



บริษัท กรุงเทพประกันชีวิต จำกัด (มหาชน)
BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED

ANNUAL REPORT 2020

รายงานประจำปี 2563

**STEP
TOWARDS
THE BETTER
FUTURE**



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**STEP
TOWARDS
THE BETTER
FUTURE**

All the steps taken in life are filled with both joy and challenges. Bangkok Life Assurance is ready to walk alongside you, ensuring that every step we take we always have each other. Together, we take steps towards financial security and comprehensive risk protection against illnesses. With our heartfelt service, the steps we take to create positive experiences take us forward into the digital age where a smart and convenient life endlessly fulfils your happiness.

2021 is the year that Bangkok Life Assurance intends to move forward with greater happiness. We have moved to a new head office location, which is ready to be a part of our journey towards common success. We pay attention to detail in the quality of life in every square inch, and we aim to respond to all customer needs and services, while bearing in mind the importance of caring for the environment. Through the building's unique and environmental conscious design, we provide our employees with aspects of well-being that will ignite never-ending happiness that will be passed on to all our partners and valued customers and enable us to journey on a sustainable path together with confidence.

STEP TOWARDS NEW CHANNELS

Step into new service channels: a system that enables you to communicate with our experienced professional agents both offline and online conveniently, giving you both satisfaction and information you are looking for.







STEP TOWARDS DIGITAL LIFESTYLE

Step into a digital lifestyle that enables you to make financial planning and transactions, receive a personal information service, and make payments anywhere and at any time with various options on multiple platforms that are convenient and can fit into to your daily routine.

STEP TOWARDS CUSTOMER EXPERIENCES

Step into an impressive financial planning experience from the start to the end of transactions. Experience caring after-sales service and receive privileges created for the happiness of our customers.









STEP TOWARDS BETTER PRODUCTS

Step into experiencing the next level of comprehensive financial products that spark happiness and fulfil every need with product groups such as health, endowments, retirement plans, inheritance plans, and extension of insurable age to accommodate the aging society.

STEP TOWARDS EVERYONE'S HAPPINESS

Step into our environmentally friendly new head office, filled with creative designs that will put smiles on the faces of all our employees, partners and customers who visit us at the new head office.







VISION AND MISSION

Vision

To make people realize the benefits of the life insurance and choose insurance coverage which is suitable for their financial position and value of life.

Mission

The Company is determined to be a leader in establishing financial security for all groups of people and protecting their value of life by offering financial advice and impressive service through its sincere agents, partners and employees who are experts in the field.

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



For several years, the domestic economy has been showing signs of slowdown alongside with low interest rate environment. Under this scenario, the life insurance business has been revising the investment policy and reformulating product strategy by altering the mix of single premium and short-term endowment products. Furthermore, there was also an impact from the Coronavirus disease (COVID-19) outbreak that took place during the year of 2020, which led to the national lockdown and disruption of economic activities. As a result, the household sector became more cautious in their spending while interest rate and capital market had been fluctuating widely throughout the year. These factors, more or less, account for the deepest decline of first-year premium in life insurance industry at 11.3% for the year 2020.

A handwritten signature in blue ink, consisting of stylized cursive letters and a large circular flourish at the end.

Dr. Siri Ganjarendee

Chairman of the Board of Directors

Throughout the year, the company had actively managed distribution channels, developed customer centric products, as well as initiated campaigns to recapture existing customers. The company also implemented digital tools to service customers and developed digital tools to facilitate the employee during work from home period. Consequently, the Company had first year premium of 6,550 million baht, an increase of 5.7 percent from prior year, despite industry's dismal negative growth of 11.3 percent. The company had renewal premium of 28,195 million baht and total premium of 34,745 million baht, a decrease of 4.4 percent and 2.7 percent from prior year respectively which met the company expectation.

In addition, the adverse business environment had created challenges to maintain the capital adequacy ratio at the appropriate level. The company had reallocated the investment portfolio and managed interest risk through asset and liability management concurrently with relaxing policy announcement by regulator. To our satisfaction, the company was able to maintain the capital adequacy ratio at 274 percent, higher than the 100 percent regulatory level.

The company has a long-term plan to enhance the company digital and technology capabilities through the adopting of digital tools in operation and service areas. The company is aiming to become a data-driven organization which uses data to support the corporate decision making and conduct customers analysis to offer the right products and maintain the existing customers. Moreover, to increase the company competitive advantage and create the sustainable business growth, the company is focusing on implementing the internal process improvement to raise efficiency and increase customer satisfactions. The company is thriving to create a trusting and become the most outstanding brand in the industry. Above all, we are mindful of enterprise risk management and reiterate our commitment to operating business with transparency and good corporate governance for sustainable growth.

On behalf of the Board of Directors, I would like to take this opportunity to express our gratitude to our customers, shareholders, life insurance agents, financial advisors, and the Company's business partners who have always trusted and supported the Company. Besides this, I wish to thank the Company's executives and employees for their unity and spirit, their tremendous dedication in developing our organization, and their honesty and sincerity in providing good services to customers, which are the key factors to the Company's success throughout our long history.

MESSAGE FROM CHAIRMAN OF THE AUDIT COMMITTEE



Dear Shareholders,

The Audit Committee consists of three independent directors who have expertise, knowledge, capability, and are qualified as per the requirements of the Stock Exchange of Thailand. They operate independently, are under no restrictions in obtaining information from executives, employees, and stakeholders, and may express comments and give suggestions for the equal benefit of all stakeholders.

In 2020, the Audit Committee convened five times with executives, internal auditors, the compliance office, and external auditors to discuss and exchange opinions on related agenda items. The keyword issues can be concluded as follows:

A handwritten signature in blue ink, which appears to read 'Sunthorn Arunanondchai'.

(Mr. Sunthorn Arunanondchai)

Chairman of the Audit Committee

1

The Committee reviewed quarterly and annual financial statements that had previously been reviewed/audited by the external auditors and reported on them, expressing free and unrestricted opinions. The meetings were held with the attendance of external auditors and relevant executives to consider important accounting policies, the accuracy and completeness of the financial statements, and significant factors having impact on finances. In addition, there was a single meeting with external auditors without management in attendance to enable a free and open discussion of important information and issues in preparation of financial statements, in which the external auditors expressed no significant remarks. The Audit Committee concluded that the Company financial reports are reliable, accurate, and complete in accordance with generally accepted accounting principles and provided adequate and appropriate disclosure.

2

The Committee reviewed internal control systems by discussing with internal auditors about observations made in the audit reports and consulted with external auditors about internal control and Company risks under the scope of auditor work. The Committee also considered the adequacy of internal controls and risk management as determined by the rules

of the Securities and Exchange Commission (SEC), including reviewing compliance with the anti-corruption and anti-money laundering policy and measures as well as acknowledging complaints filed with the Company by third parties and whistleblowers via various channels. That enables the Audit Committee to be notified directly in accordance with the principles of good corporate governance. The Committee has concluded that the Company has had adequate internal controls, including strict and appropriate supervision and risk management to support Company operations to achieve their objectives efficiently and effectively.

3

The Committee assessed the Company internal audit systems to determine whether they were appropriate and effective. They considered and approved the annual audit plan of the Internal Audit Department and monitored its operation and audit results from quarterly reports to ensure that the recommendations were implemented, as well as conducting a performance evaluation of the Department. The result has shown that the Company internal audit systems are sufficiently independent, the annual audit plan is consistent with Company risks, and audit practices are constantly being developed to conform to international professional internal auditing standards.

4

The Committee reviewed Company compliance with the law on securities and exchange as required by the Stock Exchange of Thailand, and insurance laws and laws related to company business operations. The Committee considered and approved the operation plan of the Compliance Office, which is independent and reports directly to the Audit Committee, to supervise, monitor, and coordinate with various departments within the Company. This is to ensure strict compliance with laws, rules, ethics, and related regulations. It receives quarterly reports on regulatory and other impacts on Company operations from the adoption of such regulations. So far, the Company has complied with all relevant regulations and requirements in a proper and timely way.

5

The Committee considered, nominated, and suggested remuneration amounts for external auditors in 2020 and presented them to the Board of Directors for approval at the shareholders meeting. The considerations were based on nominees' knowledge, capability, understanding and experience in the life insurance business.

6

The Committee reviewed and gave opinions on related transactions and cases involving potential conflicts of interest and on reports of the relevant committees so as to comply with the relevant laws and requirements as well as accurately disclosing them to the Stock Exchange of Thailand within the specified time.

7

The Committee made quarterly reports of its operation to the Board of Directors, providing opinions and suggestions that are beneficial for the management administration, including its self-assessment of 2020 performance, reviewing its own charter and giving consideration to the suitability of the structure and composition of the Audit Committee and the fulfilment of its duties within the scope of its responsibility. The overall results are in line with the criteria and best practices of the Stock Exchange of Thailand.

In summary, the Audit Committee agreed that the Company has produced accurate financial reports and provided complete disclosure of important information adequately and in a timely manner. The Company also has appropriate internal controls and tight security. Company governance procedure have complied with the laws regarding appropriate business practices and dealt with related transactions and potential conflicts of interest in ways that are in favor of the Company. The Committee agreed that Company good governance has extended to risk management and operation control systems and is effective, transparent, and reliable.



MESSAGE FROM CHAIRMAN OF THE RISK MANAGEMENT COMMITTEE



Dear Shareholders,

In 2020, the Risk Management Committee recognized the importance of existing and emerging risk factors of the COVID-19 pandemic that directly and severely affected operations and economic conditions at the macro level, internationally and domestically. This has caused the money market and capital market to become more volatile, the interest rate to drop and stay low, and affected employment and people's purchasing power. This has posed risks that may affect the financial position of the Company if these factors, which could affect profitability, are not properly managed, such as income generation from written premium, investment ability, investment income, and capital level. The management has implemented measures and risk management plans that were set out as follows:

A handwritten signature in blue ink, appearing to read 'Praphant Asava-aree'. The signature is stylized and fluid.

Mr. Praphant Asava-aree

Chairman of the Risk Management Committee

1

Managing sales channels to increase Company competitiveness in various dimensions such as: adding new alliances through bank and agent channels, controlling the quality of product offerings, regularly launching new products, and, during the COVID-19 pandemic, increasing marketing ability using a Digital-Face-to-Face system. These adjustments have enabled the Company's first-year premium growth rate to rise higher than that of the industry average.

2

Investment risk analysis and assessment: The management has reviewed the investment policy and investment ratio to reflect with the situation along with Asset and Liability Risk Management (ALM) and liquidity of the Company in order to maintain investment capability and investment revenue and do not impact to capital level significantly.

3

Managing operations by using technology and digital tools to facilitate Company services and improve work process efficiency to control risk factors that could affect profitability, product development, and cost management.

4

Operational risks: As a result of the COVID-19 pandemic, the Company has had to put in place strict measures to manage hygiene within Company offices across the country to prevent the spread of COVID-19. To enable the Company's business continuity, Work-From-Home was practiced in order to reduce various risks, in which the Company provided personnel, technology and tools that effectively facilitated services given to customers, the insured, and partners. The Company has prepared and adjusted internal processes, operation systems, personnel, and work procedures to be ready to comply with legal changes that may affect core business processes and the Company's future financial reporting such as Financial Reporting Standards (IFRS), Personal Data Protection Act B.E. 2562, Cyber Security Act B.E. 2562, and related laws.

In order to manage risk in accordance with the risk management policy framework approved by the 2020 Board of Directors, the Risk Management Committee held four meetings to review, monitor, and assess the propriety of overall risk management, and reported to the Board of Directors on a quarterly basis to ensure that it would build confidence and credibility among all stakeholders.

MESSAGE FROM CHAIRMAN OF THE GOOD CORPORATE GOVERNANCE COMMITTEE



Dear Shareholders,

The Good Corporate Governance Committee, appointed by the Board of Directors, has been assigned to oversee corporate compliance with the good corporate governance principles for listed companies, and to revise the propriety of corporate governance policies and practical guidelines to be consistent with the good governance principles set forth by the Securities and Exchange Commission (SEC) and the Office of Insurance Commission (OIC).

Mrs. Komkai Thusaranon

Chairman of the Good Corporate Governance Committee

During 2020, the Good Corporate Governance Committee held three meetings to supervise and monitor Company management actions in raising awareness and encouraging all personnel in the organization to comply with corporate policies, guidelines, and code of conduct. The Good Corporate Governance Committee has revised and adjusted good governance policies, as well as related procedures and guidelines to respond to the constantly changing situation at present. Furthermore, in the past year, the Good Corporate Governance Committee also reviewed the first-ever 2019 sustainability report to be published as an additional communication channel to stakeholders with the content on the Company's sustainability performance that include economics, social and environmental dimensions, and good governance.

As a result of our persistent determination and continuous dedication to conduct business responsibly in accordance with good corporate governance practices, the Company was awarded with recognitions and ratings from various organizations as follows:

1

The Thailand Institute of Directors rated the Company "5 stars" or "Excellent" based on a 2019 corporate governance assessment. Previously, and for the past seven years, the Company had been rated "4 stars" or "Very Good".

2

The Thai Investors Association and the Securities and Exchange Commission rated the Company "Excellent" based on their assessment of the annual general shareholders meeting held in 2019.

3

The Office of Insurance Commission awarded the Company 3rd place as an Outstanding Life Insurance Company in 2019.

The Corporate Governance Committee is committed to supporting the Company towards complying with good corporate governance standards, business ethics and sustainability to achieve fairness and in the best interest of shareholders and stakeholders along with the sustainable development of the Company.

MESSAGE FROM THE PRESIDENT AND CEO



In 2020, Life insurance faced many negative factors for instance deceleration of economic growth, interest rate and financial market fluctuation and Coronavirus Disease (COVID-19) pandemic which directly alter consumer behavior, causing the decrease in first year premium of 11.3 percent. Life insurers needed to adjust product and selling strategy, investment strategy as well as risk management policy. In the meantime, Office of Insurance Commission (OIC) had been very supportive in approving Digital Face to Face process, which allowed representatives to offer product remotely with no physical contact, exempting agency license training and waiving investment related regulation. On a positive note, Coronavirus Disease (COVID-19) raised the awareness of the public on the importance of life insurance and health insurance resulted in a 6.1 percent and 13.59 percent increase in the premium of health insurance and critical illness riders respectively.

A handwritten signature in blue ink, which appears to be 'M.L. Jiraseth Sukhasvasti'.

M.L. Jiraseth Sukhasvasti

President and Chief Executive Officer

Bangkok Life Assurance Pcl. has been continuously revamping product portfolio in response to economic volatility and customer needs such as introducing Participating Product (PAR) and enhancing health and critical illness product based on customer segment. Moreover, Bangkok Life Assurance Pcl. has been focusing on balancing sales from all distribution channels. For agency distribution channel, we were able to increase the numbers of qualified agents which led to better channel sales growth comparing to industry and improving riders portfolio. Besides, company was able to strengthen relationship in bancassurance channel and was able to secure several new partnerships. Furthermore, we add more product in online channel to serve growing consumers.

With the above strategies, Bangkok Life Assurance Pcl. was able to deliver satisfactory performance in the year 2020. The first year premium was 6,550 million baht, 5.7 percent increase from prior year, amid 11 percent decrease in industry. The renewal premium was 28,195 million baht, 4.4 percent decrease from prior year, and the total premium was 34,745 million baht, 2.7 percent decrease from 2019 as forecasted. However, By the end of year 2020, total asset was 339,778 million baht and CAR was 274% which was higher than regulator's requirement at 140%.

Bangkok Life Assurance Pcl. will continue to focus on balancing the first year premium from all distribution channel through uplifting quality of sale representatives and financial advisors in all channel, increasing business partnerships and exploring new business opportunity as well as designing product that serves customer needs. Company aims to concentrate on protection and health products in relation with aging society and inflation in medical expense. Also, company will complete our offering shelf with Unit Linked product to fulfill customer demand.

Bangkok Life Assurance Pcl. still aims to be a leader in driving business through the digital era and enhance capability in using technology. Company has designed and developed various digital tools to facilitate customers and stakeholders. We also encourage the usage of digital tools to improve the business process aiming to offer the best benefit to customers and all stakeholders.

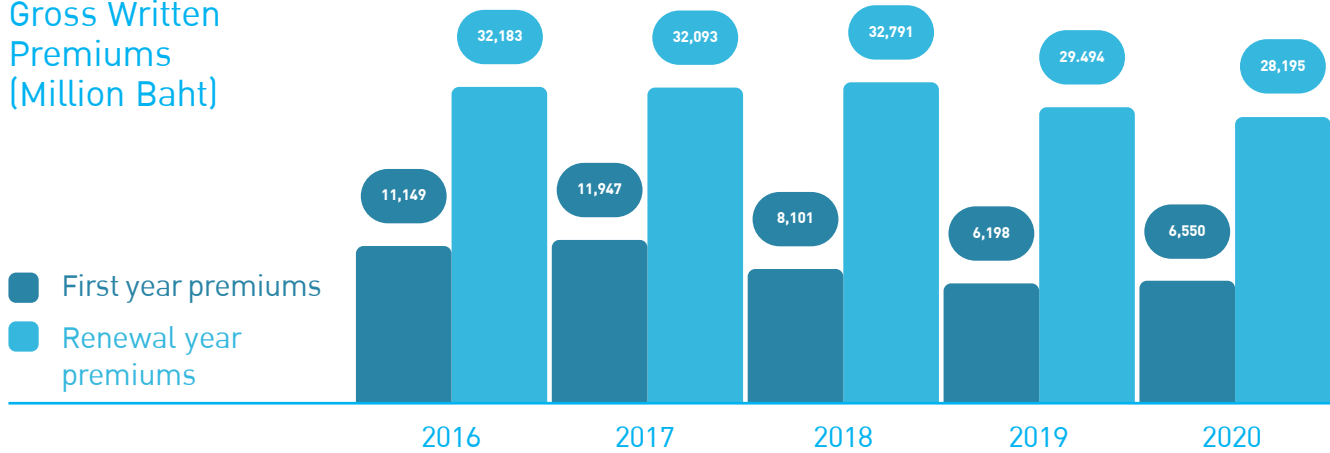
On behalf of the Company, I would like to express my appreciation to our customers, business partners, life insurance agents and financial advisors for giving their trust and support to the Company over the past years. I would also like to thank our management team and employees for their commitment, responsibility, teamwork, continuous self-development, and sincerity which are the core values to encourage the Company's strong and sustainable growth.

FINANCIAL OVERVIEW

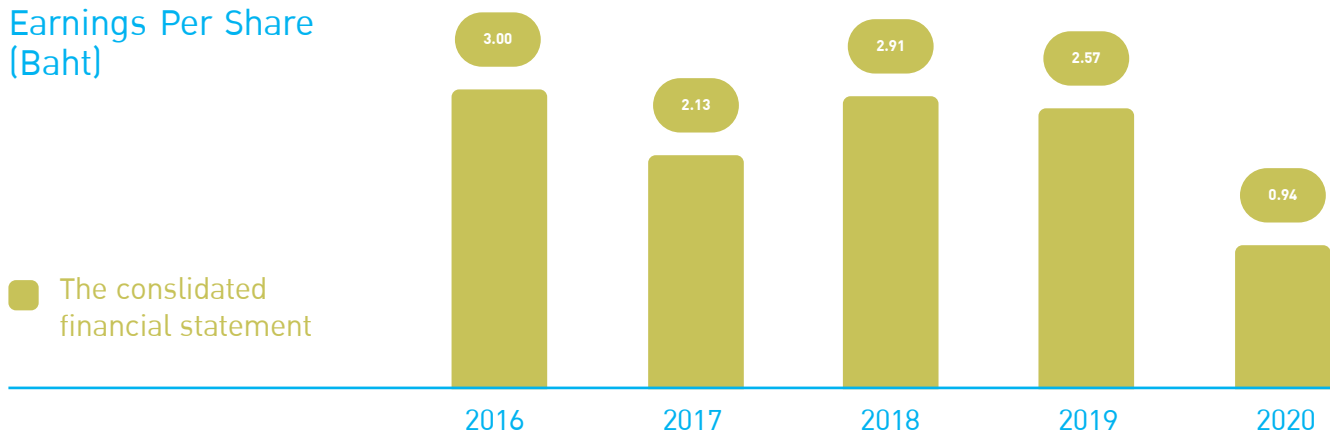
		Consolidated financial statements				
		2020	2019	2018	2017	2016
Statements of financial position	(million baht)					
Total assets		339,778	333,680	324,578	308,729	282,356
Investment assets		330,197	324,800	314,909	299,705	272,908
Total liabilities		293,680	289,420	286,070	269,964	249,027
Insurance contract liabilities		291,329	286,642	283,281	266,015	243,117
Total owners' equity		46,098	44,260	38,508	38,765	33,329
Statements of income	(million baht)					
Gross written premiums less cancel and refund		34,744	35,692	40,892	44,039	43,333
- First year premiums less cancel and refund		6,550	6,198	8,101	11,947	11,149
- Renewal year premiums		28,194	29,494	32,791	32,093	32,183
Net investment income		12,231	12,632	12,255	11,552	10,600
Life policy reserves increase from previous year		4,919	3,580	17,313	23,183	26,104
Net income		1,608	4,384	4,960	3,627	5,100
Information per share						
Share capital - issued and fully paid-up	(million share)	1,708	1,708	1,708	1,708	1,706
Price per book value	(baht)	27.00	25.92	22.55	22.70	19.54
Earnings per share	(baht)	0.94	2.57	2.91	2.13	3.00
Dividend per share	(baht)	0.23	0.65	0.72	0.54	0.75
Dividend payout	(%)	24.44	25.31	24.74	25.35	25.00
Stock price at period end	(baht)	21.00	20.70	26.25	35.25	53.00
Embedded Value and Value of New Business						
Embedded Value per share	(baht)	39.53	41.51	36.86	36.73	32.09
Value of New Business per share	(baht)	0.67	0.21	0.87	0.94	0.95

Financial ratios		Consolidated financial statements				
		2020	2019	2018	2017	2016
Liquidity ratio	(million baht)					
Current ratio	(times)	6.83	7.62	8.21	4.53	6.44
Premium receivable turnover	(days)	18.84	18.98	17.05	17.03	16.50
Profitability ratio						
Profit on underwriting to net premium written	(%)	6.04	15.54	14.86	9.87	12.92
Underwriting expenses to premium written	(%)	9.56	10.13	10.57	10.20	8.75
Investment yield	(%)	4.07	4.43	4.60	4.65	5.20
Net profit margin	(%)	3.40	8.97	9.21	6.44	9.20
Return on equity	(%)	3.56	10.59	12.84	10.06	16.91
Efficiency ratio						
Return on total asset	(%)	0.48	1.33	1.57	1.23	1.92
Asset turnover	(times)	0.14	0.15	0.17	0.19	0.21
Financial ratio						
Debt per equity	(times)	6.37	6.54	7.43	6.96	7.47
Policy reserve to capital fund	(times)	6.16	6.31	7.15	6.66	7.04
Insurance contract liabilities to investment asset	(times)	0.88	0.89	0.90	0.89	0.89
Growth rate						
Gross written premiums	(%)	(2.66)	(12.72)	(7.15)	1.63	(3.36)
First year premiums	(%)	5.67	(23.49)	(32.19)	7.15	(18.18)
Total assets	(%)	1.83	2.80	5.13	9.34	13.13
Net income	(%)	(63.32)	(11.61)	36.76	(28.89)	24.15

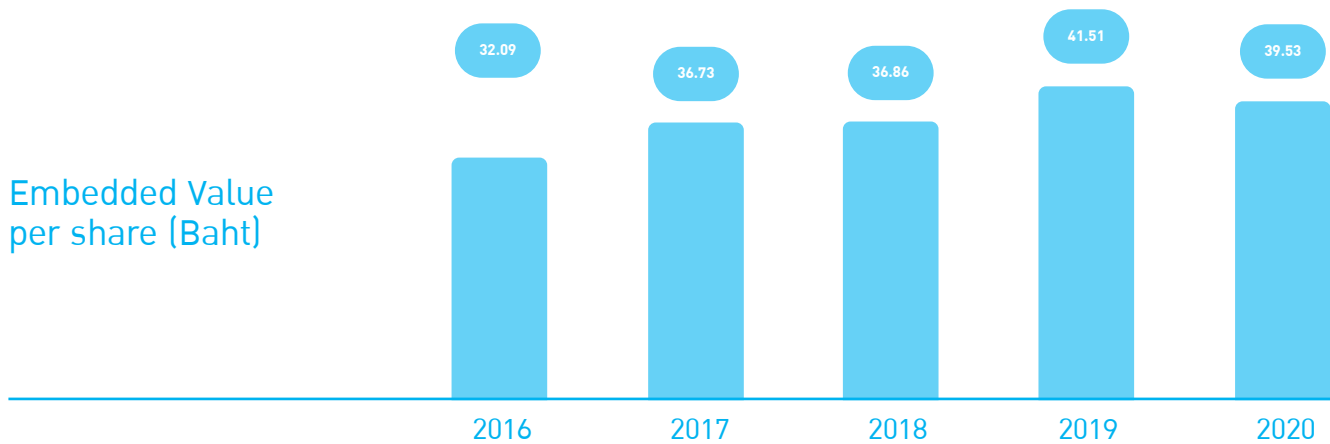
Gross Written Premiums (Million Baht)



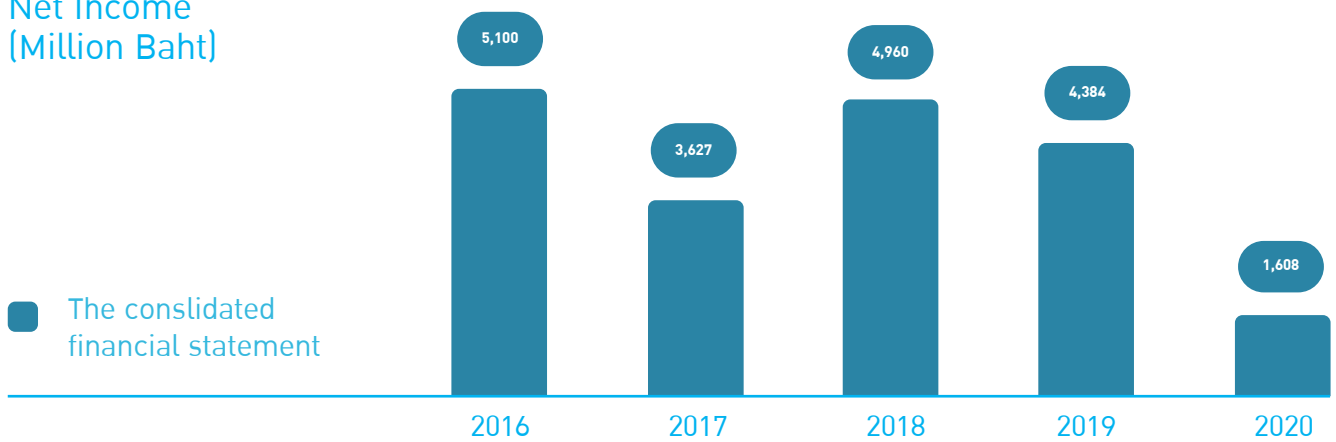
Earnings Per Share (Baht)



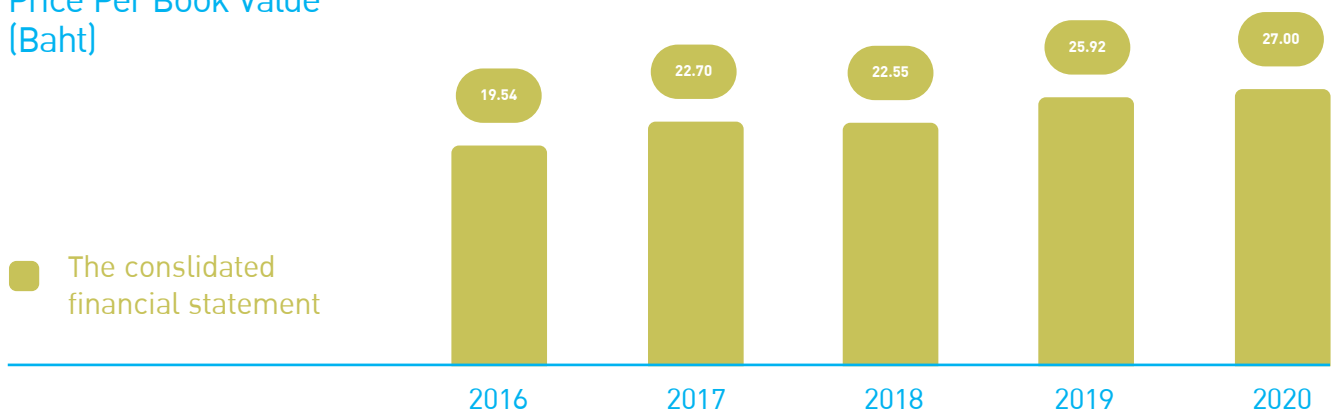
Embedded Value per share (Baht)



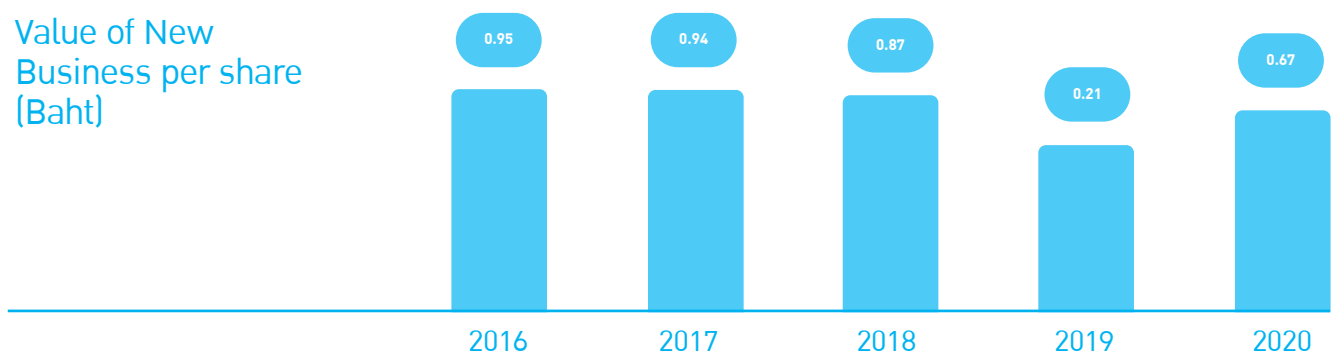
Net Income (Million Baht)



Price Per Book Value (Baht)



Value of New Business per share (Baht)



ORGANIZATION VALUES



Faith

Happily provide life insurance coverage and be willing to help people understand the benefits and value of the life insurance.



Responsibility

Be determined to accomplish goals and objectives in due time. Be professional, ethical and respect the rights of other.



Sincerity

Be trustworthy for customers by providing them with impressive service beyond their expectation. Be open and straight-forward in communicating with others and in disclosing information.



Self-development

Have a clear goal, creativity and eagerness to seek new knowledge that can contribute to continual self-development and ultimate success in the profession.



Teamwork

Be proactive at work and efficient in coordinating and communicating with others to attain desired results. Be supportive of and friendly with co-workers.

CORPORATE HISTORY AND AWARDS

1951 –
March 23

Major Kuang Aphaiwong, Phraya Srivisanvaja, and Mr. Chin Sophonpanich registered the Company named “Suksawasdi Life Assurance Company Limited”

April 10

The Company was renamed “Krungsiam Assurance Company Limited.”

1976

Mr. Chin Sophonpanich had the foresight to see that the time was right for the Company to earnestly conduct life insurance business, and so commissioned the international consulting firm, IFCCA, working with Mr. VaiVathanakuland Mr. K.V. Claridge, F.I.A., an actuarial science specialist from Swiss Reinsurance Company Ltd., to implement a new organizational structure and new systems.

2003

The Company was awarded ISO 9001:2000 certification from International Certifications Ltd., Auckland, New Zealand (ICL), for its work with ordinary life insurance policies and services rendered to customers. The Company was the first life insurance company in Thailand to receive ISO 9001 standards.

2007

Bangkok Life Assurance Pcl. was registered as a public company (Pcl.) in order to build transparency in management and accountability and to increase work efficiency so as to better serve the public.



1979

Krungsiam Assurance Company Limited was renamed to Bangkok Life Assurance Co., Ltd.



2000

The Company was awarded ISO 9002:1994 certification from International Certifications Ltd., Auckland, New Zealand (ICL), for its work with ordinary life insurance.



2009

Bangkok Life Assurance Pcl. listed on the Stock Exchange of Thailand with a registered capital of 1,220 million baht on 25 September 2009.

AWARDS



Since 2011-Present , Became the first life insurance company to receive ISO 9001:2008 certification from International Certifications Ltd., Auckland, New Zealand (ICL) for ordinary life insurance policy.



The Company won “Thailand’s Corporate Brand Rising Star Award” in 2013 and for three consecutive years from 2015 to 2017 was named “Thailand’s Top Corporate Brands” as the listed insurance company with the highest rate of growth in corporate brand value, an award given by Chulalongkorn University’s Faculty of Commerce and Accountancy and the Stock Exchange of Thailand.



In the three consecutive years 2014- 2017 the Company received an “Outstanding” Call Center rating from the Consumer Protection Board (CPB) for its excellent service in handling complaints and resolving problems for customers.



The Company was recognized by the Office of Insurance Commission (OIC) with multiple Awards won since 2004 and notable achievement as “Life Insurance Company with the Most Outstanding Management” in 2016.



Since 2015-Present, The Company received the ISO 22301:2012 certification in Business Continuity Management Systems (BCMS) from Bureau Veritas Certification (Thailand) Ltd., a certification body accredited by the United Kingdom Accreditation Service (UKAS). The certification is an international standard for crisis management to protect against uncertainty and potential risks that may arise, enabling the Company to function effectively with no interruption.



In the year 2019, Bangkok Life Assurance received the 3rd best Life Insurance Company Award 2018 from the Office of Insurance Commission (OIC’s aim is to promote the role of the insurance industry to be trusted and believed by the people. The Office of Insurance Commission (OIC) has consistently given outstanding insurance awards to entrepreneurs in the insurance industry. One of the annual awards is the Insurance Company Award for Outstanding Management, with the selection criteria that take into account professional management, operational potential, stable financial status and good governance, which Bangkok Life Assurance was awarded the 3rd Best Life Insurance Company of the year 2018.

AWARDS



Prime Minister's Insurance Awards for Life Insurance Company of the Year 2019

Bangkok Life Assurance received the 3rd place in the Best Life Insurance Company Awards (Prime Minister's Insurance Awards) for outstanding management in 2019 by the Office of Insurance Commission (OIC). Criteria for this award considers company's financial stability and outstanding development in products, life insurance agents, services to the assured, and digital infrastructure development that meets the needs of the assured and life insurance agents. The Company always strives to give back to our society and to improve the well-being of the assured and all Thai people.



The Most Trusted Brand Award

The Company was awarded the Most Trusted Brand from the Thailand Top Company Awards Event 2020 organized by Business+ magazine in collaboration with the University of the Thai Chamber of Commerce under the concept "Smart Businesses for Future Societies". The award emphasizes over 69 years of people's trust and confidence in Bangkok Life Assurance. Not only does the Company provide financial security through appropriate financial planning to clients, but it also offers Thai people peace of mind in every step of their life. The Company is determined to persistently improve the overall corporate operation to meet the needs of all groups of people as well as maximize the benefits for policyholders.



Top Community Care Companies in Asia from the Asia Corporate Excellence & Sustainability Awards 2020

Bangkok Life Assurance received the Top Community Care Companies in Asia Award because we believe that in order for the Company to move forward, we must stand alongside and grow with all Thai people in a sustainable manner. We have been organizing corporate social responsibility (CSR) activities under the concept of “Live as You Design”. This is in line with the vision and business of the Company to promote financial skills and financial planning among different groups of people in Thai society. The activities extend to helping people in rural areas and people who lack financial opportunities so as to provide them and their families with a stable and happy prospect of life at all ages, improve their financial planning skills, and enable them to absorb the impact of unexpected events; the most recent example being the Coronavirus outbreak in 2019 or COVID-19. We train our professional financial advisors to give good advice on insurance plans, mutual fund investments, and efficient financial planning for our clients. The award confirms our commitment to bridging social and economic gaps to improve people’s lives and their social well-being.



AWARDS

A Proof of Confidence and Success in Health Insurance

The honorable awards received by Bangkok Life Assurance take into account the health insurance product description, product coverage, services and supplementary services offered to insured clients. The selection criteria also consider the quality of health insurance products in various aspects such as average health claim processing time and average payout amount for an insurance claim per the rate of claims fully processed per year. We believe that the health insurance policies that the Company has persistently developed will be accessible to all walks of life and help increase treatment opportunities, in turn contributing to the improvement of people's quality of life and longevity. The two prestigious awards underscore the strength of Bangkok Life Assurance for its outstanding health insurance that meets the needs of customers and the best quality services that have contributed to its success over the years.



Most Innovative Health Product Thailand Award: The Best Company in Health Insurance Innovation from the International Finance Awards 2019

The award emphasizes the strength of Bangkok Life Assurance in its outstanding health insurance development. The award also recognizes organizations in the international financial industry who have outstanding performance and offers value to the global financial sector. It is organized by International Finance Magazine, a leading magazine from England that provides global financial market analysis to the world's top executives.



Product Innovation Awards 2020: The Best Innovative Products and Services of the Year 2020 among Lifestyle Products “BLA Prestige Health” insurance plan meets the needs of most consumers as recognized by the “Business+ Product Innovation Awards 2020”.

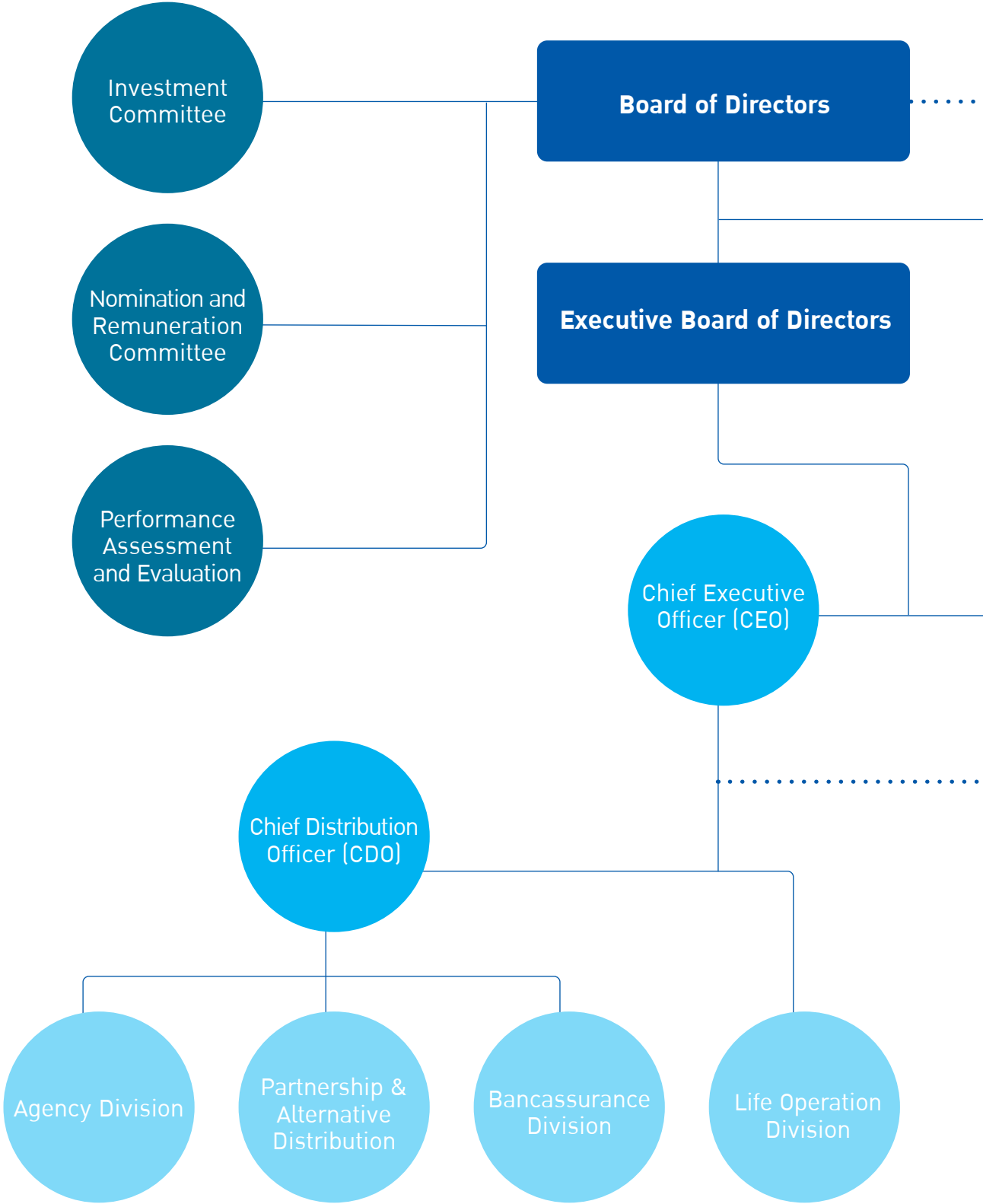
The award emphasizes the strength of concept development in the development of different products and services for people. The Company never stops to meet the needs of consumers comprehensively and cost-effectively. Bangkok Life Assurance’s product innovation concept comes from the phrase “Complete coverage in one place”. The uniqueness of this insurance is that it consists of multiple coverages including high insurance coverage and general treatment cover, deadly disease, and alternative medicine. This insurance plan provides the assured with fewer worries about unexpected medical expenses.

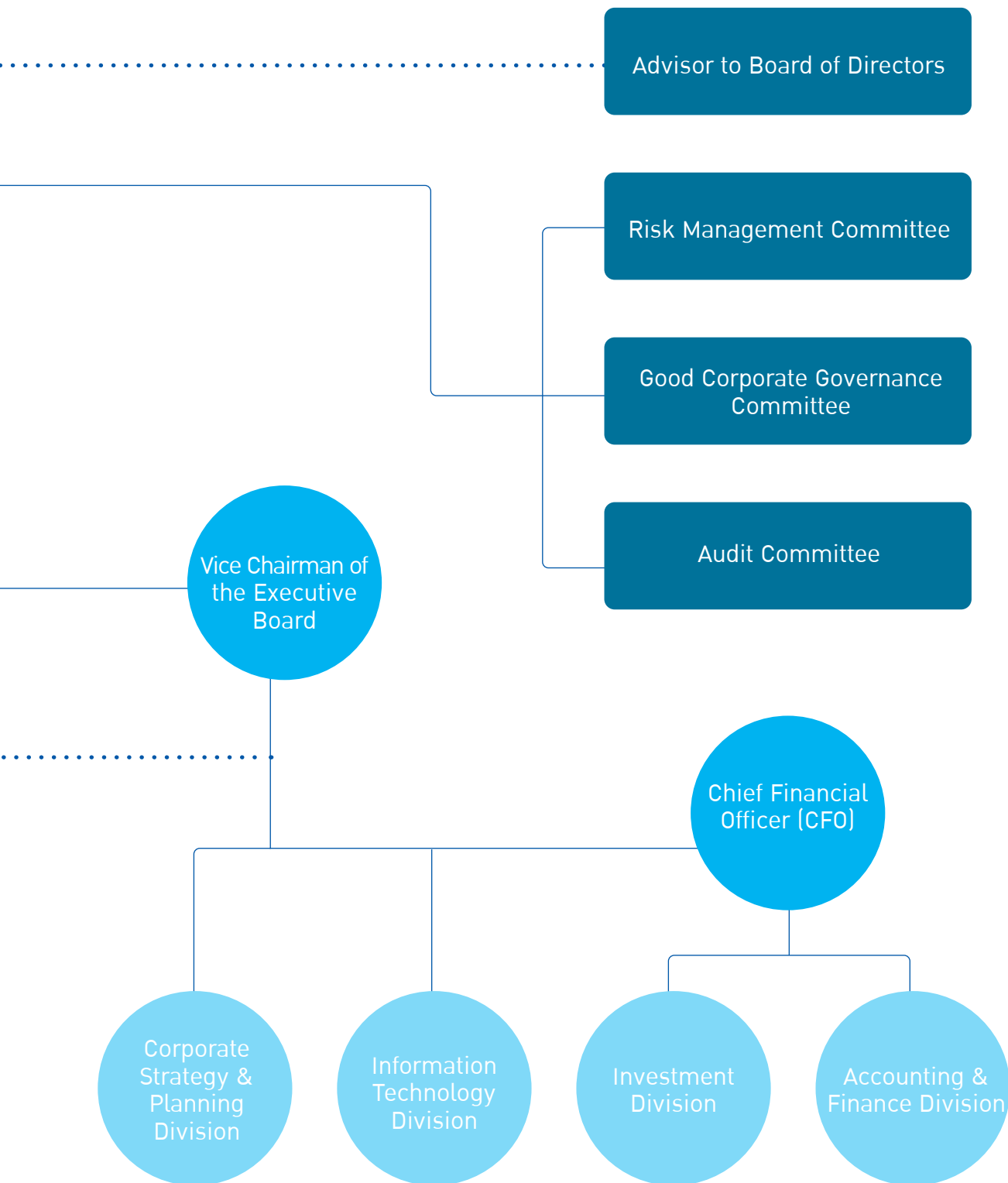


**Two Prestigious Awards:
Thailand Best Employer Brand Awards 2020
and HR Excellence Awards 2020
from the 15th Employer Branding Awards**

The awards emphasize the organization’s strength in human resource development with a quality that drives the organization towards sustainability. The awards that the Company was received recognized the cooperation of Company personnel from all sectors. Executives and employees have devoted their time and strength in their work and have worked together to create good things for the Company. Employees have cooperated and supported a variety of Company activities such as training, seminars, human resource development in Business Innovation & Design Thinking, and other various activities organized by the Company for its personnel. These awards demonstrated the effectiveness of organizational management when following a quality human resource management strategy. The commitment and determination in human resource development of Bangkok Life Assurance is the key to continually drive the organization towards its goals. Human resource development activities equip employees with the skills and confidence to cope with changes in the life insurance market. These skills enable the Company to be ready from the inside to the outside in providing excellent customer service.

