurance reserves with the Registrar in accordance with the Non-life Insurance Act.

(Unit: Million Baht)

	Consolidated financial statements			
	2021		2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Fixed deposit	17.6	17.6	18.7	18.7
Government bonds	15.3	15.1	15.0	15.5
Total	32.9	32.7	33.7	34.2
Assets reserved				
Government bonds	122.2	125.3	385.9	392.4
Certificate of deposit	503.0	503.0	200.0	200.0
State enterprise debt securities	80.0	80.3	80.0	81.8
Private debt securities	100.0	102.1	60.0	63.2
Total	805.2	810.7	725.9	737.4
Total	838.1	843.4	759.6	771.6

(Unit: Million Baht)

	Separate financial statements			
	2021		2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Government bonds	15.3	15.1	15.0	15.5
Total	15.3	15.1	15.0	15.5
Assets reserved				
Government bonds	122.2	125.3	385.9	392.4
Certificate of deposit	503.0	503.0	200.0	200.0
State enterprise debt securities	80.0	80.3	80.0	81.8
Private debt securities	100.0	102.1	60.0	63.2
Total	805.2	810.7	725.9	737.4
Total	820.5	825.8	740.9	752.9

36.2 Assets pledged as other collateral

As at 31 December 2021 and 2020, the Group had pledged the following assets as collateral.

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2021	21020
Government debt securities which pledged for		
Guarantee electricity use	1,011,090	1,016,591
Deposit at bank which pledged for		
Letter of bank guarantee	1,930,862	1,929,715
Bail bond in cases where insured drivers have been charged with		
criminal offense	338,662	1,118,189
Bank overdraft	10,290,704	10,288,943
Others	<u>5,413,522</u>	<u>5,386,857</u>
Total	<u>18,984,840</u>	<u>19,740,295</u>

37. Contribution to the General Insurance Fund

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Accumulated contribution at the beginning of the year	94,405,240	79,467,881
Contribution during the year	<u>15,784,034</u>	<u>14,937,359</u>
Accumulated contribution at the end of the year	<u>110,189,274</u>	<u>94,405,240</u>

38. Commitments and contingent liabilities

38.1 Capital commitments

As at 31 December 2021, the Group has capital commitments of Baht 15.8 million, relating to the construction of buildings and equipment and implementation of computer software (2020: Baht 16.7 million).

38.2 Operating lease and service commitments

As at 31 December 2021, the Company and its subsidiaries have entered into several lease agreements in respect of office equipment which leases term within 1 year and other service agreements. The future minimum payments required under these lease agreements amounting to Baht 2.4 million (Separate financial statements: Baht 1.6 million).

38.3 Bank guarantees

As at 31 December 2021, there were outstanding bank guarantees of Baht 1.9 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business (2020: Baht 1.9 million).

38.4 Litigation

As at 31 December 2021, the Company has been sued as insurer for damages totaling approximately Baht 223.0 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 96.9 million, with the recoverable portion from reinsurers amounting to Baht 2.1 million. The Company's management believes that such reserve is adequate (2020: Baht 162.0 million, Baht 57.6 million and Baht 1.8 million, respectively).

39. Non-life insurance company's risks and risk management policy

39.1 Insurance risk

Insurance risk refers to the risk resulting from fluctuations in the frequency, the severity and the timing of damage deviations from assumptions that are used to determine premium rates, calculation of reserves and underwriting.

The Group risk management policy is to selectively accept loss risk business with good insurance loss records, and not to retain limit per risk in excess of the OIC regulation.

In cases where its risk capacity is limited, the Group has arranged the transfer of risk to reinsurance companies which have stable financial positions, and capacity and expertise in both treaty reinsurance and facultative reinsurance, in order to reassure customers.

In addition, the Group has the following policies.

- The guidelines for sums insured, coverage and terms of insurance that are appropriate to the level of risk.
- The provision of reinsurance support as needed, in case of the Company cannot accept the full sum insured due to the requirements of the OIC, allowed to retain risk not excess of 10 percent of the Company's capital fund.
- Selects highly rated reinsurers with a credit rating of at least A-, according to the creditor ratings of S&P and A.M. Best.
- Assigned responsible persons for each stage, from reviewing the accuracy of the underwriting to authorization, and to approve underwriting based on the sum insured.

As at 31 December 2021 and 2020, concentration of insurance contract liabilities segregated by insurance type are shown below.

	(Unit: Million Baht)					
	2021			2020		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
The Company						
Fire	98.5	62.7	35.8	80.0	45.9	34.1
Marine and transportation	1.9	-	1.9	1.8	-	1.8
Motor	2,866.0	7.7	2,858.3	2,564.6	4.4	2,560.2
Personal accident	26.5	9.1	17.4	28.2	10.3	17.9
Miscellaneous	343.1	151.9	191.2	374.0	183.2	190.8
Total of the Company	3,336.0	231.4	3,104.6	3,048.6	243.8	2,804.8
Total of subsidiary	2.4	-	2.4	2.0	-	2.0
Total	3,338.4	231.4	3,107.0	3,050.6	243.8	2,806.8

(Unit: Million Baht)

	2021			2020		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
The Company						
Fire	16.2	9.8	6.4	3.6	2.0	1.6
Marine and transportation	0.7	0.1	0.6	1.1	0.1	1.0
Motor	1,887.5	8.4	1,879.1	1,735.7	27.9	1,707.8
Personal accident	5.9	2.4	3.5	4.8	1.9	2.9
Miscellaneous	210.8	133.9	76.9	226.1	152.1	74.0
Total of the Company	2,121.1	154.6	1,966.5	1,971.3	184.0	1,787.3
Total of subsidiary	2.1	-	2.1	1.3	-	1.3
Total	2,123.2	154.6	1,968.6	1,972.6	184.0	1,788.6

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation of claim liabilities, which will impact the claims liabilities both before and after reinsurance. The risk may occur because the frequency or severity of losses, or loss adjustment expenses are not in line with expectations.

As at 31 December 2021 and 2020, the impact on the best estimate of insurance liabilities of the changes in key variables assumptions is shown in the following table.

(Unit: Million Baht)

	Consolidated and separate financial statements				
	2021				
	Assumption change	Increase	Increase	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities
		(decrease) in provision for liabilities	Increase in liabilities		
Ultimate loss ratio in latest accident year					
	+5%	183	165	(165)	(132)
	-5%	(183)	(164)	(164)	132
ALAE ratio	+10%	2	2	(2)	(2)
	-10%	(2)	(2)	2	2
ULAE ratio	+10%	6	6	(6)	(5)
	-10%	(6)	(6)	6	5

(Unit: Million Baht)

	Consolidated financial statements				
	2020				
	Increase (decrease) in provision for Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
Ultimate loss ratio in latest accident year					
accident year	+5%	181	146	(146)	(117)
	-5%	(181)	(146)	146	117
ALAE ratio					
	+10%	2	2	(2)	(2)
	-10%	(2)	(2)	2	2
ULAE ratio					
	+10%	6	6	(6)	(5)
	-10%	(6)	(6)	6	5

39.2 Risk management policy

39.2.1 Credit risk

Credit risk is the risk of default by counter party that inability to comply with the terms of a financial instruments such as premium receivables, amount due from reinsurer (reinsurers), loans and interest receivables and debt financial instruments. If a customer is unable to fulfill an agreement, it affects the Group's revenue and operations. The Group manages the risk by maintains the proportion of outstanding premiums at an appropriate level, in accordance with the guidelines of the OIC and establishing a process to closely follow up on outstanding premiums from policyholders, agents and brokers, uses credit rating at least "A-" as the basis for selecting reinsurers and makes loans to staff in accordance with the Office of Insurance Commissions rules. The Group also has an audit system and constantly monitors counterparties in order to mitigate credit risk.

Moreover, for financial assets - debt instrument, the Group has evaluated expected credit loss which is not necessary for a credit impair event to have occurred, by applying general approach. The Group had classified financial assets into 3 stages with difference credit loss assessment method as below

Staging	Credit loss assessment
Stage 1 - Debt securities without a significant increase in credit risk	12 Month expected credit loss
Stage 2 - Debt securities with a significant increase in credit risk	Lifetime expected credit loss
Stage 3 - Debt securities with credit impaired	Lifetime expected credit loss

The Group assesses financial assets whether there has been a significant increase in credit risk or credit-impaired from both quantitative and qualitative factors. Such factor include credit rating which was changed from initial investment, default status and financial ratio analysis in determining if there are changes in related factors that significantly impact the financial asset's issuer's cashflows.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are carrying amount as at 31 December 2021 and 2020.