ORGANIZATION CHART





BOARD OF DIRECTORS



Dr. Siri Ganjarndeep

(73 years old)

Chairman of the Board of Directors and Independent Director

Chairman of the Investment Committee

Chairman of the Nominating and Remuneration Committee

Chairman of the Performance Assessment and Evaluation Committee

Education / Training

- > Ph.D., Monetary Economics and Econometrics & Operations Research, Monash University, Australia
 - > M.Ec., Economic Statistics and Monetary Economics, University of Sydney, Australia
 - > B.Ec. (2nd Honour, 1st division), Economic Statistics, University of Sydney, Australia
 - > Certificate of Executive Program, Capital Market Academy, Class of 5/2007
 - > Certificate of Advanced Management Program, Class 113/1995, Harvard Business School
 - > Certificate of Audit Committee Program (ACP), Class of 6/2005, Thai Institute of Directors Association
 - > Certificate of Directors Certification Program (DCP), Class of 60/2005, Thai Institute of Directors Association
 - > Certificate of Directors Accreditation Program (DAP), Class of 4/2003, Thai Institute of Directors Association
-

Work Experience

Listed Companies in SET

2018	-	Present	Chairman, Board of Director, Bangkok Life Assurance PCL.
2017	-	Present	Chairman of the Performance Assessment and Evaluation Committee, Bangkok Life Assurance PCL.
2016	-	Present	Chairman of the Investment Committee, Bangkok Life Assurance PCL.
2010	-	Present	Chairman of the Nominating and Remuneration Committee, Bangkok Life Assurance PCL.
2004	-	present	Independent Director, Member of the Audit Committee, Member of Nominating and Remuneration Committee and Corporate Governance Committee, Indorama Ventures PCL.
May 2019	-	Present	Chairman of Board of Directors and Chairman of Executive Committee, Navavej International PCL.
Feb 2018	-	May 2019	Chairman of Board of Directors and Chairman of Executive Committee, KPN Healthcare PCL.
Dec 2016	-	May 2018	Chairman of the Executive Committee, Bangkok Life Assurance PCL.
2014	-	July 2018	Independent Director and Member of the Audit Committee, Samitivaj PCL.
2014	-	July 2018	Independent Director, Chairman of the Audit Committee and Chairman of the Risk Management Committee, Raimon Land PCL.
2000	-	Feb. 2018	Independent Director, Member of Nominating and Remuneration Committee and Chairman of the Audit Committee, The Post Publishing PCL.
2000	-	Apr. 2017	Vice Chairman, Board of Director and Chairman of the Audit Committee, Thai Vegetable Oil PCL.
2007	-	2012	Independent Director, Member of the Audit Committee and Member of Nominating and Remuneration Committee, Thoresen Thai Agencies PCL.
2002	-	2003	Independent Director, Member of the Audit Committee, Acting President and President, TMB Bank PCL.
2002	-	2014	Vice Chairman, Board of Director and Chairman of the Executive Committee, Prasit Pattana PCL.
1999	-	2002	Chairman of the Audit Committee, Prasit Pattana PCL.

Other Organizations

2018	-	present	Member, University Council and Chairman, Finance Committee, Sukhothai Thammathirat Open University
2016	-	present	Chairman, Board Of Director and Chairman of the Compensation and Nomination Committee, TRIS Rating Company Limited
2003	-	present	Member of the subcommittee for evaluation of state enterprises performances, State Enterprise Policy Office, Ministry of Finance
2003	-	present	Director, Member of the Audit Committee, Member of the Remuneration Committee and Chairman of the Nomination Committee, TRIS Corporation Limited.
2010	-	2017	Member of the Public Sector Development Sub-Committee in Public Finance and Budgetary System, Office of the Public Sector Development Commission
2009	-	2014	Director, Member, Risk Management Committee and Member of the Performance Assessment and Evaluation Committee, Bank of Thailand

Shareholdings in The Company

- No direct and indirect shareholding - (as of 10 July 2020)



Mr. Chai Sophonpanich

(76 years old)

Director

Member of the Nominating and Remuneration Committee

Education / Training

- > B.Sc., University of Colorado, U.S.A.
 - > Advanced Management Program, the Wharton School
 - > The Joint State – Private Sectors Class 6, the National Defence College of Thailand
 - > Certificate of Chairman, class 10/2004
 - > Certificate of Directors Certification Program (DCP), class 10/2002
-

Work Experience

Listed Companies in SET

August 2020	- Present	Director, Member of the Nominating and Remuneration Committee, Senior Advisor to Executive Board of Directors, Bangkok Life Assurance PCL.
Nov 2018	- Present	Chairman, Bangkok Insurance Public Co.,Ltd.
Nov 2018	- Present	Chairman, Fine Metal Technologies Public Co., Ltd.
Nov 2018	- Present	Chairman, Director of Investment Committee, and Director of the Remuneration and Nomination Committee, Thai Reinsurance Public Co., Ltd.
Sep 2018	- Present	Chairman, Charoong Thai Wire & Cable Public Co., Ltd.
Aug 2018	- Present	Chairman, Bumrungrad Hospital Public Co., Ltd.
2016	- Jun 2017	Chairman, Thai Reinsurance Public Co., Ltd
2010	- 2015	Chairman and Chief Executive Officer, Bangkok Insurance Public Co., Ltd.
1991	- 2015	Vice Chairman, Thai Reinsurance Public Co., Ltd.
1976	- 2009	Director and President, Bangkok Insurance Public Co., Ltd.
1968	- 2015	Director, Bangkok Life Assurance Public Co., Ltd.
1968	- 1975	Director, Bangkok Insurance Public Co., Ltd

Other Organizations

May 2018	- Present	Chairman, University Committee on Accounting and Finance, Mae Fah Luang University
2017	- Present	Executive Chairman, The Queen's Gallery
2013	- Present	Director, Foundation for The Volunteers Defence under The Royal Patronage of Her Majesty The Queen
2012	- Present	Executive Board, Association of Insurers and Reinsurers of Developing Countries
2009	- Present	Director, Princess Srinagarindra's Centenary Celebrations Foundation
2008	- Present	Director, Honorary Member of Mae Fah Luang University Council
2003	- Present	Director, Mae Fah Luang University Promotion Committee
1998	- Present:	Director, PT Asian International Investindo
1998	- Present	Director, Asian Insurance International (Holding) Ltd.
1997	- Present	Director, Chulalongkorn Medical School Foundation
1994	- Present	Chairman, Bangkok Insurance Foundation
1980	- Present	Chairman, Bumrungrad Hospital Foundation
2015	- May 2018	Director, University Committee on Accounting and Finance, Mae Fah Luang University
2009	- 2015	Director, International Insurance Society, Inc. New York, U.S.A.
2008	- 2016:	Executive Vice Chairman, The Queen's Gallery
2006	- 2008:	Chairman, The Federation of Thai Insurance Organization
2005	- 2007	President, Thai General Insurance Association
1997	- 1999, 1999 - 2001	President, Thai General Insurance Association
1970	- 2007:	Director, Thai General Insurance Association
1988	- 1992:	Chairman, Asian Reinsurance Corp., Ltd. Singapore
1987	- 1989:	Chairman, Asian Insurance Council, Jakarta
1984	- 1986, 1989 - 1991	President, Thai General Insurance Association
1984	- 1986, 2004 - 2006	President, The East Asian Insurance Congress

Shareholdings in the Company

21,810,328 shares (as of 10 July 2020)

Equivalent to 1.2770 percent of all shares with voting rights

- No indirect shareholding -



Mr. Sunthorn Arunanondchai

(79 Years old)

Independent Director

Chairman of the Audit Committee

Performance Appraisal Committee

Education / Training

- > MBA, University of Arkansas, USA
 - > Bachelor Degree, Southern Arkansas University, USA
 - > Honorary Doctor of Business Administration, Khonaen University, Thailand
 - > Honorary Doctor of Business Administration, Rajamangala University of Technology Thanyaburi, Thailand
 - > Honorary Doctor of Business Administration, Rajamangala University of Technology Suvarnabhumi, Thailand
 - > Honorary Doctor of Business Administration, Rajabhat Maha Sarakham University, Thailand
 - > Certificate of National Defense Diploma (Batch 366), National Defense College of Thailand
 - > Diploma, Politics and Governance in Democratic Regimes Program for Executives (Batch 5), King Prajadhipok's Institute
 - > Certificate of Executive Program (Batch 6), Capital Market Academy
 - > Certificate of Directors Certificate Program (DCP), Class of 98/2008, Thai Institute of Directors Association
 - > Certificate of Directors Accreditation Program (DAP) CP, Class of 4/2005, Thai Institute of Directors Association
 - > Certificate of Executive Program, University of Hawaii, East-West Center
 - > Certificate of YPO Chief Executive Program, Harvard Business School, USA
 - > Certificate of YPO Chief Executive Program, Kellogg – Northwestern University, USA
-

Work Experience

Listed Companies in SET

Oct 17	- Present	Member of the Performance Assessment and Evaluation Committee, Bangkok Life Assurance Pcl.
2007	- Present	Independent Director and Chairman of the Audit Committee, Bangkok Life Assurance Pcl.
1976	- 2006	Director, Bangkok Life Assurance Pcl.

Other Organizations

2017	- Present	Senior Vice Chairman, Charoen Pokphand Group Co., Ltd.
2015	- Present	Honorary Member of Khon Kaen University
2015	- Present	Expert Member of the King Prajadhipok's Institute Council
2004	- Present	Chairman, Rajburi Ethanol Chairman, Berkprai Cogeneration Co., Ltd. Chairman, Tipamas Co., Ltd. Chariman, S & A Enterprises Co., Ltd.
1988	- Present	President & CEO CP Land Pcl.
1985	- Present:	Chairman, Rajburi Sugar Group
2004	- 2017	Vice Chairman, Charoen Pokphand Group Co., Ltd.
1998	- 2020	Chairman, Ek-Chai Distribution System Co., Ltd.

Shareholdings in the Company

1,079,200 Shares (as of 10 July 2020),

Equivalent to 0.0632 percent of all shares with voting rights

-No indirect shareholding-



Mrs. Komkai Thusaranon

(69 Years old)

Independent Director

Chairman of Executive Board of Director

Chairman of the Good Corporate Governance Committee

Member of the Risk Management Committee

Performance Appraisal Committee

Education / Training

- > Master of Development Economics, National Institute of Development Administration
 - > Bachelor of Business Administration, Chulalongkorn University
 - > Certificate of Directors Certification Program (DCP) Class of 26/2003, Thai Institute of Directors Association
 - > Certificate of National Defense Course, National Defense College, Class of 17/2003
 - > Certificate of Executive Program, Capital Market Academy, Class of 7
 - > Top Executive Program, Class of 34, Civil Service Development Institute
 - > OIC Advance Insurance Program, Class of 1/2011, OIC Advanced Insurance Institute
-

Work Experience

Listed Companies in SET

Mar 1, 2019	- Present	Independent Director, Bangkok Life Assurance Pcl.
May 2018	- Present	Chairman of the Executive Committee, Bangkok Life Assurance Pcl.
Oct 17	- Present	Member of the Performance Assessment and Evaluation Committee, Bangkok Life Assurance Pcl.
Apr 2014	- Present	Member of the Risk Management Committee, Bangkok Life Assurance Pcl.
Apr 2013	- Present	Director and Chairman of the Good Corporate Governance Committee, Bangkok Life Assurance Pcl.
Nov 2016	- Present:	Director of the Audit Committee, Director or the Remuneration and Nominating Committee and Chairman of Enterprise Risk Management Committee, Thaire Life Assurance Pcl.
Jul 2016	- Present	Independent Director, Thaire Life Assurance Pcl.
Jul 2016	- Feb 2017	Executive Director, Member of the Investment Committee, and Acting President, Bangkok Life Assurance Pcl.
Apr 2014	- Jun 2016	Member of the Audit Committee, Bangkok Life Assurance Pcl.
Jan 2013	- Apr2014	Advisor to the President, Bangkok Life Assurance Pcl.

Other Organizations

2008	- 2011	Deputy Secretary General, Office of Insurance Commission (OIC)
2003	- 2008	Deputy Director General, Department of Insurance, Ministry of Commerce
2000	- 2003	Specialist in life insurance, Department of Insurance, Ministry of Commerce
1996	- 2000	Director, Division of Policy and Information, Department of Insurance, Ministry of Commerce
1995	- 1996	Director, Office of the Protection for Motor Vehicle Accident Victims, Department of Insurance, Ministry of Commerce
1993	- 1995	Director, Office of the Secretarial, Department of Insurance, Ministry of Commerce

Shareholdings in the Company

- No direct and indirect shareholding - (as of 10 July 2020)



Mr. Praphant Asava-aree

(63 Years old)

Independent Director

Chairman of the Risk Management Committee

Member of the Audit Committee

Education / Training

- > Bachelor's Degree Liberal Arts (Political Science), Faculty of Political Science, Ramkhamhaeng University
- > Certificate of Directors Certification Program (DCP) Class of 101/2008, Thai Institute of Directors Association
- > Certificate of Audit Certification Program (ACP) Class of 21/2007, Thai Institute of Directors Association

Work Experience

Listed Companies in SET

2016	-	present	Member of the Audit Committee, Bangkok Life Assurance Public Company Limited
2014	-	present	Independent Director and Chairman of the Risk Management Committee, Bangkok Life Assurance Public Company Limited
2014	-	2016	Member of the Investment Committee, Bangkok Life Assurance Public Company Limited
2007	-	2013	Director, Eastern Water Resources Development and Management Plc.

Other Organizations

2014	-	present	Director, BC Andaman Ltd.
2014	-	present	Director, BC Golf Resort Management Co., Ltd.
2014	-	present	Director, Blue Canyon Holding (Thailand) Ltd.
2014	-	present	Director, Blue Canyon Property Corp., Ltd.
2014	-	present	Director, Blue Canyon Development Co., Ltd.
2014	-	present	Director, Canyon Capital Ltd.
2014	-	present	Director, Legacy Resources (Thailand) Ltd.
2014	-	present	Director, Murex Co., Ltd.
2014	-	present	Director, Pluakdaeng Eastern Estate Co., Ltd.
2009	-	April 2013	Director, Member of The Executive and Investment Committee and Member of the Competitiveness Committee, Thai Listed Companies Association

Shareholdings in the Company

- None of direct and indirect shareholding - (as of 10 July 2020)



Miss Varawan Vechasut

(62 years old)

Independent Director

Member of the Audit Committee

Education / Training

- > MBA, Kasetsart University.
- > Master of Sociology, Thammasat University
- > Bachelor of Arts (Statistics), Thammasat University
- > National Defense Course, Class of 24/2011, National Defense College
- > Directors Certification Program (DCP) Class of 181/2013, Thai Institute of Directors Association
- > Top Executive Program, Class 45/2002, Civil Service Development Institute
- > Certificate of Executive Program, Class of 19/2015, Capital Market Academy
- > OIC Advance Institute Program, Class of 1/2011, OIC Advance Institute
- > Advanced Audit Committee Program (AACP) Class of 38/2020, Thai Institute of Directors Association

Work Experience

Listed Companies in SET

July 2020 - Present Independent Director and Member of the Audit Committee, Bangkok Life Assurance PCL.

Other Organizations

May 2019	-	Dec 2019	Deputy Secretary General (Examination) Office of Insurance Commission
2011	-	April 2019	Deputy Secretary General (Supervision) Office of Insurance Commission
2007	-	2010	Assistant Secretary General, Products and Intermediaries Supervision Office of Insurance Commission (OIC)
2002	-	2006	Director of Promotion and Information Division Department of Insurance, Ministry of Commerce.
May 2019	-	Dec 2019	Advisor to the financial Reporting Standard Development Board (IFRS 17) Re: Insurance Contracts
May 2019	-	Dec 2019	Chairman of the Data Structure Standard and Exchange Standard Committee
2017	-	April 2019	Chairman of the Development and Improvement Committee to Approve Life Insurance Policy and Riders
2011	-	April 2019	Chairman of the Risk Management and Risk-based Capital Adequacy (RBC) Committee
2017	-	2019	Chairman of the Insurance Regulatory Sandbox Committee
2013	-	2018	Joint Committee of Public and Private Sector to Establish policies for the development of insurance business through tax measures.
2015	-	2017	Chairman of Thai Mortality Table 2017 working group
2013	-	2015	3 Regulators (BOT, SEC, OIC) Steering Committee
2011	-	2013	Thai Capital Market Development Committee

Shareholdings in the Company

- No direct and indirect shareholding - (as of 10 July 2020)



Mr. Chone Sophonpanich

(46 Years Old)

Director

Vice Chairman of the Executive Board

Member of the Investment Committee

Member of the Risk Management Committee

Education / Training

- > Master of Economics and International Relations, Johns Hopkins University, USA
 - > Bachelor of Economics (Upper Second Class Honours), University College London, England
 - > Directors Certification Program (DCP), Class 142/2011, Thai Institute of Directors
 - > Advanced Audit Committee Program (AACP), Class 29/2018, Thai Institute of Directors
 - > Fellow, Life Management Institute, LOMA
-

Work Experience

Listed Companies in SET

May 2019	- Present	Member of the Risk Management Committee, Member of the Investment Committee and Acting Executive of Corporate Business Strategy and Planning, Bangkok Life Assurance Pcl.
Dec 2017	- Present	Director and Executive Vice Chairman, Bangkok Life Assurance Pcl.
2013	- July 2016	Member of the Investment Committee, Bangkok Life Assurance Pcl.
2011	- July 2016	Director and Executive Director, Bangkok Life Assurance Pcl.
2011	- July 2016	President, Bangkok Life Assurance Pcl.
Aug 2010	- Dec 2010	Executive Vice President, Bangkok Life Assurance Pcl.
Sep 2008	- Aug 2010	Senior Vice President, Financial Institutions Marketing Department, Bangkok Life Assurance Pcl.
1998	- 2000	Senior Dealer, Foreign Exchange Department, Bangkok Bank Pcl.

Other Organizations

2018	- Present	Director, Veyla Natai Residences (Villas) Co., Ltd.
2018	- Present	Director, BBL Asset Management Co., Ltd.
2018	- Present	Director, June-July Co., Ltd.
2018	- Present	Director, Siridecha Co., Ltd.
2018	- Present	Director, Srirumjai Nongprue Co., Ltd.
2018	- Present	Director, Sripattana Pong Co., Ltd.
2017	- Present	Director, The Lineage Co., Ltd.
2017	- Present	Director and Member of Audit Committee, Thaisri Insurance Co., Ltd.
2017	- Present	Director, Bangkok BTMU Limited
2017	- Present	Director, Bangkok Mitsubishi UFJ Lease Co., Ltd.
2017	- Present	Director, Yenjai Co., Ltd.
2013	- Present	Director, Veyla Cha-am Residences Co., Ltd.
2008	- Present	Director, Ideas 1606 Co., Ltd.
2002	- Present	Director, Watana Choedchu Co., Ltd.
1996	- Present	Director, Pleasure of Living Co., Ltd.
2018	- 2020	Chairman, Cambodia Life Insurance Company Plc.
2017	- 2018	Innovative Finance Consultant, UNICEF
2012	- 2016	Director, Thai Financial Planners Association
2012	- Mar 2015	Director, Cambodia Life Insurance Company Plc.
2011	- 2016	Director and Executive Director, The Thai Life Assurance Association
2011	- 2016	Director, BBL Asset Management Co., Ltd.
2000	- 2008	Director, International Business, Green Spot Co., Ltd
1997	- 1998	Financial Analyst, Corporate Finance, Morgan Stanley, New York

Shareholdings in the Company

185,000 shares (as of 10 July 2020)

Equivalent to 0.0108 percent of all shares with voting rights

- No indirect shareholding -



ML. Jiraseth Sukhasvasti

(64 years old)

Director

Executive Director

Member of the Risk Management Committee

President and Chief Executive Officer

Education / Training

- > Bachelor's Degree of Economics, Faculty of Economics, Ramkamhaeng University
- > Master degree of Business Administration, Southeastern Oklahoma State University, USA
- > Certification of Directors Certification Program (DCP) Class of 270/2019, Thai Institute of Directors Association
- > Certification of Executive Program, Capital Market Academy, Class 28

Work Experience

Listed Companies in SET

Aug 2018	-	Present	Director, Executive Director, Member of the Risk Management Committee and President and Chief Executive Office, Bangkok Life Assurance PCL.
Aug 2018	-	Feb 2020	Member of the Investment Committee, Bangkok Life Assurance PCL.

Other Organizations

Aug 2020	-	Present	Vice President Technical, The Thai Life Assurance Association
Jun 2019	-	Present	Director, National Digital ID Co., Ltd.
Aug 2018	-	July 2020	Vice President Administration, The Thai Life Assurance Association
Aug 2017	-	July 2018	Advisor to CEO, Muang Thai Life Assurance PCL.
Aug 2016	-	Jul 2018	Vice President Technical, The Thai Life Assurance Association
2016	-	2017	Chief External Affairs Officer, American International Assurance Co., Ltd.
2012	-	2016	Chief Operating Officer, American International Assurance Co., Ltd.
Aug 2012	-	Jul 2016	Vice president Marketing, The Thai Life Assurance Association
2011	-	2012	VP and Senior Director of Agency, American International Assurance Co., Ltd.
2007	-	2011	VP, Bangkok Agency / Agency Administration, American International Assurance Co., Ltd.

Shareholdings in the Company

- No direct and indirect shareholding - (as of 10 July 2020)



Mrs. Savitri Ramyarupa

(59 Years old)

Director

Executive Director

Member of the Investment Committee

Education / Training

- > MBA in Finance, Sasin Graduate Institute of Business Administration
- > Bachelor in Economics, Barnard College, Columbia University, USA
- > The Top Executive Program, Capital Market Academy, Batch 17/2013
- > Certificate of Directors Certification Program (DCP), Class of 176/2013, Thai Institute of Directors Association
- > Certificate of Ultra-Wealth, Association of Economics, CHULALONGKORN UNIVERSITY
- > Certificate of Tourism Management Program for Executives (TME) Class of 2, Tourism Authority of Thailand
- > Certificate of Health ambassador for academic year 2018-2019, Chulabhorn Royal College
- > Certificate of Management Science Program for Executives, Class of 3, National Institute of Development Administration

Work Experience

Listed Companies in SET

May 2017	-	Present	Member of the Investment Committee, Bangkok Life Assurance Pcl.
2003	-	Present	Executive Director, Bangkok Life Assurance Pcl.
1999	-	Present	Director, Bangkok Life Assurance Pcl.

Other Organizations

2008	-	Present	Managing Director, Riverside Garden Marina Co., Ltd.
2009	-	Present	Director, City Realty Co., Ltd.
2009	-	Present	Director, Asia Industrial Park Co., Ltd.
1999	-	Present	Director, Asia Sermkij Co., Ltd.

Shareholdings in the Company

- No direct shareholding - (as of 10 July 2020),
 Indirect shareholding 213,240 shares (as of 10 July 2020),
 Equivalent to 0.0125 percent of all shares with voting rights
 (Number of shares decreased 20,000 shares from 30 August 2019)



Mrs. Prapaivan Limsong

(53 Years old)

Director

Member of the Good Corporate Governance Committee

Education / Training

- > MBA, Sasin Graduate Institute of Business Administration
 - > Bachelor of Commerce and Accountancy, Chulalongkorn University
 - > Certificate of Directors Certification Program (DCP), Class of 80/2006 Thai Institute of Directors Association
 - > Certificate of Advanced Audit Committee Program (AACCP), Class of 32/2019 Thai Institute of Directors Association
-

Work Experience

Listed Companies in SET

2020	-	present	Good Corporate Governance Committee, Bangkok Life Assurance Pcl.
2005	-	present	Director, Bangkok Life Assurance Pcl.

Other Organizations

2018	-	present	Advanced Audit Committee, Green Spot Co., Ltd.
2007	-	present	Director, Green Spot Co., Ltd.
2004	-	present	Director, NL Asset Co., Ltd.
1991	-	present	Director, NL Residence Co., Ltd.

Shareholdings in the Company

31,376,000 shares (as of 10 July 2020),
Equivalent to 1.8375 percent of all shares with voting rights
Indirect shareholding 2,000,000 shares (as of 10 July 2020),
Equivalent to 0.1171 percent of all shares with voting rights



Ms. Chollada Sophonpanich

(40 Years old)

Director

Member of Investment committee

Member of the Risk Management committee

Executive Vice President, Investment Division

Education / Training

- > Master of Business Administration, Stanford University, USA
- > Bachelor of Economics, University of Cambridge, England
- > Chartered Financial Analyst (CFA), Association of Investment Management and Research, USA
- > Certification of Directors Certification Program (DCP) Class of 269/2019, Thai Institute of Directors Association

Work Experience

Listed Companies in SET

Feb 20	-	Present	Member of the Investment Committee, Bangkok Life Assurance Pcl.
May 2019	-	Present	Member of the Risk Management Committee, Bangkok Life Assurance Pcl.
Dec 2017	-	Present	Director, Bangkok Life Assurance Pcl.
Jun 20	-	Present	Executive Vice President, Investment Division
Mar 2018	-	May 2020	Executive Vice President, Corporate Strategy & Planning Division and Acting
2011	-	Dec 2020	Vice President, Equity Investment Department, Bangkok Life Assurance Pcl.

Other Organizations

2010	-	2010	Strategy Consultant, Green Spot Co. Ltd.
2009	-	2009	Advisor in Project and Planning, Office of the Deputy Prime Minister
2006	-	2008	Consultant, The Boston Consulting Group
2002	-	2004	Economist, International and Macroeconomic Policy Bureau, Ministry of Finance

Shareholdings in the Company

110,000 shares (as of 10 July 2020)

Equivalent to 0.0064 percent of all shares with voting rights

- No indirect shareholding -



Mr. Vetit Assawamangla

(51 years old)

Director

Education / Training

- > Master degree in Banking, Corporate and Finance Law, Fordham University, USA
- > Bachelor of Laws, Thammasat University
- > Barrister-at-Law
- > Advanced Management Program, Harvard Business School, Boston, USA (2016)
- > The Asian Financial Leaders Program (AFLP), Singapore Management University
- > Leading Disruptive Innovation with Design Thinking, Stamford University
- > Director Certification Program (DCP) Class 90/2007 Thai Institute of Directors Association

Work Experience

Listed Companies in SET

Apr 2018	-	Present	Director, Bangkok Life Assurance Pcl.
2011	-	Present	Bangkok Bank Pcl. Executive Vice President, Manager, Human Resources department Senior Vice President, Human Resources department Senior Vice President, Employee Relationships, Human Resources department Senior Vice President, Operation, Human Resources department Bangkok Bank Pcl.
1998	-	2009	Senior Vice President, International Law, Office of the President Vice President, International Law, Office of the President Assistant Vice President, Specialist International Law, Office of the President
1991	-	1994	Legal Officer, Siam Cement Group Pcl.

Other Organizations

-None-

Shareholdings in the Company

- No direct and indirect shareholding - (as of 10 July 2020)



Mr. Kazuyuki SAIGO

(56 years)

Director

Member of the Nominating and Remuneration Committee

Education / Training

> Bachelor of Law, University of Tokyo Japan

Work Experience

Listed Companies in SET

May 2020	-	Present	Director and Member of the Nominating and Remuneration Committee, Bangkok Life Assurance Pcl.
2020	-	Present	Managing Executive Officer, Regional CEO for Asia Pacific, Head of India. Chairman, Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.
2018	-	2020	Executive Officer, General Manager – Global Business Planning Dept.
2016	-	2018	Executive Officer, General Manager - Personnel Dept. and HR Development. Dept.
2013	-	2016	General Manager - Ota Branch.
2010	-	2013	General Manager - Secretarial /Public Affairs Dept.
2009	-	2010	General Manager - Product Planning / Business Process and Information Systems Planning.
2002	-	2003	Deputy Chief Representative, New York Rep. Office
2001	-	2002	Deputy Chief Representative, London Rep. Office
1998	-	1998	Joined Nippon Life Insurance Company.

Shareholdings in the Company

- No direct and indirect shareholding - (as of 10 July 2020)



Mr. Koji Ichiba

(51 years old)

Director

Education / Training

> B.A. in Law, Doshisha University, Japan

Work Experience

Listed Companies in SET

April 2018 - present Director, Bangkok Life Assurance PCL.

Other Organizations

2019	-	present	Alternate Director, Grand Guardian Nippon Life Insurance Company Ltd (Myanmar)
2019	-	present	Director and Chief Executive Officer, Nippon Life Asia Pacific (Regional HQ) Pte. Ltd. (Singapore)
2018	-	present	General Manager, Global Insurance Business, Nippon Life Insurance Company
2015	-	present	Commissioner, PT Sequis (Indonesia)
2015	-	2018	General Manager, International Planning & Operation, Nippon Life Insurance Company
2011	-	2015	Seconded to Reliance Life Insurance Company Ltd (India)
2006	-	2011	Deputy General Manager, International Planning & Operations Department

Shareholdings in the Company

- No direct and indirect shareholding – (as of 10 July 2020)



Mr. Yuichi Honda

(49 years old)

Director

Executive Director

Member of the Risk Management Committee

Member of the Good Corporate Governance Committee

Education / Training

> B.A. in Commerce, Doshisha University, Japan

Work Experience

Listed Companies in SET

2016	-	present	Executive Director, Member of Risk Management Committee and Member of Good Corporate Governance Committee, Bangkok Life Assurance PCL.
2015	-	present	Director, Bangkok Life Assurance PCL.
2016	-	May 2018	Member of the Nominating and Remuneration Committee, Bangkok Life Assurance PCL.

Other Organizations

2015	-	2016	Director and CEO, Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.
2009	-	2015	Deputy General Manager, International Business, Nissay Asset Management Corporation

Shareholdings in the Company

- No direct and indirect shareholding - (as of 10 July 2020)

Advisors to Board of Directors



Mr. Deja Tulananda



Mr. Pansak Pruksakit

EXECUTIVE OFFICERS



Mr. Sanor Thampipattanakul

(57 years old)

Senior Executive Vice President, Chief Financial Officer (CFO)

Company Secretary

Member of the Investment Committee

Member of the Risk Management Committee

Member of the Good Corporate Governance Committee

Education / Training

- > Master of Economics, Western Michigan University, USA
- > Bachelor of Science, Kasetsart University
- > Chartered Financial Analyst (CFA), Association of Investment Management and Research, USA
- > Certified Financial Planner (CFP), Financial Planning Standard Board, USA
- > Fellow, Life Management Institute (FLMI), Life Office Management Association, USA
- > Certificate of Directors Certification Program (DCP), Class of 198/2014, Thai Institute of Directors Association
- > Certificate of Audit Committee Program (ACP), Class of 19/2006, Thai Institute of Directors Association
- > Certificate of Directors Accreditation Program (DAP), Class of 64/2006, Thai Institute of Directors Association
- > Certificate of Effective Minutes Taking Program (EMT), Class of 4/2005, Thai Institute of Directors Association
- > Certificate Company Secretary Program (CSP), Class of 2/2002, Thai Institute of Directors Association

Professional Experience:

Jun 2018	-	2020	Senior Executive Vice President, Chief Financial Officer, Bangkok Life Assurance Pcl.
2013	-	May 2018	Senior Executive Vice President, Investment Division, Bangkok Life Assurance Pcl.
2007	-	2012	Executive Vice President, Investment Division, Bangkok Life Assurance Pcl.

Shareholdings in the Company

100,000 shares (as of 10 July 2020),
Equivalent to 0.0059 percent of all shares with voting rights
Indirect shareholding: 14,000 shares (as of 10 July 2020),
Equivalent to 0.0008 percent of all shares with voting rights



Mr. Anucha Pingkarawat

(58 years old)

Executive Vice President, Agency Division

Member of the Good Corporate Governance Committee

Education / Training

- > Executive Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- > Bachelor of Science, Michigan State University
- > ALMI : Associate, Life Management Institute

Work Experience

Listed Companies in SET

Nov 2018	-	Present	Executive Vice President, Agency Division, Bangkok Life Assurance Pcl.
Aug 2019	-	Present	Member of the Good Corporate Governance Committee, Bangkok Life Assurance Pcl.
2019	-	Present	Chairman, BLA Insurance Broker Company Limited
2009	-	Present	Franchisee/Owner, Subway Unlink Co., Ltd. Bangkok Thailand
2015	-	2016	Chief Agency & Brokerage Officer, Allianz C.P General Insurance Co., Ltd.
2014	-	2015	Chief Business Development Officer, Wynn International Broker Co., Ltd.
2012	-	2014	Director of Accidental & Health, American International Assurance Co., Ltd.
2006	-	2012	Director of Agency BKK Zone C, American International Assurance Co., Ltd.
2004	-	2006	Head of Financial Planner, American International Assurance Co., Ltd.

Shareholdings in the Company

-No direct and indirect shareholding - (as of 10 July 2020)



Miss Jaruwan Limkhunthammo

(41 years old)

Executive Vice President, Accounting and Finance Division

Member of the Risk Management Committee

Education / Training

- > Master of Business Administration, Thammasat University
- > Bachelor of Accounting (First Class Honors), Thammasat University
- > Bachelor of Economics, Ramkhamhaeng University
- > Certified Public Accountant
- > Fellow, Life Management Institute (FLMI), Life Office Management Association, USA
- > Associate Financial Planning (Thailand), AFPT™
- > OIC Advance Insurance Program, Class of 4/2014, OIC Advanced Insurance Institute

Professional Experience:

1 Jan 2019	- Present	Executive Vice President, Accounting and Finance Division, Bangkok Life Assurance Public Co., Ltd.
2014	- Present	Member of the Risk Management Committee Bangkok Life Assurance Public Co., Ltd.
2012	- Present	Director, BLA Insurance Broker Co., Ltd.
2012	- 31 Dec 2018	Senior Vice President, Accounting and Finance Division, Bangkok Life Assurance Public Co., Ltd.
2002	- 2012	Audit Manager, EY Office Limited

Shareholdings in the Company

- No direct and indirect shareholding - (as of 10 July 2020)



Mr. Apipong Pongsawapark

(40 Years Old)

Executive Vice President, Partnership and Alternative Distribution Division

Education / Training

- > Master of Science in Urban Economic Development, UNIVERSITY COLLEGE LONDON, UK
- > Master of Science in Information Technology for Manufacture, UNIVERSITY OF WARWICK, UK
- > Bachelor of Science in Information Technology, ASSUMPTION UNIVERSITY
- > Certificate: Diploma in Economics, UNIVERSITY OF WARWICK, UK

Work Experience

Listed Companies in SET

2020	-	Present	Executive Vice President, Partnership and Alternative Distribution Division, Bangkok Life Assurance Pcl.
2019	-	2020	Senior Vice President, Partnership & Alternative Distribution Division. Acting Head of Bancassurance Division. Acting Head of Alternatives Department and Unit Linked Business Section. Bangkok Life Assurance Pcl.
2016	-	2019	Associate Director, Head of Distribution Support and Strategy & Expert Team, Unit Linked Business, AIA Thailand
2015	-	2016	Senior Manager, Head of Strategic Planning & Campaign and Fund Strategy, Unit Linked Business, AIA Thailand
2010	-	2015	Manager, Project Manager (Unit Linked Business Establishment), Project Management Office, AIA Thailand

Shareholdings in the Company

-No direct and indirect shareholding - (as of 10 July 2020)



Mrs. Oranuch Sumranrit

(55 years old)

Executive Vice President, Life Operation Division

Member of the Risk Management Committee

Education / Training

- > Master of Business Administration, Ramkhamhaeng University
- > Bachelor of Business Administration, Public Relation, Ramkhamhaeng University
- > Fellow, Life Management Institute (FLMI), Life Office Management Association, USA
- > Certificate of Course Underwriting Life and Health Insurance, LOMA
- > Associate, Customer Service, LOMA
- > Associate Financial Planning (Thailand), AFPT™
- > Observational Study in Operation and Life Plaza field at Nippon Life Insurance Company, Japan

Work Experience

Listed Companies in SET

2020	-	Present	Executive Vice President, Life Operation Division, Bangkok Life Assurance Pcl.
May 2019	-	Present	Member of the Risk Management Committee, Bangkok Life Assurance Pcl.
2012	-	Present	Director, BLA Insurance Broker Co., Ltd.
2016	-	2019	Senior Vice President, Life Operation Division, Bangkok Life Assurance Pcl.
2014	-	2015	Vice President, Life Operation Division, Bangkok Life Assurance Pcl.
2012	-	2013	Vice President, Policy Owner Service Department, Bangkok Life Assurance Pcl.
2006	-	2011	Assistant Vice President, Bancassurance Policy Section, Bangkok Life Assurance Pcl.

Shareholdings in the Company

-No direct and indirect shareholding - (as of 10 July 2020)



Mrs. Laddawan Sitthiworranant

[53 years old]

Executive Vice President, Bancassurance Division

Education / Training

- > Master Degree in Management Mahidol University, Bangkok.
- > Bachelor Degree in Mass Communication Sukhothaitammarat University, Bangkok
- > Bachelor of Arts Degree in English Khon Kean University

Work Experience

Listed Companies in SET

June 2020	-	Present	Executive Vice President, Bancassurance Division, Bangkok Life Assurance Pcl.
March 2020	-	May 2020	Senior Vice President, Partnership & Alternative Distribution Division and Acting sales executive of other channels, Bangkok Life Assurance Pcl.
2014	-	Feb 2020	Chief Partnership Distribution Officer, CHUBB Life Assurance Pcl.
2009	-	2014	SVP, Head of Bancassurance, Siam Commercial Bank Pcl.
2006	-	2009	AGM, Head of Bancassurance & Alternative Marketing, MSIG Insurance (Thailand) Co., Ltd.
1994	-	2006	AVP, Head of Small Business Solution Department New Hampshire Insurance Co., Ltd.
1993	-	1994	Public Relations Manager, Le Meridien President Hotel, Bangkok.
1992	-	1993	Account & Media Manager FP Connection Co., Ltd.

Shareholdings in the Company

-No direct and indirect shareholding - (as of 10 July 2020)



Ms. Sirinart Wongjaroensathit

(50 years old)

Senior Vice President, Information Technology Division

Education / Training

- > Bachelor of Science, Actuarial Science, Thammasat University
 - > Observational Study in Operation and Life Plaza field at Nippon Life Insurance Company, Japan
-

Work Experience

Listed Companies in SET

2019	-	Present	Senior Vice President, Information Technology Division and Acting Head Of Software Architecture & Development Department 1 and 2, Bangkok Life Assurance Pcl.
2018	-	2019	Senior Vice President, Software Architecture & Development Department 2, Bangkok Life Assurance Pcl.
2014	-	2018	Vice President, Software Architecture & Development Department 2, Bangkok Life Assurance Pcl.
2013			Vice President, Information and Software Testing Department, Bangkok Life Assurance Pcl.

Shareholdings in the Company

-No direct and indirect shareholding - (as of 10 July 2020)

1 Company Structure and Operation

1.1 Policy and Business Overview

Bangkok Life Assurance Public Company Limited was established by Major General Kuang Aphaiwongse (former Prime Minister), Phraya Sriwisarnwacha, Mr. Chin Sophonpanich and many other honorable wealthy individuals. Originally, the Company was named “KrungSiam Life Assurance Company Limited” and started operating on June 1, 1951. In the early stages, Company business operations mainly focused on managing aid welfare. In 1977, Mr. Chin Sophonpanich, the Company Chief Adviser at the time, suggested that it was the right time for the Company to earnestly conduct life insurance business. He assigned Mr. Vai Vathanakul, an experienced, qualified, and world recognized executive along with Mr.K. V. Claridge F.I.A., Swiss Re-Insurance Company’s actuarial science specialist, to restructure and reorganise the Company. On January 1, 1979, the Company’s name was changed from KrungSiam Life Assurance Company Limited to “Bangkok Life Assurance Company Limited” and has been listed on the Stock Exchange of Thailand since September 25, 2009.

Bangkok Life Assurance PCL operates as a life insurance business and provides comprehensive financial planning services to customers. Life insurance is a mean by which to mitigate loss among a certain group of people from unexpected incidents (death, loss of organs, disability, loss of income, etc.). Benefits under policy conditions will be paid by the Company to victims or beneficiaries to alleviate their financial burden.

The Company reinvests those premiums received in accordance with the investment policy framework. The investment ratio is allocated in line with the liability under the insurance contract and the Company’s risk policy and with a return on investment in accordance with the policy conditions guaranteed by the Company.

1.1.1 Vision and Mission

Vision

To make people realize the benefits of the life insurance and choose insurance coverage which is suitable for their financial position and value of life.

Mission

The Company is determined to be a leader in establishing financial security for all groups of people and protecting their value of life by offering financial advice and impressive service through its sincere agents, partners and employees who are experts in the field.

1.1.2 Key Changes and Development

In 2020, the Company’s business operations were affected by various external factors, such as the impact of the coronavirus (COVID-19) outbreak, economic slowdown, and lower interest rates. As a result, the Company had to revise the Company’s product portfolios and investment portfolios as well as preparing to support supervision from government agencies through the 2018 notification of the Office of the Insurance Commission on measures to regulate insurance company issuance of insurance policies, and the conduct and duties of insurance agents and brokers, and bank (Market Conduct) Financial Reporting Standards No. 9 and 17 Enforcement of the Personal Data Protection Act 2019 (PDPA) and Risk Based Capital (RBC2). To maintain the Company’s competency and for future stable and sustainable growth, the Company has adjusted its strategy in many areas, such as

BUSINESS OPERATIONS AND PERFORMANCE

- Develop Participating Life Policy Products (Participating Product) and prepare to launch Unit Linked Insurance Policy Products (Unit Linked).
- Develop products to meet customer needs according to each distribution channel, focusing on offering more products with protection coverage and riders, less focus on short-term products, as well as improving the product portfolio offered through new bancassurance channels. Develop products that come with a health promotion application, BLA Healthy Life, which is an application that encourages customers to do exercise and accumulate points to redeem various privileges.
- Improve the quality and competency of life insurance agents and build a qualified and proficient financial advisory team. Improve the management structure of agents and financial advisors. Recruit new agents through newly designed projects. Develop training courses that provide knowledge in various fields and to enable Company personnel to maximize their full potential.
- Cooperate with new trade partners to balance out distribution channels.
- Adding more functions to the BLA Happy Life Mobile Application, a mobile application that allows customers to access the Company's comprehensive services, such as looking up hospital information, finding the right insurance policy, making premium payment, as well as receiving customers benefits and privileges. This enables the Company to provide customers with convenient and fast services such as receiving electronic insurance policies (E-Policy), an electronic insurance premium receipt service (E-Receipt), an electronic change of policy information (E-POS), an Electronic Claim Service (E-Claim), and a premium payment service without cash (Non-cash payment).
- The Company also focuses on using more electronic request forms via a Smart App that facilitates sales representatives and financial advisors through all service procedures from product offering, preparing request forms, and making insurance premium payments. The Company has adjusted the electronic application system to support the digital face to face insurance plan offering in accordance with the OIC notification on measures to regulate insurance company issuance of life insurance policies and non-life insurance policies and on the conduct and duties of life insurance and non-life insurance agents and brokers and bank. This is to reduce service barriers and to increase life insurance offering efficiency in response to the the coronavirus (COVID-19) pandemic situation.

1.1.3 Name and Location of the Head Office

Bangkok Life Assurance Public Company Limited

The Company's registered

address is at 1415 Bangkok- Nonthaburi Road.

Wongsawang Subdistrict, Bang Sue District, Bangkok 10800

Company Registration Number 0107550000238

Telephone 0 2777 8000

Fax 0 2777 8899

Company website www.bangkoklife.com

The number and type of the Company's total paid-up shares of the company

1,707,566,000 Baht.