Separate financial statements						(Unit: Thousand Baht)
	2021					
	Financial assets		Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)			Total
	Financial assets with no significant increase in credit risk (Lifetime ECL - not credit impaired) (12-mth ECL)	with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit impaired (Lifetime ECL - credit impaired)			
Cash and cash equivalents						
Investment grade	738,617	-	-	-	-	738,617
Less: Allowance for expected credit loss	(846)	-	-	-	-	(846)
Net book value	<u>737,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>737,771</u>
Accrued investment income						
Investment grade	12,769	-	-	-	-	12,769
Non-investment grade	-	185	-	-	-	185
Total	12,769	185	-	-	-	12,954
Less: Allowance for expected credit loss	(31)	(20)	-	-	-	(51)
Net book value	<u>12,738</u>	<u>165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,903</u>
Debt instruments measured at FVOCI						
Investment grade	1,806,066	-	-	-	-	1,806,066
Default grade	-	-	-	-	-	-
Total	<u>1,806,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,806,066</u>
Allowance for expected credit loss	<u>1,845</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>1,939</u>
Debt instruments measured at amortised cost						
Investment grade	1,044,050	-	-	-	-	1,044,050
Non-investment grade	-	25,000	-	-	-	25,000
Default grade	-	-	841	-	-	841
Total	1,044,050	25,000	841	-	-	1,069,891
Less: Allowance for expected credit loss	(482)	(2,379)	(841)	-	-	(3,702)
Net book value	<u>1,043,568</u>	<u>22,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066,189</u>

(Unit: Thousand Baht)

Separate financial statements

	2021					
					Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - (Lifetime ECL - simplified approach))	Total
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired) (12-mth ECL)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)			
Loans and interest						
receivables						
Not yet due	4,072	-	-	-	-	4,072
Overdue	-	-	754	-	-	754
Total	4,072	-	754	-	-	4,826
Less: Allowance for expected credit loss	-	-	(754)	-	-	(754)
Net book value	4,072	-	-	-	-	4,072
Claim receivables from litigants						
Overdue	-	-	-	-	672,178	672,178
Less: Allowance for expected credit loss ⁽¹⁾	-	-	-	-	(109,820)	(109,820)
Net book value	-	-	-	-	562,358	562,358
Cash equivalents which subject to restrictions						
Investment grade	9,045	-	-	-	-	9,045
Less: Allowance for expected credit loss	(5)	-	-	-	-	(5)
Net book value	9,040	-	-	-	-	9,040

(1) Presented in net amount of claims and loss adjustment expenses.

(Unit: Thousand Baht)

Separate financial statements

	2020				
	Financial assets applied simplified approach to calculate expected credit loss				
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired) (impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	(Lifetime ECL - simplified approach)	Total
Cash and cash equivalents					
Investment grade	330,125	-	-	-	330,125
Less: Allowance for expected credit loss	(177)	-	-	-	(177)
Net book value	<u>329,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,948</u>
Accrued investment income					
Investment grade	11,978	-	-	-	11,978
Non-investment grade	-	210	-	-	210
Total	11,978	210	-	-	12,188
Less: Allowance for expected credit loss	(23)	(23)	-	-	(46)
Net book value	<u>11,955</u>	<u>187</u>	<u>-</u>	<u>-</u>	<u>12,142</u>
Debt instruments measured at FVOCI					
Investment grade	1,210,594	-	-	-	1,210,594
Default grade	-	-	94	-	94
Total	<u>1,210,594</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>1,210,688</u>
Allowance for expected credit loss	<u>1,158</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>1,252</u>
Debt instruments measured at amortised cost					
Investment grade	1,115,171	-	-	-	1,115,171
Non-investment grade	-	30,000	-	-	30,000
Default grade	-	-	841	-	841
Total	1,115,171	30,000	841	-	1,146,012
Less: Allowance for expected credit loss	(424)	(3,138)	(841)	-	(4,403)
Net book value	<u>1,114,747</u>	<u>26,862</u>	<u>-</u>	<u>-</u>	<u>1,141,609</u>

(Unit: Thousand Baht)

Separate financial statements					
2020					
				Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - (Lifetime ECL - simplified approach)	Total
Financial assets	with has				
with no significant increase in credit risk	significant increase in credit risk (Lifetime ECL - not credit ECL)	Financial assets that are credit impaired	Financial assets credit impaired		
(12-mth ECL)	impaired)				
Loans and interest receivables					
Not yet due	6,232	-	-	-	6,232
Overdue	-	-	754	-	754
Total	6,232	-	754	-	6,986
Less: Allowance for expected credit loss	-	-	(754)	-	(754)
Net book value	6,232	-	-	-	6,232
Claim receivables from litigants					
Overdue	-	-	-	578,139	578,139
Less: Allowance for expected credit loss ⁽¹⁾	-	-	-	(93,342)	(93,342)
Net book value	-	-	-	484,797	484,797
Cash equivalents which subject to restrictions					
Investment grade	9,357	-	-	-	9,357
Less: Allowance for expected credit loss	(5)	-	-	-	(5)
Net book value	9,352	-	-	-	9,352

⁽¹⁾ Presented in net amount of claims and loss adjustment expenses.

The table below shows the movement in the allowance for expected credit loss for the years ended 31 December 2021 and 2020.

(Unit: Thousand Baht)

	Separate financial statements				
	2021				
					Financial assets applied simplified approach to calculate
	Financial assets	with has	Financial assets	expected credit loss	
	with no significant increase in credit risk (Lifetime ECL - (12-mth ECL))	increase in credit risk (Lifetime ECL - not credit impaired) (12-mth ECL) impaired)	that are credit impaired (Lifetime ECL - credit impaired)	(Lifetime ECL - simplified approach)	Total
Cash and cash equivalents					
Beginning balance	177	-	-	-	177
Change due to remeasurement of allowance	669	-	-	-	669
Ending balance	846	-	-	-	846
Accrued investment income					
Beginning balance	23	23	-	-	46
Newly purchased or acquired financial assets	4	-	-	-	4
Change due to remeasurement of allowance	10	-	-	-	10
Amounts written off/mature	(6)	(3)	-	-	(9)
Ending balance	31	20	-	-	51
Debt instruments measured at FVOCI					
Beginning balance	1,158	-	94	-	1,252
Newly purchased or acquired financial assets	709	-	-	-	709
Change due to remeasurement of allowance	294	-	-	-	294
Amounts written off/mature	(316)	-	-	-	(316)
Ending balance	1,845	-	94	-	1,939

(Unit: Thousand Baht)

Separate financial statements					
2021					
				Financial assets applied simplified approach to calculate	
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired) (12-mth ECL)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)		
Debt instruments measured at amortised cost					Total
Beginning balance	424	3,138	841	-	4,403
Newly purchased or acquired financial assets	289	-	-	-	289
Change due to remeasurement of allowance	(2)	(498)	-	-	(500)
Amounts written off/mature	(229)	(261)	-	-	(490)
Ending balance	<u>482</u>	<u>2,379</u>	<u>841</u>	<u>-</u>	<u>3,702</u>
Loans and interest receivables					
Beginning balance	-	-	754	-	754
Change due to remeasurement of allowance	-	-	-	-	-
Ending balance	<u>-</u>	<u>-</u>	<u>754</u>	<u>-</u>	<u>754</u>
Claim receivables from litigants					
Beginning balance	-	-	-	93,342	93,342
Newly purchased or acquired financial assets	-	-	-	77,703	77,703
Change due to remeasurement of allowance	-	-	-	17,177	17,177
Amounts written off	-	-	-	(78,402)	(78,402)
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,820</u>	<u>109,820</u>
Cash equivalents which subject to restrictions					
Beginning balance	5	-	-	-	5
Change due to remeasurement of allowance	-	-	-	-	-
Ending balance	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>

(Unit: Thousand Baht)