1.2 Nature of Business

1.2.1 Company Revenue Structure

	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Net premium written ⁽¹⁾	39,554.22	73.43	34,307.76	70.16	33,396.14	70.55
First Year Premium	8,101.15		6,198.25		6,549.69	
Renewal Premium	32,790.95		29,494.18		28,194.96	
Investment Income	13,803.24	25.62	14,050.88	28.73	13,381.09	28.27
Other Income	512.87	0.95	543.41	1.11	599.82	1.18
Total Income	53,870.33	100.00	48,902.05	100.00	47,337.05	100.00

⁽¹⁾ Net premium written = first year premium + renewal year premium - reinsurance premium +/- unearned premium reserve

In 2020, total revenue of the Company was 47,337 million baht, a 3 percent decrease from the previous year. First Year Premium was 6,550 million baht, an increase of 6 percent from the previous year, which is better than the industry average of an 11 percent decrease. The Company's renewal premiums dropped 4 percent due to premium payments reaching maturity. Investment income decreased by 5 percent due to the coronavirus (COVID-19) situation, which affected the rate of return on investment at 4.43 percent in 2019 and down to 4.14 percent in 2020.

1.2.2 Product Characteristics and Services

The Company has been improving its products to best cater for customer needs, which vary by their life stages, and to provide them with the utmost benefits. Company's life insurance provides two main types of benefit to policyholders: life protection as a guaranteed benefit upon death, and a saving benefit to enrich the life of the policyholder. Life insurance benefit will be paid to beneficiaries upon the death of a policyholder, and survival benefit will be paid to a policyholder during the coverage period of the insurance contract with the sum insured plus a bonus amount according to the policy condition upon maturity of the contract.

The Company operates a life insurance business with funds from the insurance premium payments of which a part of the sum will be reserved for compensation expenses as agreed upon in the policy, such as benefits paid when the policy matures; cash surrender value; compensation due to death, loss of organs, disability, loss of income in old age and death, etc. The other part of the premium payment is invested to secure the best rate of return to the insured or the beneficiary according to the above obligations. In addition to the source of funds received from insurance premium payments, the Company has to maintain capital adequacy according to the OIC's notification, where the Company must have an adequate portion of the capital to cover damage. At the end of 2020, the Company had a debt ratio.

The Company currently offers life insurance plans to meet the needs of customers that can be categorized into 3 types of products as follows:

1 Ordinary Life Insurance	2 Group Life Insurance	3 Mortgage Insurance
<ul style="list-style-type: none"> Life insurance that provides coverage for an individual customer, with the following product types: <ul style="list-style-type: none"> Whole Life Insurance Pension Term Life Insurance Endowment Insurance Rider 	<ul style="list-style-type: none"> Life insurance where a single policy covers a group of insured people, typically a group of company employees. One rate premium applied to all in the group. Normally, premium rates are lower than those of ordinary life insurance. A yearly term applied. 	<ul style="list-style-type: none"> An insurance contract designed to cover loss of life and/or disability within a specific coverage term and with a sum assured which decreases over a period of time.

1 Ordinary Life Insurance

Under this type of insurance, the Company provides coverage for an individual customer, which is a life insurance benefit that will be paid to beneficiaries upon the policyholder's death, and/or survival benefit that will be paid to policyholders during the coverage period, according to the policy conditions. The product types are summarized as follows:

- **Whole Life Insurance** is a life insurance contract designed to either pay an insurance amount to beneficiaries upon the policyholder's death, or pay an insurance amount to a policyholder if he/she survives until the policy maturity date. Normally, whole life products provide lifetime coverage until the age of 90 or 99 years and emphasize the benefits of life protection.
- **Pension** provides a periodic payment of benefit and is suitable for customers who expect to have a long-life span. It is an insurance contract that covers an economic loss arising from loss of income due to old age or retirement. A pension contract pays a monthly or an annual benefit starting from retirement or at the attained age of 55 or 60 years, based upon the chosen policy conditions and payout terms.
- **Term Life Insurance** is a life insurance contract designed to pay the beneficiary an insurance amount if the policyholder dies during the coverage period of the policy. The key point of this product is the low premium.
- **Endowment Insurance** is a life insurance contract designed to pay an insurance amount to the beneficiary if the policyholder dies during the coverage period of the policy or pay an insurance amount to the policyholder if he/she survives until the maturity of the contract. It offers various choices of premium payment terms, for example, BLA Happy Savings 14/7 (insurance that has a coverage period of 14 years and a premium payment period of 7 years) and added survival benefits during the policy period. Endowment products focus on the benefit of savings.
- **Rider** is a supplementary contract for the policyholder who has a basic life insurance policy. There are two main supplementary contracts: 1) Personal Accident (PA); 2) Health Rider. A Personal Accident Rider provides coverage for death and loss of organs due to an accident. A Health Rider provides compensation for hospital expenses caused by illnesses or accidents as well as providing protection for various serious diseases as specified in the contract.

2 Group Life Insurance

Group Life Insurance is a life insurance contract in which a single contract covers a group of people. Typically, group insurance is provided as welfare by an organization or an entity to their employees or members. Risk exposure of a particular group will be assessed on average, which allows the unit rate to be applied to all members, regardless of age, sex or job position. Group Life Insurance is normally a yearly term insurance with a low underwriting cost, which makes its premium rate lower than those of ordinary life insurance.

3 Mortgage Insurance

Mortgage Insurance is an insurance contract designed to cover loss of life and/or disability within a specific coverage term and with a sum assured which decreases over a period of time. Typically, the insured will purchase this type of policy together with a loan to use the payout from the policy to pay off the loan if he/she dies.

From 2018-2020, the Company's yields from new business first-year premiums and from premium payment renewals can be classified as follows:

First Year Premium Proportion by Product Type

Product Type	2018		2019		2020	
	Amount (Million Baht)	Proportion (%)	Amount (Million Baht)	Proportion (%)	Amount (Million Baht)	Proportion (%)
Ordinary-Single Premium	356.85	4.40	539.81	8.71	71.24	1.09
Ordinary	5,736.99	70.82	3,936.40	63.51	5,073.63	77.46
Whole Life	2,130.24	26.30	831.55	13.42	736.38	11.24
Pension	132.24	1.63	95.24	1.54	49.40	0.75
Term	20.61	0.25	7.69	0.12	4.86	0.07
Endowment	3,161.61	39.03	2,617.83	42.23	3,941.96	60.19
Rider	292.29	3.61	384.09	6.20	341.03	5.21
Group	585.60	7.23	506.63	8.17	543.00	8.29
Mortgage insurance	1,421.71	17.55	1,215.41	19.61	861.82	13.16
Total	8,101.15	100.00	6,198.25	100.00	6,549.69	100.00

Note: First year premium, insurance premium deducted and returned to the insured who canceled the policy.

In 2020, the Company received its first year premiums of 6,550 million Baht, an increase of 6 percent from the previous year which is good growth as compared to the industry growth, which has seen its first year premiums decline by 11 percent year on year. The Company's outperformance of the industry was largely due to an increase in premiums from the bancassurance channel.

Ordinary Life Insurance remains the Company's staple product with a growth rate of 15 percent, accounting for 79 percent of first year premiums, largely due to the increase of endowment products sold through the bancassurance channel. In 2020, the Company revised its product portfolio to be in line with return-on-investment risk. Most first-year premiums came in the form of participating products (PAR Products) between the Company and the insured, where the proportion of guaranteed dividend amount was reduced and the dividend from the actual investment was increased.

Renewal Premium Proportion by Product Type

Product Type	2018		2019		2020	
	Amount (Million Baht)	Proportion (%)	Amount (Million Baht)	Proportion (%)	Amount (Million Baht)	Proportion (%)
Ordinary	31,647.90	96.51	28,150.31	95.44	26,741.53	94.85
Whole Life	4,915.87	14.99	6,452.08	21.88	7,046.70	24.99
Pension	513.21	1.57	604.60	2.05	612.18	2.17
Term	73.44	0.22	74.29	0.25	67.34	0.24
Endowment	24,239.87	73.92	19,093.62	64.73	17,265.53	61.24
Rider	1,905.51	5.81	1,925.72	6.53	1,749.78	6.21
Group	1,142.41	3.49	1,343.68	4.56	1,452.71	5.15
Mortgage insurance	0.64	0.00	0.19	0.00	0.72	0.00
Total	32,790.95	100.00	29,494.18	100.00	28,194.96	100.00

In 2020, the Company had renewal premiums of 28,195 million baht, a decline of 4 percent as compared to the previous year, due to products reaching maturity in 2020.

Ordinary Life Insurance renewal premiums had a decreased growth rate of 5 percent, accounting for 95 percent of renewal premiums. Group Life Insurance grew by 8 percent, accounting for 5% of the renewal premium.

Total Premium Proportion by Product Type

Product Type	2018		2019		2020	
	Amount (Million Baht)	Proportion (%)	Amount (Million Baht)	Proportion (%)	Amount (Million Baht)	Proportion (%)
Ordinary-Single Premium	356.85	0.87	539.81	1.51	71.24	0.21
Ordinary	37,384.89	91.42	32,086.71	89.90	31,815.16	91.57
Whole Life	7,046.11	17.23	7,283.63	20.41	7,783.08	22.40
Pension	645.45	1.58	699.84	1.96	661.58	1.90
Term	94.05	0.23	81.98	0.23	72.20	0.21
Endowment	27,401.48	67.01	21,711.45	60.83	21,207.49	61.04
Rider	2,197.80	5.37	2,309.81	6.47	2,090.81	6.02
Group	1,728.01	4.23	1,850.31	5.18	1,995.71	5.74
Mortgage insurance	1,422.35	3.48	1,215.60	3.41	862.54	2.48
Total	40,892.10	100.00	35,692.43	100.00	34,744.65	100.00

In 2020, the Company's total premiums amounted to 34,745 million baht, a decline of 3 percent compared with the previous year. Regarding total premiums by product type: Ordinary, Group and Mortgage accounted for 92 percent, 6 percent and 2 percent, respectively.

1.2.3 Business Innovation Development

Strategy

Bangkok Life Assurance's vision is to make people realize the benefits of life insurance and choose insurance coverage which is suitable for their financial position and value of life. The company's digital innovation's blueprint plans to align with the company's vision, either directly or indirectly. Presently, many Thais do not have the opportunities to have life insurance, the company is trying to turn this group of non-customers into the existing customer either from our excellent customer experience or from our customer confidence in our life insurance agents' through their advices and services. The innovations must meet the needs of both customers and life insurance agents. The company has to well study customer needs, ready to embrace changes or disruption that may occur in the near future. Furthermore, the company designs and creates innovations to support both products and services, for example, BLA Smart CI product that provides life insurance protection and critical illness coverage. The product links BLA Healthy Life mobile application and wearable device to record exercise activities and walking steps. Step count from the device can be analyzed to get biological age that can be used to calculate points redeemable to reduce insurance premium or receive other privileges. Both innovative products that respond to customer behaviors and a comprehensive digital innovation strategy will enable the company to strengthen key competitiveness and always be customer's top of mind.

Structure and process

Bangkok Life Assurance foresees the importance of innovation and sustainability, the board of directors decided to found Digital Innovation Department in February 2020 so as to continuously improve services and work processes to support customers, agents and employees. The company has adopted an agile technic to help increase working efficiency such as using system to replace the duplicated processes, speed up the work process by cutting down the number of steps and unnecessary bureaucracy. Example of the projects are as follow;

Project

The company has developed and improved various projects to meet the needs of customers and life insurance agents, such as:

- **Mobile application: BLA Happy Life** an application that enables customers to access hospital information, redeem customer privileges, make an online claim, find suitable insurance products, be notified to pay the premium, make a premium payment both online and offline, make a request to change policy information, etc.
- **Mobile application: BLA Healthy Life** a health care application that encourages policyholders to do exercise. With a step counting system, it can predict the biological age that can be used to convert into points in order to redeem rewards or to reduce insurance premium. As research shows that walking can reduce the risk of having a heart disease, therefore, this application is designed to link with BLA Smart CI products; a life insurance product for critical illness to encourage customers to keep exercise and promote healthy lifestyle.
- **Mobile application: GMC** an application for group insurance members for a fast and convenient service, members can see their coverages as well as variety of partnered hospital to support their preferences.
- **E-Receipt and E-Policy Project** Bangkok Life Assurance has launched a service to issue electronic insurance premium receipts via email since May 2019. The first life insurance company providing electronic premium receipts, which can be quickly and easily downloaded and stored as an evidence for tax deduction. The e-policy is also available for customer to select instead of the original policy for environmental friendly. The digital formats of both e-receipt and e-policy are also available to view any time on BLA Happy Life application and Smart customer service. Moreover, they can also reduce the spread of the coronavirus (COVID-19) without directly contact with papers. Bangkok Life Assurance customers are able to register their requests via various provided channels.
- **National Digital ID (NDID)** a customer's self-service verification and identification platform. NDID can support many authentication services such as register an account, make financial transactions and purchase life insurance online. Bangkok Life Assurance is the first life insurance company providing such services to enhance the credibility and reliability of the transactions as it is safer and more convenient to verify the customer's identity than to use a copy of ID card.
- **Free COVID-19 insurance campaign** a campaign that supports existing customers through BLA Happy Life application. This campaign provides COVID-19 coverage to registered customers, one of the projects supporting the government policies.

Climate and Culture

Bangkok Life Assurance intends to transform into innovative culture and embrace change, improving working processes to be more agile and efficient. The company values knowledge management (KM) to cultivate a culture of knowledge sharing and to continuously adapt with the change of technology to support knowledge management. The company introduces both internal and external training courses to the employees as well as sharing knowledge that can help develop employee's skills to become experts in various fields. Our culture inspires the employees to share their knowledge with other employees through knowledge sharing sessions (regular training and online training) and via the company's intranet platform.

Bangkok Life Assurance also initiated a BLA Big Idea Program to support the new ideas by providing a platform for employees to express their ideas of innovation or ideas of process improvement. The company brought and executed one of the last year's ideas, BLA Healthy Life Challenge, which encourages employees to keep exercise and eat healthy food. We encourage the employees to wear a wearable device to count steps and record exercise activities, calculate BMI and other exercise activities such as dancing. This project is not only strengthen employee engagement but also cultivates a culture of using technology or wearable devices to link with mobile application among the company's employees.

Bangkok Life Assurance promotes the innovation culture and fosters effective communication. The company arranges both internal and external training courses as well as inviting special speakers and experts in various fields to train our employees. For example, *VUCA* – digital disruption where emerging start-up are introduced; *the Connector Manager* – connecting experts to share their specialized skills to the team. *Leadership Competency* – introducing leadership qualities and *Business Innovation* – Gear up and business canvas, which further support company's corporate strategy.

Top managements play an important role as contributors and project sponsors, such as the BLA Big Idea. Management suggestions give the team encouragement and clear directions as well as encouraging employees to freely express their point of views. Working culture is therefore a very important driver of digital innovation that drives the company to continuously meet the customer needs.

1.2.4 Marketing and Competition

1.2.4.1 Product and Service Marketing Policy

The Company continuously implemented an all-round financial planning policy that consists of comprehensive products, assuring wealth and financial security for the present and the future.

(1) Competitive Strategies

● Products

The Company designed insurance products that are inclusive of the needs of the insured in each group and age range with available products including whole life products, retirement planning, health and critical illness protection. The Company has revamped the existing insurance product offerings and developed new insurance products that correspond with the continually changing needs of customers. Given the fluctuation of the return on investment at present, in 2020, the Company adjusted most of its endowment products to participating products where the benefits are shared between the Company and the insured which helps buffer risks from the volatility of the interest rates and increase opportunities for the insured to receive the actual investment returns. In addition, the Company stimulates the productivity of various health riders that are beneficial to customers and the Company's profit in the future.

● Agent Quality Development

The Company promoted growth of both the number and quality of financial advisors, life insurance agents, and partnership teams to ensure adequate services. Details are as follows:

- Life Insurance Agent Development: The agent development focuses on sustainability in profession with standards acceptable both nationally and internationally. The Company has received many major awards: the Thailand National Quality Awards (TNQA) with 165 recipients, based on the criteria of the Thai Life Assurance Association; the International Quality Awards (IQA) with 187 recipients, based on the criteria of Limra International; the Million Dollar Round Table Awards (MDRT) with 109 recipients; and the awards given to 11 recipients who are potential agents with a Court of Table (COT) performance level, based on the criteria of the MDRT. The number of award recipients totaled 120.

- Development and Increasing the Number of Financial Consultants including securities investment consultants through a Securities Investment Consultants Course. At present, the Company has a total of 1,364 agents with a securities investment consultant license from the Securities and Exchange Commission. Furthermore, to equip the Company's agents with all-round capabilities in financial planning, the Company encourages the agents to become a CFP® certified financial planner and an AFPT™ certified financial advisor. At present, the Company has a total of 119 CFP® financial planners and AFPT™ financial advisors that have obtained professional qualifications from the Thai Financial Planners Association.

- Continuous Development of Partnership Teams in all distribution channels including bancassurance and other partners of the Company to ensure that the teams deliver to customers correct knowledge and understanding of life insurance products in accordance with the regulations of the Office of Insurance Commission and relevant laws.

● Technology

The Company developed and added additional functions to its smartphone application BLA Happy Life to cover all services that the Company provides such as premium payment and an electronic receipt of premium payment (E-receipt), an electronic change of policy information (E-POS), an electronic claim submission (E-Claim), and online medical service and consultation (Telemedicine) to help reduce treatment expense and save time from traveling to hospital, making things easier for customers.

In addition to the development of service systems that respond to the needs of customers, the Company also focuses on system development to support work of agents, financial advisors, and the Company's partners, for example, Smart App, which provides an electronic issuance of insurance policies or an electronic application form. Bangkok Life Assurance is the first life insurance company that developed an online process for purchasing life insurance that uses NDID (National Digital ID) for identity verification, making transactions more reliable, safer and more convenient.

● New Distribution Channels

The Company expanded its distribution channels through new partners to broaden the customer base and ensure balance of premiums obtained through different channels. Also, the Company has improved online sale processes and procedures to provide greater convenience to customers.

● Marketing Communication and Customer Relationship Building Activities

In 2020, the Company set marketing goals that corresponded with sustainable quality improvement of people's lives, focusing on product development for financial planning coupled with product and service development for health care.

The Company built awareness and confidence in the Company's products, which are inclusive of the needs of consumers. In particular, the Company placed great importance on products for health and critical illness risks and for creating money saving habits among Thai people, for example, BLA SMART CI insurance plan, Gain 1st 650.

The development of healthcare service system such as BLA Every Care provides additional services for health policy holders of Bangkok Life Insurance. The services include 24-hour health problem and information consultation services, services during illness especially when occurring aboard, and services for greater convenience during recovery.

This year, the Company was awarded the Top Community Care Companies in Asia in the lifestyle product group under the health insurance category from the Asia Corporate Excellence & Sustainability Award 2020, which recognizes the best innovative products and services in the year 2020 (Product Innovation Award 2020). The Company also received the award given to life insurance companies with outstanding performance in 2019, underscoring the Company's leadership in all-round financial planning

(2) Distribution and Distribution Channel

The Structure of Written Premium by Distribution Channel During 2018-2020

Distribution Channel	2018		2019		2020	
	Amount (Million baht)	Proportion (Percent)	Amount (Million baht)	Proportion (Percent)	Amount (Million baht)	Proportion (Percent)
Agent	13,932	34.07	14,014	39.26	19,796	39.70
Bancassurance	25,133	61.46	20,003	56.04	19,108	55.00
Others	1,827	4.47	1,675	4.70	1,841	5.30
Total Production	40,892	100.00	35,692	100.00	34,744	100.00

● Agent Channel

Business Overview: Gross Written Premium and First Year Premiums including Single Premiums through Agent Channel in 2020

Company	Gross Written Premium			First Year Premium plus Single Premium		
	Amount (Million Baht)	Market Share	%+/-	Amount (Million Baht)	Market Share	%+/-
1. AIA	132,167	41.26	3.88	21,566	40.43	1.23
2. Thai Life Insurance	64,583	20.16	-2.78	9,674	18.13	-38.96
3. Krungthai-AXA Life Insurance	27,233	8.50	-3.54	3,762	7.05	-33.83
4. Muang Thai Life Assurance	22,514	7.03	4.76	3,991	7.48	-23.96
5. Allianz Ayudhya Assurance	14,707	4.59	0.50	2,290	4.29	-8.74
6. Bangkok Life Assurance	13,796	4.31	-1.56	1,730	3.24	-13.39
7. Ocean Life Insurance	12,738	3.98	-0.24	1,976	3.70	-13.63
8. FWD Life Insurance	9,030	2.82	65.28	1,252	2.35	10.08
9. Tokio Marine Insurance	6,139	1.92	2.14	1,609	3.02	-22.52
10. Thai Samsung Life Insurance	4,387	1.37	7.46	1,235	2.31	1.46
Total Business	320,349	100.00	1.42	53,344	100.00	-16.26

Note: Other companies' data are cited from the Thai Life Assurance Association and ordered based on its gross written premium.

In 2020, the Company's gross written premium ranked number 6, the same rank as in 2019, which mainly resulted from the discounts on single premium products offered since the year before and also from insurance products with short-term payment plans. The strategy is prioritized to health insurance products and riders, which come with lower premium compared with general life insurance products. Although the Company's first year premium dropped by 13.39 percent, it is still higher than the industry average, which saw a drop of 16.2 percent. Such strategy adjustment has helped reduce the Company's long-term burden and contributed to good profitability to the Company. Additionally, the Company emphasized product selling to existing customers to generate repurchase and maintain existing customer base into the future.

● Bancassurance Channel

Business Overview: Gross Written Premium and First Year Premiums including Single Premiums through Bancassurance Channel in 2020

Company	Gross Written Premium			First Year Premium plus Single Premium		
	Amount (Million Baht)	Market Share	%+/-	Amount (Million Baht)	Market Share	%+/-
1. FWD Life Insurance	66,654	28.78	3.81	25,614	30.26	8.21
2. Muang Thai Life Assurance	46,156	19.93	-16.98	14,070	16.62	-18.17
3. Krungthai-AXA Life Insurance	26,212	11.32	-9.28	6,864	8.11	1.08
4. Thai Life Insurance	21,316	9.20	7.27	7,772	9.18	-4.05
5. Prudential Life Assurance	20,788	8.98	0.79	8,053	9.51	-7.48
6. Bangkok Life Assurance	19,108	8.25	-4.47	4,269	5.04	13.52
7. AIA	9,652	4.17	3.96	6,919	8.17	-17.51
8. Allianz Ayudhya Assurance	8,937	3.86	-14.04	2,050	2.42	-5.48
9. Dhipaya Life Assurance	4,413	1.91	-45.13	2,713	3.20	-63.22
10. South East Life Insurane	4,233	1.83	-0.24	3,690	4.36	-10.38
Total Business	231,569	100.00	-5.83	84,648	100.00	-8.48

Note: Other companies' data are cited from the Thai Life Assurance Association and ordered based on its gross written premium.

In 2020, the Company's gross written premium ranked number 6, the same rank as in 2019, which was higher than the overall business due to an increase of the first year premiums, which resulted from product improvement to better cater to the needs of customers in the bancassurance channel, and product selling to existing customers to generate repurchase. As a result, the bancassurance channel's first year premiums grew by 13.52 percent, against the industry's trend, which plunged by 8.48 percent.

● Other Distribution Channels

Company	Gross Written Premium			First Year Premium plus Single Premium		
	Amount (Million Baht)	Market Share	%+/-	Amount (Million Baht)	Market Share	%+/-
1. Allianz Ayudhya Assurance	7,807	16.17	7.25	21,545	10.59	14.24
2. Muang Thai Life Assurance	6,658	13.79	-1.46	3,502	17.21	-0.29
3. Thai Life Insurance	5,394	11.17	-6.27	3,019	14.84	-15.89
4. FWD Life Insurance	4,664	9.66	15.61	2,208	10.85	54.06
5. Generali Life Assurance	4,285	8.87	-2.71	1,875	9.22	1.76
6. AIA	4,027	8.34	-9.17	678	3.33	-59.74
7. Chubb Life Insurance	3,105	6.43	-6.50	1,913	9.40	-2.70
8. Tokio Marine Insurance	2,391	4.95	5.12	612	3.01	7.58
9. Prudential Life Assurance	1,917	3.07	-18.02	575	2.83	-44.39
10. Bangkok Life Assurance	1,841	3.81	9.89	551	2.71	25.09
Total Business	48,289	100.00	-1.47	20,347	100.00	-8.79

Note: Other companies' data are cited from the Thai Life Assurance Association and ordered based on its gross written premium.

The Company has continuously improved its online distribution channel. The products offered through the online channel were improved in their suitability and variety. Campaigns were promoted for insurance policies with tax deduction benefits to those interested. The service efficiency was improved for better reach to younger customer audience. On top of these, the Company looked for potential business partners to help support the Company in having direct access to new markets, cutting down costs, and continuously growing the Company's profits.

1.2.4.2 Competition

Business Overview

Written Premiums of Life Insurance Business from January – December 2020

Unit: Million Baht

	2020	%+/- % Growth	2019	%+/- % Growth
First Year Premiums	101,771.12	-6.41%	108,737.99	13.64%
Single Premiums	56,467.57	-19.04%	69,749.45	-17.68%
First Year Premiums plus Single Premiums	158,238.69	-11.34%	178,487.45	-1.07%
Renewal Premiums	441,967.78	2.21%	432,426.66	-3.25%
Gross Written Premiums	600,206.47	-1.75%	610,914.11	-2.63%

During January – December 2020, the first year premiums of life insurance business totaled 158,238.69 million baht, an 11.34 percent decrease from that of 2019. The reduced growth was due to the outbreak of the new strain of the coronavirus (COVID-19), which has impacted the country's economic situation and reduced the consumer purchasing power. The drop in the first year premiums was partly a result of a continual decline in single premiums for three years in a row. Several life insurance companies had either reduced or cancelled single premium products as a response to continuously declining interest rates in the recent period. As a result, the single premiums dropped by 19.04 percent from the same period of the year before to 56,467.57 million baht. At the same time, with much lower investment yields, insurance companies were compelled to reduce rates of return of new products launched this year and promote life insurance plans that offer no guarantee on return on investment as well as health insurance plans in order to better respond to the needs of consumers. Also, during the period of the Government's lockdown measures to control the outbreak of the new strain of the coronavirus (COVID-19), an agent channel, which is one of the main distribution channels of the business, was not able to operate in a normal face-to-face process. However, the Office of Insurance Commission (OIC) has approved a digital face-to-face selling process through an electronic channel to help with business continuity.

As a consequence of the outbreak of the new strain of the coronavirus (COVID-19) together with the public relation efforts of many agencies in the recent period, the public has become alert and aware of having life insurance and health insurance as a tool for managing risks. The outbreak of the new strain of the coronavirus (COVID-19) has also led insurance companies to adapt their management policies for distribution channels and services to correspond to the current situation. Emphasis has been placed on developing diverse life insurance products that cater to the changing needs and lifestyles of customers so that consumers may receive products and services that truly meet their needs.

Despite experiencing all factors mentioned above and the spread of the new strain of the coronavirus (COVID-19), the fact that the renewal premiums of the business declined significantly in 2019 caused the business to see its growth in renewal premiums in 2020 by 2.21 percent, the total amount of 441,967.78 million baht, and caused the business' gross written premiums to drop by only 1.75 percent, the total amount of 600,206.47 million baht, compared with the same period of the year before.

Life insurance companies with the top ten highest written premiums in the market during January – December 2020 are as follows:

Gross Written Premium and First Year Premium plus Single Premium in 2020

Company	Gross Written Premium			First Year Premium plus Single Premium		
	Amount (Million Baht)	Market Share	%+/-	Amount (Million Baht)	Market Share	%+/-
1. AIA	145,846	24.30	3.47	29,163	18.42	-7.05
2. Thai Life Insurance	91,292	15.21	-0.83	20,465	12.92	-25.68
3. FWD Life Insurance	80,348	13.39	3.97	29,074	18.36	9.10
4. Muang Thai Life Assurance	75,327	12.55	-10.15	21,563	13.62	-16.92
5. Krungthai-AXA Life Insurance	54,651	9.11	-7.28	11,753	7.42	-16.51
6. Bangkok Life Assurance	34,745	5.79	-2.66	6,550	4.14	5.67
7. Allianz Ayudhya Assurance	31,452	5.24	-2.66	6,496	4.10	-1.06
8. Prudential Life Assurance	24,312	4.05	-1.12	8,903	5.62	-12.24
9. Ocean Life Insurance	14,620	2.44	1.04	2,629	1.66	-14.50
10. Tokio Marine Insurance	8,5401	1.42	2.94	2,221	1.40	-16.05
Total Business	600,206	100.00	-1.75	158,239	100.00	-11.29

Note: Other companies data are cited from the Thai Life Assurance Association and ordered based on its gross written premium.

(2) Life Insurance Business Trends for 2021

In the year 2021, life insurance business is still facing with various challenging factors including a deceleration of economic growth, low interest rate, Coronavirus Disease (COVID-19) outbreak, higher unemployment and household debt as well as the preparation for new financial reporting standard; IFRS 17, Personal Data Protection Act BE 2562 (PDPA), Insurance Bureau system and new health regulations for life insurance company.

Consequently, life insurance companies have to consider revamping product and sales strategy by reducing the mix of single premium products, replacing guaranteed savings products with insurance-based investment products, including, Universal life, Unit Linked and Participating policy whose investment return are based on customer's risk appetite. The focus is also on increasing long-term product such as Whole life products, Annuity products and especially Health and Critical illness products. Besides, life insurance companies have been developing digital distribution channel in order to serve more customer segment and modernizing services to matching with customer's lifestyle. There are also many factors contributing to potential growth in life insurance businesses.

1. Government's Measures

Government and Office of Insurance Commission (OIC) have approved measures to support life insurance industry such as health insurance tax deduction of 25,000 baht per year, extension of premium payment grace period, adjustment of policy's conditions and premiums, revising Market conduct, modeling Digital face to face method for sales representatives and brokers during Coronavirus Disease (COVID-19) situation and relaxing measure regarding investment in other businesses for insurers.

2. Aging population trend

Growing aging population and longer longevity bring more opportunities for market expansion. Thailand will become aging society by the year 2030 as people aged more than 60 years old will represent more than 20 percent of total population. Moreover, middle-aged population will be shrinking due to the decrease in birth rate. The situation will negatively impact government fiscal budget in providing healthcare and pension for elderly. This provides the role for the life insurance industry to cater for the trend by being one of the saving tools to alleviate the customer's burden on health and medical expenses as well as saving for retirement plan which will become increasingly important in the future.

3. Health Trend

The COVID-19 pandemic, air pollution, and higher healthcare spending have caused the trend of preventive healthcare. This include consuming healthy food, exercising and buying health insurance coverage. Life insurance companies have been continuously developing new health insurance products in order to serve different customers' needs and also offered benefits and privileges for customers who maintain their preventive healthcare activities.

4. Personal financial planning needs.

There is growing interest for personal financial planning while life insurance product is an important tool that fits into the equation. Life insurance products can help to protect the insured's wealth when an unforeseeable event occurs. In addition, there are products designed to offer both protection and investment return simultaneously. Lastly, some products are qualified for tax-deduction and should be considered as part of tax planning.

5. Digital Economy

The fast-moving digital technology allows companies within the industry to develop new services for their customers such as new communication channels as well as improve the efficiency within the organization. As a result, the clients can see improved convenience, faster response as well as more tailored-made customer centric products and services.

1.2.5 Assets used in business operations

Table of the Company's assets used in business operation as at 31 December 2020

As at 31 December 2020 the company has 64 branches (excluding the head office), of which 32 are the Company's assets (6 unused buildings including Samut Songkhram, Kalasin, Khon Kaen, Nakhon Ratchasima, Ubon Ratchathani and Yala, and 1 rental space (Hat Yai)) and 38 branches rented by the company.

The company has land, office area, land with buildings, and equipment as follows:

- The Company headquarter is Located at 1415, Bangkok-Nonthaburi Road Wongsawang Sub-District, Bang Sue District, Bangkok 10800.

- Land, Condominium units, land with buildings, and other equipments at the end of 2020 amounted to 2,203.52 million baht are as follows:

Land, condominium units, and land with buildings

Property type	Book value at the end of 2020 (Million Baht)	Area (Square wa)	Appraised value (Million Baht)	Proprietary	Obligation	Objective
1 Condominium units (Ekkamai branch) Phrakhanong, Bangkok	5.19	327.08	109.96	Owned by the company	-Nil-	Office area
Land with buildings						
Land	791.35	7,864.60	960.65	Owned by the company	-Nil-	Office area
Buildings	1,088.83	8,211.12	1,646.23	Owned by the company	-Nil-	Office area
Total	1,885.37	16,402.80	2,716.84			

Note: The Appraised values of land and building are assessed according to the evaluation rules of the Office of insurance commission (OIC).

Equipment and office supplies

Property type	Book value at the end of 2020 (Million Baht)	Proprietary	Obligation
Vehicles	17.35	Owned by the company	-Nil-
Office supplies	248.40	Owned by the company	-Nil-
Computers and equipment	50.62	Owned by the company	-Nil-
Leasehold improvements	1.78	Owned by the company	-Nil-
Total	318.15		

1.3 Shareholder Structure

1.3.1 Shareholding Structure of the Company Group

See more details on the 2020 annual report, page 96

1.3.2 The Company's major shareholders

Number of Paid-up Shares 1,707,566,000 shares

Names	As of the 16 th June 2020	
	Shares (shares)	Percentage of All Paid-up Shares
1. STATE STREET BANK AND TRUST COMPANY	413,396,200	24.21
2. The Wattanasophonpanich Company Limited	222,505,000	13.03
3. Bangkok Bank Public Company Limited	130,022,480	7.61
4. Bangkok Insurance Public Company Limited	78,574,760	4.60
5. Mr. Chatree Sophonpanich	63,967,204	3.75
6. Jatubhut Holding Company Limited	63,000,000	3.69
7. Thai NVDR Company Limited	59,005,745	3.46
8. MSI Holding (Thailand) Company Limited	57,201,480	3.35
9. Bualuang Long-Term Equity Fund	52,222,160	3.06
10. Mr. Choedchu Sophonpanich	45,294,014	2.65

1.3.3 Agreement between the Company and major shareholders

There is no agreement between the Company and major shareholders that would affect the Company's management.

1.4 Agreement between the Company and major shareholders

There is no agreement between the Company and major shareholders that would affect the Company's management.

Amount of registered capital and paid-up capital

The Company has a registered capital of 1,708,000,000 baht with paid-up capital of 1,707,566,000 baht, divided into 1,707,566,000 ordinary shares at a par value of 1 baht per share.

1.5 Dividend Policy

The Company sets a dividend policy to pay at the rate of not less than 25 percent of net profit after corporate income tax and only when there are no accumulated losses. The Board of Directors may consider paying an interim dividend to the shareholders when it appears that the company is profitable and is able to do so, and the shareholders will be informed in the upcoming meeting.

Under the LIFE INSURANCE ACT, B.E. 2535 (1992) Amendment (No. 2) B.E. 2551 (2008), the Company must obtain the dividend payment approval from the Office of Insurance Commission (OIC).

2 Risk Management

2020 was another year of slowdown economic conditions for both Thailand and abroad as well as with issues that have not yet been explicitly resolved. As a result of the COVID-19 pandemic, private sector had to adapt and comply with the government policies in an attempt to pull all sectors out of the crisis. This year, the company paid particular attention to corporate risk management by focusing on management and internal control of activities and processes in order to reduce the Likelihood of opportunity and likelihood of impact of risks to maintain the risk appetite level or to minimize an impact.

The company managed business continuity in response to the pandemic so as not to affect the services we provide to the insured, the business partners and the core operations of the Company. Nevertheless, risk management must take into account and be in line with the main objectives of the organization, and comply with regulators and international standards. The Company's principles and guideline of risk management for the year 2020, with the risk factors assessment, both internal and external are as follows:

2.1 Economic situation Risks

The key risk factor is the preceding economic slowdown from trade conflicts between the superpowers - China and the United States, which the global economy is sensitive to, as well as the severe and continual impact to the Thai economy from the second outbreak of COVID-19 at the end of the year. The factors that influence and affect the life insurance business are:

2.1.1 Decreased income and public confidence

As the industrial and service sectors were closed or decreased wage rate, population income, purchasing power and saving capacity have been reduced. The decrease in public confidence as a result of the declining economic situation has further hampered purchasing decisions a life insurance policy. Revising the product mix to further focus on protection products offerings than savings products, which will increase customer purchasing power, and extending the period of premium payment for the renewal year to a maximum of 180 days.

2.1.2 Volatility of money market and capital market

- It can cause the risk of interest rate fluctuations, investment assets price and exchange rate fluctuation, etc, are risks that affect the Company's investment income and capital. The Company and manages the risk value at a level not greater than the total capital required allocated for the risks according to the business plan. With the risk of market fluctuations at the risk appetite level and, when combined with other types of risk, the Company still has a strong capital situation and higher than what required by law.

- The risk from downward trends in interest rates affect profitability and the development of life insurance products. An interest rate is one of the main assumptions used in determining life insurance premiums, valuation of liabilities and reserves of insurance contracts, and assessment of Capital by risk level. However, if an interest rate remains low for a prolonged period of time, the Company's ability to pay policy benefits, maintain profitability levels and capital requirement, and manage the consistency of assets and liabilities of insurance contracts will be affected. In order that the Board of director and the Risk Management Committee have

assigned the capital management working team to closely monitor, assess, and report on risk factors and risk indicators (KRI: Key Risk Indicators) as well as Asset and Liability Management (ALM). Investment plans were adjusted to reduce risk by investing more in debt instruments with a higher bond duration, less in corporate bonds, and more in government bonds to increase average asset duration and reduce duration gaps. Product pricing was revised to be in line with current company costs. Investment strategies were revised to match assets and liabilities while maintaining the risk appetite level of return on investment. The efficiency of risk management and monitoring is also improved with an Early Warning System, sensitivity analysis, and stress tests of key risk factors.

2.2 Competitive Risks

In addition to product competition for both coverage and customer benefits, there is also a New technology adoption competition that offer services which users able to access from anywhere and at any time. Meanwhile, the COVID-19 outbreak during the previous year has had put forward the technology adoption and a big impact on business factors and the business environment, which have changed consumer behavior, thus reducing sales opportunities through agents and bank channels. This, in turn, has driven businesses to adapt and offer products to customers in a Non-Face-to-Face. The Company has prepared a business plan that determines and takes into account risk measures. Management has been executed for adjustable business strategies including operating systems and various service procedure development as well as managing distribution channels and developing new products to enhance the Company's competitiveness.

2.3 Insurance Risks

These are risks from mortality rates, illness rates, lapse rates, surrender, or the actual cost that are deviated from the assumptions used in determining premium rates, underwriting as well as the insurance reserve calculation, which may cause a negative impact on the Company's operating results. To ensure that the company can handle future potential risks, the company has implemented appropriate insurance risk management measures including the product development working team to create ideas and develop new products to meet the needs of target customers, determining appropriate insurance premium rates that are in line with business strategies under the Company's risk management policy framework as well as sufficient, and higher than regulatory requirements and the risk appetite level of insurance reserves and capital based on potential future of risks.

2.4 Business continuity management risks amidst the COVID-19 pandemic situation

As the on-going COVID-19 outbreak, the company has had to adjust the operating process in response to the situation as well as comply with the government requirements to enable our business continuity. The safety and hygiene of personnel, customers and visitors is the Company's concern, therefore, the situation has been closely monitored with measures and guidelines to mitigate risks that may arise are in place, which include: (1) Measures to prevent the spread of COVID-19, which are the guidance for employees and visitors, and screening systems and measures to prevent the spread of COVID-19 according to the standards of the Ministry of Public Health; (2) Work From Home during March - June 2020 and in the second outbreak at the end of December to reduce risks. The Company has provided technology that helps facilitate online communication to maintain efficiency of the service while emphasizing on information technology security.

2.5 IT risks and cyber threat response

The emergence of digital innovations that led to Digital Disruption has affected all sectors at large, including the life insurance business. The Company, therefore, has had to change and adapt by adopting on-line and social-media platforms to support business activities such as customer services and consultation, policy services to customers and business partners; agents, brokers and contract hospitals. Applications are also used to provide convenient, reduce transactions time period and effective services to enhance customer experience and maximize levels of satisfaction. The Company is aware of information security issues and dealing with cyber threats. To enable the Company to operate in accordance with the Regulators and the Cyber security Act, 2019, the Company has established a risk management structure and appointed the Committee for Security and Information Technology Systems, whose main roles are to create a policy framework, management plans, operational guidelines, and regularly monitor and report to the Risk Management Committee. Besides, It is another year that the company has continued to certify ISO / IEC 27001: 2013 for Information Security Management System (ISMS).

2.6 Legal and Compliance Risks

Over the past year, the Company has been following up on changes in laws, rules and regulations from government agencies. The Company has prepared and adjusted internal processes, operating systems, personnel and work procedures to be ready to comply with the legal changes such as the Personal Data Protection Act B.E. 2562 for managing the Personal Data to comply with the enforcement of laws. The Company also appointed a relevant committee to set up a policy framework, put in place a management plan, oversight, control & monitoring and report in accordance with the Cyber Security Act B.E. 2562. For financial laws and relevant regulations, such as the International Financial Reporting Standards (IFRS), the Company has had studied on the its effect and putting in place systems and simulation models to comply with laws enforcement in the future.

2.7 Underwriting risks

The Company has established guidelines in a form of insurance standards for underwriting with health-related and non-health-related risk factors, taking age, gender, and occupation as insurance underwriting conditions. There are also consider to reinsure consider to reinsure to reinsurers with financial stability that will help reduce the unexpected risks and high value compensation payments as well as increase the Company's underwriting capability.

3 Social responsibility

3.1 Implementation of the social and environmental policy

Bangkok Life Assurance places importance of integrating sustainability concept into Company business strategies, with a focus on creating a balanced management approach that covers various dimensions including environmental responsibility and creating social stability. The Company has put in place policies regarding society and environment since 2016, incorporating energy and environmental conservation in the business operation from procurement, processing, delivering goods and services and waste management.

Environmental Policies and Practices

Company policy emphasizes importance on environmental conservation which contributes to country social and economic sustainability. This includes encouraging employees and their families, agents, partners and alliances to make the best use of resources, reduce waste, reuse or use properly recycled materials and supporting environmental conservation activities and cultivates environmental conservation awareness towards long-term results and sustainability. The Company has appointed a committee to implement Company digital technology roadmap throughout value chain, not only to reduce paper usage but also to improve the efficiency of serving all stakeholders and to reduce the policy operation cost. The digital technology roadmap entails the implementation of electronic insurance system, electronic policy service system, distance training system for life insurance agents, financial advisors and employees, as well as enhancing online communication channels. Energy efficiency is one of the key concepts of Company new headquarter building that had been scheduled to operate at the end of 2020.

3.2 Environmental Performance

1) Power Saving Project

- **Power saving project:** by campaigning to turn off lights during the daytime, when going out to a meeting and after work. This done by putting a number sticker on each desk to monitor energy use in specific areas and installing automatic computer shutdown system on computers in the organization.

- Install energy-saving devices such as energy saving light bulbs in areas that need to be left on at all time such as in the hallways of each floor.

- The design of Bangkok Life Assurance new head office building combines attention to details and environmental conscious concept. The building's orientation and the vertical fins on the southeast and southwest are designed to protect the building from the sun heat. Renewable energy policy is implemented in the new head office building and solar panels have been installed to generate electricity for the building and reduce energy consumption from the grids, thus, reduces the building's environmental impact. As a result, Bangkok Life Assurance's new head office building was awarded 1 of 10 Outstanding Design Buildings from BCI ASIA AWARDS 2020.



2) Water Saving Project

● **Water Saving Project:** checking readiness before using storing water for use and reuse, turn off faucets properly after each use, and immediately notifying the Organization’s people responsible for plumbing repair when leaky plumbing is found. In Company new quarter, automatic faucets have been installed in every sink in the restrooms of every floor.

3) Saving Paper Project

● **Save paper:** reuse paper and scan documents then save in the computer instead of using copying machine to print out to save paper. This will save cost and save storage space as well as reduce fire hazard in the office.

● **Environmental conservation in the office:** White paper documents are collected in a box, which is placed by every copying machine in the Organization, for recycling.

● **Document Shredding:** by sending documents to shredding service providers to boil the paper into pulp to be processed into recycled paper, which in turn prevents further deforestation and preserves the environment.

● **Development of an online operation system and online authorization to save paper:**

o Developing online and semi-online quoting systems for agents and financial advisors to reduce the use of request forms in paper format and hard copies of important paper documents. On-line request forms can be processed and authorized straight away. Not only does this method save paper, but it also increases Company work efficiency and enhances its service quality for the insured as well. At the end of 2020, it was found that agents and financial advisors employed on-line quoting systems in a proportion of 58.5% of all applications, compared to 27% in 2019.

o Using e-documents instead of paper documents such as brochures, details of insurance forms, manuals and training materials.