	Separate financial statements				
	2020				
	Financial assets		Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified credit impaired approach) Total		
	Financial assets with no significant increase in credit risk (Lifetime ECL - not credit impaired) (12-mth ECL)	with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit impaired (Lifetime ECL - credit impaired)	(Lifetime ECL - simplified credit impaired approach)	Total
Cash and cash equivalents					
Beginning balance	158	-	-	-	158
Change due to remeasurement of allowance	19	-	-	-	19
Ending balance	<u>177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177</u>
Accrued investment income					
Beginning balance	-	-	-	-	-
Change due to remeasurement of allowance	31	35	-	-	66
Change for transfer among stages	(8)	8	-	-	-
Amounts written off/mature	-	(20)	-	-	(20)
Ending balance	<u>23</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>46</u>
Debt instruments measured at FVOCI					
Beginning balance	1,192	-	94	-	1,286
Newly purchased or acquired financial assets	843	-	-	-	843
Change due to remeasurement of allowance	(370)	-	-	-	(370)
Amounts written off/mature	(507)	-	-	-	(507)
Ending balance	<u>1,158</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>1,252</u>

(Unit: Thousand Baht)

	Separate financial statements				
	2020				
	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified credit impaired approach) Total				
	Financial assets with no significant increase in credit risk (Lifetime ECL - not credit impaired) (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit impaired (Lifetime ECL - credit impaired)	Financial assets expected credit loss (Lifetime ECL - simplified credit impaired approach)	Total
Debt instruments measured at amortised cost					
Beginning balance	484	-	841	-	1,325
Change due to remeasurement of allowance	310	3,292	-	-	3,602
Change for transfer among stages	(370)	370	-	-	-
Amounts written off/mature	-	(524)	-	-	(524)
Ending balance	<u>424</u>	<u>3,138</u>	<u>841</u>	<u>-</u>	<u>4,403</u>
Loans and interest receivables					
Beginning balance	-	-	754	-	754
Change due to remeasurement of allowance	-	-	-	-	-
Ending balance	<u>-</u>	<u>-</u>	<u>754</u>	<u>-</u>	<u>754</u>
Claim receivables from litigants					
Beginning balance	-	-	-	49,238	49,238
Newly purchased or acquired financial assets	-	-	-	73,645	73,645
Change due to remeasurement of allowance	-	-	-	21,158	21,158
Amounts written off	-	-	-	(50,699)	(50,699)
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,342</u>	<u>93,342</u>
Cash equivalents which subject to restrictions					
Beginning balance	-	-	-	-	-
Change due to remeasurement of allowance	5	-	-	-	5
Ending balance	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>

Credit quality of financial assets of subsidiaries are mostly classified to be financial assets with no significant increase in credit risk (12-mth ECL) such as debt instruments measured at amortised cost.

As at 31 December 2021 and 2020, the maximum exposure to credit risk of financial assets (excluding insurance assets) is the gross carrying amounts after allowance for expected credit loss, before both the effect of mitigation through use of master netting and collateral arrangements. The details are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2021	2020
Cash and cash equivalents	745,845	332,677
Accrued investment income	17,125	14,108
Debt instruments measured at FVOCI	1,806,066	1,210,688
Debt instruments measured at amortised cost	1,108,329	1,187,274
Loans and interest receivables	4,072	6,232
Claim receivables from litigants	562,444	484,906
Cash equivalents which subject to restrictions	9,040	9,352
	4,252,921	3,245,237

	(Unit: Thousand Baht)	
	Separate financial statements	
	2021	2020
Cash and cash equivalents	737,771	329,948
Accrued investment income	12,903	12,142
Debt instruments measured at FVOCI	1,806,066	1,210,688
Debt instruments measured at amortised cost	1,066,189	1,141,609
Loans and interest receivables	4,072	6,232
Claim receivables from litigants	562,358	484,797
Cash equivalents which subject to restrictions	9,040	9,352
	4,198,399	3,194,768

39.2.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Group's financial position. As the Group has no foreign currency assets and liabilities, market risk therefore consists of only interest rate risk and equity position risk.

a. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rate.