The percentage of use of online offering system in 2020 compared to planned target

	% of use at the end of 2019	% of use at the end of 2020
% online request form	27%	58.5%
% e-payment	n.a.	81.3%

4) **“Dee Tor Jai (Good for the Heart), Convenience, Save Resources”** project that offers policyholders a choice to receive e-receipt and policy instead of paper documents. Each year, paper required to print these documents is 114 kilograms or equivalent to 35 trees. The cost of paper saved from this project was contributed to building the National Center for Geriatric Medicine, Faculty of Medicine Siriraj Hospital.

In 2020, people subscribed to “Dee Tor Jai (Good for the Heart), Convenience, Save Resources” project and received 24,434 of e-Policy and e-Receipt documents.

Amount of paper use in the organization

year	2018	2019	2020
Paper recycled	36,826 Kg.	41,008 Kg.	20,986 Kg.

5) Activities to raise public awareness of environmental appreciation and protection

- BLA Happy Life Go Green in association with the Thai Creative Association (Magic Eyes) organized to raise awareness for Thai people to use recycled products. The activities were organized within the financial booth of Bangkok Life Assurance at Money Expo 2020, Muang Thong Thani. There were many parents and children participating in this awareness raising activities.



3.3 Social policy and practice

The Company has established policies to promote the country’s social and economic sustainability. Our mission is to create financial stability for all walks of life by providing financial planning advice from our nation’s leading agents and knowledgeable employees.

The Company has raised Market Conduct by establishing a Market Conduct Committee and promoting business operations with agents, brokers and affiliate companies who place importance to conducting business with morality and social responsibility through training and seminars, both classroom training and in digital format.

The Company assesses customer satisfaction regarding the quality of our service to develop and improve Company services. The result is used as an indicator of success (KPI) at organization level in order to raise awareness of executives and employees at all levels to focus on and jointly improve the quality of Company services.

1) New Format of Customer Authentication System

The Company successfully tested the customer authentication system electronically incorporation with the Bank of Thailand, commercial banks and related government agencies in the National Digital ID program. This is to raise standards for identity verification or verifying the information given by customers who are using financial institutions or government agencies services. This program also helps reduce document processing procedures when customers requesting for financial institution services and provides financial institutions with a reliable source of information for customer identity verification in accordance with the law.

“กรุงเทพประกันชีวิตพร้อมให้บริการ ยืนยันตัวตนแบบดิจิทัล NDID เพื่อซื้อประกันผ่านช่องทางออนไลน์เป็นรายแรก”

กรุงเทพประกันชีวิต บริษัทประกันชีวิตแรกของไทยที่ให้บริการยืนยันตัวตนในรูปแบบดิจิทัล หรือ NDID (National Digital ID) สำหรับการธนาคารและนิติบุคคลที่เข้าร่วมกับระบบยืนยันตัวตนผ่านช่องทางออนไลน์เป็นรายแรก เพื่อยกระดับการให้บริการที่มีความน่าเชื่อถือมีความปลอดภัยและสะดวก

นับตั้งแต่กรุงเทพประกันชีวิตสามารถซื้อประกันออนไลน์ได้ผ่านระบบการยืนยันตัวตนแบบประกันออนไลน์ที่จัดทำโดยกรมการทะเบียนและกระทรวงการคลังเมื่อวันที่ 126 ตุลาคม 2563 เวลา 00:00 น. ถึง 23:59 น. และในวันที่ 12 ตุลาคม 2563 เวลา 00:00 น. ถึง 23:59 น. ยืนยันตัวตนได้แก่ ยืนยันตัวตนด้วยภาพถ่ายพร้อมเอกสารใบเสนอเบี้ยประกันผ่านช่องทางออนไลน์ หรือใช้เอกสารยืนยันตัวตน ยืนยันตัวตนผ่าน NDID และ เชื่อมต่อระบบยืนยันตัวตนออนไลน์ โดยไม่ต้องพบตัวแทนผู้รับประกันภัย

3 วิธีการยืนยันตัวตนสามารถทำได้ง่ายๆ ผ่าน 3 ขั้นตอน

1. ส่งค่าขอยืนยันตัวตนกับผู้ให้บริการ
2. ยืนยันตัวตนผ่านระบบผู้ให้บริการ
3. สร้างรหัสผู้ใช้ระบบและเก็บมาบริการออนไลน์

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2) Development of Digital Service Channels

Regarding policy services, the Company has expanded its online service channel to facilitate insured customers, especially, BLA Happy Life application where customers can conduct policy transactions from checking due premiums, making premium payment via the most convenient channel, changing information in the policy, conducting claims related transactions, etc.



3) BLA Every Care project, a supplementary service for customer health

BLA Every Care is a supplementary service offered to various health insurance policy holders. It provides medical advice before and answer query about symptoms and rehabilitation prior having illnesses. In 2020, with the virus pandemic the Company has also expanded its telemedicine service providing the policyholders with long distance medical advice and drug prescription without having to go to the hospital and receive the same coverage as in the existing policy. The Company has also worked with Bumrungrad International Hospital to expand its 2B Care Privilege service to policyholders of designated Bangkok Life Assurance policies as well.

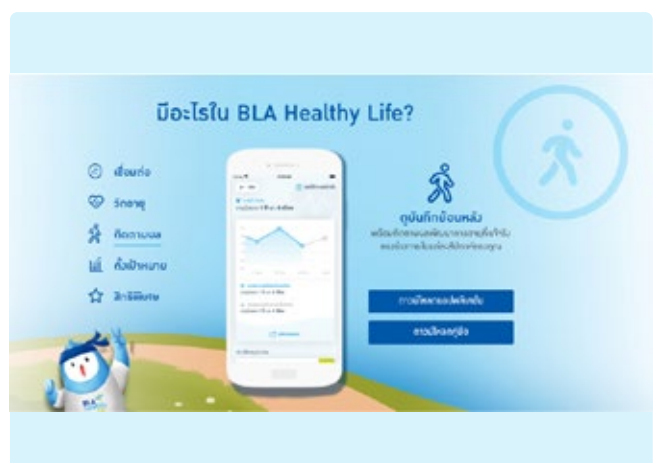


BLA Every Care currently covers approximately 60,000 health insurance policy customers nationwide.

4) Product development to promote people good health

Good health comes from self-care and exercise. To promote good health begins with raising an awareness for people to take care of their health and do exercise as well as having insurance coverage for sickness and recuperation costs.

Bangkok Life Assurance has developed health insurance products and products that cover critical illnesses and launched BLA Smart CI. BLA Healthy Life application is offered to BLA Smart CI policyholders to use the step count data collected for insurance premiums reduction for the following year. It is an easy way to encourage policyholders to realize and start taking care of their health by walking for a reasonable number of steps.



In 2020, health insurance products the Company has developed to meet the needs of people that received an innovative award for the life insurance products are



Product Innovation Awards 2020, in Lifestyle products category for health insurance from “Business+ Product Innovation Awards 2020”



Most Innovative Health Insurance Product Thailand from International Finance Awards 2019

5) Cooperation and development of healthcare services with hospitals nationwide through the BLA Smart Hospital Awards Project.

By developing a system of complementary health services in cooperation with health alliances, the Company can provide people with service confidence and good health protection. The Company therefore presented the Bangkok Life Assurance SMART Hospital Awards 2020 to 11 outstanding health insurance partner hospitals in 6 areas: Corporate Cooperation, Medical Suitability Management, Health Examination Services, Claim Service, Medical Expenses Management and Customer Service. This recognition will foster good relations between organizations, promote customer care services improvement as well as enhance service confidence among the insured customers.



6) Providing financial literacy to people of all levels

The Company provides financial literacy to the public via various communication channels including training and seminar sessions given by life insurance agents and financial advisors across the country as follows:

Social media communication channels: Facebook, Line, Youtube and Company website such as:

ไขคำตอบคาใจ...ประกันลดหย่อนภาษี Ep.3

“ลดหย่อนภาษีจากเบี้ยประกันไปแล้ว แต่หยุดจ่ายเบี้ยหรือยกเลิกรวมธรรม ต้องจ่ายภาษีย้อนหลังหรือไม่”

กรณีผู้มีเงินได้ที่ใช้สิทธิ์ยกเว้นภาษีเงินได้แล้ว และต่อมาได้ปฏิบัติไม่เป็นไปตามหลักเกณฑ์

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- จะต้องเสียภาษีย้อนปีที่นำค่าเบี้ยหักจากเงินได้
- และเสียเงินเพิ่ม 1.5% ต่อเดือนที่ต่อเติมภาษี

วิธีแก้ปัญหา

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ระยะเวลาคุ้มครองเท่าเดิม แต่จำนวนเงินเอาประกันภัยลดลง
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Bangkok Life Insurance Co., Ltd.

ไขคำตอบคาใจ...ประกันลดหย่อนภาษี Ep.2

“ซื้อประกันสุขภาพให้พ่อและแม่ ลดหย่อนภาษีได้เท่าไร?”

ผู้เสียภาษี 1 คน สามารถใช้สิทธิ์ลดหย่อนภาษี จากเบี้ยประกันสุขภาพ พ่อ-แม่ ทุกคนรวมกัน ตามที่จ่ายจริง สูงสุดไม่เกิน 15,000 บาท (ไม่ได้คิดแยกกันคนละ 15,000 บาท)

แนะนำแผนความคุ้มครอง มะเร็งและโรคร้ายแรง “บีแอลเอ จูนใจโรคร้าย”
เบี้ยเบาๆ คุ้มครองตลอดสัญญา คุ้มครองยาวนานอายุ 90 ปี
ไม่มีค่าใช้จ่ายตลอดชีวิต ระยะหลังสามารถกู้ยืมได้สูงสุด 55 ล้านบาท

เนื่องโศกเศร้าประกันสุขภาพที่ลดหย่อนภาษีได้

- คุ้มครองค่ารักษาพยาบาลจากภาวะเจ็บป่วยและการบาดเจ็บ การชดเชยการสูญเสียรายได้ สูญเสียอวัยวะ
- คุ้มครองอุบัติเหตุ ที่เกี่ยวข้องกับการรักษาพยาบาล การสูญเสียอวัยวะ สูญเสียอวัยวะ การแตกหักของกระดูก
- การประกันภัยโรคร้ายแรง (Critical Illnesses)
- การประกันภัยการดูแลระยะยาว (Long Term Care)

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Release 5-8 financial articles per month on Facebook, Line, and various social media to provide accurate information and understanding in the fields of financial planning.

Release 1-2 episodes of BLA Healthy Channel program on Youtube per month to provide useful health education to the public, especially during the COVID-19 outbreak when we have to practice social distancing.

Financial seminar for the public as well as financial knowledge provided by life insurance agents and financial advisors nationwide.

7) In 2020, the COVID-19 pandemic caused problems worldwide, including in Thailand. The Company has therefore issued a policy waiver clause to its policyholders.

- Extend the premium payment grace period for an additional 60 days for the policy that the previous premium payment grace period expires between 27 Feb 2020 and 30 Jun 2020.
- Waive policy renewal fees and auto loan fees if the insured requests a life insurance policy renewal or to return to the original status of the life insurance policy within 6 months if the life insurance policy lapses between 27 Feb 2020 and 30 Jun 2020.
- In case that customers want to add life and health coverage to the existing policy, the Company offers a 0% premium installment for 3 months when paying with a participating credit card via Bangkok Life Assurance agents and financial advisors channels to lighten customer financial load.

Moreover, the Company provides coverage in the event of an illness caused by the COVID-19 for our customers who confirm the coverage reception of daily compensation through the channels provided by the Company. So far 1,596,866 customers have received the protection rights.

Community and Society

The Company operates its business with responsibility towards the community and society and places great emphasis on reducing environmental impacts and avoiding activities that may adversely affect the quality of life of the communities around the establishments. In 2020, Company new head office was built and has been in use since the end of 2020. Management and employees walked around the neighborhoods and talked to the community coordinator as well as listened to community members' stories and feedbacks related to the existence of the Company within the area. If there are issues raised by the community, the community coordinator will inform the management to resolve in a timely manner. The Company also has put in place a policy to provide the community with basic financial knowledge, especially in the area of insurance that is suitable for each individual as

well as encouraging community members to take care of their health. 10 Baht New Normal Plus, a New Year group insurance policy that gives accident coverage were offered to the community in December 2020.

Company agents and financial advisors nationwide participated in traditional activities as well as providing insurance knowledge in their areas.

The Company always places great importance to promoting people good health and continually supports the Athletics Association of Thailand under the Royal Patronage to encourage the national team athletes to teach the public how to do exercise properly. The Company also supported running activities held in various areas across the country as well, such as the Olympic Day 2020, in which our staff and life insurance agents participated in the event and provided financial literacy to participants.



Bangkok Life Assurance received the “Top Community Care Companies in Asia” award from the Asia Corporate Excellence & Sustainability Awards (ACES) 2020, given to businesses and individuals in Asia who undertake projects that benefit communities and the world society. From CSR activities under the concept of “Live as You Design”, the Company aims to promote financial planning skills for the people through a variety of financial activities and provides an easy access to Company information and services through mobile applications and intelligence systems as well as develops products and improves service efficiency. All of which is to improve people’s life and their social well-being in line with the vision and mission of Bangkok Life Assurance.

4 Management's analysis and explanation

4.1 The effect of Thai Financial Reporting Standards

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. The adoption of the financial reporting standards that have significant impact on the Group's financial statements is Thai Financial Reporting Standard No.4 "Insurance Contracts" ("TFRS 4") which determines the option for insurance industry before Thai Financial Reporting Standard No. 17 "Insurance Contracts" becomes effective to temporary exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures". An entity can elect to apply the accounting guidelines for financial instruments and disclosures on insurance business. The Company has recognized the cumulative effect of initially adopting of the accounting guidelines for financial instruments on insurance business in the amount of 763 million baht in equity.

4.2 Investments in subsidiaries

BLA Insurance Broker Company Limited

On July 7, 2014, the Company obtained control of BLA Insurance Broker Company Limited ("Subsidiary"), a non-life insurance broker by acquiring 84 percent of the shares and voting interests in the Company. As a result, the Group's equity interest in BLA Insurance Broker Company Limited increased from 15 percent to 99 percent. Therefore, the company has prepared the consolidated financial statements since July 7, 2014.

In 2015, the Company acquired additional 1.98 million ordinary shares in BLA Insurance Broker Co., Ltd. at par value of 10 baht per share, total of 19.80 million baht. The subsidiary increased its share capital by 20.00 million baht, resulting in an increase in its registered capital from 4 million baht to 24 million baht. The Company's shareholding equals 99 percent of the subsidiary's registered and paid up capital.

From 2016 to 2020, there is no change in subsidiary's shareholding structure during the years.

Bangkok Life Assurance (Cambodia) Plc.

In 2016, the Company invested in Bangkok Life Assurance (Cambodia) PLC. The Subsidiary Company is registered in Cambodia as a life insurer. The proportion of BLA shareholding is 52 percent.

On June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Limited Company which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation.

On December 9, 2020, the Company disposed investment in Bangkok Life Assurance (Cambodia) Public Limited Company and completed liquidation process.

4.3 Summary of significant operations

1.) Statement of profit or loss

In 2020, the Company had net premium written of 33,425 million baht, a decrease of 3 percent from 34,349 million baht in 2019.

First-year premiums of 6,550 million baht showed an increase of 6 percent from 6,198 million baht in 2019. The increase was mostly from Bancassurance channel resulting from tactical product sale planning with Bank in third quarter. The growth rate is quite good comparing with industry's growth rate which down 11 percent. Renewal year premiums amounted to 28,195 million baht, decreased by 4 percent from 29,494 million baht in 2019 from fully-paid policies in 2020.

Gross written premiums for 2020 amounted to 34,745 million baht, down 3 percent from 35,692 million baht in 2019, with premiums received through the 2020 Bancassurance channel amounted to 55 percent of all premiums, while premiums through the agent channel accounted for 39 percent of all premiums (in 2019, these were 56 percent and 38 percent, respectively).

Net investment income was 12,231 million baht, gain on investment sales 1,020 million baht, and gain on revaluation 130 million baht, for a total income of 13,381 million baht, a decrease from the previous year of 670 million baht or 5 percent, mainly from dividend and interest of notes. The return on investment (ROI) this quarter was 4.14 percent.

Expenses consisted of life policy reserves increased from prior year, benefit payments under life policies and claims, commissions and brokerages expenses, other underwriting expenses and operating expenses. In 2020, the Company had 45,576 million baht in expenses, as compared to 43,596 million baht in 2019, an increase of 1,980 million baht or 5 percent. The ratio of “Life policy reserves including benefit payments under life policies and claims” to “net premium written” was 121 percent and 112 percent in 2020 and 2019, respectively. In 2020, The Company revised assumption for reserves for long-term insurance contracts for Provision Adverse Deviation (PAD) from 4 percent to 5 percent of Net Premium Valuation (NPV) reserve in order to support the fluctuation of interest rate risk. The Company recorded the cumulative effect from the change in PAD reserves for long-term insurance contracts in the amount of Baht 2,668 million in statement of profit or loss.

Profits before income tax expenses, decreased by 3,545 million baht or 67 percent. Profit before income tax expenses in 2020 and 2019 were 1,761 million baht and 5,306 million baht, respectively. This is resulting from the Company recorded the cumulative effect from the change in PAD reserves for long-term insurance contracts in the amount of Baht 2,668 million mentioned above. In addition, a decrease investment income from the impact of COVID-19 resulting in lower dividend received than expected, provision for impairment of investments including market conditions that are not conducive to profit from the sale of investment securities. After the income tax expenses, the profit for 2020 amounted to 1,608 million baht, decreased from 4,387 million baht in 2019 by 2,779 million baht or 63 percent. This comes out to a basic net profit per share of 0.94 baht, reduced from 2.57 baht per share in 2019.

2.) Capital Adequacy and Risk-Based Capital (RBC)

At the end of year of 2020, the Company's Capital Adequacy Ratio (“CAR”) was at 274 percent, a decline from 314 percent at the end of 2019, due to lower fair value of capital impact by declining interest rate.

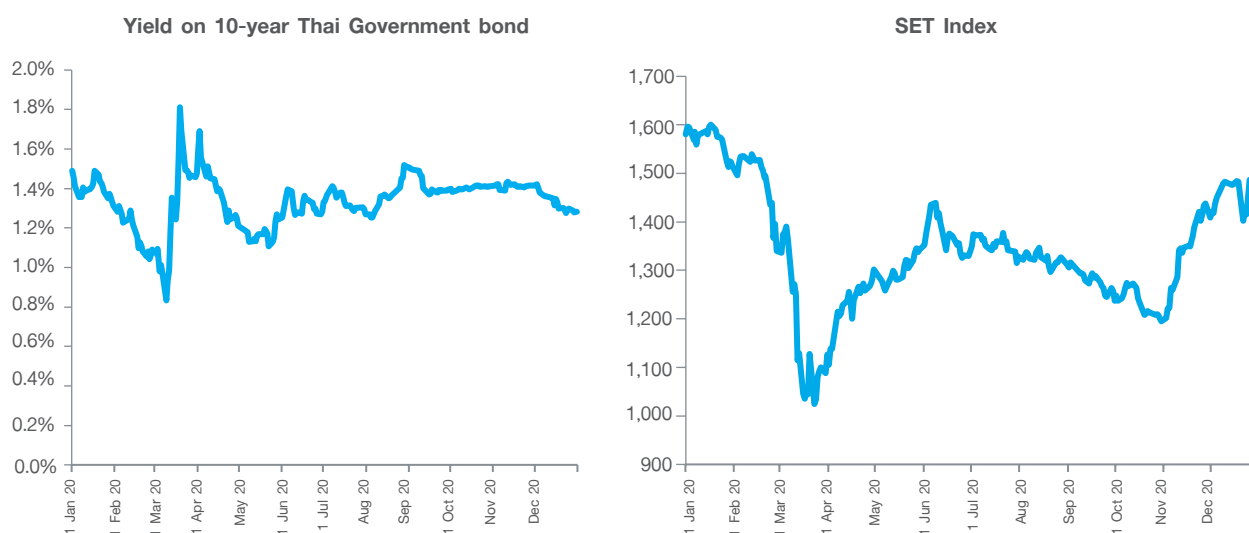
3.) Embedded Value and the Value of new business

The Embedded Value as of 31 December 2020 was 67,502 million Baht, which was equal to 39.53 baht per share, a decrease of 5 percent from 2019. The Value to new business was 1,151 million Baht, which was equal to 0.67 baht per share, an increase of 269 percent from 2019 resulting from the adjustment of the sale that focus on the protection products and the participating insurance plan, of which upside benefits being shared between the company and the insured.

4.) Investment Conditions

Investment in 2020 was subjected to high volatility stemming from the COVID-19 pandemic which adversely affected growth across all regions globally. The COVID-19 pandemic originated in China early in the year resulting in travel restrictions both domestically and internationally. Such measures directly impact Thailand in terms of tourist number. In addition, it compounded to the already sluggish economy at the time. The Bank of Thailand, consequently, decided to adopt an easing monetary policy by reducing the policy rate in February 2020 from 1.25% to 1.00%. Subsequently, when the outbreak worsened in March, the policy rate was further reduced to a historical low at 0.50%.

With the above backdrop in mind, the movement of the yield on the ten-year Thai government bond and SET index both took a plunge in February before hitting a trough in March at 0.83% and 969.08 points respectively. During the period mention, there was considerable uncertainties both in the real sector and financial sector, with the latter reflected in sharp increases in volatility across asset types. Nevertheless, with government intervention in terms of both the monetary and fiscal policies to help calm down and mitigate the impact, the financial and capital markets returned to normalcy in 2Q20 with the yield on the ten-year Thai government bond ranging between 1.20-1.50% for the remainder of the year. Meanwhile, the SET index continued to be volatile partly reflecting the infection rate at the time. Towards the end of the year with news on success of vaccine development, the SET index went up and closed at 1,449.35 points for the year which is equivalent to a 8.26% decline from 2019.



Separate financial statements at the end of 2020, the Company had total investment assets of 330,210 million baht, increasing from 323,787 million baht in 2019 or an increase of 2.0%. The majority of investment assets were government bonds and corporate debentures, accounting for 81.0%. During the year, the Company increased the allocation towards government bonds to reduce risk amidst high economic uncertainties. The investment in Property Fund, Infrastructure Fund and REIT was at 4.8%, a decline from 6.7% at the end of 2019 as these assets were directly affected by the COVID-19 outbreak. In terms of foreign currency investment, it totaled 7.9% of which 4.9% is in fixed income and 3.0% is in equity and unit trust.

Separate financial statements	2020		2019	
	Million Baht	Percent	Million Baht	Percent
Cash and Cash Equivalent	8,061	2.4	13,367	4.1
Bonds and Treasury Bills	163,029	49.4	138,804	42.9
Debentures and Long-term Notes	104,327	31.6	111,193	34.3
Stocks and Equity Funds	27,614	8.4	28,471	8.8
Unit Trust (IFF, Prop, REIT and Fixed Income fund)	15,865	4.8	21,725	6.7
Policy Loans	9,524	2.9	8,478	2.6
Other Loans	1,790	0.5	1,748	0.5
Total Investment Assets	330,210	100.0	323,787	100.0

4.4 Overview of financial position

1.) Statement of financial position

Consolidated financial statement showed the Company's financial status on December 31, 2020 consisted of assets amounted to 339,778 million baht, 2 percent higher than in 2019 at 333,680 million baht, with total investment of 330,197 million baht accounted for 97 percent of total assets and 113 percent of insurance contract liability, resulting from the increased investment assets from the Company's operations.

The Company had 293,680 million baht of liabilities, 1 percent higher than in 2019 mainly from an increase of insurance contracts liabilities to 291,329 million baht or 99 percent of total liabilities. This was 4,687 million baht higher than that of 2019. Although, the Company had 34,745 million baht gross written premium, insurance contract liability proportion slightly increase. This is resulting from high volume of benefit payments and maturity payments which lead to decreasing in insurance contract liability during the year.

On December 31, 2020, the Company had 46,098 million baht in equity, an increase of 4 percent from 44,260 million baht in 2019. This resulted from the Company recognized the cumulative effect of initially adopting of the accounting guidelines for financial instruments on insurance business in the amount of 763 million baht, gain on re-measuring of investment at fair value through other comprehensive income - net of income taxes of 389 million baht, an operational profit of 1,608 million baht, and actuarial gain - net of income taxes of 44 million baht. While there were dividend paid during the year 547 million baht, loss on re-measuring cash flow hedge derivatives fair value - net of income taxes of 384 million baht, and changes in non-controlling interests 35 million baht.

2.) Financial Ratio

Liquidity ratio

From 2018 to 2020, the Company had a premiums receivable turnover rates equal to 17.05, 18.98, and 18.84 days, respectively. These turnover rates remained lower than the Company policy, which provides a grace period for premium payment of 30-60 days. Additionally, premiums receivable turnover rates for each year are quite similar which show stability in premium received rate and persistency rate. The impact of COVID-19 did not affect the company's persistency rate.

Profitability ratio

The Company had returns on investment assets in years 2018 to 2020 of 4.60 percent, 4.43 percent and 4.07 percent, respectively. The Company's average investment return was trending downward from the effect of debt securities market rate. The net profit margins in years 2018 to 2020 were 9.21 percent, 8.97 percent, and 3.40 percent, respectively. The profitability ratio in 2020 decreased compared to that of 2019.

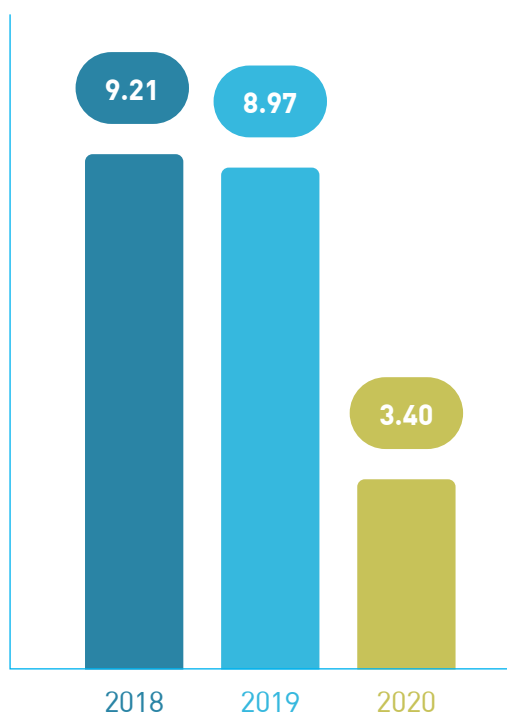
Efficiency ratio

From 2018 to 2020, the Company had returns on assets of 1.57 percent, 1.33 percent, and 0.48 percent, respectively. The decreased ratio in 2020 was largely due to the decreased profit in that year.

Financial Ratio

From 2018 to 2020, the Company had insurance contract liability to investment assets of 0.90, 0.89, and 0.88 time respectively. The Company had shown an adequate ability to pay off any future obligation to the policyholders.

Net Profit Margin



Return on Total Asset

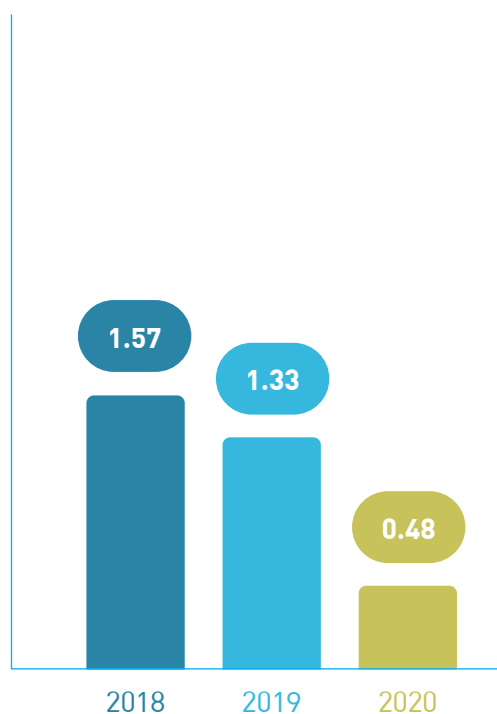


Table of summary of financial statement

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020, 2019, 2018

ASSETS	Consolidated financial statements					
	2020	%	2019	%	2018	%
Cash and cash equivalents	8,072.22	2.38	13,441.88	4.03	9,825.59	3.03
Premium receivables	1,786.02	0.53	1,800.66	0.54	1,910.40	0.59
Accrued investment income	1,647.38	0.48	1,684.13	0.50	1,828.76	0.56
Reinsurance assets	616.81	0.18	549.70	0.16	539.18	0.17
Amount due from reinsurance	724.82	0.21	1,044.32	0.31	703.97	0.22
Derivative assets	1,304.28	0.38	998.12	0.30	274.89	0.08
Investment assets						
Investments in securities	310,811.47	91.47	300,136.75	89.95	292,659.82	90.17
Investments in subsidiaries	-	-	-	-	-	-
Loans and accrued interest receivables	11,313.58	3.33	11,221.67	3.36	12,423.73	3.83
Investment property	15.62	0.00	16.69	0.01	17.75	0.01
Premises and equipment	2,187.89	0.64	1,425.70	0.43	1,333.67	0.41
Goodwill	4.96	0.00	4.96	0.00	4.96	0.00
Intangible assets	27.46	0.01	3.93	0.00	3.75	0.00
Deferred tax assets	600.16	0.18	920.74	0.28	2,154.03	0.66
Other assets	665.59	0.20	430.84	0.13	897.39	0.28
TOTAL ASSETS	339,778.27	100.00	333,680.08	100.00	324,577.85	100.00

Unit : Million Baht

Separate financial statements						
	2020	%	2019	%	2018	%
	8,061.45	2.37	13,367.37	4.01	9,745.78	3.00
	1,786.02	0.53	1,800.66	0.54	1,910.40	0.59
	1,647.38	0.48	1,684.13	0.50	1,828.76	0.56
	616.81	0.18	549.70	0.16	539.18	0.17
	724.82	0.21	1,044.32	0.31	703.97	0.22
	1,304.28	0.38	998.12	0.30	274.89	0.08
	310,811.47	91.48	300,136.75	89.96	292,659.82	90.17
	23.76	0.01	56.41	0.02	98.44	0.03
	11,313.58	3.33	11,221.67	3.36	12,423.73	3.83
	15.62	0.00	16.69	0.01	17.75	0.01
	2,187.86	0.64	1,425.47	0.43	1,331.79	0.41
	-	-	-	-	-	-
	27.45	0.01	3.93	0.00	3.61	0.00
	600.16	0.18	920.74	0.28	2,154.03	0.66
	654.83	0.19	395.50	0.12	861.10	0.27
	339,775.50	100.00	333,621.45	100.00	324,553.23	100.00

Table of summary of financial statement

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020, 2019, 2018

LIABILITIES AND EQUITY	Consolidated financial statements					
	2020	%	2019	%	2018	%
Liabilities						
Insurance contract liabilities	291,328.58	85.74	286,641.83	85.90	283,237.77	87.26
Amount due to reinsurance	798.91	0.24	1,128.74	0.34	585.44	0.18
Derivative liabilities	75.97	0.02	118.27	0.04	644.29	0.20
Income tax payable	-	-	90.83	0.03	7.54	0.00
Employee benefit obligations	170.75	0.05	213.86	0.06	178.64	0.06
Other liabilities	1,305.67	0.38	1,226.09	0.37	1,416.02	0.44
Total liabilities	293,679.88	86.43	289,419.62	86.74	286,069.70	88.14
Equity						
Share capital						
Authorized share capital						
1,708,000,000 ordinary shares of Baht 1 each	1,708.00		1708.00		1,708.00	
Issued and paid-up shares capital						
1,707,566,000 ordinary shares of Baht 1 each, fully paid-up	1,707.57	0.50	1,707.57	0.51	1,707.57	0.53
Premium on share capital	3,360.99	0.99	3,360.99	1.01	3,360.99	1.04
Retained earnings						
Appropriated						
Statutory reserve	170.80	0.05	170.80	0.05	170.80	0.05
General reserve	400.00	0.12	400.00	0.12	400.00	0.12
Unappropriated	31,157.82	9.17	31,055.14	9.31	27,908.09	8.60
Other component of owners' equity						
Revaluation surplus on investment at fair value through other comprehensive income - net of income taxes	9,092.42	2.68	7,535.57	2.26	4,961.86	1.53
Revaluation surplus on derivatives cash flow hedges - net of income taxes	208.56	0.06	-	-	-	-
Exchange rate differences on translation of financial statements in foreign currency	-	-	(4.78)	(0.00)	(4.70)	(0.00)
Equity attributable to equity holders of the Company	46,098.16	13.57	44,225.29	13.25	38,504.60	11.86
Non-controlling interests of the subsidiary	0.23	0.00	35.16	0.01	3.55	0.00
Total equity	46,098.39	13.57	44,260.45	13.26	38,508.16	11.86
TOTAL LIABILITIES AND EQUITY	339,778.27	100.00	333,680.08	100.00	324,577.85	100.00

Unit : Million Baht

Separate financial statements

	2020	%	2019	%	2018	%
	291,328.58	85.74	286,641.82	85.92	283,237.67	87.27
	798.91	0.24	1,128.74	0.34	585.44	0.18
	75.97	0.02	118.27	0.04	644.29	0.20
	-	-	90.83	0.03	7.54	0.00
	170.22	0.05	211.88	0.06	177.11	0.05
	1,301.44	0.38	1,215.36	0.36	1,405.45	0.43
	293,675.12	86.43	289,406.89	86.75	286,057.50	88.14
	1,708.00		1,708.00		1,708.00	
	1,707.57	0.50	1,707.57	0.51	1,707.57	0.53
	3,360.99	0.99	3,360.99	1.01	3,360.99	1.04
	170.80	0.05	170.80	0.05	170.80	0.05
	400.00	0.12	400.00	0.12	400.00	0.12
	31,160.04	9.17	31,039.62	9.30	27,894.51	8.59
	9,092.42	2.68	7,535.57	2.26	4,961.86	1.53
	208.56	0.06	-	-	-	-
	-	-	-	-	-	-
	46,100.38	13.57	44,214.56	13.25	38,495.73	11.86
	-	-	-	-	-	-
	46,100.38	13.57	44,214.56	13.25	38,495.73	11.86
	339,775.50	100.00	333,621.45	100.00	324,553.23	100.00

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020, 2019, 2018

ASSETS	Consolidated financial statements					
	2020	%	2019	%	2018	%
Revenues						
Gross written premium	34,744.46	73.40	35,692.32	72.99	40,891.99	75.91
Less Premium ceded to reinsurers	(1,318.97)	(2.79)	(1,343.32)	(2.75)	(1,303.54)	(2.42)
Net premium written	33,425.49	70.61	34,349.01	70.24	39,588.45	73.49
Less Unearned premium reserves increased form prior year	(29.34)	(0.06)	(41.25)	(0.08)	(34.24)	(0.06)
Net earned premium	33,396.14	70.55	34,307.76	70.16	39,554.21	73.42
Fee and commission income	431.93	0.91	351.36	0.72	374.93	0.70
Net investment income	12,231.09	25.84	12,631.63	25.83	12,255.04	22.75
Gain on investment	1,020.34	2.16	1,072.05	2.19	1,486.22	2.76
Gain on revaluation	129.66	0.27	347.19	0.71	61.98	0.12
Other income	127.89	0.27	192.06	0.39	137.94	0.26
Total revenues	47,337.05	100.00	48,902.05	100.00	53,870.33	100.00
Expenses						
Life policy reserves increased from prior year	4,918.78	10.39	3,580.42	7.32	17,313.05	32.14
Benefit payments under life policies and claims	36,262.47	76.60	35,505.32	72.60	25,562.45	47.45
Less Benefit payments under life policies and claims refundable from reinsurance	(801.11)	(1.69)	(740.83)	(1.51)	(891.20)	(1.65)
Commissions and brokerages expenses	2,765.08	5.84	3,004.48	6.14	3,465.08	6.43
Other underwriting expenses	557.60	1.18	610.31	1.25	857.18	1.59
Operating expenses	1,533.83	3.24	1,636.43	3.35	1,770.55	3.29
Expected credit loss and impairment loss	339.00	0.72	-	-	-	-
Total expenses	45,575.65	96.28	43,596.13	89.15	48,077.11	89.25
Profits before income tax expense	1,761.40	3.72	5,305.92	10.85	5,793.22	10.75
Income tax expense	152.92	0.32	918.03	1.88	813.15	1.51
Profit from continuing operations	1,608.48	3.40	4,387.90	8.97	4,980.07	9.24
Discontinued operation						
Loss from discontinued operation - net of income taxes	(0.35)	(0.00)	(3.60)	(0.01)	(19.84)	(0.04)
Profit for the years	1,608.14	3.40	4,384.30	8.97	4,960.23	9.21

Unit : Million Baht

Separate financial statements

	2020	%	2019	%	2018	%
	34,744.64	73.40	35,692.43	73.02	40,892.09	76.01
	(1,318.97)	(2.79)	(1,343.32)	(2.75)	(1,303.54)	(2.42)
	33,425.67	70.61	34,349.11	70.27	39,588.55	73.58
	(29.34)	(0.06)	(41.25)	(0.08)	(34.24)	(0.06)
	33,396.32	70.55	34,307.87	70.19	39,554.31	73.52
	431.93	0.91	351.36	0.72	374.93	0.70
	12,231.09	25.84	12,631.63	25.84	12,202.36	22.68
	1,036.00	2.19	1,072.05	2.19	1,486.22	2.76
	129.66	0.27	347.19	0.71	61.98	0.12
	111.10	0.23	170.67	0.35	120.03	0.22
	47,336.10	100.00	48,880.77	100.00	53,799.83	100.00
	4,918.78	10.39	3,580.42	7.32	17,313.05	32.18
	36,262.47	76.61	35,505.32	72.64	25,562.45	47.51
	(801.11)	(1.69)	(740.83)	(1.52)	(891.20)	(1.66)
	2,756.16	5.82	2,993.71	6.12	3,455.23	6.42
	557.60	1.18	610.20	1.25	857.16	1.59
	1,529.66	3.23	1,629.99	3.33	1,763.97	3.28
	339.00	0.72	-	-	-	-
	45,562.56	96.25	43,578.82	89.15	48,060.66	89.33
	1,773.54	3.75	5,301.95	10.85	5,739.17	10.67
	152.92	0.32	918.03	1.88	813.15	1.51
	1,620.62	3.42	4,383.93	8.97	4,926.02	9.16

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020, 2019, 2018

ASSETS	Consolidated financial statements					
	2020	%	2019	%	2018	%
Other comprehensive income						
Other comprehensive income to reclassified to profit or loss in subsequent periods						
Gains on remeasuring investment at fair value through other comprehensive income	1,008.03	2.13	3,643.44	7.45	(3,871.71)	(7.19)
Reversal of gains realised on the disposal of investment at fair value through other comprehensive income	(555.46)	(1.17)	(426.29)	(0.87)	(1,519.27)	(2.82)
Loss on remeasuring cash flow hedge derivatives at fair value	(479.85)	(1.01)	-	-	-	-
Foreign exchange differences on translation of financial statements in foreign currency	-	-	(0.16)	(0.00)	(0.50)	(0.00)
Income taxes relating to other comprehensive income	32.09	0.07	(643.43)	(1.32)	1,078.20	2.00
Total other comprehensive income to reclassified to be profit or loss in subsequent periods - net of income taxes	4.81	0.01	2,573.56	5.26	(4,313.28)	(8.01)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods: Actuarial gain (loss)	54.77	0.12	(14.74)	(0.03)	21.18	0.04
Income taxes relating to other comprehensive income	(11.07)	(0.02)	2.93	0.01	(4.18)	(0.01)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income taxes	43.70	0.09	(11.81)	(0.02)	17.00	0.03
Other comprehensive income for the years - net of income taxes	48.51	0.10	2,561.75	5.24	(4,296.28)	5.40
Total comprehensive income for the years	1,656.65	3.50	6,946.05	14.20	663.95	1.18
Earnings per share						
Basic earnings per share						
Earnings per share	0.94		2.57		2.91	

Unit : Million Baht

Separate financial statements

	2020	%	2019	%	2018	%
	1,008.03	2.13	3,643.44	7.45	(3,871.71)	(7.20)
	(555.46)	(1.17)	(426.29)	(0.87)	(1,519.27)	(2.82)
	(479.85)	(1.01)	-	-	-	-
	-	-	-	-	-	-
	32.09	0.07	(643.43)	(1.32)	1,078.20	2.00
	4.81	0.01	2,573.72	5.27	(4,312.78)	(0.02)
	55.38	0.12	(14.61)	(0.03)	20.93	0.04
	(11.08)	(0.02)	2.92	0.01	(4.19)	(0.01)
	44.30	0.09	(11.68)	(0.02)	16.75	0.03
	49.11	0.10	2,562.03	5.24	(4,296.04)	(7.99)
	1,669.73	3.53	6,945.96	14.21	629.98	1.17
	0.95		2.57		2.89	

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020, 2019, 2018

	Consolidated financial statements		
	2020	2019	2018
Cash flows provided by operating activities			
Gross premium	34,664.16	35,595.50	40,667.07
Cash payments from reinsurance	(1,288.59)	(547.66)	(1,239.06)
Interest income	10,336.71	10,780.31	10,027.84
Dividend income	1,826.33	1,870.94	2,003.42
Gain on investments	860.21	1,528.95	1,421.10
Other income	132.13	170.98	137.61
Benefit payments under life policies and loss incurred on direct insurance	(35,351.36)	(35,150.35)	(24,736.17)
Commissions and brokerages on direct insurance	(2,751.96)	(3,129.80)	(3,569.33)
Other underwriting expenses	(672.61)	(572.96)	(674.59)
Operating expenses	(1,336.48)	(1,523.90)	(2,170.16)
Corporate income taxes	(69.55)	(244.88)	(369.82)
Investments in securities	-	(1,102.69)	(17,911.76)
Loans	-	1,362.81	(2,053.35)
Other investments	-	(4,067.14)	5,356.27
Cash received - financial assets	31,497.11	-	-
Cash payments - financial assets	(41,837.59)	-	-
Net cash provided by (used in) operating activities	(3,991.50)	4,970.12	6,889.06
Cash flows used in investing activities			
Net cash flows for purchases and disposals of premises and equipment	(860.84)	(158.27)	(108.71)
Cash received from sale of a subsidiary	59.20	-	-
Cash received from return of investment in a subsidiary	-	-	-
Net cash used in investing activities	(801.64)	(158.27)	(108.71)
Cash flows used in financing activities			
Dividend paid	(546.57)	(1,227.13)	(920.55)
Net cash used in financing activities	(546.57)	(1,227.13)	(920.55)
Non-controlling interests of subsidiaries	(34.93)	31.61	
Exchange differences on translation of financial statements in foreign currency	4.98	(0.03)	(10.00)
Net increase (decrease) in cash and cash equivalents	(5,369.66)	3,616.29	5,849.80
Cash and cash equivalents at beginning of years	13,441.88	9,825.59	3,975.79
Cash and cash equivalents at the end of years	8,072.22	13,441.88	9,825.59

Separate financial statements

	2020	2019	2018
	34,664.16	35,595.61	40,667.13
	(1,288.59)	(547.66)	(1,239.06)
	10,335.73	10,780.30	9,975.12
	1,826.33	1,870.94	2,003.42
	860.21	1,528.95	1,555.98
	110.85	150.48	119.70
	(35,351.36)	(35,150.35)	(24,736.17)
	(2,742.33)	(3,119.34)	(3,567.12)
	(672.61)	(572.86)	(674.59)
	(1,322.77)	(1,519.21)	(2,145.58)
	(69.53)	(244.88)	(369.82)
	-	(1,098.76)	(17,993.97)
	-	1,362.81	(2,053.35)
	-	(4,067.14)	5,356.27
	31,497.11	-	-
	(41,804.94)	-	-
	(3,957.75)	4,968.89	6,897.95
	(860.79)	(158.28)	(108.71)
	59.20	-	-
	-	38.10	-
	(801.59)	(120.18)	(108.71)
	(546.57)	(1,227.13)	(920.55)
	(546.57)	(1,227.13)	(920.55)
	-	-	-
	(5,305.91)	3,621.58	5,868.69
	13,367.37	9,745.78	3,877.09
	8,061.45	13,367.37	9,745.78

4.5 Guideline for Disclosure of Information on Impacts of the COVID-19 Outbreak Situation

Impacts Due to the COVID-19 Situation

1. Operation Impacted Not Impacted

- | | |
|---|--|
| <input type="radio"/> Demand for goods & services | <input type="radio"/> Pandemic outbreak among employees |
| <input checked="" type="radio"/> Changes to previously announced plans, projects or targets | <input type="radio"/> Supply chain
(e.g. impacts from business partners affected by COVID-19, shortage of raw material from raw material suppliers, raw material transportation issues) |
| <input type="radio"/> Halting of operations | |
| <input type="radio"/> Operation constraints (e.g. work from home, BCP that does not support the COVID-19 situation)) | <input type="radio"/> Others |

Description: The Company has a plan to increase the number of agents and IC license holders to support unit-linked products that are scheduled to be launch in 2021. However, given the current COVID-19 situation, the Company has not been able to arrange the training as planned. Also, the agent test center and the investor license center have been closed, leading to lower number of new agents and new FA (agents with an IC license) than planned.