The Group manages interest rate risk through an emphasis on stable long term investments offering long-term returns exceeding inflation, and analysis of the type of investment to match cash flows.

As at 31 December 2021 and 2020, significant assets and liabilities classified by type of interest rate are summarised in the table below, with those assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Separate financial statements					
	2021					
	Fixed interest rates					
	Remaining periods to repricing dates or maturity dates					
	Within 1 year	Over 1 - 5 years	5 years	Floating interest rate	Non- interest bearing	Total
	(% per annum)					
<u>Financial assets</u>						
Cash and cash equivalents	3.6	-	-	728.0	6.2	737.8
Accrued investment income	-	-	-	-	12.9	12.9
Financial assets - debt instruments	1,960.7	772.5	168.8	-	1,436.5	4,338.5
Financial assets - equity instruments	-	-	-	-	756.0	756.0
Loans and interest receivables	0.1	1.7	2.3	-	-	4.1
Claim receivables from litigants - net	-	-	-	-	562.4	562.4
<u>Insurance contract assets</u>						
Premium receivables	-	-	-	-	946.8	946.8
Reinsurance assets						
- claim reserves	-	-	-	-	154.7	154.7
Receivables from reinsurance contracts	-	-	-	-	48.3	48.3
<u>Insurance contract liabilities</u>						
Insurance contract liabilities						
- claim reserves and outstanding claims	-	-	-	-	2,121.1	2,121.1
Amounts due to reinsurers	-	-	-	-	355.7	355.7
<u>Financial liabilities</u>						
Derivative liabilities	-	-	-	-	0.8	0.8

(Unit: Million Baht)

	Separate financial statements						
	2020						
	Fixed interest rates						
Remaining periods to repricing dates or maturity dates							
	Within 1 year	Over 1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	
						(% per annum)	
Financial assets							
Cash and cash equivalents	2.6	-	-	324.0	3.3	329.9	0.00 - 0.75
Accrued investment income	-	-	-	-	12.1	12.1	-
Financial assets - debt instruments	1,213.1	969.9	189.8	-	1,447.1	3,819.9	0.75 - 5.46
Financial assets - equity instruments	-	-	-	-	695.2	695.2	-
Loans and interest receivables	0.2	1.9	4.1	-	-	6.2	5.50 - 14.50
Claim receivables from litigants - net	-	-	-	-	484.8	484.8	-
Insurance contract assets							
Premium receivables	-	-	-	-	754.1	754.1	-
Reinsurance assets - claim reserves	-	-	-	-	184.0	184.0	-
Receivables from reinsurance contracts	-	-	-	-	179.8	179.8	-
Insurance contract liabilities							
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	1,971.3	1,971.3	-
Amounts due to reinsurers	-	-	-	-	459.8	459.8	-

Sensitivity analysis on interest rates shows the impact of reasonable possible changes in interest rates to the Company's profit or equity, on with all other variables held constant.

The following table demonstrates the sensitivity of a reasonable possible change in market interest rates which will effect to the fair value of debt instruments as at 31 December 2021 and 2020.

Separate financial statements						
	2021			2020		
	Effect on other			Effect on other		
	Increase (decrease)	Effect on profit or loss	comprehensi ve income	Increase (decrease)	Effect on profit or loss	comprehensi ve income
	(%)	(Million Baht)	(Million Baht)	(%)	(Million Baht)	(Million Baht)
Debt instruments	0.25 (0.25)	(0.4) 0.4	(6.2) 6.1	0.25 (0.25)	(0.4) 0.4	(7.3) 7.4

Financial assets and liabilities and insurance contract assets and liabilities of subsidiaries are classified to be non-interest bearing, except for debt instrument measured at amortised cost which have fixed interest rate and its periods to maturity are within 1 year amounting Baht 5.6 million (2020: Baht 6.9 million) and within 1 - 5 year amounting to Baht 36.6 million (2020: Baht 38.8 million).

b. **Equity position risk**

Equity position risk is the risk that change in the market prices of equity securities will result in fluctuations in revenues and in the value of financial assets.

As at 31 December 2021 and 2020, the Company has risk from its investments in securities of which the price will change with reference to market conditions.