2. Financial Impacted Not Impacted

- | | |
|---|---------------------------------|
| <input type="radio"/> Ability to fulfil obligations | <input type="radio"/> Liquidity |
| <input type="radio"/> Debt covenants
Ability to pay dividend | <input type="radio"/> Others |

Description _____

3. Balance Sheet and Performance Impacted Not Impacted

- | | |
|--|--|
| <input checked="" type="radio"/> Impairments of assets | <input type="radio"/> Changes in accounting estimates previously disclosed |
| <input type="radio"/> Acquisition or disposal of assets that otherwise not have occurred | <input type="radio"/> Changes to capex previously planned for |
| | <input type="radio"/> Others |

Description: The Company has investments in companies or businesses directly impacted by the situation, which in turn affects the Company's investment value. In 2020, the Company had taken into account the impairment and expected credit loss in its financial statement.

4. Contractual Obligations

Impacted Not Impacted

- Threats to contractual rights, ability to fulfil obligations
- Temporary relief, force majeure clauses or termination of obligations
- Changes to material contractual terms
- Others

Description

5. Threats to viability

Impacted Not Impacted

- Ability to operate as a going concern
- Changes to business plan in order to manage near-term costs
- Effects on related companies
- Others

Description

6. Others (please specify)

Description

5 General and other important information

5.1 General Information

Securities Registrar

Name: Thailand Securities Depository Co., Ltd.
Location: 93, 14th Floor, Ratchadaphisek Road, Dindaeng Sub-District,
Din Daeng District, Bangkok 10400
Telephone number: 02 009 9383

Auditor

Name: Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Location: 3 South Sathorn Road, Yannawa Sub-district,
Sathorn District, Bangkok 10120
Telephone number: 0 2676 5700
Fax: 0 2676 5757

Legal Consultant

Name: Kanung & Partners Limited
Location: 33/4, The Ninth Tower, Grand Rama 9 Building (Building B),
25th Floor, Rama 9 Road, Huay Kwang Sub-district,

Huay Kwang District, Bangkok 10310
Telephone number: 0 2168 1222
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5.2 Legal Dispute

As of December 31, 2020, the Company has been a litigant or a party involving in cases or disputes that have not yet been finalized and that may affect the Company's assets as follows:

- The Company is a defendant in insurance claim cases where the Company has refused to pay the claims on insurance policies that the insured or beneficiaries asked for (depending on the case), totaling 6 cases, with the total value of claims of 4.98 million baht and with the highest requested claim (amount of money in dispute) of 2.4 million baht. The Company has appointed a lawyer to defend the Company from such allegations.

6 Corporate Governance Policy

6.1 Overview of policy and practice of corporate governance

6.1.1 Good Corporate Governance Policy

The Board of Directors recognizes the importance of having effective, transparent, and verifiable management system, and commits to a business conduct that is honest and fair to society so as to create sustainable value to the business and to maintain the benefits among shareholders and other stakeholders.

The Board of Directors is aware of its leadership roles and responsibilities and focuses on defining objectives and main goals that promote sustainable value achievements. The Board aims to strengthen its efficiency and effectiveness, selection and development of the executives and personnel, innovation nurturing and responsible business conduct, risk management governance and internal control of financial report and disclosure, and engagement and communication with shareholders.

The company requests directors, executives, and employees to strictly adhere to and comply with the Company's policies and code of conduct.

6.1.2 Corporate Governance Code: CG Code 2017

The Board of Directors recognizes the importance of having good corporate governance as it leads to sustainable value creation and effective, transparent and accountable management system. The Board commits to a business conduct that is honest and fair to society with a present of shared benefits among customers, shareholders, and other stakeholders.

To maintain the principles of good corporate governance that adhere to international standards, the Board has adopted Corporate Governance Code for Listed Companies 2017 (the "Code"), issued by the Stock Exchange of Thailand. The Code consists eight following principles:

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

The Board of Directors is aware of its roles and responsibilities, and therefore conducts continuous reviews of its duties and responsibilities as specified in Board regulations. Over the past number of years, the Board has focused on improving the business competitiveness, responding to sustainable to changes, and sustainable results. This can be clearly seen in the growth rate in numbers of financial planning advisors, the use of technology in supporting the professional work in all the Organization's services. For the good and effective operation, the Board has delegated duties and responsibilities for management to the President and Executive Officers clearly in writing.

On a par with business success, the Board of Directors gives importance to fairness to customers and other stakeholders, thus creating a culture through its policies of good governance and fair market conduct and through its Code of Conduct Guide.

Principle 2: Define Objectives that Promote Sustainable Value Creation

The Board of Directors establishes a Company vision statement that reflects its commitment to make people realize the benefits of the life insurance and choose insurance coverage which is suitable for their financial position and value of life. The Board also establishes a Company mission statement which reflects its determination to become a leader in establishing financial security for all groups of people and protecting their value of life by offering financial advice and impressive service through its sincere agents, partners and employees who are experts in the field, and is in line with the organization values: faith, responsibility, sincerity, self-development, and teamwork.

CORPORATE GOVERNANCE

The Board has required an annual self-evaluation of performance be completed for the Board and its committees, along with the Board members' evaluation of the Chairman's performance since he plays such an important role in policy setting and exercising governance.

Principle 3: Strengthen Board Efficiency and Effectiveness

The Board of Directors is in charge of determining the Company's governance structure as well as the Board's composition, which must consist of directors with appropriate and necessary qualifications, experience, skills and specializations to achieve of the organization's objectives and goals. The Board comprises of 3 executive directors out of 15 directors. Such proportion reasonably supports proper checks and balances and to have important matters receive consideration in a comprehensive detail. The Board has appointed various committees to review specific matters, to screen information and to recommend action for board approval.

The Board has required an annual self-evaluation of performance be completed for the Board and its committees, along with the Board members' evaluation of the Chairman's performance since he plays such an important role in policy setting and exercising governance.

Principle 4: Ensure Effective CEO and People Management

The Board assigns responsibility to the Nominating and Remuneration Committee for determining standards and methods for nominating properly qualified candidates for the position of President and Senior Executive Vice President. The Board ensures the compensation structure of the President and top Executives is appropriate for their roles and responsibilities.

Principle 5: Nature Innovation and Accountable Business

The Board of Directors prioritizes and promotes innovation that creates value for the Company, especially responding to the customer behavior change to allow easier access to the Company's products and services. In addition, the Board recognizes its roles and responsibilities towards stakeholders which includes shareholders, policyholders, employees, insurance agents, financial advisors, business partners, competitors, communities, society and the environment.

Principle 6: Strengthen Effective Risk Management and Internal Control

The Board of Directors values comprehensive organizational risk management and understands that risk management as an important process that helps support the Company's ability to achieve its goals and objectives in both the short and long term. It also helps reduce negative effects and opportunities from fluctuation of both internal and external risk factors which may affect the business, so that they remain within an acceptable risk level. The Company has ensured that relevant departments assess and follow-up on risk factors, with implementation of an early warning system adding the capability to effectively determine risk management measures and plan according to levels of significant risk to business goals. This will lead to creating value for the organization, so that it may grow sustainably. Also the Board of Directors ensures that the Company's a risk management system is in accordance with the law and international standards, and has adequate review, appropriate to the policies and yearly risk management framework, to ensure with certainty that it is consistent with variations in environmental conditions and other factors.

Besides this, the Board understands the importance of having an effective internal control system as an important component of a good corporate governance system and an important tool for Executives to manage various Company risks. Therefore all departments are required to have appropriate internal controls in order to enhance the efficiency of business operations. An independent audit department that reports directly to Audit Committee makes annual assessments of the adequacy of internal control systems in accordance with guidelines for internal control set by regulatory agencies and international standards.

Principle 7: Ensure Disclosure and Financial Integrity

The Board of Directors stresses the importance of disclosure of important information relevant to the Company, both financial and non-financial, that is accurate, complete, timely, in accordance with relevant rules, standards, and guidelines for practices. Disclosure is made through channels with easy, equitable and reliable, accessibility with information provided in both Thai and English so that shareholders and investors may receive timely news, have convenient access, and get the greatest benefit.

The Board is responsible for the quality of financial statements and annotations appearing in the report. The Company's financial statements are prepared in accordance with generally accepted accounting standards of Thailand. Appropriate accounting policies and practices are always used including making sufficient disclosures of important information in the Company's financial statements. To confirm the accuracy of the Company's financial reports, the Board assigns to the Audit Committee the duty of reviewing them to ensure they have been prepared correctly according to generally accepted accounting standards and that there are adequate internal control systems for financial reporting process.

Principle 8: Ensure Engagement and Communication with Shareholders

The Board of Directors ensures that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters, in both matters that are specified by laws and that may affect the way in which the Company operates its business. The significant matters that appear on the shareholders' meeting agenda are to be resolved either as shareholders' acknowledgement and/or shareholders' approval. Besides, the Board also provides opportunity to minority shareholders to participate in the meeting by allowing them to submit additional agendas or nominate qualified candidate for director position in advance before the shareholders' meeting takes place.

6.2 Business Code of Conduct

The Code of Conduct Handbook for the organization's personnel is a revision of the Good Corporate Governance and Code of Ethical Conduct and Business Practices Handbook (2014). Additional contents are added to allow compliance with international best practices. The Code of Conduct Handbook for the organization's personnel consists of business conduct best practices that directors, executives, employees and representatives of the Company and subsidiaries should strictly adhere to. To allow shareholders, investors and other interested parties to have easy access to the information, the Company has published the Code of Conduct Handbook for the organization's personnel on its website: <https://www.bangkoklife.com/source/>

6.3 Major Changes and Developments of Policy, Guidelines, and Corporate Governance

System in the Past Year

Good corporate governance is the key that drives the organization towards sustainability goals. The Good Corporate Governance Committee is responsible for overseeing strict corporate compliance with the good corporate governance principles as well as other regulations. In 2020, the Good Corporate Governance Committee reviewed the policy and good corporate governance framework (CG Framework) of the Securities and Exchange Commission and assessed the performance of good corporate governance of the Company in all 8 principles. The Good Corporate Governance Committee has emphasized the sixth principle, "Strengthen Effective Risk Management and Internal Control" as it is about ensuring that thorough and sufficient key corporate governance measures are in place and in accordance with the policy and framework of good corporate governance. In the past year, the good corporate governance committee had reviewed the work regulations and operational manual to be used as guidelines throughout the organization and is satisfied that the good corporate governance policy and framework are consistent with the Company's business context and appropriate to the current situation. However, the good corporate governance policy and framework will be reviewed annually to ensure the appropriateness and consistency with the current market conditions as well as being comprehensive and in line with the future changes and developments in good corporate governance.

7 Corporate Governance Structure and Important Information about the Board, Sub-Committees, Executives, Employees and others

7.1 Corporate Governance Structure

For more information, see the 2020 annual report, page 20.

7.2 About the Board

As of the end of 2020, the Company's Board of Directors consists of 15 directors; with 3 executive directors, and 12 non-executive directors which are accounting for 80 percent of the number of directors, 5 of whom are independent directors which is accounting for 33.33 percent of the number of directors, and 13 of whom reside in the Kingdom of Thailand, more than 75 percent, as required by law. Their names are as follows:

Order	Name of Company Director	Position	Term of Office	Share Ownership (Share)		
				Personally Owned	Spouse/Minor Children	Add/Delete (Aug 30, 2019 – Jul 10, 2020)
1	Dr. Siri Ganjarerndee	Chairman of the Board of Directors and Independent Director	Apr 26, 2019 - Apr 2022	-	-	-
2	Mr. Sunthorn Arunanondchai	Independent Director	Jul 10, 2020* - Apr 2023	1,079,200	-	+500,000
3	Mrs. Komkai Thusaranon	Independent Director	Apr 26, 2019 - Apr 2022	-	-	-
4	Mr. Phraphant Asava-aree	Independent Director	Jul 10, 2020* - Apr 2023	-	-	-
5	Ms. Varawan Vechasut	Independent Director	Jul 10, 2020* - Apr 2023	-	-	-
6	Mr. Chai Sophonpanich	Director	Aug 14, 2020 - Apr 2023	21,810,328	-	Unchanged
7	Mrs. Savitri Ramyarupa	Director	Apr 27, 2018 - Apr 2021	-	213,240	-20,000
8	Mrs. Prapaivan Limsong	Director	Jul 10, 2020* - Apr 2023	31,376,000	2,000,000	Unchanged
9	Mr. Kazuyuki Saigo	Director	May 13, 2020 - May 2023	-	-	-
10	Mr. Kojii Ichiba	Director	Apr 27, 2018 - Apr 2021	-	-	-
11	Mr. Yuichi Honda	Director	Apr 27, 2018 - Apr 2021	-	-	-
12	Ms. Chollada Sophonpanich	Director	Apr 27, 2018 - Apr 2021	110,000	-	Unchanged
13	Mr. Vetit Assawamangcla	Director	Apr 27, 2018 - Apr 2021	-	-	-
14	Mr. Chone Sophonpanich	Director	Apr 26, 2019 - Apr 2022	185,000	-	+63,000
15	M.L. Jiraseth Sukhasvasti	President	Aug 6, 2018 - Apr 2021	-	-	-

Mr. Sanor Thampipattanakul, Senior Executive Vice President, Chief Financial Officer serves as Secretary to the Board of Directors.

Directors with Signing Authority

As of the end of 2020, there are 5 directors with the authority to sign legally binding agreements on behalf of the Company as follows: M.L. Jiraseth Sukhasvasti, Mr. Chone Sophonpanich, Mrs. Savitri Ramyarupa, Mr. Yuichi Honda and Ms. Chollada Sophonpanich. Two of the directors may act as cosignatories.

Roles and Responsibilities of the Board of Directors

1. Oversee the Company's business to ensure compliance with the law, the company's objectives and regulations, and any lawful resolutions adopted by the General Meeting of Shareholders. Directors must act in good faith and in honesty, and always in the Company's best interests.
2. Set the Company's goals, guidelines, policies, business plans, and budget. Oversee the Company's management to ensure adherence to the established policies.
3. Determine appropriate management structure, establish administrative committees to help supervise and monitor various aspects of operations, and appoint executives in senior levels.

Roles and Responsibilities of Chairman of the Board of Directors

1. Set the agenda of the Board of Directors' meetings with the President and to ensure that the directors receive correct, complete, and timely information prior to the meeting so that the directors can make appropriate decisions.
2. Lead the Board of Directors and chair the meeting of the Board of Directors. Conduct the meeting according to the agenda and in line with the company regulations and laws in the timely manner. Encourage all company directors to participate in the discussion and exchange ideas that taking all stakeholders into consideration as well as clearly summarize the resolution of the meeting.
3. Support and be a role model in complying with the principles of good corporate governance and company ethics.

Roles and Responsibilities of the President

1. The President has the authority to manage the Company's affairs, in accordance with all objectives, regulations, meeting resolutions, policies, and orders approved by the Board of Directors.
2. Within the designated scope of authority, the President has the power to approve and/or endorse any necessary action for general administration and management of the Company.
3. Any approval for execution of tasks or vesting of authority by the President on persons to act in or to enter transactions must not be done in such a way that will render the President, or persons authorized by the President to approve an operation, liable for conflict of interest with the Company. In such cases, approval for transactions must be obtained from the Board of Directors and/or an Annual General Meeting of Shareholders.

7.3 Information on Committees

The Board of Directors appoints 7 sub-committees, which are Executive Board of Directors, Audit Committee, Risk Management Committee, Nominating and Remuneration Committee, Good Corporate Governance Committee, Investment Committee, and Performance Assessment and Evaluation Committee, in which the board of directors and management of the company have relevant expertise in accordance with Section 68 of the Public Companies Limited Act, B.E. 2535.

7.3.1 Executive Board of Directors

Consists of 5 Directors, and met 17 times with the following members in attendance:

Order	Name	Position	Meeting Attendance/ Number of Meetings
1	Mrs. Komkai Thusaranon	Chairman of the Committee	17/17
2	Mr. Chone Sophonpanich	Vice Chairman	17/17
3	Mrs. Savitri Ramyarupa	Committee Member	17/17
4	Mr. Yuichi Honda	Committee Member	17/17
5	M.L. Jiraseth Sukhasvasti	Committee Member	17/17

With Mr. Sanor Thampipattanakul, Senior Executive Vice President, Chief Financial Officer, serving as Secretary of the Committee.

Scope of Authority and Responsibilities of the Executive Board of Directors

1. Manage the Company's business in accordance with the objectives, regulations, resolutions of the AGM, and general policies set by the Board of Directors. This includes the power to approve and/or give consent to any activities necessary for the general administration of the Company under the authority vested by the Board of Directors. Additionally, the Executive Board of Directors has an obligation to consider matters before being presented to the Board of Directors for approval.
2. Oversee other business operations of the Company in accordance with the policy on other business undertaking, and enterprise risk management policy, and regularly report results of its operations to the Board of Directors.

7.3.2 Audit Committee

The committee consists of 3 independent directors who meet all the qualifications according to the announcement of the Capital Market Supervisory Board No. Tor Jor. 28/2551. All 3 committee member are knowledgeable and experienced in renewing the financial statements. In 2020, there were at least 4 organized meetings, in which in 2020 there were 5 meetings the following members in attendance:

Order	Name	Position	Meeting Attendance/ Number of Meetings
1	Mr. Sunthorn Arunanondchai	Chairman of the Committee	5/5
2	Mr. Phraphant Asava-aree	Committee Member	5/5
3	Ms. Varawan Vechasut	Committee Member	3/5*

Note : * Ms.Varawan Vechasut was appointed member on July 10, 2020.

With Mr. Prathan Khajitwiwat, Vice President of Internal Audit Department serving as Secretary to the Committee.

Scope of Authority and Responsibilities of the Audit Committee

1. Review and ensure that the Company's financial reporting is accurate and provides sufficient information.
2. Review the Company's internal control and monitoring systems to ensure they are appropriate and effective. Ensure independence of the Internal Audit Department, and consider appointment, transfer, or termination of the Head of Internal Audit Department and those of other sections responsible for internal auditing.
3. Review the Company's compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and all other applicable legislation.
4. Review all related transactions or transactions with potential to cause conflict of interest according to regulations of the Stock Exchange of Thailand, to ensure that such transactions are reasonable, proper, and in the best interests of the Company.

7.3.3 Risk Management Committee

The Risk Management Committee consists of 8 members and convened 4 times in 2020, with the following members in attendance:

Order	Name	Position	Meeting Attendance/ Number of Meetings
1	Mr. Phraphant Asava-aree	Chairman of the Committee	4/4
2	Mrs. Komkai Thusaranon	Committee Member	4/4
3	Mr. Yuichi Honda	Committee Member	4/4
4	Ms. Chollada Sophonpanich	Committee Member	4/4
5	M.L. Jiraseth Sukhasvasti	Committee Member	4/4
6	Mr. Sanor Thampipattanakul	Committee Member	4/4
7	Ms. Jaruwan Limkhunthammo	Committee Member	4/4
8	Mrs. Oranuch Samranrit	Committee Member	4/4

With Mrs. Sasithon Thitipakaikaew, Vice President of Risk Management Department serving as Secretary to the Committee.

Scope of Authority and Responsibilities of the Risk Management Committee

1. Establish a risk management policy framework and strategy which can identify, assess, monitor, and comprehensively control the Company's primary risks, following standards set by both the government and regulatory agencies.
2. Review the adequacy of current risk management policy and systems, the efficiency and effectiveness of the systems and compliance with established policies, and present summary reports to the Board of Directors on a regular basis.

7.3.4 Nominating and Remuneration Committee

The committee consists of 3 members, and convenes 4 meeting during 2020. Details of attendance are as following.

Order	Name	Position	Meeting Attendance/ Number of Meetings
1	Dr. Siri Ganjarende	Chairman of the Committee	4/4
2	Mr. Kazuyuki Saigo	Committee Member	2/4*
3	Mr. Chai Sophonpanich	Committee Member	1/4*

Note : Mr. Kazuyuki Saigo was appointed member on May 13, 2020.

Mr. Chai Sophonpanich was appointed member on August 14, 2020.

With Mr. Sanor Thampipattanakul, Senior Executive Vice President, Chief Financial Officer, serving as Secretary to the Committee.

Scope of Authority and Responsibilities of the Nominating and Remuneration Committee

1. Recruit and select qualified candidates to be directors and/or senior executives, by considering who would be appropriate for open positions and making recommendations to the Board of Directors' meeting and/or to the Annual General Meeting of Shareholders as required by the Company's regulations.
2. Consider, determine, and adjust remuneration and other benefits for the Board of Directors and those of c-level executives to make sure that they are commensurate with their respective duties and responsibilities, and make recommendations to the Board of Directors' meeting and/or to Annual General Meeting of Shareholders as required by the Company's regulations.

7.3.5 Investment Committee

The committee consists of 4 directors and executives who meet all the qualifications as announced by the Insurance Business Supervision and Promotion Committee on the investment in other businesses of life insurance companies in 2013. Member of the committee include members who have knowledge, expertise and at least 3-year experience in investment management, risk management or securities analysis. In 2020, the meeting is 12 times with the following members in attendance:

Order	Name	Position	Meeting Attendance/ Number of Meetings
1	Dr. Siri Ganjarende	Chairman of the Committee	12/12
2	Mrs. Savitri Ramyarupa	Committee Member	11/12
3	Mr. Chone Sophonpanich	Committee Member	10/12*
4	Mr. Sanor Thampipattanakul,	Committee Member	11/12
5	Ms. Chollada Sophonpanich	Committee Member	10/12*

Note : Mr. Chone Sophonpanich and Ms. Chollada Sophonpanich were appointed as committee members on February 26, 2020.

With Ms. Chollada Sophonpanich, Executive Vice President, Investment Division, serving as Secretary to the Committee.

Scope of Authority and Responsibilities of the Investment Committee

1. Determine investment policy, enterprise risk management policy, and appropriate risk management procedures for risks arising from investment.
2. Consider approval of investment plans.
3. Monitor investment earnings and arrange for appropriate internal control systems.
4. Manage the investments of the Company and determine operation guidelines regarding investment oversight.

7.3.6 Good Corporate Governance Committee

The Committee consists of 5 directors and executives, convened 3 times in 2020 with the following members in attendance:

Order	Name	Position	Meeting Attendance/ Number of Meetings
1	Mrs. Komkai Thusaranon	Chairman of the Committee	3/3
2	Mrs.Prapaivan Limsong	Committee Member	0/3*
3	Mr. Yuichi Honda	Committee Member	3/3
4	Mr. Sanor Thampipattanakul	Committee Member	3/3
5	Mr. Anucha Pingkarawat	Committee Member	2/3

Note: Mrs.Prapaivan Limsong was appointed as a committee member on July 10, 2020.

With Ms. Supaporn Tipfun, Vice President of Compliance Office serving as Secretary to the Committee.

Scope of Authority and Responsibilities of the Corporate Governance Committee

1. Propose policy and guideline recommendations on good corporate governance to the Board of Directors.
2. Establish guidelines for monitoring the Company's performance in accordance with the principles of good governance as required by regulatory bodies and related organizations. It also regularly reports the progress and performance to the Board of Directors.
3. Perform regular reviews of the Company's principles of good corporate governance to ensure compliance with international standards and the recommendations of relevant institutions and agencies.
4. Promote and spread the culture of good corporate governance to be thoroughly understood by employees at all levels and ensure effective implementation of such conducts.

7.3.7 Performance Assessment and Evaluation Committee

The Performance Assessment and Evaluation Committee consists of 3 Directors. It held 2 meeting in 2020 with the following Directors in attendance:

Order	Name	Position	Meeting Attendance/ Number of Meetings
1	Dr. Siri Ganjarende	Chairman of the Committee	2/2
2	Mr. Sunthorn Arunanondchai	Committee Member	2/2
3	Mrs. Komkai Thusaranon	Committee Member	2/2

With Mr. Sanor Thampipattanakul, Senior Executive Vice President, Chief Financial Officer, serving as Secretary to the Committee.

Authority and Responsibilities of the Performance Assessment and Evaluation Committee

Establishes guidelines, procedures, and methods for evaluation as well as perform the assessment and evaluation of the President according to the company's procedure.

7.4 Information about the Executives

7.4.1 The company's Management comprises of 9 executives as follows:

Order	Name	Position
1	M.L. Jiraseth Sukhasvasti	President and Chief Executive Officer
2	Mr. Chone Sophonpanich	Vice Chairman
3	Mr. Sanor Thampipattanakul	Senior Executive Vice President, Chief Financial Officer
4	Ms. Chollada Sophonpanich	Executive Vice President, Investment Division
5	Ms. Jaruwan Limkhunthammo	Senior Vice President, Accounting and Finance Division
6	Mr. Anucha Pingkarawat	Executive Vice President, Agent and Financial Advisor Division
7	Mr. Apipong Pongsawapark	Executive Vice President, Partnership and Alternative Distribution Division
8	Mrs. Oranuch Samranrit	Executive Vice President, Life Operation Division
9	Mrs.Laddawan Sitthiworranant	Executive Vice President, Bancassurance Division
10	Ms. Sirinart Wongjaroensathit	Senior Vice President, Information Technology Division

7.4.2 Executive Compensation Policy

Remuneration of Executives consists of salaries and annual bonuses which have been considered base on following key consideration.

1. Duties and responsibilities, the company's business performance, the Board's policy implementation, management performance under the economic and social circumstances as well as the ability to improve the company's operational efficiency year on year.
2. Remuneration of Executives is comparable to that of companies in the same business category and commensurate with the company's profitability growth and business value.

7.4.3 Executive Compensation

Remuneration of Executives consists of salaries and annual bonuses depending on the business performance relative to that of companies in the same industry as well as potential growth of the company's profitability and net worth. Appropriate level of compensation had been considered to be able to maintain and motivate executives to perform their duties to achieve business targets. In 2020 remuneration in the total amount of 75,991,929 baht was paid to 9 Executive Officers.

7.5 Information on Employees

As of December 31, 2020, the Company has a total of 1,221 employees, divided into divisions as follows.

Division	Number of Employees		
	2018	2019	2020
Under the Vice Chairman of the Executive Board	133	133	106
Under Chief Executive Officer	-	-	44
Chief Financial Officer	5	3	3
Investment Division	17	23	22
Accounting and Finance Division	70	72	70
Corporate Strategy and Planning Division	5	5	4
Information Technology Division	39	43	53
Life Operation Division	391	350	361
Agency and Financial Advisor Division	405	292	297
Partnership and Alternative Distribution Division	-	83	74
Bancassurance Division	192	181	187
Total	1,257	1,185	1,221

Remuneration for Employees

Type of Remuneration	Amount (Baht)		
	2018	2019	2020
Salaries and Bonuses	785,757,631	579,190,170	605,081,562
Fund contributions and others	78,516,863	70,197,598	68,874,391

7.6 Other Important Information

7.6.1 Names of people appointed for various tasks are as follows.

	Name-Surname	Email Address/Telephone Number
The Company Secretary	Mr.Sanor Thampipattanakul	COMPANYSECRETARY@BANGKOKLIFE.COM Telephone Number: 02 777 8845
Chief of Financial Officer and Accounting Supervisor	Ms.Jaruwan Limkhunthammo*	JARUWAN_LIM@BANGKOKLIFE.COM Telephone Number: 02 777 8822
Audit Executive	Ms. Supaporn Tipfun*	SUPAPORN.TIP@BANGKOKLIFE.COM Telephone Number: 02 777 8230
Compliance Office Executive	Ms.Suchada Rermyindee**	SUCHADA.RER@BANGKOKLIFE.COM Telephone Number: 02 777 8861
Investor Relations Executive	Ms. Chollada Sophonpanich Investment Division Executive (Acting Executive)	CHOLLADA@BANGKOKLIFE.COM Telephone Number: 02 777 8677

Note : * Acting on Jan 1, 2021.

**Acting on Jan 15, 2021.

7.6.2 Remuneration for auditors

- Audit Fee*

Name of the auditor Mr. Chawala Tienprasertkij, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.

Audit Fee 1,975,000 baht

- Non-Audit fee

Auditor Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.

Non-Audit Service	Compensation for Non-Audit Service	
	The amount paid during the fiscal year	The amount to be paid in the future
Reviewing the status of operational funds' Risk Based Capital (RBC) level	500,000	1,070,000
Reviewing the Company's value using the Embedded Value (EV) method of actuarial mathematical calculation	-	1,000,000
Total Amount of Compensation for Non-Audit Service	500,000	2,070,000

Remuneration for auditors (Subsidiary)

Audit fee of BLA Insurance Broker Company Limited, a subsidiary in Thailand, audited by Mr. Chawala Tienprasertkij, Certified Public Accountant Registration No. 4301 from Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. Annual Audit Fee is 50,000 baht.

8 Report on the Operation of Corporate Governance

8.1 Summary of the Directors' Performance in the Past Year

In the past year, the Board of Directors held 8 meetings to formulate the company's strategies and directions according to the policy, as well as work plan, budgets, and to approve the financial statement. These meetings ensure that the company's management is efficient, able to achieve the target, transparent in line with good governance, that the risk management system is proper, honest and prudent under the law, follows policy obtained from the General Meeting of Shareholders, considers the best benefits for the company, and that it is responsible to shareholders and stakeholders. In addition, the Independent Directors held 1 meeting with no interested directors and executives attending the meeting.

8.1.1 Recruitment, Development and Evaluation of the Board of the Directors' Performance

Board of Director Recruitment

Independent Director Recruitment

To appoint Independent Directors, the Board of Directors will consider directors who are independent in line with the company's definition, who are consistent with the good corporate governance of the Stock Exchange of Thailand and the requirements of the Capital Market Supervisory Board. Learn more about Independent Director qualifications on pages 47-48.

Director Recruitment

The Recruitment and Remuneration Committee is responsible for recruiting people for company positions. It does so by considering existing directors who have completed their term as well as external experts, and also considers name lists presented by shareholders, based on criteria for Director Nomination. Directors are considered based upon their qualifications, experience, and specialized abilities that are beneficial to the Company. Also, they need to be able to devote sufficient time to company work. These considerations are designed to provide the Board of Directors with suitable candidates in line with company policies and business goals.

Chief Executive Recruitment

The Company assigns the responsible group for recruiting Executives as follows:

1. The Recruitment and Remuneration Committee is responsible for considering Executives for the positions of Managing Director and Deputy Managing Director and presents to the Board people for consideration.
2. The Managing Director is responsible for considering Executives for the positions of Line Manager/Assistant General Manager and presents to the Board people for consideration.
3. The Managing Director is responsible for considering Executives for the positions of Department Director/Director Level and presents to the Board people for consideration.

The responsible group will recruit personnel from both inside and outside the organization. The personnel must have suitable qualifications, ability, experience, morality, ethics, and be professionals suited to the position in order to perform their duties, conduct company work, and achieve target goals and objectives.

Director Development and Orientation

Director Development

The company encourages each director to continuously attend training to enhance knowledge relating to the duty of the director and/or subcommittee. Also, experts who have knowledge and experience in various fields are invited to give lectures and exchange opinions with the board every year.

Currently, 12 out of 15 company directors have received training relating to the director role, arranged by the Thai Institute of Directors (IOD).

New Directors Orientation

The Board of Directors schedules an orientation program for new directors who have been appointed for first time in order to build business and operation understanding to prepare them to perform director duties. The orientation includes good corporate governance, roles and responsibilities, regulations, framework and strategy, as well as competitive and industry conditions and new company innovations. In addition, the Company recruited Ms. Varawan Vechasut as a new Director in 2020.

Performance Evaluation of the Board of Directors

To comply with good corporate governance, the Company Board annually prepares and assigns a self-performance evaluation form for each member of the Board of Directors and all sub-committees, which each member must complete. The Company Board also prepare an overview of performance evaluation for the Board of Directors and each of the sub-committees, which is assessed by the Chairman of the Board and the Chairman of each sub-committee. In addition, they analyze the Board and sub-committee assessment results in order to improve operations in the following year.

8.1.2. The Meeting Allowances and Remuneration of the Board of Directors and Sub-committees

	Meeting Attendance in 2020 (times)								
	Board of Directors (8 times)	Executive Board of Directors (17 times)	Investment Committee (12 times)	Audit Committee (5 times)	Risk Management Committee (4 times)	Nominating and Remuneration Committee (4 times)	Good Corporate Governance (3 times)	Performance and Evaluation Committee (2 times)	Independent Directors (1 time)
Dr. Siri Ganjarende	8/8		12/12			4/4		2/2	1/1
Mr. Chai Sophonpanich	3/8*					1/4*			
Mr. Sunthorn Arunanondchai	8/8			5/5				2/2	1/1
Mrs. Komkai Thusaranon	8/8	17/17			4/4		3/3	2/2	1/1
Mr. Phraphant Asava-aree	8/8			5/5	4/4				1/1
Mr. Chone Sophonpanich	8/8	17/17	10/12**		3/4				
Mrs. Savitri Ramyarupa	8/8	17/17	11/12						
Mrs. Prapaivan Limsong	8/8						0/3***		
Mr. Kojii Ichiba	8/8								
Mr. Kazuyuki Saigo	5/8****					2/4****			
Mr. Yuichi Honda	8/8	17/17			4/4		3/3		
Ms. Chollada Sophonpanich	8/8		10/12*****		4/4				
Mr. Vetit Assawamangcla	8/8								
M.L. Jiraseth Sukhasvasti	8/8	17/17	2/12		4/4				
Ms. Varawan Vechasut	4/8			3/5*****					

Note :

* Mr. Chai Sophonpanich was elected to the Board and the Nominating and Remuneration Committee on August 14, 2020.

** Mr.Chone Sophonpanich was elected to the Member of Investment Committee and Member of the Risk Management Committee on February 26, 2020.

*** Mrs.Prapaivan Limsong was elected to the Member of the Good Corporate Governance Committee on July 10, 2020.

**** *Mr. Kazuyuki Saigo was elected to the Committee, and the Norminating and Remuneration Committee on May 13, 2020.

***** Ms.Cholla Sophonpanich was elected to Member of Investment Committee on February 26, 2020.

***** Ms. Varawan Vechasut was elected as an Independent Director, and to the Audit Committee on July 10, 2020

Board of Directors' Remuneration

Criteria of Director Remuneration

The Nominating and Remuneration Committee considers each Director's remuneration based upon qualifications, ability, suitability with the duty, and the responsibility of the Director. They also consider the business expansion, overall operation, and profitable growth of the Company. In addition, the amount of remuneration considered is compared to the amount of remuneration received by the Directors of leading companies in the Stock Exchange and the same group within the industry. The amount of remuneration is presented to the Board for approval. The approved remuneration will be proposed during the shareholder meeting according to the regulations of the company.

Directors' Remuneration

Directors' remuneration consists of a meeting allowance and compensation comparable to other Directors of leading companies and the same group within the industry. The 2020 Annual General Meeting of Shareholders on July 10, 2020 passed a resolution of Director remuneration that did not exceed a financial amount of 16.70 million Baht. The amount of Director remuneration during 2020 was 15.16 million Baht and can be summarized as follows:

Remuneration of Directors for the Year 2020												
No.	Name list	Gratuity to the Board of Directors	Meeting Allowances to the Board of Directors	Meeting Allowances to the Executive Board of Directors	Meeting Allowances to the Committee Investment	Meeting Allowance to the Audit Committee	Meeting Allowance to the Risk Management Committee	Meeting Allowances to the Nominating and Remuneration Committee	Meeting Allowances to the Good Corporate Governance Committee	Meeting Allowances to the Performance Evaluation Committee	Meeting Allowances to Independent Directors	Total
1	Dr. Siri Ganjarende	894,268	640,000		960,000			320,000		160,000	80,000	3,054,268
2	Mr. Sunthorn Arunanondchai	687,898	320,000			400,000				80,000	40,000	1,527,898
3	Mrs. Komkai Thusaranon	894,268	320,000	1,280,000			160,000		240,000	80,000	40,000	3,014,268
4	Mr. Phraphant Asava-aree	619,108	320,000			200,000	320,000				40,000	1,499,108
5	Mr. Panus Teerawanitkul*	275,159	160,000					80,000				515,159
6	Assoc. Prof. Damrong Thaveesaengsakulthai**	481,529	160,000			80,000			80,000		40,000	841,529
7	Mrs. Savitri Ramyarupa	584,713	320,000	640,000	440,000							1,984,713
8	Mrs. Prapaivan Limsong	206,369	320,000									526,369
9	Mr. Minoru Kimura***	275,159	40,000					40,000				355,159
10	Mr. Kojii Ichiba	275,159	320,000									595,159
11	Mr. Vetit Assawamangcla	206,369	320,000									526,369
12	Mr. Kazuyuki Saigo****	-	200,000					80,000				280,000
13	Ms. Varawan Vechasut*****	-	160,000			120,000						280,000
14	Mr. Chai Sophonpanich*****	-	120,000					40,000				160,000
	Total	5,400,000	3,720,000	1,920,000	1,400,000	800,000	480,000	560,000	320,000	320,000	240,000	15,160,000

Note:

- * Mr. Panus Teerawanitkul resigned on August 10, 2020.
- ** Assoc. Prof. Damrong Thaveesaengsakulthai retired by rotation on July 10, 2020.
- *** Mr. Minoru Kimura resigned on May 13, 2020.
- **** Mr. Kazuyuki Saigo is a director on May 13, 2020.
- ***** Ms. Varawan Vechasut is a director on July 10, 2020.
- ***** Mr. Chai Sophonpanich is a director on August 14, 2020.

Executive's Remuneration Criteria

The Nominating and Remuneration Committee will consider the remuneration of the Chief Executive Officer to be equivalent to that of the Deputy Managing Director or higher position, consisting of salary and annual bonus. The Chief Executive Officer remuneration is considered from a performance evaluation and a comparison of other Chief Executive remuneration packages from within the same industry. The remuneration must be sufficient to motivate the Director to perform their duties to achieve targets and be consistent with the direction of profitable growth and the value of the company's business.

Executive Monetary Remuneration

In 2020, the remuneration of 10 Executives consisted of salary, bonus, social security, and the provident fund was 75,991,929 baht in total, compared with 2019, the remuneration of 9 Executives consisted of salary, bonus, social security, and the provident fund was 65,940,787 baht in total. In 2018, the remuneration of 8 Executives consisted of salary, bonus, social security, and provident fund was 68,424,393.25 baht in total.

Other Remunerations

Besides general employee welfares, there are no other remunerations.

8.1.3 Governance of the Subsidiaries

The Board of Directors has commissioned the Executive Committee to supervise other business investments of the Company, including those of the subsidiaries, to be in accordance with the policy on other business operation, overall risk management policy, and relevant legislation.

The Company has assigned the Executives to sit in the Boards to supervise the operations of the subsidiaries (for additional information, please refer to page 3 and the Addendum 2). In particular, the Executives sitting in the Boards are to ensure the best interests of the subsidiaries and direct the business operations in accordance with the Company's policies. The Company has put in place guidelines that the individuals appointed by the Company as a director or an executive of the subsidiary shall follow. The Internal Control and Audit Department and the Office of Compliance are in charge of assessing the compliance of the subsidiaries to the regulations, orders, and legislation, which shall be in line with the Company's.

8.1.4 Policy Compliance Monitoring and Corporate Governance Guidelines

The Company has put together a Code of Conduct Handbook for the Organization's Personnel, namely the Directors, Executives, staff, and individuals acting on the Company's behalf to study and understand good practices that the Company expects all in the Company to know and so maintain the highest standard of conduct in their operation with any sector. There are a total of 11 principles listed in the Code of Conduct for the Organization's Personnel. The important principles are:

Conflict of interest - the Company has specified a code of practice to prevent any conflict of interest and in order for everyone to perform their duties with integrity with the best interest of the Company in mind, not seeking personal gains that conflict with the Company's interest, and avoiding any actions that may cause conflict of interest with the Company, including treatment of information, an IT system, and other properties.

Data Retention, Insider Trading, and Securities Trading - the Company has set the regulations on insider trading and securities trading and routinely communicates these to everyone in the Company via electronic mail in December. The communication details the blackout period where buying, selling, transferring, receiving of the Company's shares are prohibited so as to ensure transparency and fairness based on good corporate governance towards all shareholders. The Company also determines to conduct its business under the principle of law and give precedence to transparency, honesty and integrity, fairness, and verifiability. The Company has an anti-Corruption policy in which the directors, executives, and staff must strictly adhere to and must not misuse their authority, either directly or indirectly, for unlawful gains. The Company has established an anti-corruption guideline that encompasses political contribution, charity donation, financial funding, gift giving, entertainment expenditures, other expenditures, facilitation expenditures, and hiring of government employees. Furthermore, the Company has issued the regulations regarding receiving and giving of gifts or any other benefits and communicated them to the executives and staff of all levels in the Company to adhere to and abide by. In addition, every year, the Company will communicate to its trade partners, alliances, and related agencies via electronic mail and request them to refrain from giving gifts of all kinds to the Company's executives or staff and to be aware and acknowledge the Company's intention regarding anti-corruption. The Company has been a certified member of the Thai Private Sector Collective Action Against Corruption or CAC since 2014. And in order to facilitate the stakeholders in contacting the Company or submitting complaints that may cause damage to the Company, the Company's contact details are provided in this Code of Conduct Handbook. Complaints can be reported through phone as well as electronic mail to the Audit Department, the Office of Compliance, and the Chairman of the Audit Committee. The Company has also produced a separate employee handbook on whistle blowing or complaint filing for clarity and fairness for all parties of the stakeholders. In 2019, 2 whistle blowing reports or complaints were received. However, the following investigation revealed no connection to corruption or violation of the Company's good corporate governance policy.

In order for the directors, executives, and employees to be informed of all 11 code of conduct principles, the Code of Conduct Handbook for the Organization's Personnel is sent via electronic mail to all for revision in January of every year. In the past, all employees have reviewed the Code of Conduct for the Organization's Personnel. The Company's Code of Conduct for the Organization's Personnel is also made available at all times on the Company's website at <https://www.bangkoklife.com/source/> for those who are interested.

8.2 Report on the Performance of Audit Committee in the Past Year

See more details on the 2020 annual report, page 6-7

8.3 Performance of Sub-Committee

8.3.1 Executive Board of Directors

In 2020, the Executive Board of Directors held 17 meetings to set strategy, operation plan, and budget. They oversaw and monitored the overall operation of the company in various aspects as well as approving significant transactions according to the authority received from the Board. In addition, the Executive Board of Directors helped to scrutinize any matters that were important to the strategy, the budget, and the resource allocation to be presented to the Board for approval.

8.3.2 Risk Management Committee

See more details for the 2020 annual report, page 8-9.

8.3.3 Nominating and Remuneration Committee

In 2020, the Nominating and Remuneration Committee met 4 times to perform duties in accordance with the Charters and the scope of authority received from the Board, which can be summarized as follows:

1. To recruit Directors to replace those whose term had expired and who had resigned during the year. The Nominating and Remuneration Committee considers qualified people according to established criteria and official requirements, for example, Directors should have morality and ethics, and must devote sufficient time to company work. The Board should be properly qualified for the nature of business, have knowledge and experience from various careers, particularly in accounting, finance, investment, and life insurance in order to provide appropriate opinion on related issues when doing business which is beneficial to the stakeholders.

2. The Nominating and Remuneration Committee considers remuneration for the Directors, Managing Director, Chief Executive Officer, Deputy Managing Director, and Chief Financial Officer by considering compensation according to duty and performance comparable with leading companies listed on the Stock Exchange and from within the same industry. Compensation must be enough to motivate the Board and Chief Executives to accomplish company targets set by the Board and to create long-term benefits for shareholders.

3. The Nominating and Remuneration Committee arranges to have directors' self evaluation in performing their duties both as the board member and sub-committee member during 2020. The results have been presented to the board meeting for acknowledgment and for future improvement in performing their duties where applicable.

8.3.4 Investment Committee

In 2020, the Investment Committee met 12 times to regulate the investment policy and guidelines, and to approve policy and framework. They oversaw the operation, monitored investment results, and supervised other company businesses. This was done within the risk management policy framework and company investment procedures by considering significant factors both domestic and foreign that may affect investment. They also formulated and adjusted the investment strategy to be consistent with changing market conditions. Moreover, the Investment Committee considered the approval of the investment/or gave approval to policy which affects Company strategy, business direction, investment plan, budget, and resource allocation before presenting it to the Board for approval.

In addition, the Investment Committee monitored, oversaw, and supervised company operation to achieve the target plan and to be in accordance with policy framework approved by the Board.

8.3.5 Corporate Governance Committee

See more details for the 2020 annual report, page 10-11.

8.3.6 Performance Evaluation Committee

In 2020, the Performance Evaluation Committee held 2 meetings to assess their and Vice Chairman of the Executive Board of Directors (Khun Chon Sophonpanich) performance and to communicate the results and make recommendations how to improve Managing Director performance.