The Company manages equity risk arising from fluctuations in market prices through a diversification of asset allocations in order to disperse risk, with investments weighted in accordance with the guidelines of the OIC, with an emphasis on conservative, safe investments. The Company has a framework that divides investments based on asset class and the Company elects to invest in securities of blue chip companies with stable revenues and earnings, not high fluctuate, high liquidity and that pay high dividends, which helps to generate higher returns.

42.2.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss.

The Group manages its liquidity risk through monitoring of whether the level of the Fund Solvency Ratio comply with the requirements by the regulator on a monthly basis, and monitoring of the daily liquidity position by the Responsible Division. Moreover, the Company executes prudent financial decisions in the following areas:

- Financial evaluation for agent and broker selection process
- Cash Before Cover when selling motor insurance
- Establishment of a monitoring system for late premium payments by agents and brokers

Counting from the financial position date, the periods to maturity of financial assets and liabilities held as at 31 December 2021 and 2020 are as follows:

	Separate financial statements					(Unit: Million Baht)
	2021					
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total	
<u>Financial assets</u>						
Cash and cash equivalents	3.6	-	-	734.2	737.8	
Accrued investment income	12.9	-	-	-	12.9	
Financial assets - debt instruments	1,960.7	772.5	168.8	1,436.5	4,338.5	
Financial assets - equity instruments	-	-	-	756.0	756.0	
Loans and interest receivables	0.1	1.7	2.3	-	4.1	
Claim receivables from litigants	562.4	-	-	-	562.4	
<u>Insurance contract assets</u>						
Premium receivables	946.8	-	-	-	946.8	
Reinsurance assets - claim reserves	140.0	14.7	-	-	154.7	
Receivables from reinsurance contracts	48.3	-	-	-	48.3	
<u>Insurance contract liabilities</u>						
Insurance contract liabilities - claim reserves and outstanding claims	1,383.1	738.0	-	-	2,121.1	
Amounts due to reinsurers	355.7	-	-	-	355.7	
<u>Financial liabilities</u>						
Derivative liabilities	0.8	-	-	-	0.8	

(Unit: Million Baht)

	Separate financial statements				
	2020				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>					
Cash and cash equivalents	2.6	-	-	327.3	329.9
Accrued investment income	12.1	-	-	-	12.1
Financial assets - debt instruments	1,213.1	969.9	189.8	1,447.1	3,819.9
Financial assets - equity instruments	-	-	-	695.2	695.2
Loans and interest receivables	0.2	1.9	4.1	-	6.2
Claim receivables from litigants	484.8	-	-	-	484.8
<u>Insurance contract assets</u>					
Premium receivables	754.1	-	-	-	754.1
Reinsurance assets - claim reserves	149.0	35.0	-	-	184.0
Receivables from reinsurance contracts	179.8	-	-	-	179.8
<u>Insurance contract liabilities</u>					
Insurance contract liabilities - claim reserves and outstanding claims	1,302.2	669.1	-	-	1,971.3
Amounts due to reinsurers	459.8	-	-	-	459.8

Financial assets and liabilities and insurance contract assets and liabilities of subsidiaries are matured within 1 year, except for debt instrument measured at amortised cost which its periods to maturity are within 1 - 5 year amounting Baht 36.6 million (2020: Baht 38.8 million) and within 1 year amounting to Baht 5.6 million (2020: Baht 6.9 million).

39.3 Fair value measurement for financial instruments

As at 31 December 2021 and 2020, the Group had the following financial assets and liabilities that were measured at fair value, and had financial assets and liabilities that were measured at cost but has to disclose fair value, using different levels of inputs as follows:

(Unit: Million Baht)

	Separate financial statements				
	2021				
	Fair value				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments measured at FVTPL					
Financial assets - debt instruments	1,466.3	4.9	1,461.4	-	1,466.3
Financial assets - equity instruments	412.6	412.6	-	-	412.6
Investments measured at FVOCI					
Financial assets - debt instruments	1,806.1	-	1,806.1	-	1,806.1
Financial assets - equity instruments	343.4	199.9	-	143.5	343.4
Financial liabilities measured at fair value					
Derivative liabilities	0.8	0.8	-	-	0.8
Financial assets which fair value are disclosed					
Cash and cash equivalents	737.8	738.6	-	-	738.6
Accrued investment income	12.9	-	12.9	-	12.9
Investment measured at amortised cost	1,066.2	865.5	205.3	-	1,070.8
Loans and interest receivables	4.1	-	-	4.1	4.1
Claim receivables from litigants	562.4	-	-	562.4	562.4

(Unit: Million Baht)

	Separate financial statements				
	2020				
	Fair value				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Investments measured at FVTPL					
Financial assets - debt instruments	1,467.6	-	1,467.6	-	1,467.6
Financial assets - equity instruments	382.4	382.4	-	-	382.4
Investments measured at FVOCI					
Financial assets - debt instruments	1,210.7	-	1,210.7	-	1,210.7
Financial assets - equity instruments	312.8	222.2	-	90.6	312.8
Financial assets which fair value are disclosed					
Cash and cash equivalents	329.9	330.1	-	-	330.1
Accrued investment income	12.1	-	12.1	-	12.1
Investment measured at amortised cost	1,141.6	673.2	478.8	-	1,152.0
Loans and interest receivables	6.2	-	-	6.2	6.2
Claim receivables from litigants	484.8	-	-	484.8	484.8

The subsidiaries have no financial asset measured at fair value but also have financial assets measured at amortised cost which fair value approximate to its book value from maturing in short-term.

The fair value hierarchy of financial assets as at 31 December 2021 and 2020 presents according to Note 4.22 to the financial statements.

The methods used for fair value measurement depends upon the characteristics of the financial instruments. The Group establishes the fair value of its financial instruments by adopting the following methods:

- (a) Financial assets maturing in the short-term, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income and claim receivables from litigants, their fair value is estimated based on the book value presented in the statement of financial position.
- (b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.
- (c) For equity securities, their fair value is generally derived from quoted market prices. For investments in non-marketable equity securities, fair value is determined using discounted cash flows technique or approximated to their carrying values.
- (d) The fair value of fixed rate loans is determined by discounting the expected future cash flows by using the current market interest rate.
- (e) The fair value of derivatives is generally derived from quoted market prices.

During the current year, there were no transfers within the fair value hierarchy.

Reconciliation of recurring fair value measurements of financial assets, categorised within Level 3 of the fair value hierarchy, are as follows:

	(Unit: Million Baht)
	Consolidated and separate financial statements
	<u>Equity instrument</u>
Balance as of 1 January 2020	174.7
Net loss recognised into other comprehensive income	(84.1)
Balance as of 31 December 2020	90.6
Net gain recognised into other comprehensive income	52.9
Balance as of 31 December 2021	<u>143.5</u>

Key assumption used in the valuation of investments catagorised within Level 3 which is significant change in fair value measurement is summarised below.

(Unit: Million Baht)

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investment in non-listed equity investments	Discounted future cash flows	Discount rate	10.5%	1% decrease in the discount rate would result in an increase in fair value by Baht 2.4 million.

40. Capital management

The primary objectives of the Company's capital management are to maintain its ability to continue its business as a going concern, to provide a return to its shareholders and other related parties, maintain a balanced financial structure, and to maintain risk-based capital in accordance with Declaration of the OIC.

41. Events after the reporting period

- 41.1 On 24 February 2022, a meeting of the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for approval dividends in respect of the operating results for the year 2021 at Baht 0.7 per share, or a total of Baht 212 million. Payment is scheduled to be made on 25 May 2022.

41.2. The Company's restructuring plan

The Board of Directors' Meeting No. 2/2022 held on 24 February 2022 passed a resolution to propose the Shareholding and Management Restructuring Plan of the Company including the assessment on potential impacts on its shareholders for further consideration and approval. The Company will arrange for the establishment of a holding company as a public limited company named, "Thaivivat Holdings Public Company Limited" (the "Holdings Company"). The Holdings Company is to make a tender offer for all securities of the Company to swap with the same securities of the Holdings Company at a ratio of one ordinary share of the Company per one ordinary share of the Holding Company. After the completion of the tender offer, the Holdings Company's ordinary shares will be registered as listed securities on the SET in place of the Company's ordinary shares which will be delisted from the SET on the same day.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.