9 Internal Control and Connected Transactions

9.1 Internal Control

Internal control is a key mechanism for preventing, managing risks and damages that may occur to the Company and the stakeholders. Therefore, the concise, appropriate, and efficient internal control system is provided to reasonably ensure that the Company's operation will achieve its goal.

The Board of Directors and the Audit Committee reviewed the internal control system sufficiency applied under the internal control frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013), which consists of five components as follows:

9.1.1 Control Environment

The Board of Directors of Bangkok Life Assurance Public Company (Limited) focuses on a good internal control environment. The board collaborated with the management at all levels to create a high-level atmosphere (Tone at the Top) within the Company and the subsidiaries. It represents that the Company gives priority to the value of honesty and ethics for running the life insurance business. The Company holds on to the principle of Fair Market Conduct. Its organizational structure facilitates the internal control system to operate clearly and concretely, and the Company has clear personnel policies and practices. It gives priority to employee development as the core value of "self development", based on the principle that people have to learn regularly. In addition, performance assessment is considered by the key performance indicators or KPI (Key Performance Indicator), including succession plans and processes.

9.1.2 Risk Assessment

The Company has a risk management policy approved by the Board of Directors and appoints the risk management committee to consider and set the framework and scope of risk management. The Company communicates its policies throughout the organization by providing guidance on risk management as the performance practice as well as organizing trainings and tests for employees to understand the risks involved within the Company. The acceptable risk level is determined based on the international standard guidelines ERM (Enterprise Risk Management) and ORSA (Own Risk and Solvency). The Company also determines procedures to respond to unexpected situations and severe casualties for preventing long operation disruption. The Company is certified according to the ISO 22301 Business Continuity Management System (BCMS) standard. In addition, it has assessment procedures for the potential corruption to comprehensively deal with all forms of corruption both inside and outside the organization, including anti-corruption and anti-Money Laundering.

9.1.3 Control Activities

The Company has an internal control policy which is disclosed on the website and the internal network system (Smart Home) in the financial and core activities, namely, insurance product development, premium determination, offering, premium collection, underwriting consideration, claims and insurance benefits management, reinsurance, investment in other businesses, assets and liabilities management, and outsourcing. The Company also established an internal control process that is clear, effectively connected, and appropriately corresponded to acceptable risk levels. In addition, the Company has established a measure on IT general control to ensure that its technology and information systems are available at all times, safe from the reach of those who are not involved, and supportive for the goal achievement. As a result, the Company obtained the standard certification of ISO/IEC 27001: 2013 for Information Security Management System (ISMS).

9.1.4 Information and Communication

The Company has an information and communication system for decision-making sufficiently, accurately, and on time. It prepares meeting invitation letters or meeting documents stating significant information that is necessary and adequate for decision-making before the meeting. It has Company's information disclosure policies and regulations on the use of internal information and security trading by prohibiting the directors, executives, and employees from using internal information for personal benefits and security trading. The Company also has a special communication channel (Whistle-blower Hotline) for internal or external persons report about fraud, corruption, action against laws, regulations, or incorrect financial reports to the audit department or the compliance department and to the Audit Committee by electronic mail (e-mail) or post as shown on the Company's website. Besides, the Company has a channel for reporting complaints of defects and operational problems for stakeholders on the Company website, or mail to customer service. The Company also has the Complaint Unit and the compliance department to coordinate with the Office of Insurance Commission (OIC).

9.1.5 Monitoring and Evaluation

The Company prepares operational reports and compares the performance results to the targets, and regularly presents them to the executive committee and the Board of Directors for consideration. Its monitoring process follows the general standards that an organization should have, such as reporting any abnormalities to the supervisors, examination of the attorney, reviewing by the compliance department, and the audit and follow-up by the internal auditors, to assure that its internal control system is operating effectively. The Audit Committee has received reports on the evaluation of internal control and the significant recommendations from the audit department and auditors every quarter. It also includes the regulatory compliance with rules and laws from the compliance department and the evaluation and risk management, the determination of alarms from the risk management to deal with risks effectively. The results are also reported to the risk management committee quarterly.

The Board of Directors assessed the internal control system in 2020 at the Board of Directors meeting 1/2021 on February 24, 2021.

The assessment report reviewed by the Audit Committee suggested that the internal control system was sufficient and appropriate.

The Company had provided adequate personnel to ensure efficient system operation and protection of property from improper use or without authorization as well as prevention of any transactions by individuals who may have conflict of interest or who are involved in other businesses of the same manner in order to avoid a conflict of interest.

9.2 Connected Transactions

9.2.1 Characteristics of the connected transactions

The Company and its subsidiaries have certain connected transactions and related parties by shareholding, or having some mutual shareholders and/or directors. To consider the relationship between the related person or parties, the Company focuses on the actual details of the relations rather than the legal form or such majority of the contractual transactions. It is in line with the general business condition and the cost of normal rate. The connected transactions were disclosed in the notes of financial statements for 2020, No. 33. The Company would like to inform the details of significant connected transactions as follows:

Transactions and related parties as of December 31, 2020 are as follows:

Related Parties / Their relationship with the Company	Types of Business	Characteristics of Transactions	For the Year Ended December 31, 2019	For the Year Ended December 31, 2020	Reasons and Necessities for Transactions
1. Bangkok Bank Public Co., Ltd. - holds 7.61 percent of the Company shares - Sophonpanich group holds 28.70 percent of the Company's shares.	Financial Institution	<ol style="list-style-type: none"> The Company invests in common stocks of the bank for investment purposes. The Company invests in debenture issued by the bank for investment purposes. The Company has deposit accounts with the bank. The bank is one of company's broker selling life insurance policy to customers and earns commission and fees. The Company used banking services such as the insurance premium collection via bank counter, Internet Trading, bank credit card, direct debit, and cheque clearing. The Company paid the fee to the bank. The Company buy forward currencies contract from the bank with net position amount of. 	2,366,310,100 5,869,411,717 1,187,103,307 1,251,458,025 163,026,873 58,215,082	2,027,061,000 4,628,354,628 3,185,295,178 954,221,037 175,238,742 96,268,192	<ul style="list-style-type: none"> For long term investment, which is ordinary course of life insurance business, and being acquired via the SET. For long term investment, which is ordinary course of life insurance business. Ordinary transactions for life insurance business and at same terms as general customers. It is performed under the cooperation agreement on the Bancassurance distribution channel project. It is a normal trading transaction and the same rate charged to general customers. Ordinary transaction to hedge the company's foreign investments from currency risk.
2. Bangkok Insurance Public Co., Ltd. ("BKI") : - hold 4.6% of company's share - Mr.Chai Sophonpanich is the common director.	Insurance	<ol style="list-style-type: none"> The Company invests in common stock of BKI for investment purposes. <p>There are also other ordinary business transactions such as group life insurance, insurance of property and BLA Insurance Broker Co., Ltd which is a subsidiary of the Company acts as a non-life insurance broker for BKI, etc.</p>	738,833,760	679,838,500	For long term investment, which is ordinary course of life insurance business, and being acquired via the SET.
3. Sorachaivivatn Co., Ltd. ("SORACHAI") : - Mr. Chai Sophonpanich is the common director.	Real Estate Development	<ol style="list-style-type: none"> The Company provides mortgage loan SORACHAI. 	72,995,765	151,185,132	It is an ordinary business activity and the interest rate is charged in the same principle as other customers.

Related Parties / Their relationship with the Company	Types of Business	Characteristics of Transactions	For the Year Ended December 31, 2019	For the Year Ended December 31, 2020	Reasons and Necessities for Transactions
<p>4. Bumrungrad International Hospital Public Co., Ltd. ("BH") :</p> <ul style="list-style-type: none"> - Sophonpanich group who is common family group of shareholder holds 28.70 percent of the Company's shares. - Mr. Chai Sophonpanich is the common director. 	Medical	<p>9. The Company invests in common stocks of BH for investment purposes.</p> <p>10. The Company invests in debentures of BH.</p> <p>There are also other ordinary business transactions such as BH the reimbursement of claims the company's clients placed at BH and BH had a group life insurance with the Company, etc.</p>	84,545,150	1,164,096,000	<ul style="list-style-type: none"> - For long term investment, which is ordinary course of life insurance business, and being acquired via the SET. - For long term investment, which is ordinary course of life insurance business.
<p>5. Rajburi Sugar Co., Ltd. ("Rajburi Sugar") :</p> <ul style="list-style-type: none"> - Mr. Sunthorn Arunanondchai is common director 	Industry	<p>11. The Company leased the S&A building from Rajburi Sugar, with office space 1,428.60 square meters and total lease and service fees of.</p> <p>The lease agreement had been terminated at the end of October 2020 due to the closed down the Silom branch.</p>	9,400,212	7,308,795	Office space leasing for the Silom branch of which the rental fee and service charge are the regular rate charged to other customers.
<p>6. Narairuamphiphat Co., Ltd. ("Narairuamphiphat") :</p> <ul style="list-style-type: none"> - Sophonpanich group who are the common family group of shareholders holds 28.70 percent of the Company's shares. 	Real Estate Development	<p>12. The Company leased the space of Narairuamphiphat, with office space 11,766.24 square meters and total lease and service fees of.</p> <p>The lease agreement expires at the end of November 2020.</p>	59,620,169	46,697,714	Long term leased agreement (25 years between 1995 and 2020).
<p>7. Bangkok Business Building (1987) Co., Ltd. ("Bangkok Business Building") :</p> <ul style="list-style-type: none"> - Sophonpanich group who are the common family group of shareholders holds 28.70 percent of the Company's shares. 	Property Rental	<p>13. The Company leased the B.B. building space of Bangkok Business Building, with office space 1,674 square meters and total lease and service fees of.</p> <p>The lease agreement had been terminated at the end of October 2020 due to the closed down the Asoke branch.</p>	9,122,398	6,260,299	Office space leasing for the Asoke branch of which the rental fee and service charge are the same rate charged to other customers.
<p>8. TRIS Corporation Limited (TRIS) :</p> <ul style="list-style-type: none"> - Mr. Siri Karnjaroendee is the common director. 	Service Business	<p>14. The Company invests in common stocks of TRIS.</p>	1,000,000	5,972,570	It is the Company's long term investment, which is an ordinary business activity of life insurance company.

Related Parties / Their relationship with the Company	Types of Business	Characteristics of Transactions	For the Year Ended December 31, 2019	For the Year Ended December 31, 2020	Reasons and Necessities for Transactions
9. Frasers Property Industrial (Thailand) Co., Ltd. - Sophonpanich group who are the common family group of shareholders holds 28.70 percent of the Company's shares.	Real Estate Development	15. The Company invests in unit trusts of Frasers Property.	-	111,684,745	For long term investment which is an ordinary activity of life insurance business. Transaction are executed via SET and/or public offering.
10. Indorama Ventures Public Co., Ltd. ("Indorama Ventures"): - Mr. Siri Karnjaroendee is the common director.	Petrochemicals and Chemicals	16. The Company invests in common stocks of Indorama Ventures. 17. The Company invests in debenture of Indorama Ventures.	74,119,500 2,490,000,000	52,949,400 2,490,000,000	For long term investment which is an ordinary activity of life insurance business. Transaction are executive via SET and/or public offering.
11. Asia Warehouse Co., Ltd. ("Asia Warehouse"): - Sophonpanich group who are the common family group of shareholders holds 28.70 percent of the Company's shares.	Property Rental	18. The Company used a document storage service with Asia Warehouse for a document storage fee.	3,850,227	3,993,071	It is the document storage service fee which is the same service rate charged to the general customers.
12. Ek-Chai Distribution System Co., Ltd. ("Tesco") : - Mr. Sunthorn Arunnonchai is the common director.	Commerce	19. The Company invests in unit trusts of TESCO. There are also other ordinary business transactions such as counter payment services and purchase gift cards.	2,695,956,720	2,186,273,360	For long term investment which is an ordinary activity of life insurance business. Transaction are executed via SET and/or public offering.
13. Thaire Life Assurance Public Co., Ltd. ("Thaire Life") : - Mrs. Komkai Tusaranon is the common director.	Insurance	20. The company reinsured some businesses to Thaire Life with ceded premium of.	530,236,134	517,992,636	Ordinary business transactions and at the competitive rate as other reinsures.
14. BBL Asset Management Co., Ltd. ("BBLAM") : - Mr. Chon Soponpanich is the common director.	Asset Management	21. The Company invested in the common stocks of. There are also other ordinary business activities such as the company being selling agent of BBLAM's unit trusts and being BBLAM's private fund client.	10,000,000	1,058,353,794	It is the Company's long term investment, which is an ordinary business activity of life insurance company.
15. Directors and Company's Top Executive.	-	22. Directors and Executives purchase life insurance policies issued by the company with a total life insurance premium of.	5,045,839	5,459,765	It is a commercial term for life insurance and/or similar terms as offered to all employee (as employee fringe benefit scheme).

9.2.2 Necessity and Reasonability of Connected Transactions

The connected transactions was made to support the Company's operation, maintain and expand the customer base, and enhance the business for stable development. The connected transactions were reviewed by the audit committee in accordance with the laws, relevant requirements, and fairness, with the Company's interests as priority, in the same way that is done to the third party at a reasonable price with sufficient, accurate, and complete disclosure of information.

9.2.3 Approval Processes of Connected Transactions

To prevent conflict of interests in making connected transactions, the Company has many levels of the internal control system according to the nature of the transactions and also reviewed the performance to comply with the law, regulations, and the policy of business operation that the Company operates with other businesses. The Board of Directors regulated the policies to consider transaction approval for the most interests of the Company, to treat the transaction as an operation done with third parties, and to be operated by a disinterested person in the transaction. Besides, it approved the principles to allow the management division to have the authority to make the connected transaction with the normal trade conditions. The processes and approval authority are regulated according to the types and value of the transaction, which abided and compiled with the announcement of the Board of Directors and the Stock Exchange. The disclosure and the operation of the Company are patented strictly in connected transactions. The transactions are also reviewed for their suitability and reasonability by the audit committee. The transaction summary report is also made for reporting to the meeting of the Board of Directors every quarter.

9.2.4 Policy on Connected Transactions in the Future

In the future, related parties and connected transactions in the Company will continue to exist in accordance with the necessity and reasonability that was described above. The audit committee will review the reasonability details of the transactions. The Company will comply with securities law and regulation, announcement, orders, or the Securities Exchange of Thailand requirement as well as the Securities and Exchange Commission requirement that were regulated about these issues.

However, the Company determines to run the business with clarity, transparency, and fairness toward its clients, partners, and shareholders as well as upholding the Company's interests as its priority.

Dear Shareholders,

The financial statements of Bangkok Life Assurance Pcl, and its subsidiaries have been prepared in accordance with Thai Financial Reporting Standards and reporting guidelines prescribed by the Office of Insurance Commission (“OIC”), regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports dated March 4, 2016, which has been effective since January 1, 2016 onwards.

The Board of Directors is responsible for the financial statements of Bangkok Life Assurance Pcl and its subsidiaries, as well as financial information presented in the annual reports. Consolidated and separate financial statements of the Company and subsidiary for the year ending December 31, 2020 were prepared in order to ensure confidence that the financial position represented has been examined using appropriate financial accounting policy, consistently applied, with careful judgment and reasoned calculations, and that all information has been adequately disclosed in notes to the financial statements so as to accurately and transparently reflect the Company’s financial position, performance, and cash flow for the benefit of shareholders and investors.

The Board of Directors recognizes the importance of duty and responsibility to comply with good corporate governance, establishing internal control systems and a strong risk management team in order to ensure that financial information is sufficiently accurate, complete, and reliable to maintain assets and prevent fraud or significantly irregular operations, as well as complying with the applicable laws and regulations. To this end, the Board has appointed an Audit Committee consisting of independent directors who are responsible for reviewing financial reports and ensuring that internal controls, internal audit, risk management, and disclosure of related transactions are sufficient, complete, and appropriate, and that this is all reflected in the current annual report.

FINANCIAL STATEMENTS

BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORT

The Board of Directors attests that overall internal control systems of Bangkok Life Assurance Pcl and subsidiaries give confidence that their financial statements of December 31, 2020 correctly and accurately present both separate and consolidated financial positions, financial performance, and cash flow in all material respects and in accordance with financial reporting standards and that this is affirmed by the Company's approved auditing firm, Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd., whose assessment is included in the auditing section of this annual report.



Mr. Siri Ganjarende

Chairman of the Board of Directors



M.L. Jiraseth Sukhasvasti

President and Chief Executive Officer

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bangkok Life Assurance Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Bangkok Life Assurance Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Bangkok Life Assurance Public Company Limited and its subsidiaries and of Bangkok Life Assurance Public Company Limited as at December 31, 2020, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.7 to the financial statements that the Group has adopted the accounting guidelines for financial instruments and disclosures on insurance business which becomes effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such accounting guidelines as the adjustments to the beginning balances of retained earnings and other components of equity of the reporting period. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Key Audit Matters

Reserve for long-term insurance contracts

As at December 31, 2020, the Group had reserves for long-term insurance contracts of Baht 282,407 million, representing 96.16% of its total liabilities, which are accumulated for policies in force, from the inception of insurance policies to the end of the reporting period. They are calculated based on the Net Premium Valuation (NPV) method, which is an actuarial method using locked-in assumptions, plus Provision for Adverse Deviation to buffer the risk of actual assumptions being different from actual circumstances of 5%.

In addition, the Group conducts a liability adequacy test (LAT) on the reserve at the end of the reporting period. If the liability reserve is not sufficient, the Company will recognize the shortfall as an additional expense in the statements of profit or loss and other comprehensive income. The liability adequacy test (LAT) on the reserve is calculated based on the Gross Premium Valuation (GPV) method, using the current best estimate assumption of the contractual obligations.

Changes in actuarial model using in the measurement of the reserve for long-term insurance contracts according to the above actuarial methods could significantly affect the reserves for long-term insurance contracts. Therefore, key audit matter is whether the recognition of the reserve for long-term insurance contracts is in accordance with the Thai Financial Reporting Standards.

The Group disclosed accounting policies of the reserve for long-term insurance contract, detail of the reserve for long-term insurance contract and key assumptions used in the valuation of reserve for long-term insurance contract in Notes 4.14.1, 21.1 and 21.5.1 to the financial statements, respectively.

Key Audit Procedures

Our key audit procedures were as follows:

- Understanding the reserve for long-term insurance contract process and related internal control procedures.
- Performing the design and implementation of internal control procedures related to recognition of reserve for long-term insurance contracts.
- Performing the substantive testing as follows:
 - The auditor's actuary expert assessed data, key assumptions and financial models using the Net Premium Valuation (NPV) method and using the Gross Premium Valuation (GPV) method, which the Group's management applies for the liability adequacy test.
 - Testing the data used in estimating the reserve for long-term insurance contracts against its sources, evaluating appropriateness of the underlying assumptions, actuarial model and benchmarking of the management's assumptions to the data on the life insurance industry overall. For financial assumptions, performing analytical procedures on the assumptions with the financial data.
 - The auditor's actuary expert tested the selected actuarial models by calculating and assessing whether the method used in the reserve for long-term insurance contracts calculation was consistent with an actuarial approach and in accordance with the notification of the Office of Insurance Commission.
 - Analyzing and reviewing the reserve for long-term insurance contracts movements.
 - Performing analytical procedures on financial information relating to reserve for long-term insurance contracts.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the management of the Company and those charged with governance for correction of the misstatement.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Consolidated and Separate Financial Statements

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

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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



Chavala Tienpasertkij

4301 Certified Public Accountant (Thailand)

Registration No.4301

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 24, 2021

STATEMENTS OF FINANCIAL POSITION

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

ASSETS	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Cash and cash equivalents	6	8,072,221	13,441,883	8,061,451	13,367,366
Premium receivables	7	1,786,021	1,800,658	1,786,021	1,800,658
Accrued investment income		1,647,384	1,684,133	1,647,384	1,684,133
Reinsurance assets	8, 21	616,807	549,701	616,807	549,701
Amount due from reinsurance	9	724,824	1,044,316	724,824	1,044,316
Derivative assets	10	1,304,283	998,121	1,304,283	998,121
Investment assets					
Investments in securities	11, 34, 35	310,811,466	300,136,746	310,811,466	300,136,746
Investments in subsidiaries	12	-	-	23,760	56,409
Loans and accrued interest receivables	14	11,313,578	11,221,668	11,313,578	11,221,668
Investment property	15	15,621	16,686	15,621	16,686
Premises and equipment	16	2,187,895	1,425,696	2,187,860	1,425,472
Goodwill	17	4,955	4,955	-	-
Intangible assets	18	27,460	3,932	27,450	3,932
Deferred tax assets	19	600,160	920,739	600,160	920,739
Other assets	20	665,595	430,840	654,832	395,501
TOTAL ASSETS		339,778,270	333,680,074	339,775,497	333,621,448

Notes to the financial statements form an integral part of these statements

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

LIABILITIES AND EQUITY	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
LIABILITIES					
Insurance contract liabilities	21	291,328,579	286,641,828	291,328,579	286,641,817
Amount due to reinsurance	22	798,906	1,128,743	798,906	1,128,743
Derivative liabilities	10	75,973	118,273	75,973	118,273
Income tax payable		-	90,826	-	90,826
Employee benefit obligations	23	170,749	213,860	170,220	211,877
Other liabilities	24	1,305,674	1,226,094	1,301,443	1,215,357
Total liabilities		293,679,881	289,419,624	293,675,121	289,406,893
EQUITY					
Share capital					
Authorized share capital 1,708,000,000 ordinary					
shares of Baht 1 each		1,708,000	1,708,000	1,708,000	1,708,000
Issued and paid-up shares capital					
1,707,566,000 ordinary shares of					
Baht 1 each, fully paid-up		1,707,566	1,707,566	1,707,566	1,707,566
Premium on share capital		3,360,993	3,360,993	3,360,993	3,360,993
Retained earnings					
Appropriated					
Statutory reserve	25	170,800	170,800	170,800	170,800
General reserve		400,000	400,000	400,000	400,000
Unappropriated		31,157,822	31,055,142	31,160,035	31,039,624
Other component of owners' equity					
Revaluation surplus on investment at fair value					
through other comprehensive income					
- net of income taxes	11	9,092,423	7,535,572	9,092,423	7,535,572
Revaluation surplus on derivatives cash flow					
hedges - net of income taxes		208,559	-	208,559	-
Exchange rate differences on translation of financial					
statements in foreign currency		-	(4,781)	-	-
Equity attributable to equity holders of the Company		46,098,163	44,225,292	46,100,376	44,214,555
Non-controlling interests of the subsidiary		226	35,158	-	-
Total equity		46,098,389	44,260,450	46,100,376	44,214,555
TOTAL LIABILITIES AND EQUITY		339,778,270	333,680,074	339,775,497	333,621,448

Notes to the financial statements form an integral part of these statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Continuing operations					
Revenues					
Gross written premium	26, 32	34,744,462	35,692,324	34,744,641	35,692,429
Less Premium ceded to reinsurers	26, 32	(1,318,974)	(1,343,318)	(1,318,974)	(1,343,318)
Net premium written		33,425,488	34,349,006	33,425,667	34,349,111
Less Unearned premium reserves increased form prior year	26	(29,344)	(41,246)	(29,344)	(41,246)
Net earned premium		33,396,144	34,307,760	33,396,323	34,307,865
Fee and commission income	26	431,928	351,358	431,928	351,358
Net investment income	32	12,231,089	12,631,630	12,231,089	12,631,630
Gain on investment	11	1,020,337	1,072,055	1,035,995	1,072,055
Gain on revaluation	30	129,663	347,194	129,663	347,194
Other income	32	127,891	192,055	111,100	170,669
Total revenues		47,337,052	48,902,052	47,336,098	48,880,771
Expenses					
Life policy reserves increased from prior year	26	4,918,780	3,580,422	4,918,780	3,580,422
Benefit payments under life policies and claims	26, 32	36,262,471	35,505,321	36,262,471	35,505,321
Less Benefit payments under life policies and claims refundable from reinsurance	26	(801,105)	(740,827)	(801,105)	(740,827)
Commissions and brokerages expenses	26, 32	2,765,077	3,004,479	2,756,164	2,993,711
Other underwriting expenses	26	557,597	610,307	557,597	610,199
Operating expenses	27	1,533,829	1,636,429	1,529,656	1,629,994
Expected credit loss and impairment loss	41	338,997	-	338,997	-
Total expenses		45,575,646	43,596,131	45,562,560	43,578,820
Profits before income tax expense		1,761,406	5,305,921	1,773,538	5,301,951
Income tax expense	19	(152,924)	(918,025)	(152,924)	(918,025)
Profit from continuing operations		1,608,482	4,387,896	1,620,614	4,383,926
Discontinued operation					
Loss from discontinued operation - net of income taxes	13	(345)	(3,597)	-	-
Profit for the years		1,608,137	4,384,299	1,620,614	4,383,926
Profit for the years attributable to					
Equity holders of the Company					
From continuing operations		1,608,448	4,387,856	1,620,614	4,383,926
From discontinued operation		(180)	(1,870)	-	-
		1,608,268	4,385,986		
Non-controlling interests of subsidiaries					
From continuing operations		35	40		
From discontinued operation		(166)	(1,727)		
		(131)	(1,687)		
		1,608,137	4,384,299		

Notes to the financial statements form an integral part of these statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the years		1,608,137	4,384,299	1,620,614	4,383,926
Other comprehensive income					
Other comprehensive income to reclassified to profit or loss in subsequent periods					
Gains on remeasuring investment at fair value through other comprehensive income	11, 31	1,008,033	3,643,438	1,008,033	3,643,438
Reversal of gains realised on the disposal of investment at fair value through other comprehensive income	11, 31	(555,462)	(426,294)	(555,462)	(426,294)
Loss on remeasuring cash flow hedge derivatives at fair value	31	(479,852)	-	(479,852)	-
Foreign exchange differences on translation of financial statements in foreign currency	31	-	(155)	-	-
Income taxes relating to other comprehensive income	19, 31	32,089	(643,429)	32,089	(643,429)
Total other comprehensive income to reclassified to be profit or loss in subsequent periods - net of income taxes		4,808	2,573,560	4,808	2,573,715
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain (loss)	31	54,777	(14,726)	55,381	(14,606)
Income taxes relating to other comprehensive income	19, 31	(11,076)	2,921	(11,076)	2,921
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income taxes		43,701	(11,805)	44,305	(11,685)
Other comprehensive income for the years - net of income taxes		48,509	2,561,755	49,113	2,562,030
Total comprehensive income for the years		1,656,646	6,946,054	1,669,727	6,945,956
Total comprehensive income for the years attributable to Equity holders of the Company		1,656,777	6,947,815	1,669,727	6,945,956
Non-controlling interests of subsidiaries		(131)	(1,761)		
		1,656,646	6,946,054		
Earnings (losses) per share	36				
Basic earnings (losses) per share					
From continuing operations		0.942	2.570		
From discontinued operation	13	(0.001)	(0.001)		
Basic earnings per share		0.941	2.569	0.949	2.567

Notes to the financial statements form an integral part of these statements

STATEMENTS OF CHANGES IN EQUITY

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

Consolidated financial statement											
Equity attributable to equity holders of the Company											
	Note	Retained earnings					Other component of equity		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
		Issued and paid-up share capital	Premium on share capital	Appropriated		Unappropriated	Surplus on remeasuring available-for-sale investments - net of income taxes	Exchange differences on translation of financial statements in foreign currency			
				Statutory reserve	General reserve						
Balance as at January 1, 2019		1,707,566	3,360,993	170,800	400,000	27,908,092	4,961,857	(4,700)	38,504,608	3,548	38,508,156
Dividend paid	37	-	-	-	-	(1,227,131)	-	-	(1,227,131)	-	(1,227,131)
Change in non-controlling interests		-	-	-	-	-	-	-	-	33,371	33,371
Profits (losses) for the year		-	-	-	-	4,385,986	-	-	4,385,986	(1,687)	4,384,299
Other comprehensive income for the year											
Gains on remeasuring of available-for-sale investments - net of income taxes		-	-	-	-	-	2,573,715	-	2,573,715	-	2,573,715
Actuarial loss - net of income taxes		-	-	-	-	(11,805)	-	-	(11,805)	-	(11,805)
Exchange differences on translation of financial statements in foreign currency		-	-	-	-	-	-	(81)	(81)	(74)	(155)
Total comprehensive income (loss) for the year		-	-	-	-	4,374,181	2,573,715	(81)	6,947,815	(1,761)	6,946,054
Balance as at December 31, 2019		1,707,566	3,360,993	170,800	400,000	31,055,142	7,535,572	(4,781)	44,225,292	35,158	44,260,450

Notes to the financial statements form an integral part of these statements

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

	Consolidated financial statement										
	Equity attributable to equity holders of the Company										Total
	Retained earnings					Other component of equity					
	Appropriated					Surplus on derivatives cash flow hedges - net of income taxes	Surplus on re-measuring investment at fair value through other comprehensive income - net of income taxes	Exchange rate differences on translation of financial statements in foreign currency	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	
	Statutory reserve	General reserve	Unappropriated	Issued and paid-up share capital	Premium on share capital						
Note											
Balance as at January 1, 2020											
- as previously presented	1,707,566	3,360,993	170,800	400,000	31,055,142	-	7,535,572	(4,781)	44,225,292	35,158	44,260,450
Adjustment from accounting guidelines for financial instruments and disclosures on insurance business adoption											
Change in accounting value from reclassification	2.7	-	-	-	(966,927)	-	966,927	-	-	-	-
Change in accounting value from revaluation	2.7	-	-	-	(31,008)	592,440	201,235	-	762,667	-	762,667
Balance as at January 1, 2020											
- adjusted	1,707,566	3,360,993	170,800	400,000	30,057,207	592,440	8,703,734	(4,781)	44,987,959	35,158	45,023,117
Dividend paid	37	-	-	-	(546,573)	-	-	-	(546,573)	-	(546,573)
Change in non-controlling interests from sale of investment in a subsidiary										(34,801)	(34,801)
Profits (losses) for the year					1,603,487			4,781	1,608,268	(131)	1,608,137
Other comprehensive income (loss) for the year											
Gain on re-measuring of investment at fair value through other comprehensive income - net of income taxes							388,689		388,689		388,689
Loss on re-measuring cash flow hedge derivatives fair value - net of income taxes						(383,881)			(383,881)		(383,881)
Actuarial gain - net of income taxes					43,701				43,701		43,701
Total comprehensive income (loss) for the year					1,647,188	(383,881)	388,689	4,781	1,656,777	(131)	1,656,646
Balance as at December 31, 2020											
	1,707,566	3,360,993	170,800	400,000	31,157,822	208,559	9,092,423	-	46,098,163	226	46,098,389

Notes to the financial statements form an integral part of these statements

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

	Separate financial statement							Other component of equity - Surplus on remeasuring of available-for-sale investments - net of income taxes	Total
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings			Unappropriated		
				Statutory reserve	General reserve	Appropriated			
Balance as at January 1, 2019		1,707,566	3,360,993	170,800	400,000	27,894,514	4,961,857	38,495,730	
Dividend paid	37	-	-	-	-	(1,227,131)	-	(1,227,131)	
Profits for the year		-	-	-	-	4,383,926	-	4,383,926	
Other comprehensive income for the year									
Gains on remeasuring of available-for-sale investments - net of income taxes		-	-	-	-	-	2,573,715	2,573,715	
Actuarial loss - net of income taxes		-	-	-	-	(11,685)	-	(11,685)	
Total comprehensive income for the year		-	-	-	-	4,372,241	2,573,715	6,945,956	
Balance as at December 31, 2019		1,707,566	3,360,993	170,800	400,000	31,039,624	7,535,572	44,214,555	

Notes to the financial statements form an integral part of these statements

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

	Consolidated financial statement								Total
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other component of equity		
				Statutory reserve	General reserve	Unappropriated	Surplus on derivatives cash flow hedges - net of income taxes	Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes	
Balance as at January 1, 2020 - as previously presented		1,707,566	3,360,993	170,800	400,000	31,039,624	-	7,535,572	44,214,555
Adjustment from accounting guidelines for financial instruments and disclosures on insurance business adoption									
Change in accounting value from reclassification	2.7	-	-	-	-	(966,927)	-	966,927	-
Change in accounting value from revaluation	2.7	-	-	-	-	(31,008)	592,440	201,235	762,667
Balance as at January 1, 2020 - adjusted		1,707,566	3,360,993	170,800	400,000	30,041,689	592,440	8,703,734	44,977,222
Dividend paid	37	-	-	-	-	(546,573)	-	-	(546,573)
Profits for the year		-	-	-	-	1,620,614	-	-	1,620,614
Other comprehensive income (loss) for the year									
Loss on remeasuring investment at fair value through other comprehensive income - net of income taxes		-	-	-	-	-	-	388,689	388,689
Loss on remeasuring cash flow hedge derivatives fair value - net of income taxes		-	-	-	-	-	(383,881)	-	(383,881)
Actuarial gain - net of income taxes		-	-	-	-	44,305	-	-	44,305
Total comprehensive income (loss) for the year		-	-	-	-	1,664,919	(383,881)	388,689	1,669,727
Balance as at December 31, 2020		1,707,566	3,360,993	170,800	400,000	31,160,035	208,559	9,092,423	46,100,376

Notes to the financial statements form an integral part of these statements

STATEMENTS OF CASH FLOWS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Cash flows provided by operating activities					
Gross premium		34,664,156	35,595,501	34,664,156	35,595,607
Cash payments from reinsurance		(1,288,593)	(547,659)	(1,288,593)	(547,659)
Interest income		10,336,710	10,780,312	10,335,732	10,780,301
Dividend income		1,826,325	1,870,943	1,826,325	1,870,943
Gain on investments		860,214	1,528,950	860,214	1,528,950
Other income		132,128	170,984	110,849	150,479
Benefit payments under life policies and loss incurred on direct insurance		(35,351,362)	(35,150,351)	(35,351,362)	(35,150,351)
Commissions and brokerages on direct insurance		(2,751,962)	(3,129,801)	(2,742,331)	(3,119,340)
Other underwriting expenses		(672,613)	(572,964)	(672,613)	(572,856)
Operating expenses		(1,336,481)	(1,523,896)	(1,322,769)	(1,519,207)
Corporate income taxes		(69,547)	(244,877)	(69,529)	(244,877)
Investments in securities		-	(1,102,688)	-	(1,098,761)
Loans		-	1,362,807	-	1,362,807
Other investments		-	(4,067,140)	-	(4,067,140)
Cash received - financial assets		31,497,106	-	31,497,106	-
Cash payments - financial assets		(41,837,586)	-	(41,804,937)	-
Net cash provided by (used in) operating activities		(3,991,505)	4,970,121	(3,957,752)	4,968,896
Cash flows used in investing activities					
Net cash flows for purchases and disposals of premises and equipment		(860,836)	(158,274)	(860,791)	(158,284)
Cash received from sale of a subsidiary		59,201	-	59,201	-
Cash received from return of investment in a subsidiary		-	-	-	38,101
Net cash used in investing activities		(801,635)	(158,274)	(801,590)	(120,183)
Cash flows used in financing activities					
Dividend paid		(546,573)	(1,227,131)	(546,573)	(1,227,131)
Net cash used in financing activities		(546,573)	(1,227,131)	(546,573)	(1,227,131)
Non-controlling interests of subsidiaries		(34,931)	31,606	-	-
Exchange differences on translation of financial statements in foreign currency		4,982	(31)	-	-
Net increase (decrease) in cash and cash equivalents		(5,369,662)	3,616,291	(5,305,915)	3,621,582
Cash and cash equivalents at beginning of years		13,441,883	9,825,592	13,367,366	9,745,784
Cash and cash equivalents at the end of years	6	8,072,221	13,441,883	8,061,451	13,367,366

Notes to the financial statements form an integral part of these statements

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION AND THE COMPANY'S OPERATIONS

Bangkok Life Assurance Public Company Limited (the "Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. The Company is principally engaged provision of life insurance services. The registered office of the Company is at No. 1415, Krungthep - Nonthaburi Road, Wongsawang, Bangsue District, Bangkok 10800.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2020 onward and in accordance with Thai accounting practices related to insurance and the accounting and reporting 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, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies dated March 4, 2016, which has been effective since January 1, 2016 and No.2 B.E. 2562 (2019) dated April 4, 2019, which has been effective since January 1, 2019.
- 2.3 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.
- 2.4 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.5 The consolidated financial statements include the financial statements of Bangkok Life Assurance Public Company Limited and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding as at December 31,	
			2020	2019
			%	%
BLA Insurance Broker Company Limited	Insurance broker	Thailand	99	99
Bangkok Life Assurance (Cambodia Public Limited Company ⁽¹⁾)	Life Insurance	Cambodia	-	52

⁽¹⁾ On December 9, 2020, the Company disposed investment in Bangkok Life Assurance (Cambodia) Public Limited Company (see Note 13).

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

The Group is deemed to have control over an investee or subsidiary 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 significant amount of its returns.

Subsidiaries are fully consolidated, being the date on the Company obtains control, and continued to be consolidated until the date when such control ceases.

The financial statements of subsidiaries are prepared using the same significant accounting policies as the Company.

Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

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

2.6 Separate financial statements

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

2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

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

Thai Financial Reporting Standard No. 4 "Insurance Contracts" ("TFRS 4")

The Federation of Accounting Professions issued Thai Financial Reporting Standard No. 4 "Insurance Contracts", which has been announced in the Royal Gazette on September 24, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. This revised financial reporting standard determines the option for insurance industry to temporary exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" if an entity meets the criteria required by such revised Thai Financial Reporting Standard. An entity can elect to apply the accounting guidelines for financial instruments and disclosures on insurance business for the financial statements for the period beginning on or after January 1, 2020 until the period beginning on or after January 1, 2024 or before Thai Financial Reporting Standard No. 17 "Insurance Contracts" becomes effective. If an entity elects to adopt this exemption, the entity is required to disclose how the entity meets criteria for such temporary exemption.

The Company's management has assessed eligibility to apply such temporary exemption and concluded that the Company is eligible to apply such temporary exemption. Because the Company has not previously applied TFRS 9 and has activities that are predominantly connected with insurance. The amount of its insurance liabilities is significant compared with its total amount of liabilities and the percentage of its liabilities connected with insurance relative to its total amount of liabilities is greater than 90 percent.

Therefore, the Company's management elects to apply the accounting guidelines for financial instruments and disclosures on insurance business. As a result, the Company's management has not yet apply Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" for the period beginning on January 1, 2020.

The accounting guidelines for financial instruments and disclosures on insurance business

The Federation of Accounting Professions issued the accounting guidelines for financial instruments and disclosures on insurance business, which has been announced in the Royal Gazette on March 26, 2020 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The accounting guidelines make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

In the current year, the Group has initially applied Group of Financial Instruments Standards. The Group has elected to recognize the cumulative effect of initially adopting of such standards as an adjustment to the opening balance of retained earnings and other components of shareholders' equity of the reporting period. The impact of the adjustment is shown as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Before reclassifications and revaluation	Change in accounting value			After reclassifications and revaluation
		Reclassification	Revaluation		
		Through profit or loss	Through other comprehensive income		
Financial assets					
- Derivatives assets	998,121	-	75,465	670,578	1,744,164
- Investment in securities					
Investment at fair value through other comprehensive income	80,104,389	31,338	-	212,342	80,348,069
Investment at amortised cost	219,980,163	-	(95,163)	-	219,885,000
General investments	31,338	(31,338)	-	-	-
- Loans and accrued interest receivables	10,226,054	-	(27,175)	-	10,198,879
- Deferred tax assets	920,739	-	7,752	(190,578)	737,913
Total	312,260,804	-	(39,121)	692,342	312,914,025
Financial liabilities					
- Derivative liabilities	118,273	-	(39,474)	(69,972)	8,827
Total	118,273	-	(39,474)	(69,972)	8,827
Equity					
Retained earnings					
- Unappropriated	31,055,142	(966,927)	(31,008)	-	30,057,207
Other components of equity					
- Revaluation surplus on investment at fair value through other comprehensive income					
- net of income taxes	7,535,572	966,927	-	201,235	8,703,734
- Revaluation surplus on derivatives cash flow hedges - net of income taxes	-	-	-	592,440	592,440
Total	38,590,714	-	(31,008)	793,675	39,353,381

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Thousand Baht)฿

	Separate financial statements				
	Before reclassifications and revaluation	Change in accounting value			After reclassifications and revaluation
		Reclassification	Revaluation	Through other comprehensive income	
		Through profit or loss			
Financial assets					
- Derivatives assets	998,121	-	75,465	670,578	1,744,164
- Investment in securities					
Investment at fair value through other comprehensive income	80,104,389	31,338	-	212,342	80,348,069
Investment at amortised cost	219,980,163	-	(95,163)	-	219,885,000
General investments	31,338	(31,338)	-	-	-
- Loans and accrued interest receivables	10,226,054	-	(27,175)	-	10,198,879
- Deferred tax assets	920,739	-	7,752	(190,578)	737,913
Total	312,260,804	-	(39,121)	692,342	312,914,025
Financial liabilities					
- Derivative liabilities	118,273	-	(39,474)	(69,972)	8,827
Total	118,273	-	(39,474)	(69,972)	8,827
Equity					
Retained earnings					
- Unappropriated	31,039,624	(966,927)	(31,008)	-	30,041,689
Other components of equity					
- Revaluation surplus on investment at fair value through other comprehensive income - net of income taxes	7,535,572	966,927	-	201,235	8,703,734
- Revaluation surplus on derivatives cash flow hedges - net of income taxes	-	-	-	592,440	592,440
Total	38,575,196	-	(31,008)	793,675	39,337,863

3. THAI FINANCIAL REPORTING STANDARDS ANNOUNCED IN THE ROYAL GAZETTE BUT NOT YET EFFECTIVE

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Definition of Business

The revised Thai Financial Reporting Standard No. 3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 “Presentation of Financial Statements” and Thai Accounting Standards No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 “Financial Instruments” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures”.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2.7 related to the accounting guidelines for financial instruments and disclosures on insurance business. Changes in significant accounting policies are shown in Notes 4.8, 4.9.1, 4.9.2 and 4.9.3.

4.1 Product classification

The Group and the Company classified insurance contracts and 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 with the benefits payable if the insured event did not occur. If the criteria are not met, the Group and the Company 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 and the Company classifies contracts based on assessment of the significance of the insurance risk at inception of contract, for each contract. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime. A contract classified as an investment contract at inception can be reclassified as an insurance contract after inception if the insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without a discretionary participation feature (“DPF”). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits, the amount or timing of which is contractually at the discretion of the insurance contract issuer, with the benefits based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or the profit or loss of the company, fund or other entity that issues the contract.

The Group and the Company classifies and measures insurance risk by comparing death benefits with surrender value in each year and set significant insurance risk level at least 5%.

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

4.2 Revenue recognition

(1) Premium income

For the first year policies, premium written after net of premium ceded and refund, is recognised as revenue on the effective date of the insurance policies. For renewal policies, it is recognised as revenue when due and only on the policy that is still in force at the end of reporting period.

(2) Ceded premium

Ceded premium is recognised as a deduction from premium income when the insurance risk is transferred to another reinsurer.

(3) Commission and brokerage fee income

Commission and brokerage fee income from ceded premium are based on contractual condition as specified in the arrangements and recognized as income when the service has been provided.

(4) Net investment income

Interest and dividend income on investments

Interest income is recognised as revenue on an accrual basis based on the effective interest rate. Dividends are recognised as revenue when the right to receive the dividend is established.

Investment expense are recognised on an accrual basis.

(5) Interest income on loans

Interest income is recognised as revenue over the term of the loans based on the amount of principal outstanding, except for interest income portion that has been past due over six months, it is recognised on a cash basis.

(6) Gains (losses) on investments

Gains (losses) on investments are recognised as revenues or expenses when incurred.

(7) Other income

Other income is recognized on an accrual basis.

4.3 Expenses recognition

(1) Benefit payments under life policies and claims

Benefit payments under life policies

Benefit payments under life policies are recorded when notices of claims have been received or when benefits are due as conditions in policies.

Claims and losses adjustment expenses

Claims and losses adjustment expenses consist of claims and losses adjustment expenses of insurance, and include the amounts of the claims, related expenses, and loss adjustments of the current and prior period incurred during the year, and less claims refundable from reinsurers (if any).

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

(2) Commissions and brokerages fees

Commission and brokerage fees are recognized on accrual basis.

(3) Other underwriting and operating expenses

Other underwriting and operating expenses are recognised in profit or loss as expenses on an accrual basis.

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 from the date of acquisition and not subject to withdrawal restrictions.

4.5 Premium receivables and allowance for doubtful accounts

Premium receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of premium receivables. The allowance is generally based on collection experiences and a review of current status of the premium receivables as at the end of reporting period.

For individual policies whose cash value is greater than the amount of premium receivable and that is overdue longer than the grace period granted by the Company, the premium receivables will be settled by granting automatic premium loans.

4.6 Reinsurance assets

Reinsurance assets are stated at the outstanding balance of insurance reserves refundable from reinsurers, which are estimated, based on the related reinsurance contracts, on unearned premium reserve, loss reserve and outstanding claims in accordance with the law regarding insurance reserves calculations, excluding claim reserves for claims incurred but not yet reported.

The Group and the Company set up an allowance for doubtful account when it has clear evidence as a result of events occurring after the initial recognition of reinsurance assets and the Group and the Company may not be paid. This amount can be measured reliably. Increase (decrease) in allowance for doubtful accounts is recognised as expenses in profit or loss.

4.7 Reinsurance receivables and payables

(1) Reinsurance receivables are stated at the outstanding balance of amounts due from reinsurers.

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

(2) Reinsurance payables are stated at the amount payable to reinsurers.

The amount payables to reinsurers consist of reinsurance premiums and other items payable to reinsurers.

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

- (1) The Group and the Company has a legal right to offset amounts presented in the statements of financial position, and
- (2) The Group and the Company intends 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 Derivatives assets / liabilities

a) Adopted before January 1, 2020

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealized gains and losses from the translation are included in profit or loss. Premium or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Cross currency swap contracts

Payables and receivables arising from cross currency swap contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealized gains and losses from the translation are recognised in profit or loss.

b) Adopted after January 1, 2020

Derivative financial instruments have been classified and measured as fair value through profit or loss except for cash flow hedges that apply hedge accounting. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

Hedge accounting

The Group designates certain derivatives as following

For fair value hedges, the fair value change on qualifying hedging instruments is recognized in profit or loss as well as changes in fair value for the relevant risk of hedging instruments.

For cash flow hedges, the effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

4.9 Investments assets

4.9.1 Investments in securities

a) Adopted before January 1, 2020

The Group and the Company measures investments in securities according to classification of investments as follows:

- (1) Held-for-trading investments are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss.
- (2) Available-for-sale investments are stated at fair value. Changes in the fair value of these investments are recorded in other comprehensive income, and will be transferred to be recognised in profit or loss when investments are sold.
- (3) Investments in held-to-maturity debt securities are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income. The investments in debt securities are classified as held-to-maturity debt securities when the Company has the positive intention and ability to hold them to maturity.
- (4) Investments in non-marketable equity securities are classified as general investments, and are stated at cost net of allowance for impairment (if any).
- (5) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable security is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange where such securities are listed. The fair value of debt instrument is determined based on the yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value.

Purchases and sales of investments are recorded on the transaction dates for equity instruments, and recorded on the settlement date for debt instruments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in the statement of income or recorded as revaluation surplus or deficit on investment in other components of owners' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised as revenue or expense in profit or loss. The weighted average method is used for equity instruments and first-in first-out method is used for debt instruments for computation of the cost of investments.

b) Adopted after January 1, 2020

The Group and the Company measures investments in securities according to classification of investments as follows:

- (1) Investment at fair value through profit or loss are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss.
- (2) Investment at fair value through other comprehensive income are stated at fair value. Changes in the fair value of these investments are recorded in other comprehensive income, and will be transferred to be recognised in profit or loss when investments are sold. Except for gains (losses) on exchange rate of investments, which are classified as debt securities, are recorded in profit or loss.
- (3) Investment at amortised cost are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income. The investments in debt securities are classified as investment at amortised cost when the Company has the positive intention and ability to hold them to maturity.
- (4) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable security is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange where such securities are listed. The fair value of debt instrument is determined based on the yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value.

Purchases and sales of investments are recorded on the transaction dates for equity instruments, and recorded on the settlement date for debt instruments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in the statement of income or recorded as revaluation surplus or deficit on available-for-sale investment in other components of owners' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised as revenue or expense in profit or loss. The weighted average method is used for equity instruments and first-in first-out method is used for debt instruments for computation of the cost of investments.

4.9.2 Loans and accrued interest receivables

a) Adopted before January 1, 2020

Loans are stated at net realisable value. The Group and the Company set up an allowance for doubtful accounts based on the estimated loss that may be incurred in collection of receivables, on the basis of collection experiences, analysis of debt aging and the appraisal value of the collateral of each debt. Increase (decrease) in allowance for doubtful accounts is recognised as expenses in profit or loss.

b) Adopted after January 1, 2020

Loans and accrued interest receivables have been measured at amortized cost, net from allowance for expected credit loss.

4.9.3 Expected credit loss and impairment loss

a) Adopted before January 1, 2020

The Group and the Company account impairment loss when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists.

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

b) Adopted after January 1, 2020

The Group and the Company account impairment loss using expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the investment assets. Equity securities are impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists.

4.9.4 Investment property

Investment property is initially recorded at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 20 years. Depreciation of the investment property is charged as expense to profit or loss.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.10 Premises 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 are calculated by reference to their costs on a straight-line basis over the following estimated useful lives, or the period of the lease as follows:

Buildings	20 years and 50 years
Condominium units	20 years
Building improvements	5 years
Leasehold improvements	Period of lease
Furniture and fixtures and office equipment	3 years and 5 years
Motor vehicles	5 years

Depreciation is included in profit or loss.

No depreciation is provided for land and construction in progress.

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 is included in profit or loss when the asset is derecognised.

4.11 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. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated for impairment losses. Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Intangible assets and amortisation

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

Intangible assets with finite lives are amortised on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset 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 amount is charged as expenses to profit or loss.

The useful lives of intangible assets with finite useful lives which is computer software are expected to generate economic benefit within 3 years, 5 years and 10 years.

4.13 Impairment of assets

At the end of each reporting period, the Group and the Company perform impairment reviews in respect of property, buildings and equipment 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased. The Group and the Company estimate 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 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 unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Insurance contract liabilities

4.14.1 Reserves for long-term insurance contracts

Reserves for long-term insurance contracts represent the accumulated total liabilities for policies in force as at the end of the reporting period. Such reserves are set aside for estimated future claims and benefits payment under all life insurance policies in force. The Group and the Company calculates reserve under long-term policies with reference to Net Premium Valuation ("NPV"), which is an actuarial method, plus Provision for Adverse Deviation (PAD) of 5% for the year ended December 31, 2020 and 4% for the year ended December 31, 2019 of NPV. The main assumptions used relating to mortality rate, morbidity rate adjusted by experience which is statistical data, longevity and discount rates.

At the end of each reporting period, The Group and the Company perform liabilities adequacy test by Gross Premium Valuation method (GPV). The significant assumptions are mortality rate adjusted by experience which is statistical data, lapse or surrender rate, selling and administration expenses rate, which are the best estimate assumptions, and discount rate, which is comply with risk-free rate that is determined in accordance with the criteria for the calculation of liabilities under insurance contracts under the risk-based capital framework, plus illiquidity premium which is a rate added to the risk-free rate to reflect the nature of liabilities under insurance contracts that have low liquidity.

In case of insurance contract liabilities under liabilities adequacy test are higher than the amount presented in financial statement, the differences are recognised in profit and loss.

4.14.2 Loss reserves and outstanding claims

Outstanding claims are recorded for the estimated cost of all claims notified but not settled at end of the reporting period, using the information available at the time. In addition, a loss reserve is also made for the cost of claims incurred but not reported (IBNR) as at end of the reporting period, which is based on actuarial estimates. The maximum value of claims estimated is not, however, to exceed the sum-insured under the relevant policy.

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Outstanding claim provision are calculated using an actuarial method based on a best estimate of claims which are expected to be paid in respect of losses occurring before or as at the end of the reporting periods for both reported and not reported losses including loss adjustment expense. The different of the calculated outstanding claim provision which are higher than the loss reserve that recognised into financial statement, the Company has additionally provided reserves for claims incurred but not yet reported (IBNR).

4.14.3 Premium reserves

Premium reserves consist of unearned premium reserves and unexpired risks reserves.

(a) Unearned premium reserves

At the end of the reporting period, the Group and the Company records unearned premium reserves for short-term riders and group insurance, based on the amount calculated on net premium written for the year, using the monthly average basis (the one-twenty fourth basis).

(b) Unexpired risk reserves

Unexpired risk reserves are the amounts set aside for claims, which may occur in the future, of the in-force policies. Unexpired risk reserves are determined using an actuarial method. The reserves are determined using the best estimates of the claims, which are expected to occur during the remaining coverage period, with reference to its historical claim data.

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

4.14.4 Unpaid policy benefits

Unpaid policy benefits are recorded when notices of the claims are received or when conditions in the policy are met.

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits.

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group and the Company treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide also other long-term employee benefit plans, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plans are determined based on actuarial techniques, using the projected unit credit method.

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

4.16 Provisions

Provisions are recognised when the Group and the Company have 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.

4.17 Long-term leases

Leases of property, buildings or equipment, which transfer substantially all the risks and rewards of ownership to lessees are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.18 Foreign currencies

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

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group and the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss, except foreign exchange gain and loss on equity securities with fair value through other comprehensive income.

Foreign operations

The asset and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until sales of investment, except to extent that the translation difference is allocated to non-controlling interests.

4.19 Income tax

Income tax expenses

Income tax expenses represent the sum of corporate income taxes currently payable and deferred income taxes.

Current income taxes

Current income taxes are 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 income taxes

Deferred income taxes are provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

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

At each reporting date, the Group and the Company review and reduce 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 and the Company record deferred income taxes directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

4.20 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 and the Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available. The Group and the Company measure 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 categories 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 and the Company determine 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.

4.21 Related party transactions

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

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

5.1 Allowance for doubtful accounts on receivables/premium receivables

In determining an allowance for doubtful accounts on receivables and premium receivables, the management judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5.2 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management of 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 (the Group and the Company and counterparty, both), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

5.3 Expected credit loss and impairment

The Group and the Company account impairment loss using expected credit loss model on debt securities except for unit trusts and loans excluding policy loans, and treat investment in equity securities and debt securities only for unit trusts at fair value through other comprehensive income as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

5.4 Premises and equipment and depreciation

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

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

5.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgment 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.

5.6 Reserves for long-term insurance contracts

Reserves for long-term insurance contracts are calculated using the actuarial method, based on the current assumptions or on assumptions established at inception of the contract which reflect the best estimate at the time increased with a margin for risk and adverse deviation. The main assumptions used relate to mortality, morbidity, longevity, and discount rates.

Estimating the reserve requires the management to exercise judgment, with reference to the best estimates available at the time.

5.7 Loss reserves and outstanding claims

At the end of each reporting period, the Group and the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, and the claims incurred but not reported (IBNR), the losses on which are estimated using international standard actuarial techniques. The major assumptions used under these techniques consist of historical data, including the development of claims estimates, paid, average costs per claim and claim numbers, etc. Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

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5.8 Unexpired risk reserves

Unexpired risk reserves are 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 judgment, with reference to historical data and the best estimates available at the time.

5.9 Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligations under the defined benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, such as discount rate, future salary increase rate, mortality rate and staff turnover rate, etc.

6. CASH AND CASH EQUIVALENTS

As at December 31, 2020 and 2019, the Group and the Company have cash and cash equivalent as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash on hand	5978	7,169	5,977	7,168
Deposits at banks with no fixed maturity date	4,340,655	2,152,644	4,329,886	2,078,128
Short-term investments in promissory notes	3,725,588	11,282,070	3,725,588	11,282,070
Cash and cash equivalents	8,072,221	13,441,883	8,061,451	13,367,366

As at December 31, 2020, interest rates on saving accounts, fixed deposits and promissory notes are in the range of 0.13% - 0.63% per annum (as at December 31, 2019: 0.38% - 1.38% per annum).

7. PREMIUM RECEIVABLES

As at December 31, 2020 and 2019, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates are as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Not yet due	1,715,483	1,740,698
Not over 30 days	47,118	24,275
Over 30 days to 60 days	18,669	33,611
Over 60 days to 90 days	3,175	830
Over 90 days	1,576	1,244
Total premium receivables	1,786,021	1,800,658

For premium receivables due from agents and brokers, the Group and the Company has determined criteria in collections from those debtors. For overdue premium receivables, the Group and the Company has taken legal process with agents and brokers on a case by case basis.

For individual policies which have cash value and premium receivables over the grace period, the premium receivables will be settled by granting an automatic premium loan where the policy has a cash surrender value.

8. REINSURANCE ASSETS

As at December 31, 2020 and 2019, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Reserves recordable from reinsurances		
Claim reserves	141,559	76,315
Unearned premium reserves	495,248	473,356
Total reinsurance assets	616,807	549,701

9. AMOUNT DUE FROM REINSURANCE

As at December 31, 2020 and 2019, amount due from reinsurance receivables consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Amounts due from reinsurers	724,824	1,044,316
Total amounts due from reinsurance	724,824	1,044,316

As at December 31, 2020 and 2019, the outstanding balances of amounts due from reinsurance, classified by overdue period, are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Not yet due	724,824	1,044,316
Total amounts due from reinsurance	724,824	1,044,316

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BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

10. DERIVATIVE ASSETS AND LIABILITIES

10.1 As at December 31, 2020, derivatives classified by objective are as follows:

Contract type and objective	Number of contracts	Notional amount (Thousand Units)	December 31, 2020		For the year ended December 31, 2020
			Assets (Thousand Baht)	Liabilities (Thousand Baht)	Fair value gains (losses) on derivatives (Thousand Baht)
Derivatives - not apply hedge accounting					
Hedge of net investment in foreign currencies	67	578,708	72,270	73,940	(43,715)
Cash flow hedge	1	150,000	7,463	-	7,463
			79,733	73,940	(36,252)
Derivatives - apply hedge accounting					
Cash flow hedge	98	484,170	1,224,550	2,033	260,698
Total derivative assets and liabilities			1,304,283	75,973	

10.2 As at December 31, 2019, fair value of derivatives classified by objective are as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2019	
	Fair value	
	Assets	Liabilities
Derivatives for hedging risks		
Cash flow hedge	1,598,446	8,827
Hedge of net investment in foreign currencies	145,718	-
Total derivatives	1,744,164	8,827

As at December 31, 2020 and 2019, derivatives assets and liabilities consisted of the following:

	Consolidated and separate financial statements		
	December 31, 2020		
	Notional amount (Thousand Unit)	Fair value amount	
Assets (Thousand Baht)		Liabilities (Thousand Baht)	
Cross currency swap contracts			
US dollar	474,170	1,197,924	2,033
Euro	10,000	26,626	-
Forward contracts			
Baht	150,000	7,463	-
Forward exchange contracts			
Yen	355,775	30	2,702
US dollar	130,000	71,654	17,998
Singapore dollar	66,223	120	24,930
Euro	26,710	466	28,310
Total derivatives	1,212,878	1,304,283	75,973

	Consolidated and separate financial statements		
	December 31, 2019		
	Notional amount (Thousand Unit)	Contract value amount	
Assets (Thousand Baht)		Liabilities (Thousand Baht)	
Cross currency swap contracts			
US dollar	516,800	886,013	78,799
Euro	10,000	41,854	-
Forward exchange contracts			
Yen	1,327,910	5,649	-
US dollar	71,020	8,053	3,747
Singapore dollar	112,852	560	35,727
Euro	33,010	55,992	-
Total derivatives	2,071,592	998,121	118,273

The Company makes use of cross currency swap contracts and forward exchange contracts to manage the exchange rate risk arising from investment.

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BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

11. INVESTMENTS IN SECURITIES

11.1 Investments in securities

As at December 31, 2020 and 2019, investment in securities consisted of the following:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	As at December 31, 2020	
	Cost	Fair value
Investment at fair value through profit or loss		
Equity securities	28,840	14,040
Total	28,840	14,040
<u>Less</u> Unrealised losses	(14,800)	-
Total investment at fair value through profit or loss	14,040	14,040
Investment at fair value through other comprehensive income		
Government and state enterprise securities	33,307,784	39,467,580
Private enterprises debt securities	32,158,664	34,267,661
Equity securities	31,702,644	32,685,117
Foreign debt securities	9,892,455	10,765,742
Foreign equity securities	176,080	49,551
Total	107,237,627	117,235,651
<u>Add</u> Unrealised gains	9,998,024	-
Total investment at fair value through other comprehensive income	117,235,651	117,235,651
Investment at amortised cost		
Amortised cost		
Government and state enterprise securities		127,624,927
Private enterprises debt securities		60,622,139
Foreign debt securities		5,592,270
Total		193,839,336
<u>Less</u> Allowance for expected credit loss		(277,561)
Total investment at amortised cost		193,561,775
Investments in securities		310,811,466

As at January 1, 2020, the Company has adopted the accounting guidelines for financial instruments and disclosures on insurance business which caused unit trust to be reclassified from equity securities to debt securities in the amount of 10,405 million.

During the first quarter of 2020, the Company reclassified investment at amortised cost to investment at fair value through other comprehensive income in order to support the fluctuation of interest rate. The amortised cost as at reclassification date was in the amount of Baht 36,606 million and the fair value at reclassification date was in the amount of Baht 45,759 million.

As at December 31, 2020, the Company has allowance for impairment and allowance for expected credit loss recognized in the statement of profit or loss and other comprehensive income for investment in securities of Baht 129 million and Baht 314 million, respectively.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	As at December 31, 2019	
	Cost	Fair value
Held-for-trading investments		
Equity securities	33,349	20,856
Total	33,349	20,856
<u>Less</u> Unrealised losses	(12,493)	-
Total held-for-trading investments	20,856	20,856
Available-for-sale investments		
Government and state enterprise securities	1,962,740	2,168,147
Private enterprises debt securities	25,787,235	28,299,445
Equity securities	32,294,227	38,304,837
Foreign debt securities	1,400,266	1,211,495
Foreign equity securities	9,285,118	10,120,465
Total	70,729,586	80,104,389
<u>Add</u> Unrealised gains	9,374,803	-
Total available-for-sale investments	80,104,389	80,104,389
Amortised Cost		
Held-to-maturity investments		
Government and state enterprise securities		140,407,255
Private enterprises debt securities		73,022,083
Foreign debt securities		6,550,825
Total held-to-maturity investments		219,980,163
Cost		
General investments		
Equity securities		31,338
Total general investments		31,338
Investments in securities		300,136,746

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11.2 Allowance for expected credit loss

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	
	Fair value	Allowance for expected credit loss through other comprehensive income
Investment at fair value through other comprehensive income		
Debt securities with not significantly increased in credit risk (Stage 1)	73,693,901	(34,276)
Debt securities with significantly increased in credit risk (Stage 2)	100,284	(1,637)
Total	73,794,185	(35,913)

(Unit : Thousand Baht)

	Consolidated and separate financial statements		
	December 31, 2020		
	Gross amount	Allowance for expected credit loss	Net amount
Investment at amortised cost			
Debt securities with not significantly increased in credit risk (Stage 1)	193,439,336	(76,081)	193,363,255
Debt securities credit-impaired (Stage 3)	400,000	(201,480)	198,520
Total	193,839,336	(277,561)	193,561,775

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2020				
Period to maturity				
	Within 1 year	1 - 5 years	Over 5 years	Total
Investment at fair value through other comprehensive income				
Government and state enterprise securities	4,635,496	7,829,782	19,485,874	31,951,152
Private enterprises debt securities	4,507,840	13,817,303	13,833,521	32,158,664
Foreign debt securities	7,911,687	1,980,768	-	9,892,455
Add Unrealised gains	1,075,215	1,922,791	6,182,177	9,180,183
Total investment at fair value through other comprehensive income	18,130,238	25,550,644	39,501,572	83,182,454
Investment at amortised cost				
Government and state enterprise securities	3,636,919	11,732,922	112,255,086	127,624,927
Private enterprises debt securities	1,903,982	30,125,502	28,592,655	60,622,139
Foreign debt securities	850,000	2,834,990	1,907,280	5,592,270
Less Allowance for expected credit loss	(207,173)	(44,140)	(26,248)	(277,561)
Total investment at amortised cost	6,183,728	44,649,274	142,728,773	193,561,775

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2019				
Period to maturity				
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investment				
Government and state enterprise securities	-	450,000	-	450,000
Private enterprises debt securities	661,602	13,305,000	11,820,633	25,787,235
Foreign debt securities	-	1,400,266	-	1,400,266
Add Unrealised gains	18,623	921,814	1,438,864	2,379,301
Total available-for-sale investments	680,225	16,077,080	13,259,497	30,016,802
Held-to-maturity investment				
Government and state enterprise securities	1,598,869	21,428,900	117,379,486	140,407,255
Private enterprises debt securities	4,896,533	26,295,662	41,829,888	73,022,083
Foreign debt securities	400,000	2,405,164	3,745,661	6,550,825
Total held-to-maturity investments	6,895,402	50,129,726	162,955,035	219,980,163

11.4 Investments in structured notes

Investments in structured notes, which are classified as investment at fair value through other comprehensive income and investment at amortised cost, consisted of the following:

- As at December 31, 2019, the Company has investments of Baht 600 million in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, having remaining lives of 1 - 9 years and contain conditions whereby the issuer has call option or has rights to call for additional deposits and bearing interest rate referring to the yield rate on government bond (CMT Index) (As at December 31, 2020: Nil).
- As at December 31, 2019, the Company has investments of Baht 600 million in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 year and bearing interest rate referring to the yield rate government bond (CMT Index) (As at December 31, 2020: Nil).

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- (c) As at December 31, 2020 and 2019, the Company has investments of Baht 1,476 million and Baht 3,614 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 - 6 years and 1 - 9 years, respectively, and the notes and the bills contain conditions whereby the notes redemption of the notes and the bills is based on the credit event of the notes and the reference assets.
- (d) As at December 31, 2019, the Company has investments of Baht 983 million in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity periods of 14 years. The bank has placed government bonds equivalent to 70% - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets. (As at December 31, 2020: Nil).
- (e) As at December 31, 2019, the Company has investments of Baht 466 million in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity periods of 12 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets. (As at December 31, 2020: Nil).
- (f) As at December 31, 2020 and 2019, the Company has investments of Baht 1,475 million and Baht 1,464 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity periods of 5 - 6 years and 6 - 7 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.

11.5 Investments subject to restriction

As at December 31, 2020 and 2019, the Group and the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 61,509 million and Baht 64,127 million, respectively, with the Registrar as securities and reserves as described in Notes 33 and 34.

11.6 Gains on investments

Gains on investments for the years ended December 31, 2020 and 2019 consisted of the following:

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Gains (losses) on sales of investment at fair value through profit or loss	3,126	(2,973)
Gains on sales of investment at fair value through other comprehensive income	1,049,130	952,425
Gains on sales of investment at amortised cost	-	122,603
Loss on sales of a subsidiary	(31,919)	-
Total gains on investments	1,020,337	1,072,055

(Unit : Thousand Baht)

	separate financial statements	
	For the years ended December 31,	
	2020	2019
Gains (losses) on sales of investment at fair value through profit or loss	3,126	(2,973)
Gains on sales of investment at fair value through other comprehensive income	1,049,130	952,425
Gains on sales of investment at amortised cost	-	122,603
Loss on sales of a subsidiary	(16,261)	-
Total gains on investments	1,035,995	1,072,055

11.7 Revaluation surplus on investment at fair value through other comprehensive income

Revaluation surplus on investment at fair value through other comprehensive income for the years ended December 31, 2020 and 2019 consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended December 31, 2020	
Revaluation surplus on investment at fair value through other comprehensive income as at January 1, 2020		
- as previously presented		9,419,466
Impairment of investments assets		31,360
Reclassification of general investments to investment at fair value through other comprehensive income		212,342
Losses on exchange rate of debt securities previously classified as equity securities		1,208,658
Revaluation surplus on investment at fair value through other comprehensive income as at January 1, 2020 - adjusted		10,871,826
<u>Less</u> Income taxes		(2,168,092)
Revaluation surplus on investment at fair value through other comprehensive income - net of taxes as at January 1, 2020 - adjusted		8,703,734

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Revaluation surplus on investment at fair value through other comprehensive income - beginning of the years	10,871,826	6,202,322
Gains on revaluation of investment at fair value through other comprehensive income	1,008,033	3,643,438
Gains on sales of investment at fair value through other comprehensive income during the years transferred to be recognised in profit or loss	(555,462)	(426,294)
Revaluation surplus on investment at fair value through other comprehensive income - end of the years	11,324,397	9,419,466
<u>Less</u> Income taxes	(2,231,974)	(1,883,894)
Revaluation surplus on investment at fair value through other comprehensive income - net of taxes	9,092,423	7,535,572

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11.8 The fair value of investments in debt securities consisted of the following:

(Unit : Thousand Baht)

Type of financial assets	Consolidated and separate financial statements	
	December 31, 2020	
	Fair value -end of the year	Change in fair value during the year
Financial assets hold to collect the contractual cash flows on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; excluding financial assets hold to sell according to TFRS 9 (when becomes effective) or financial assets that Company manage and assess with fair value	296,790,317	9,425,750
Cash flows that are not solely payments of principal and interest on the principal amount outstanding	12,339,515	(1,011,287)

12. INVESTMENTS IN SUBSIDIARIES

As at December 31, 2020 and 2019, detail of investments in subsidiaries, as presented in the separate financial statements, is as follows:

(Unit : Thousand Baht)

Company's name	Type of business	Country of incorporation	Issued and paid-up capital		Shareholding percentage		Cost	
			December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
BLA Insurance Broker Company Limited	Insurance broker	Thailand	24,000	24,000	99	99	23,760	23,760
Bangkok Life Assurance (Cambodia) Public Limited Company ⁽¹⁾	Life insurance	Cambodia	-	153,598	-	52	-	85,329
Less Allowance for impairment			-	-			-	(52,680)
Total investments in subsidiaries							23,760	56,409

⁽¹⁾ On December 9, 2020, the Company disposed investment in Bangkok Life Assurance (Cambodia) Public Limited Company (see Note 13).

13. DISCONTINUED OPERATION

On December 9, 2020, the Company disposed investment in Bangkok Life Assurance (Cambodia) Public Limited Company which was subsidiary of the Company. Thus, the Company lost the control over the subsidiary. The Company has not recognized the financial position operating result of the subsidiary in the consolidated financial statements since the date that the Company lost its control. The Company recognized loss on sales of investment in subsidiary in the consolidated and separate statements of profit or loss and other comprehensive income for the year ended December 31, 2020 in amount of Baht 32 million and Baht 16 million, respectively. The Company has presented the operating result of the subsidiary for the period before losing control as loss from discontinued operation in the consolidated financial statements.

The consolidated statement of financial position as at December 31, 2019 includes assets from discontinued operation in total amount of Baht 84 million, in which most of balances are cash and cash equivalents and deposit (As at December 31, 2020: Nil).

The consolidated statements of profit or loss and other comprehensive income for discontinued operations are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements	
	For the period from	For the year ended
	January 1 to December 9, 2020	December 31, 2019
Discontinued operation		
Revenue	977	28
Expenses	(1,304)	(3,625)
Loss before income tax expense	(327)	(3,597)
Income tax expense	(18)	-
Loss for the years from discontinued operation, net of income tax	(345)	(3,597)
Losses per share*		
Basic losses per share (Baht)	(0.001)	(0.001)

* Losses per share from discontinued operation for equity holders of the Company

14. LOANS AND ACCRUED INTEREST RECEIVABLES

As at December 31, 2020 and 2019, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

(Unit : Thousand Baht)

Overdue periods	Consolidated and separate financial statements			
	December 31, 2020			
	Loans and accrued interest income			
	Policy loans	Mortgage loans	Other loans	Total
Not yet due	9,523,824	1,637,585	54	11,161,463
Overdue:				
Less than 3 months	-	111,462	-	111,462
3 - 6 months	-	1,990	-	1,990
6 - 12 months	-	7,650	-	7,650
Over 12 months	-	99,648	55	99,703
Total	9,523,824	1,858,335	109	11,382,268
<u>Less</u> Allowance for expected credit loss	-	(68,690)	-	(68,690)
Loans and accrued interest receivables - net	9,523,824	1,789,645	109	11,313,578

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(Unit : Thousand Baht)

Overdue periods	Consolidated and separate financial statements			
	December 31, 2019			
	Loans and accrued interest income			
	Policy loans	Mortgage loans	Other loans	Total
Not yet due	9,471,230	1,641,493	153	11,112,876
Overdue:				
Less than 3 months	-	37,766	-	37,766
3 - 6 months	-	43,617	-	43,617
6 - 12 months	-	9,396	-	9,396
Over 12 months	-	36,035	55	36,090
Total	9,471,230	1,768,307	208	11,239,745
Less Allowance for expected credit loss	-	(18,077)	-	(18,077)
Loans and accrued interest receivables - net	9,471,230	1,750,230	208	11,221,668

(Unit : Thousand Baht)

Stages	Consolidated and separate financial statements		
	December 31, 2020		
	Loans and accrued interest income		
	Mortgage loans	Other loans	Total
Loans with not significantly increased in credit risk (Stage 1)	1,749,047	54	1,749,101
Loans with significantly increased in credit risk (Stage 2)	9,640	-	9,640
Loans with credit impaired (Stage 3)	99,648	55	99,703
Total	1,858,335	109	1,858,444
Less Allowance for expected credit loss	(68,690)	-	(68,690)
Total	1,789,645	109	1,789,754

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest at 3.00% - 8.00% per annum, as approved by the Office of Insurance Commission.

Loans to employees under the employee welfare scheme are set for credit limit of Baht 0.10 million for personal guarantee loans. The interest rate charged is at the rates of 6.00% per annum. As at December 31, 2020 and 2019, loans to employees amounted to Baht 0.10 million and Baht 0.21 million, respectively.

Loans to employees under the mortgage loans are not to exceed 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 5.00% - 6.00% per annum. As at December 31, 2020 and 2019, loans to employees under the mortgage loans amounted to Baht 12 million and Baht 18 million, respectively.

15. INVESTMENT PROPERTY

The net carrying value of investment property as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Office building for rent		
Cost	21,303	21,303
<u>Less</u> Accumulated depreciation	(5,682)	(4,617)
Net carrying value	15,621	16,686

A reconciliation of the net carrying value of investment property for the years ended December 31, 2020 and 2019 is presented below:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Net carrying value - beginning of the years	16,686	17,752
Depreciation for the years	(1,065)	(1,066)
Net carrying value - ending of the years	15,621	16,686

The fair value of the investment property as at December 31, 2020 and 2019 are stated below:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Office building for rent	36,506	22,646

The fair value of the above investment property has been determined based on valuation performed by an independent appraiser. The fair value of the office building held for rent has been determined using the cost approach. The approach was estimated current replacement cost less accumulated depreciation and add with fair value of land.

For the years ended December 31, 2020 and 2019, the Group and the Company has revenue from rental of investment property amounted to Baht 0.90 million and Baht 0.90 million, respectively.

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BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

16. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements						Total
	Land	Buildings and buildings improvements and leasehold building	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	
Cost:							
January 1, 2019	794,246	756,333	36,633	662,061	40,863	21,996	2,312,132
Additions	-	516	-	27,108	6,750	147,024	181,398
Disposals/Write-off	(2,900)	(8,610)	-	(6,440)	-	-	(17,950)
Exchange differences on translation of financial statements in foreign currency	-	(31)	-	(27)	-	-	(58)
Transfer in (out)	-	200	-	-	-	(200)	-
December 31, 2019	791,346	748,408	36,633	682,702	47,613	168,820	2,475,522
Additions	-	55,787	-	69,051	2,249	734,471	861,558
Disposals/Write-off	-	(192,155)	-	(102,039)	-	-	(294,194)
Transfer in (out)	-	715,743	-	185,824	-	(901,567)	-
Disposal of investment in subsidiaries	-	-	-	(1,070)	-	-	(1,070)
December 31, 2020	791,346	1,327,783	36,633	834,468	49,862	1,724	3,041,816
Accumulated depreciation:							
January 1, 2019	-	389,764	27,781	541,032	19,887	-	978,464
Depreciation on disposals/write-off	-	(7,323)	-	(6,362)	-	-	(13,685)
Depreciation for the year	-	30,221	1,833	46,687	6,306	-	85,047
December 31, 2019	-	412,662	29,614	581,357	26,193	-	1,049,826
Depreciation on disposals/write-off	-	(192,155)	-	(101,569)	-	-	(293,724)
Depreciation for the year	-	32,281	1,832	58,253	6,322	-	98,688
Disposal of investment in subsidiaries	-	-	-	(869)	-	-	(869)
December 31, 2020	-	252,788	31,446	537,172	32,515	-	853,921
Net carrying value:							
December 31, 2019	791,346	335,746	7,019	101,345	21,420	168,820	1,425,696
December 31, 2020	791,346	1,074,995	5,187	297,296	17,347	1,724	2,187,895

Depreciation for the years ended December 31,

2019	Thousand Baht	85,047
2020	Thousand Baht	98,688

	Separate financial statements						Total
	Land	Buildings and buildings improvements and leasehold building	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	
Cost:							
January 1, 2019	794,246	753,626	36,633	660,420	40,863	21,996	2,307,784
Additions	-	516	-	27,108	6,750	147,024	181,398
Disposals	(2,900)	(6,032)	-	(6,245)	-	-	(15,177)
Transfer in (out)	-	200	-	-	-	(200)	-
December 31, 2019	791,346	748,310	36,633	681,283	47,613	168,820	2,474,005
Additions	-	55,787	-	69,006	2,249	734,471	861,513
Disposals	-	(192,155)	-	(102,039)	-	-	(294,194)
Transfer in (out)	-	715,743	-	185,824	-	(901,567)	-
December 31, 2020	791,346	1,327,685	36,633	834,074	49,862	1,724	3,041,324
Accumulated depreciation:							
January 1, 2019	-	388,372	27,783	539,946	19,888	-	975,989
Depreciation on disposals	-	(6,032)	-	(6,221)	-	-	(12,253)
Depreciation for the year	-	30,221	1,833	46,437	6,306	-	84,797
December 31, 2019	-	412,561	29,616	580,162	26,194	-	1,048,533
Depreciation on disposals	-	(192,155)	-	(101,569)	-	-	(293,724)
Depreciation for the year	-	32,281	1,832	58,220	6,322	-	98,655
December 31, 2020	-	252,687	31,448	536,813	32,516	-	853,464
Net carrying value:							
December 31, 2019	791,346	335,749	7,017	101,121	21,419	168,820	1,425,472
December 31, 2020	791,346	1,074,998	5,185	297,261	17,346	1,724	2,187,860

Depreciation for the years ended December 31

2019	Thousand Baht	84,797
2020	Thousand Baht	98,655

As at December 31, 2020 and 2019, certain items of buildings and equipment of the Group and the Company have been fully depreciated but are still in use. The cost before deducting accumulated depreciation of those assets in the consolidated financial statements amounted to Baht 571 million and Baht 632 million, respectively (the separate financial statements: Baht 571 million and Baht 631 million, respectively).

As at December 31, 2020 and 2019, the Company has land and building that did not use and was not in condition properties foreclosed, cost before deducting accumulated depreciation as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Land	2,480	580
Building	5,437	1,928
Building improvement	16,168	10,426
Office equipment	12,859	2,203
Computer	806	89
Office furniture, fixture and equipment	6,557	5,347
Total	44,307	20,573

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17. GOODWILL

On July 7, 2014, the Company obtained control of BLA Insurance Broker Company Limited (“Subsidiary”), by acquiring of the shares and voting interests in the Subsidiary and net assets from business combination was lower than consideration part resulting in goodwill from purchase of business.

As at December 31, 2020 and 2019, the consolidated financial statements have goodwill amounted to Baht 5 million and Baht 5 million, respectively.

18. INTANGIBLE ASSETS

Movement of intangible assets as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		
	Computer software	Computer Software under development	Total
Cost:			
January 1, 2019	114,502	-	114,502
Increase	1,113	1,787	2,900
Disposals	(663)	-	(663)
December 31, 2019	114,952	1,787	116,739
Increase	20,086	8,219	28,305
December 31, 2020	135,038	10,006	145,044
Accumulated amortisation:			
January 1, 2019	110,757	-	110,757
Amortisation for the year	2,050	-	2,050
December 31, 2019	112,807	-	112,807
Amortisation for the year	4,777	-	4,777
December 31, 2020	117,584	-	117,584
Net carrying value:			
December 31, 2019	2,145	1,787	3,932
December 31, 2020	17,454	10,006	27,460

Amortisation for the years ended December 31,

2019	Thousand Baht	2,050
2020	Thousand Baht	4,777

((Unit : Thousand Baht))

Separate financial statements

	Computer software	Computer Software under development	Total
Cost:			
January 1, 2019	113,758	-	113,758
Increase	1,113	1,787	2,900
December 31, 2019	114,871	1,787	116,658
Increase	20,076	8,219	28,295
December 31, 2020	134,947	10,006	144,953
Accumulated amortisation:			
January 1, 2019	110,143	-	110,143
Amortisation for the year	2,583	-	2,583
December 31, 2019	112,726	-	112,726
Amortisation for the year	4,777	-	4,777
December 31, 2020	117,503	-	117,503
Net carrying value			
December 31, 2019	2,145	1,787	3,932
December 31, 2020	17,444	10,006	27,450

Amortisation for the years ended December 31,

2019	Thousand Baht	2,583
2020	Thousand Baht	4,777

As at December 31, 2020 and 2019, certain computer software items were fully amortised but are still in use. The original costs, before deducting accumulated amortisation, of those assets in the consolidated financial statements amounted to approximately Baht 101 million and Baht 99 million, respectively.

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19. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSES

19.1 Deferred tax assets/liabilities

Deferred tax assets and liabilities consisted of tax effects as shown below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements						
	December 31,		January 1,		December 31,		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the years ended December 31,
	2020	2020	2019	2020	2019	2020	
Deferred tax assets							
Reserves for long-term insurance contracts	2,123,450	2,421,923	2,421,923	(298,473)	(335,547)	-	-
Claim reserves and outstanding claims	14,648	16,577	16,577	(1,929)	(2,056)	-	-
Provisions for long-term employee benefits	34,044	41,019	41,019	4,101	9,874	(11,076)	2,921
Allowance for expected credit loss	102,155	34,356	-	67,799	-	-	-
Others	113,953	10,536	14,151	103,417	(1,702)	-	-
Total deferred tax assets	2,388,250	2,524,411	2,493,670	(125,085)	(329,431)	(11,076)	2,921
Deferred tax liabilities							
Available-for-sale investments	-	-	1,572,931	-	263,349	-	643,429
Investment at fair value through other comprehensive income	1,743,201	1,615,400	-	63,919	-	63,882	-
Cash flow hedge	44,889	171,098	-	(30,238)	-	(95,971)	-
Total deferred tax liabilities	1,788,090	1,786,498	1,572,931	33,681	263,349	(32,089)	643,429
Deferred tax assets/liabilities - net	600,160	737,913	920,739	(158,766)	(592,780)	21,013	(640,508)

19.2 Income tax expenses

Income tax expenses for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Current income tax:		
Corporate income tax charge	-	228,754
Adjustment in respect of income tax of previous year	(5,842)	96,491
Deferred tax:		
Relating to origination and reversal of temporary differences	158,766	592,780
Income tax expenses reported in profits or losses	152,924	918,025

Reconciliation between accounting profits and income tax expense for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Accounting profit before income tax expenses	1,761,406	5,305,921	1,773,538	5,301,951
Corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	354,708	1,061,184	354,708	1,061,184
Adjustment in respect of income tax of previous year	(5,842)	96,491	(5,842)	96,491
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(195,942)	(239,650)	(195,942)	(239,650)
Income tax expenses recognised in profits or losses	152,924	918,025	152,924	918,025

The amounts of income taxes relating to each component of other comprehensive income (loss) for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Income taxes relating to:		
Gains on revaluation of investment at fair value through other comprehensive income	(174,974)	(728,687)
Gains on sales of investment at fair value through other comprehensive income transferred to be recognised in profit or loss	111,092	85,258
Loss on remeasuring cash flow hedge derivatives fair value	95,971	-
Actuarial (gain) loss	(11,076)	2,921
Income taxes (revenues) expenses as reported in statements of comprehensive income	21,013	(640,508)

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20. OTHER ASSETS

As at December 31, 2020 and 2019, other assets consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31,		December 31,	
	2020	2019	2020	2019
Prepaid income tax	275,740	100,917	275,740	100,917
Prepaid rental expenses	-	10,824	-	10,824
Deposits	44,967	98,054	44,967	77,194
Receivable from sales of investments	197,830	81,250	197,830	81,250
Prepaid expenses	14,270	14,716	14,270	14,716
Others	132,788	125,079	122,025	110,600
Total other assets	665,595	430,840	654,832	395,501

21. INSURANCE CONTRACT LIABILITIES

As at December 31, 2020 and 2019, insurance contract liabilities consisted of the following:

	(Unit : Thousand Baht)					
	Consolidated financial statements					
	December 31, 2020			December 31, 2019		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	282,407,305	-	282,407,305	277,488,536	-	277,488,536
Claim reserves						
Reserves for reported claims	189,309	(141,559)	47,750	151,578	(76,315)	75,263
Reserves for claims incurred but not yet reported	73,242	-	73,242	82,884	-	82,884
Premium reserves						
Unearned premium reserves	1,482,840	(475,248)	1,007,592	1,451,634	(473,386)	978,248
Unpaid policy benefits	236,895	-	236,895	191,174	-	191,174
Other insurance liabilities	6,938,988	-	6,938,988	7,276,022	-	7,276,022
Total insurance contract liabilities	291,328,579	(616,807)	290,711,772	286,641,828	(549,701)	286,092,127

	Separate financial statements					
	December 31, 2020			December 31, 2019		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	282,407,305	-	282,407,305	277,488,525	-	277,488,525
Claims reserves						
Reserves for reported claims	189,309	(141,559)	47,750	151,578	(76,315)	75,263
Reserves for claims incurred but not yet reported	73,242	-	73,242	82,884	-	82,884
Premium reserves						
Unearned premium reserves	1,482,840	(475,248)	1,007,592	1,451,634	(473,386)	978,248
Unpaid policy benefits	236,895	-	236,895	191,174	-	191,174
Other insurance liabilities	6,938,988	-	6,938,988	7,276,022	-	7,276,022
Total insurance contract liabilities	291,328,579	(616,807)	290,711,772	286,641,817	(549,701)	286,092,116

During the years 2020 and 2019, the Group and the Company management has entered into reinsurance contracts in order to manage insurance risk. The management manages this risk by considering obligations on net losses insurance, and disclosing the liabilities under insurance contracts, both in terms of gross insurance and net insurance.

From January 1, 2020, the Company revised assumption for reserves for long-term insurance contracts for Provision Adverse Deviation (PAD) from 4% to 5% of Net Premium Valuation (NPV) reserve in order to support the fluctuation of interest rate longevity. The Company recorded the cumulative effect from the change in PAD reserves for long-term insurance contracts as at December 31, 2019 which changed from 4% to 5% in the amount of Baht 2,668 million in the statements of profit or loss and other comprehensive income for the year ended December 31, 2020.

21.1 Reserves for long-term insurance contracts

As at December 31, 2020 and 2019, reserves for long-term insurance contracts consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Balances - beginning of the year	277,488,536	273,908,194	277,488,525	273,908,102
Reserved increased for new businesses and inforce policies	32,614,960	29,754,084	32,614,971	29,754,165
Reserve decreased for death, maturities, benefits, claims, lapses and surrender	(27,696,191)	(26,173,742)	(27,696,191)	(26,173,742)
Balances - end of the year	282,407,305	277,488,536	282,407,305	277,488,525

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BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

21.2 Claim reserves

As at December 31, 2020 and 2019, claim reserves consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Balances - beginning of the year	234,462	265,652
Claims incurred in the current year	2,179,313	2,244,800
Claims paid during the year	(2,151,224)	(2,275,990)
Balances - end of the year	262,551	234,462

21.3 Unearned premium reserves

As at December 31, 2020 and 2019, unearned premium reserves consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Balances - beginning of the year	1,451,634	1,322,760
Premium written for the year	4,086,611	3,834,755
Premium earned for the year	(4,055,405)	(3,705,881)
Balances - end of the year	1,482,840	1,451,634

21.4 Claims development table

21.4.1 Claims development table - gross of reinsurance

As at December 31, 2020

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							
	Before 2015	2015	2016	2017	2018	2019	2020	Total
Estimate of Claims incurred:								
- At end of accident year	1,609,003	1,662,384	1,786,229	1,787,495	2,071,149	2,131,302	1,989,968	-
- One year later	1,659,839	1,737,766	1,853,351	1,870,827	2,124,857	2,204,536	-	-
- Two year later	1,662,355	1,738,525	1,857,916	1,872,409	2,126,051	-	-	-
- Three year later	1,662,355	1,738,525	1,857,916	1,872,409	-	-	-	-
- Four year later	1,662,355	1,738,525	1,857,916	-	-	-	-	-
- Five year later	1,662,355	1,738,527	-	-	-	-	-	-
Estimate of cumulative claims incurred	1,662,355	1,738,527	1,857,916	1,872,409	2,126,051	2,205,775	2,058,346	13,521,379
Cumulative payments to date	(1,659,382)	(1,738,026)	(1,856,350)	(1,872,363)	(2,125,862)	(2,194,382)	(1,812,463)	(13,258,828)
Total claims provision - gross of reinsurance	2,973	501	1,566	46	189	11,393	245,883	262,551

As at December 31, 2019

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							
	Before 2014	2014	2015	2016	2017	2018	2019	Total
Estimate of Claims incurred:								
- At end of accident year	1,550,013	1,609,003	1,662,369	1,786,230	1,787,490	2,071,233	2,069,141	-
- One year later	1,647,789	1,659,839	1,737,751	1,853,353	1,870,819	2,141,194	-	-
- Two year later	1,651,663	1,662,355	1,738,510	1,857,917	1,872,145	-	-	-
- Three year later	1,651,663	1,662,355	1,738,510	1,857,917	-	-	-	-
- Four year later	1,651,663	1,662,355	1,738,510	-	-	-	-	-
- Five year later	1,651,663	1,662,355	-	-	-	-	-	-
Estimate of cumulative claims incurred	1,651,663	1,662,355	1,738,510	1,857,917	1,872,145	2,143,935	2,149,283	13,075,808
Cumulative payments to date	(1,649,319)	(1,661,350)	(1,737,009)	(1,857,197)	(1,872,070)	(2,140,585)	(1,923,816)	(12,841,346)
Total claims provision - gross of reinsurance	2,344	1,005	1,501	720	75	3,350	225,467	234,462

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

21.4.2 Claims development table - net of reinsurance

As at December 31, 2020

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2015	2015	2016	2017	2018	2019	2020	
Estimate of Claims incurred:								
- At end of accident year	1,609,003	1,662,384	1,786,229	1,787,495	2,071,149	2,131,302	1,989,968	-
- One year later	1,659,839	1,737,766	1,853,351	1,870,827	2,124,857	-	-	-
- Two year later	1,662,355	1,738,526	1,857,916	1,872,409	-	-	-	-
- Three year later	1,662,355	1,738,526	1,857,916	-	-	-	-	-
- Four year later	1,662,355	1,738,526	-	-	-	-	-	-
- Five year later	1,662,355	-	-	-	-	-	-	-
Estimate of cumulative claims incurred	1,662,355	1,738,526	1,857,916	1,872,409	2,126,051	2,205,775	2,058,346	13,521,378
Cumulative payments to date	(1,659,482)	(1,738,332)	(1,856,991)	(1,873,200)	(2,128,529)	(2,197,586)	(1,946,266)	(13,400,386)
Total claims provision								
- gross of reinsurance	2,873	194	925	(791)	(2,478)	8,189	112,080	120,992

As at December 31, 2019

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2014	2014	2015	2016	2017	2018	2019	
Estimate of Claims incurred:								
- At end of accident year	1,550,013	1,609,003	1,662,369	1,786,230	1,787,490	2,071,233	2,069,141	-
- One year later	1,647,789	1,659,839	1,737,751	1,853,353	1,870,819	-	-	-
- Two year later	1,651,663	1,662,355	1,738,510	1,857,917	-	-	-	-
- Three year later	1,651,663	1,662,355	1,738,510	-	-	-	-	-
- Four year later	1,651,663	1,662,355	-	-	-	-	-	-
- Five year later	1,651,663	-	-	-	-	-	-	-
Estimate of cumulative claims incurred	1,651,563	1,662,355	1,738,510	1,857,917	1,872,145	2,141,970	2,075,034	12,999,494
Cumulative payments to date	(1,649,319)	(1,661,350)	(1,737,009)	(1,857,197)	(1,872,070)	(2,140,585)	(1,923,816)	(12,841,346)
Total claims provision								
- gross of reinsurance	2,244	1,005	1,501	720	75	1,385	151,218	158,148

21.5 Key assumptions

21.5.1 Assumptions used in the measurement of insurance reserves for long-term insurance contracts.

The Group and the Company measures insurance contract with Net Premium Valuation method by using cash flows estimation from premiums and benefits payment. The Company estimates premiums by actuarial methods and use assumptions such as discount rate, mortality rate, and disability rate by plus margin for administration expenses. This method excludes persistency rate.

The key assumptions in the actuarial method was summarised as follows:

(A) Mortality rates, morbidity rates and longevity rates

According to Thailand mortality tables on industry type and Thailand pensions table that were announced by the OIC.

(B) Discount rate

The discount rate in calculating the reserve was not higher than the interest rate that determine premium rates and not more than 6 percent per year.

21.5.2 Assumptions used in claims incurred but not reported

The Group and the Company estimated claims for short-term contracts by considering their claims incurred but not reported. The assumptions used in the calculation as at the date of the latest report, which estimated from data collected in the past and judgment actuary.

21.6 Unpaid policy benefits

As at December 31, 2020 and 2019, unpaid policy benefits consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Death benefit	66,820	64,284
Maturity payment	139,688	103,384
Benefit payment	29,105	21,735
Surrender	1,282	1,771
Total unpaid policy benefits	236,895	191,174

21.7 Other insurance liabilities

As at December 31, 2020 and 2019, other insurance liabilities consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Deposit from insurance contracts	6,613,326	6,903,089
Premiums received in advance	240,624	293,294
Payable to policyholders on exempted premiums	85,038	79,639
Total other insurance liabilities	6,938,988	7,276,022

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BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

22. AMOUNT DUE TO REINSURANCE

As at December 31, 2020 and 2019, amount due to reinsurance consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Amount due to reinsurances	798,906	1,128,743
Total amount due to reinsurance	798,906	1,128,743

23. EMPLOYEE BENEFIT OBLIGATIONS

As at December 31, 2020 and 2019, employee benefit obligations consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Post-employment benefit obligations for severance pay (see Note 23.1)	145,012	185,863	144,530	183,925
Other employment benefit obligation for long service awards (see Note 23.2)	25,737	27,997	25,690	27,952
Total employee benefit obligations	170,749	213,860	170,220	211,877

23.1 Post-employment benefit obligations for severance pay

Movement in post-employment benefit obligations for severance pay during the years ended December 31, consist of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Beginning balance as at January 1,	185,863	155,259	183,925	153,803
Increases (decreases) during the year	(40,851)	30,604	(39,395)	30,122
Ending balance as at December 31,	145,012	185,863	144,530	183,925

Under the Labor Protection Act and the Company's employment policy, all employees are entitled to receive the severance pay in accordance with the terms of labor laws, in the event that the employee reaches the retirement age of 60.

23.2 Other employment benefit obligations for long service awards

Movement in other employment benefit obligations for long service awards during the years ended December 31, consist of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Beginning balance as at January 1,	27,997	23,378	27,952	23,309
Increases (decreases) during the year	(2,260)	4,619	(2,262)	4,643
Ending balance as at December 31,	25,737	27,997	25,690	27,952

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, and other long-term benefits for the years ended December 31, 2020 and 2019 were as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of years	213,860	178,637	211,877	177,112
Included in profit or loss:				
Current service cost	31,010	26,031	31,943	25,714
Interest cost	4,555	6,288	4,513	6,234
Actuarial (gain) loss arising from				
Demographic assumptions changes	(2,833)	-	(2,824)	-
Financial assumptions changes	(143)	3,672	(148)	3,664
Experience adjustments	(612)	(1,599)	(604)	(1,566)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(35,027)	-	(34,924)	-
Financial assumptions changes	(13,144)	26,019	(13,107)	25,887
Experience adjustments	(6,606)	(11,293)	(7,350)	(11,281)
Benefits paid during the year	(20,311)	(13,895)	(19,156)	(13,887)
Provision for long-term employee benefits at end of years	170,749	213,860	170,220	211,877

As at December 31, 2020, the Group and the Company expect to pay Baht 5 million of long-term employee benefits during the next year (As at December 31, 2019: Baht 7 million).

As at December 31, 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefit of the Group and the Company are 21 years and 21 years, respectively.

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate for defined benefit plans	1.82	2.13	1.82	2.13
Discount rate for other long-term employee benefits	1.82	2.13	1.82	2.13
Inflation rate for gold price	3.00	3.00	3.00	3.00
Salary increase rate	5.00	6.00	5.00	6.00
Turnover rate (depending on age of employee)	7.30, 9.70	5.40, 10.70	7.30, 9.70	5.40, 10.70
Gold per weight of Baht 1 (Baht)	22,050	22,050	22,050	22,050

* The mortality rate is based on the mortality table of 2017 which has not been included in the allowance.

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

	Assumptions increase (decrease) (% per annum)	Consolidated	Separate
		financial	financial
		statements	statements
		Amount increase (decrease) (Thousand Baht)	Amount increase (decrease) (Thousand Baht)
Discount rate	0.25%	(3,528)	(3,517)
Discount rate	(0.25%)	3,656	3,646
Inflation rate of gold price	1.00%	1,720	1,716
Inflation rate of gold price	(1.00%)	(1,574)	(1,567)
Salary increase rate	0.25%	3,144	3,135
Salary increase rate	(0.25%)	(3,052)	(3,042)
Turnover rate	10.00%	(11,064)	(11,030)
Turnover rate	(10.00%)	12,203	12,167
Gold per weight of 1 Baht	10.00%	2,574	2,569
Gold per weight of 1 Baht	(10.00%)	(2,574)	(2,569)

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

24. OTHER LIABILITIES

As at December 31, 2020 and 2019, other liabilities consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Accrued commission expenses	528,616	515,501	527,864	514,031
Accrued expenses	209,500	284,318	209,414	283,912
Premium received for policies not yet approved	33,098	46,867	33,098	46,867
Amounts received awaiting transfer	92,936	68,047	92,936	68,047
Specific Business Tax payable	150,737	148,716	150,737	148,716
Payable from purchases of investments	110,886	32,721	110,886	32,721
Withholding tax payable	53,846	38,557	53,809	38,472
Short-term employee benefit payables	-	25,231	-	25,231
Collateral under derivatives agreements	-	35,500	-	35,500
Others	126,055	30,636	122,699	21,860
Total other liabilities	1,305,674	1,226,094	1,301,443	1,215,357

25. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

26. OPERATING SEGMENT

The Group and the Company presented operating segment information in the same manner as that reported to the Office of Insurance Commission (“OIC”) on the report of underwriting information reported by insurance categories since the management considered that the Group and the Company is operating its core business in a single segment (i.e. life insurance business) and in a single geographic area that is Thailand with Operation in Cambodia which is insignificant. Hence, all items as presented in this segment information are consistent to the Group and the Company internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about allocation of resources to the segment and evaluate its performance. The chief operating decision maker has been identified as the Chief Executive Officer.

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

Underwriting information classified by insurance categories for the years ended December 31, 2020 and 2019 is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	For the year ended December 31, 2020					
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income						
Premium written	31,483,608	2,558,081	658,006	44,767	-	34,744,462
Less Premium ceded	(1,318,974)	-	-	-	-	(1,318,974)
Net premium written	30,164,634	2,558,081	658,006	44,767	-	33,425,488
Add (Less) Unearned premium reserve (increased) decreased from prior year	(29,678)	-	-	334	-	(29,344)
Net earned premium	30,134,956	2,558,081	658,006	45,101	-	33,396,144
Fee and commission income	431,928	-	-	-	-	431,928
Total underwriting income	30,566,884	2,558,081	658,006	45,101	-	33,828,072
Underwriting expenses						
Life policy reserves increased from prior years	2,066,628	659,498	2,192,654	-	-	4,918,780
Benefit payments under life policies and claims net refundable from reinsurance	35,350,881	4,271	96,741	9,473	-	35,461,366
Commissions and brokerage expenses	2,543,107	181,326	30,742	988	8,914	2,765,077
Other underwriting expenses	516,217	32,465	8,352	563	-	557,597
Total underwriting expenses	40,476,833	877,560	2,328,489	11,024	8,914	43,702,820

	Consolidated financial statements				
	For the year ended December 31, 2019				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	34,815,759	831,480	45,085	-	35,692,324
<u>Less</u> Premium ceded	(1,343,318)	-	-	-	(1,343,318)
Net premium written	33,472,441	831,480	45,085	-	34,349,006
<u>Less</u> Unearned premium reserve increased from prior year	(39,515)	-	(1,731)	-	(41,246)
Net earned premium	33,432,926	831,480	43,354	-	34,307,760
Fee and commission income	351,358	-	-	-	351,358
Total underwriting income	33,784,284	831,480	43,354	-	34,659,118
Underwriting expenses					
Life policy reserves increased from prior years	2,898,905	681,517	-	-	3,580,422
Benefit payments under life policies and claims net refundable from reinsurance	34,686,638	72,641	5,215	-	34,764,494
Commissions and brokerage expenses	2,927,672	64,650	1,389	10,768	3,004,479
Other underwriting expenses	597,855	11,732	612	108	610,307
Total underwriting expenses	41,111,070	830,540	7,216	10,876	41,959,702

27. OPERATING EXPENSES

For the years ended December 31, 2020 and 2019, operating expenses consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Personnel expenses	845,280	820,241	841,350	814,267
Premises and equipment expenses	179,131	169,085	178,711	168,664
Taxes and duties	2,777	4,958	2,777	4,958
Other operating expenses	506,641	642,145	506,818	642,105
Total operating expenses	1,533,829	1,636,429	1,529,656	1,629,994

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

28. EXPENSES BY NATURE

For the years ended December 31, 2020 and 2019, expenses by nature consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Employee related expenses				
Included in benefit payments under life policies and claims	36,509	34,403	36,509	34,403
Included in other underwriting expenses	23,647	22,296	23,647	22,296
Included in operating expenses	845,280	820,241	814,350	814,267
Total	905,436	876,940	874,506	870,966
Premises and equipment expenses				
Included in operating expenses	179,131	169,085	178,711	168,664
Total	179,131	169,085	178,711	168,664

29. PROVIDENT FUND

The Group and the Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 5 percent to 15 percent of basic salary. The fund, which is managed by a license fund manager, will be paid to employees upon termination in accordance with the fund rules. During the years 2020 and 2019, the Group and the Company contributed to the fund by Baht 39 million and Baht 37 million, respectively.

30. GAINS ON REVALUATION

For the years ended December 31, 2020 and 2019, gains on revaluation consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Unrealised losses from investment at fair value through profit or loss	(3,995)	(12,493)
Unrealised gains (losses) on foreign exchange contracts	(164,299)	401,993
Gains (losses) on exchange rate	449,148	(42,306)
Loss on revaluation fair value of forward exchange contracts	(151,191)	-
Total fair value gains	129,663	347,194

31. EFFECTED TAX OF OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019, effected tax of other comprehensive income consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements					
	For the years ended December 31,					
	2020			2019		
	Amount before taxes	Taxes income (expense)	Amount after taxes	Amount before taxes	Taxes income (expense)	Amount after taxes
Gains on remeasuring investment at fair value through other comprehensive income	1,008,033	(174,974)	833,059	3,643,438	(728,687)	2,914,751
Reversal of gain realised on the disposal of investment at fair value through other comprehensive income	(555,462)	111,092	(444,370)	(426,294)	85,258	(341,036)
Losses on remeasuring cash flow hedge derivatives fair value	(479,852)	95,971	(383,881)	-	-	-
Foreign exchange differences on translation of financial statements in foreign currency	-	-	-	(155)	-	(155)
Actuarial gain (loss)	54,777	(11,076)	43,701	(14,726)	2,921	(11,805)
Total	27,496	21,013	48,509	3,202,263	(640,508)	2,561,755

(Unit : Thousand Baht)

	Separate financial statements					
	For the years ended December 31,					
	2020			2019		
	Amount before taxes	Taxes income (expense)	Amount after taxes	Amount before taxes	Taxes income (expense)	Amount after taxes
Gains on remeasuring investment at fair value through other comprehensive income	1,008,033	(174,974)	833,059	3,643,438	(728,687)	2,914,751
Reversal of gain realised on the disposal of investment at fair value through other comprehensive income	(555,462)	111,092	(444,370)	(426,294)	85,258	(341,036)
Losses on remeasuring cash flow hedge derivatives fair value	(479,852)	95,971	(383,881)	-	-	-
Actuarial gain (loss)	55,381	(11,076)	44,305	(14,606)	2,921	(11,685)
Total	28,100	21,013	49,113	3,202,538	(640,508)	2,562,030

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

32. 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 relationship between the Company and its related parties are summarised below.

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Related by way of common shareholders
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common shareholders
Thaire Life Assurance Pcl.	Life assurance	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common shareholders
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Shareholding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common shareholders
Tris Corporation Ltd.	Services	Related by way of common directors
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Indorama Ventures Public Company Limited	Petrochemical	Related by way of common directors
Asia Warehouse Co., Ltd.	Rental of assets	Shareholding by the major shareholder of the Company
Ek-Chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd.	Asset management	Shareholding and related by way of common directors
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
BLA Insurance Broker Co., Ltd	Insurance broker	Subsidiary
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common shareholders
I-Direct Insurance Broker Co., Ltd.	Life Insurance broker	Related by way of common shareholders
Bangkok Life Assurance (Cambodia) Public Limited Company ⁽¹⁾	Life insurance	Subsidiary
Charoong Thai Wire&Cable Pcl.	Industry	Related by way of common directors
Fine Metal Technologies Public Co., Ltd.	Industry	Related by way of common directors
Thai Reinsurance Public Co., Ltd.	Insurance	Related by way of common directors

⁽¹⁾ It had been considered as related party until December 9, 2020 because the Company sold investment in Bangkok Life Assurance (Cambodia) Public Limited Company since then.

During the years ended December 31, 2020 and 2019, the Group and the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Group and the Company and those parties are as follows:

(Unit : Thousand Baht

	Consolidated financial statements		Pricing policy
	For the years ended December 31,		
	2020	2019	
Related parties			
Premium written	10,347	9,473	Normal commercial terms for underwriting
Premium ceded to reinsurers	517,993	530,236	Normal commercial terms for underwriting
Fee and commission income	161,738	138,695	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	403,874	415,381	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	8,089	4,782	Same rates as the Group and the Company charged to general borrowers who mortgage assets as collateral
Dividend income	424,562	413,655	The declared amount
Rental and service income	11,160	13,603	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	65,071	73,021	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	1,767	288,352	Normal commercial terms on contracts
Commission and brokerage	954,221	1,251,458	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	331,607	297,248	Normal commercial terms for underwriting
Claim payment and diagnose charge	23,847	19,669	Normal commercial terms for underwriting
Bank charges	184,582	175,382	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	3,138	4,217	Normal commercial terms for underwriting
Building space rental and services	63,581	72,422	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	6,391	9,252	Normal commercial terms for services

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

	Separate financial statements		Pricing policy
	For the years ended December 31,		
	2020	2019	
Transactions with related companies			
Subsidiaries			
Written Premium	180	106	Normal commercial terms for underwriting
Rental and service income	496	569	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties			
Written Premium	10,347	9,473	Normal commercial terms for underwriting
Premium ceded to reinsurers	517,993	530,236	Normal commercial terms for underwriting
Fee and commission income	161,738	138,695	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	403,866	415,359	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	8,089	4,782	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	424,562	413,655	The declared amount
Brokerage income from securities trading	65,071	73,021	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	1,767	288,352	Normal commercial terms on contracts
Commission and brokerage	954,221	1,251,458	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	331,607	297,248	Normal commercial terms for underwriting
Claim payment and diagnose charge	23,847	19,669	Normal commercial terms for underwriting
Bank charges	184,507	175,297	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	3,131	4,209	Normal commercial terms for underwriting
Building space rental and services	63,581	72,422	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	320	1,252	Normal commercial terms for services

For the years ended December 31, 2020 and 2019, premium written from the Bancassurance distribution channel represented approximately 54.88% and 55.97% of total net premium written, respectively.

As at December 31, 2020 and 2019, the balance of the accounts between the Group and the Company and those related companies are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Subsidiaries				
Other liabilities				
Deposits	-	-	66	66
Total other liabilities	-	-	66	66
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	3,585,042	1,187,103	3,574,885	1,175,978
Investment assets				
Investment in securities	16,717,195	17,306,708	16,717,195	17,306,708
Loans	151,185	72,996	151,185	72,996
Total investments assets	16,868,380	17,379,704	16,868,380	17,379,704
Amount due from reinsurance	209,920	305,912	209,920	305,912
Forward and swap foreign exchange contract receivables	6,642,438	7,399,499	6,642,438	7,399,499
Other assets	15,023	27,161	9,909	20,502
Amount due to reinsurance	150,843	326,522	150,843	326,522
Outstanding claims	5,542	1,386	5,542	1,386
Forward and swap foreign exchange contract payables	6,546,170	7,341,284	6,546,170	7,341,284
Other liabilities	176,534	166,555	173,169	157,815

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

Directors and key management's benefits

During the years ended December 31, 2020 and 2019, the Group and the Company had employee benefit expenses payable to their directors and key management as below:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Short-term employee benefits	87,684	82,183	87,684	82,183
Long-term employee benefits	2,952	3,270	2,952	3,270
Total directors and management's benefits	90,636	85,453	90,636	85,453

33. ASSETS PLACED WITH THE REGISTRAR

As at December 31, 2020 and 2019, the following assets have been placed as securities with the Registrar in accordance with the Life Insurance Act.

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	December 31, 2020		December 31, 2019	
	Cost/Amortised cost	Fair value	Cost/Amortised cost	Fair value
State enterprise bonds	22,973	30,090	23,051	30,319

34. ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2020 and 2019, the following securities have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	December 31, 2020		December 31, 2019	
	Cost/Amortised cost	Fair value	Cost/Amortised cost	Fair value
Government bonds	58,286,270	76,622,708	59,503,696	79,720,334
State enterprise bonds	3,199,448	3,622,938	4,599,986	5,097,301
Total	61,485,718	80,245,646	64,103,682	84,817,635

35. CONTRIBUTION TO LIFE INSURANCE FUND

For the years ended December 31, 2020 and 2019, contribution to life insurance fund consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Life insurance fund at the beginning of the years	420,412	384,720
Contribution during the years	34,745	35,692
Life insurance fund at the end of the years	455,157	420,412

36. EARNINGS (LOSSES) PER SHARE

Basic earnings (losses) per share for the years ended December 31, 2020 and 2019 are as follows:

	Consolidated financial statement					
	For the years ended December 31,					
	Continuing operations		Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
Net profits (losses) (Thousand Baht)	1,608,448	4,387,856	(180)	(1,870)	1,608,268	4,385,986
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Baht per share)	0.942	2.570	(0.001)	(0.001)	0.941	2.569

	Separate financial statement	
	For the years ended December 31,	
	2020	2019
Net profits (Thousand Baht)	1,620,614	4,383,926
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht per share)	0.949	2.567

37. DIVIDENDS PAID

Dividends declared during the years ended December 31, 2020 and 2019 consisted of the following:

		Approved by	Total dividend (Million Baht)	Dividend per share (Baht per share)
Annual dividend for 2019	Annual General Meeting of the Shareholders on July 10, 2020 and the OIC on July 2, 2020		547	0.32
Total dividend for the year 2020			547	0.32
Annual dividend for 2018	Annual General Meeting of the Shareholders on April 26, 2019 and the OIC on April 18, 2019		682	0.40
Interim dividend from operations for six-month period ended June 30, 2019	Meeting of Board of Directors on August 13, 2019 and the OIC on September 10, 2019		545	0.32
Total dividend for the year 2019			1,227	0.72

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

38. COMMITMENTS

38.1 As at December 31, 2020 and 2019, the Company entered into construction building agreement with local companies totaling of Baht 979.70 million and Baht 458.20 million, respectively. The Company had commitment according to the agreements amounting to Baht 175.12 million and Baht 336.32 million, respectively.

38.2 The Group and the Company have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable.

As at December 31, 2020 and 2019, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit : Million Baht)

	Consolidated and separate financial statement		
	December 31, 2020		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	3.07	1.83	4.90
Operating lease agreements - Other parties	17.82	17.05	34.87
Service agreements	7.79	5.85	13.64
Total	28.68	24.73	53.41

(Unit : Million Baht)

	Consolidated financial statement		
	December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	10.63	1.24	11.87
Operating lease agreements - Other parties	15.59	11.10	26.69
Service agreements	7.65	-	7.65
Total	33.87	12.34	46.21

(Unit : Million Baht)

	Separate financial statement		
	December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	10.63	1.24	11.87
Operating lease agreements - Other parties	15.53	11.10	26.63
Service agreements	7.65	-	7.65
Total	33.81	12.34	46.15

The Group and the Company recognized rental expense derived from the operating leases for the years ended December 31, 2020 and 2019 amounting to Baht 38.95 million and Baht 40.70 million, respectively.

38.3 As at December 31, 2020 and 2019, the Group and the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 11.4 (1) to the interim financial statements, as summarised below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Payable within 1 year	-	900,000

38.4 As at December 31, 2020 and 2019, the Company had bank guarantee issued by banks Baht 1.6 million and Baht 2.0 million, respectively.

39. LITIGATION

As at December 31, 2020 and 2019, the Group and the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 5 million and Baht 8 million, respectively, for being the insurer and the cases have yet been finalised. The Company has yet provided for any provision for loss on such cases since there are still uncertainty with respect to the outcome of the cases.

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group and the Company use the market approach to measure their assets that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible.

TFRS 13 "Fair Value Measurement" establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets

Level 2 - Use of other observable inputs for such assets whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

As at December 31, 2020 and 2019, the Group and the Company had the following assets that were measured at fair value and assets which fair value were disclosed using different levels of inputs as follows:

(Unit : Thousand Baht)

	Consolidated and separated financial statements			
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative assets				
Cross currency swap contracts	-	1,224,550	-	1,224,550
Forward exchange contracts	-	72,270	-	72,270
Forward contracts	-	7,463	-	7,463
Investment at fair value through profit or loss				
Equity instruments	14,040	-	-	14,040
Investment at fair value through other comprehensive income				
Equity instruments	32,963,937	-	1,089,260	34,053,197
Debt instruments	3,437,911	76,793,296	2,951,247	83,182,454
Assets for which fair value are disclosed				
Investment at amortised cost				
Debt instruments	-	222,284,646	3,662,733	225,947,379
Investment property	-	-	36,506	36,506
Loans and accrued interest receivables				
Policy loans	-	-	11,299,308	11,299,308
Mortgage loans	-	-	1,781,135	1,781,135
Financial liabilities measured at fair value				
Derivative liabilities				
Cross currency swap contracts	-	2,033	-	2,033
Forward exchange contracts	-	73,940	-	73,940

	Consolidated and separated financial statements			
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held-for-trading investments				
Equity instruments	20,856	-	-	20,856
Available-for-sale investments				
Equity instruments	44,026,206	6,061,380	-	50,087,586
Debt instruments	-	30,016,803	-	30,016,803
Assets for which fair value are disclosed				
Held-to-maturity investments				
Debt instruments	-	247,775,543	12,518,322	260,293,865
Investment property	-	-	22,646	22,646
Derivatives				
Cross currency swap contracts	-	1,598,446	-	1,598,446
Forward exchange contracts	-	145,718	-	145,718
Loans and accrued interest receivables				
Policy loans	-	-	11,014,242	11,014,242
Mortgage loans	-	-	1,750,064	1,750,064

Liabilities for which fair value are disclosed

Derivatives

Cross currency swap contracts	-	8,827	-	8,827
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Valuation techniques and inputs to Level 2 valuations

- The fair value of investments in debt instruments, not including unit trusts at fair value through other comprehensive income and at amortised cost, has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- The fair value of investments in unit trusts at fair value through other comprehensive income has been determined by using the net asset value per unit as announced by the fund managers.
- The fair value of derivative assets and derivative liabilities at fair value through profit or loss and other comprehensive income has been determined by using exchange rates and discounted cash flow method based on interest rate as a discount rate.

Valuation techniques and inputs to Level 3 valuations

- The fair value of investments in equity instruments at fair value through other comprehensive income has been determined by using price to book value ratio from comparing with industry prices and dividend discount model.
- The fair value of investments in debt instruments at fair value through other comprehensive income and at amortised cost are determined by using discounted cash flow method based on the reference interest rate as a discount rate.
- The fair value of investment property has been determined based on valuation performed by an independent appraiser. The fair value of the office building held for rent has been determined using the cost approach. The approach was estimated current replacement cost less accumulated depreciation and add with fair value of land.
- The fair value of policy loans are estimated by discounting expected future cash flow by the interest-free bonds.

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

e) The fair value of mortgage loans are estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. Thus, carrying value presented in the financial statements is closely to fair value.

During the current period, there was no transfer within the fair value hierarchy.

Fair value of the following assets resemble carrying value

- Cash and cash equivalents
- Premium receivables

41. EXPECTED CREDIT LOSS AND IMPAIRMENT LOSS

(Unit : Thousand Baht)

	Consolidated and separate financial statements
	For the year ended December 31, 2020
Expected Credit Loss	
Investments in securities	186,950
Loans and accrued interest receivables	23,437
	210,387
Impairment loss	
Investments in securities	128,610
Total	338,997

42. LIFE INSURANCE COMPANY RISK

The Group and the Company recognises the importance of risk management across the entity. To comply with the Group and the Company risk management policy, which requires the Group and the Company to manage risks by using Enterprise Risk Management (ERM) in order to minimise the impact this may have happened in terms of the financial position and the Group and the Company reputation.

42.1 Insurance risk

Insurance risk may cause from mortality risk, mobility rate, persistency rate or actual expenses ratio which may differ from estimated expenses ratio which may cause negative impact to the Group and the Company operating results. The Group and the Company risk management policy consist of

(a) Product development and pricing risk

Product development and premium rates risk is the risk from error in product development process and the risk that premium rates may not be enough to cover the contractual obligations.

The company manages these risks by set up product development team to create idea and develop product to meet target customer needs, and set appropriate premium rates that correspond with the Company operating strategy under the Company risk management policy. Also, the company usually reviews the product pricing, new product design, including assumptions used in product testing before getting approvals from product development team.

(b) Underwriting risk

Underwriting risk may arise from an inaccurate assessment of risks in underwriting process.

The Company set up clear underwriting policy standard for each product plan, age, sex, and risk levels. Underwriting process considers health factors and other factors, as well as premium payment ability, resulting in different coverage and insurance premiums of each policyowner.

Moreover, to avoid the risk from paying unexpectedly large claims and increase the potentiality of insurance, the Company considers transferring an insurance risk to financially stable reinsurers.

(c) Insurance reserve risk

Insurance reserve risk is the risk that the reserves, that the Company recognized in financial statements, may not be sufficient to cover contractual obligations to policyowners. The Company evaluates the adequacy of insurance reserves at the end of each reporting period, including the sensitivity analysis of the important assumptions especially the interest rates.

In addition, the Company focuses on the quality control process of the insurance policies that are still in force by reviewing the assumptions used in insurance reserves calculations to ensure that the insurance reserve is sufficient to meet its contractual obligations.

(d) Concentration risk

Concentration risk is the risk that the Company may be affected significantly by any single event. The Company manages concentration risk by distributing its life insurance products among a wide range of customer groups throughout region. Events that may affect the Company due to concentration of its products including:

- Changes in the mortality rate trend of the population as modern medical technology increases the lifespan of the population, resulting in higher benefit payments for pension products.
- Changes in interest rates are the risks caused by a significant change in interest rates which affect the change in the company's assets and liabilities, and negatively affect products that offer guaranteed benefits. The risk depends on the offered guaranteed benefits with the current interest rate

The following table shows the concentration of insurance contract liabilities by types of contracts.

(Unit : Thousand Baht)

Consolidated financial statements									
Insurance contract liabilities - Gross of reinsurance									
December 31, 2020					December 31, 2019				
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total
Reserves for long-term insurance contracts	275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,090	4,202,446	-	277,488,536
Claim reserves	-	-	-	262,551	262,551	-	-	234,462	234,462
Total	275,184,609	2,192,654	5,030,042	262,551	282,669,856	273,286,090	4,202,446	234,462	277,722,998

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

	Consolidated financial statements								
	Insurance contract liabilities - Net of reinsurance								
	December 31, 2020				December 31, 2019				
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total
Reserves for long-term insurance contracts	275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,090	4,202,446	-	277,488,536
Claim reserves	-	-	-	120,992	120,992	-	-	158,147	158,147
Total	275,184,609	2,192,654	5,030,042	120,992	282,528,297	273,286,090	4,202,446	158,147	277,646,683

(Unit : Thousand Baht)

	Separate financial statements								
	Insurance contract liabilities - Gross of reinsurance								
	December 31, 2020				December 31, 2019				
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total
Reserves for long-term insurance contracts	275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,079	4,202,446	-	277,488,525
Claim reserves	-	-	-	262,551	262,551	-	-	234,462	234,462
Total	275,184,609	2,192,654	5,030,042	262,551	282,669,856	273,286,079	4,202,446	234,462	277,722,987

(Unit : Thousand Baht)

	Separate financial statements								
	Insurance contract liabilities - Net of reinsurance								
	December 31, 2020				December 31, 2019				
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total
Reserves for long-term insurance contracts	275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,079	4,202,446	-	277,488,525
Claim reserves	-	-	-	120,992	120,992	-	-	158,147	158,147
Total	275,184,609	2,192,654	5,030,042	120,992	282,528,297	273,286,079	4,202,446	158,147	277,646,672

42.2 Interest rate risk

The low interest rates affect the profitability and the insurance product development. Interest rates is one of the main assumption in setting the premium rates, evaluating insurance reserves and capital adequacy ratio. These will affect the ability to pay its obligations as stated in an insurance contract and to maintain profitability, the return on investment, and risk-based capital, as well as a correlation of an asset and a liability from insurance contracts management.

The Company manages this risk by establishing Risk Committee to monitor, evaluate and report risk factors and report Key Risk Indicators (KRI) closely and also to perform Asset and Liability Management (ALM), together with reviewing and adjusting the investment plan according to the situation which are performing asset allocation and duration gap management. The Company also regularly reviews the product pricing to reflect the current costs, and monitors the risks by using early warning system, sensitivity test and stress test.

42.3 Liquidity risk

Liquidity risk is the risk of loss as a result of the Company inability to maintain the cash level or liquidate financial assets and/or procure sufficient funds to discharge its obligations in a timely manner. The Company manage liquidity risk by maintaining sufficient levels of cash and cash equivalents to fund their operations and performing the cash flow management plan and investment management plan to avoid the effects caused by the fluctuations in cash flow.

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	December 31, 2020			
	0 - 5 years	5 - 10 years	Over 10 years	Total
Assets				
Reinsurance assets	616,807	-	-	616,807
Investment in securities ⁽¹⁾	140,416,821	90,951,428	150,568,253	381,936,502
Total assets	141,033,628	90,951,428	150,568,253	382,553,309
Liabilities				
Reserves for long-term insurance contracts ⁽²⁾	128,023,778	75,905,632	174,959,332	378,888,742
Claim reserves	262,551	-	-	262,551
Total liabilities	128,286,329	75,905,632	174,959,332	379,151,293

(1) Total principal amount and interest

(2) Amount before discount

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	December 31, 2020			
	0 - 5 years	5 - 10 years	Over 10 years	Total
Assets				
Reinsurance assets	549,701	-	-	549,701
Investment in securities ⁽¹⁾	156,349,284	90,148,697	134,554,930	381,052,911
Total assets	156,898,985	90,148,697	134,554,930	381,602,612
Liabilities				
Reserves for long-term insurance contracts ⁽²⁾	115,193,227	98,643,657	194,726,222	408,563,106
Claim reserves	234,462	-	-	234,462
Total liabilities	115,427,689	98,643,657	194,726,222	408,797,568

(1) Total principal amount and interest

(2) Amount before discount

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

42.4 The sensitivity of insurance risk

Reserves for long-term insurance contracts

The Company calculates reserves for long-term insurance contracts using a net level premium valuation (“NPV”) method with lock-in assumptions, meaning that reserves for long-term insurance contracts are not affected by changes in mortality rates, lapse rates and discount rates. However, liabilities adequacy tests are performed at the end of each reporting period by comparing the NPV reserve with the reserve calculated using the gross premiums valuation (“GPV”) method, using current assumptions and since most of the Company products are benefit guaranteed products, the factor that has the greatest impact on the calculation of reserves for long-term insurance contracts under GPV method is the discount rate, which is the risk-free rate plus an illiquidity premium. An increase in the risk-free rate will therefore cause the GPV reserve to decrease and to be lower than the NPV reserve, and the Company does not need to recognize the additional expense in the statement of profit and loss. On the contrary, a decrease in the risk-free rate will cause the GPV reserve to increase and in the event that the GPV reserve exceeds the NPV reserve, the Company has to recognize the difference as an additional expense in profit and loss due to liabilities adequacy test.

As at December 31, 2020 and 2019, the Company has no additional LAT reserve because the Company reserves for long-term insurance contracts prepared under the NPV method are adequate, and in the event of a 0.25% decrease in the interest rate in relation to long-term insurance contracts reserve, as at December 31, 2020, the Company would have no additional obligations, and as at December 31, 2019, the Company would have an additional LAT reserve of Baht 418 million.

Loss reserves

Loss reserve is set aside for the costs of claims incurred but not reported (IBNR) as at end of the reporting period, based on an actuarial method. The key assumption affecting this reserve is the expected inflation rate of future healthcare services, which may cause estimated losses to be lower than the estimated loss in the future. However, comparison of the loss reserve to the life policy reserve shows its proportion lower than 1%. Changes in the loss reserve assumptions will not materially affect profit or loss. Therefore, the Company did not perform sensitivity testing for the risk associated with the loss reserve.

43. FINANCIAL INSTRUMENTS

43.1 Financial risk management

The Company financial instruments, as defined under Thai Accounting Standard No. 32 “Financial Instruments: Presentations”, principally comprise cash and cash equivalents, premiums receivable, reinsurance assets/ liabilities, loans, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Concentrations of the credit risk with respect to loans and premium receivables are expected to be low due to the large number of customers and borrowers and their dispersion across different industries and geographic regions in Thailand. The maximum exposure to credit risk is the carrying value of such assets as presented in statement of financial position.

There is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than cash value of their policies with the Company. The maximum value of the risk arising from mortgage loans is the amount of the loan less the value which the Company is able to derive from the assets placed as collateral.

Market risk

Market risk is the risk that change in interest rates, foreign exchange rates and securities prices may have an effect on the Company financial position.

Interest rate risk

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

The Company exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in securities and loans.

As at December 31, 2020 and 2019, financial assets classified by type of interest rate are summarised in the table below:

(Unit : Thousand Baht)

	Consolidated financial statements		
	December 31, 2020		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,023,761	3,322,872	3,725,588
Investments in securities			
Government and state enterprise securities	-	-	165,773,978
Private enterprise debt securities	440,490	-	94,449,310
Foreign debt securities	8,947,778	-	7,410,234
Loans			
Policy loans	-	-	8,420,410
Mortgage loans	-	-	1,852,578
Other loans	-	-	107
Total	10,412,029	3,322,872	281,632,205

(Unit : Thousand Baht)

	Consolidated financial statements		
	December 31, 2019		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,007,820	1,151,993	11,282,070
Investments in securities			
Government and state enterprise securities	-	-	140,913,117
Private enterprise debt securities	-	600,000	100,721,528
Foreign debt securities	-	-	7,762,320
Loans			
Policy loans	-	-	8,477,915
Mortgage loans	-	-	1,747,933
Other loans	-	-	206
Total	1,007,820	1,751,993	270,905,089

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

	Separate financial statements		
	December 31, 2020		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,017,415	3,318,448	3,725,588
Investments in securities			
Government and state enterprise securities	-	-	165,773,978
Private enterprise debt securities	440,490	-	94,449,310
Foreign debt securities	8,947,778	-	7,410,234
Loans			
Policy loans	-	-	8,420,410
Mortgage loans	-	-	1,852,578
Other loans	-	-	107
Total	10,405,683	3,318,448	281,632,205

(Unit : Thousand Baht)

	Separate financial statements		
	December 31, 2019		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	937,510	1,147,786	11,282,070
Investments in securities			
Government and state enterprise securities	-	-	140,913,117
Private enterprise debt securities	-	600,000	100,721,528
Foreign debt securities	-	-	7,762,320
Loans			
Policy loans	-	-	8,477,915
Mortgage loans	-	-	1,747,933
Other loans	-	-	206
Total	937,510	1,747,786	270,905,089

As at December 31, 2020 and 2019, the financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date) as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements				
	December 31, 2020				
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate [% p.a.]
Cash equivalents	3,725,588	-	-	3,725,588	0.39
Investments in securities					
Government and state enterprise securities	8,280,426	20,640,223	136,853,329	165,773,978	3.62
Private enterprises debt securities	6,002,445	44,950,880	43,495,985	94,449,310	3.92
Foreign debt securities	850,000	4,652,954	1,907,280	7,410,234	4.48
Loans					
Mortgage loans	280,486	1,322,175	249,917	1,852,578	6.26
Other loans	54	-	53	107	6.00
Total	19,138,999	71,566,232	182,506,564	273,211,795	

(Unit : Thousand Baht)

	Consolidated and separate financial statements				
	December 31, 2019				
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate [% p.a.]
Cash equivalents	11,282,070	-	-	11,282,070	1.19
Investments in securities					
Government and state enterprise securities	1,598,869	21,934,762	117,379,486	140,913,117	3.97
Private enterprises debt securities	5,576,758	40,055,385	55,089,385	100,721,528	3.84
Foreign debt securities	400,000	3,616,659	3,745,661	7,762,320	3.85
Loans					
Mortgage loans	374,242	1,231,595	142,096	1,747,933	6.29
Other loans	153	-	53	206	6.00
Total	19,232,092	66,838,401	176,356,681	262,427,174	

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

Foreign currency risk

The Company significant exposure to foreign currency risk is in respect of its investments in bonds and unit trusts which are denominated in foreign currencies. The Company utilises cross currency swap and forward exchange contracts to manage the risk.

As at December 31, 2020 and 2019, the balances of financial assets denominated in foreign currencies are summarised below:

Foreign currency	Financial assets as at December 31,		Financial liabilities as at December 31,		Average exchange rate as at December 31,	
	2020	2019	2020	2019	2020	2019
	(Million units)		(Million units)		(Baht per 1 foreign currency unit)	
US dollar	626.5	678.3	604,170	587.8	31.29	31.05
Yen	300.0	300.0	355,775	1,327.9	0.29	0.28
Euro	45.9	48.7	36,710	43.0	35.68	34.75
LAK	40,824.0	40,824.0	-	-	0.0036	0.0036
Singapore dollar	60.6	91.7	66,223	112.9	22.69	22.77

As at December 31, 2020 and 2019 cross currency swap and forward exchange contracts outstanding are summarised below:

Foreign currency	Long position as at December 31,		Contractual exchange rates		Maturity date	
	2020	2019	2020	2019	2020	2019
	(Million units)		(Baht per 1 foreign currency unit)			
US dollar	604.2	587.8	29.25 - 36.30	29.25 - 36.30	Jan. 2021 - Jun. 2021	Feb. 2020 - Oct. 2026
Yen	355.8	1,327.9	0.2804 - 0.2985	0.2811 - 0.2955	Jan. 2021 - Dec. 2021	Jan. 2020 - Dec. 2020
Euro	36.7	43.0	34.24 - 38.27	34.71 - 38.27	Feb. 2021 - Jun. 2028	Feb. 2020 - Jun. 2028
Singapore dollar	66.2	112.9	22.31 - 23.00	22.093 - 22.744	Jan. 2021 - Dec. 2021	Jan. 2020 - Aug 2020

43.2 Fair value of financial instruments

The estimated fair value of significant financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements	
	As at December 31, 2020	
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	8,072,221	8,072,221
Investments in securities		
Investment at fair value through profit or loss	14,040	14,040
Investment at fair value through other comprehensive income	117,235,651	117,235,651
Derivative		
Cross currency swap contracts	1,224,550	1,224,550
Forward exchange contracts	72,270	72,270
Forward contracts	7,463	7,463
Assets for which fair value are disclosed		
Investments in securities		
Investment at amortised cost	193,561,775	225,947,379
Loans and accrued interest receivables		
Policy loans	9,523,824	11,299,308
Mortgage loans	1,789,645	1,781,135
Investment property	15,621	36,506
Liabilities measured at fair value		
Derivative		
Cross currency swap contracts	2,033	2,033
Forward exchange contracts	73,940	73,940

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

	Consolidated financial statements	
	As at December 31, 2019	
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	13,441,883	13,441,883
Investments in securities		
Held-for-trading investments	20,856	20,856
Available-for-sale investments	80,104,389	80,104,389
Assets for which fair value are disclosed		
Investments in securities		
Held-to-maturity investments	219,980,163	260,293,865
Derivative		
Cross currency swap contracts	927,867	1,598,446
Forward exchange contracts	70,254	145,718
Loans and accrued interest receivables		
Policy loans	9,471,230	11,014,242
Mortgage loans	1,750,230	1,750,064
Investment property	16,686	22,646
Liabilities for which fair value are disclosed		
Derivative		
Cross currency swap contracts	78,799	8,827
Forward exchange contracts	39,474	-

Financial assets at fair value	Separate financial statements	
	As of December 31, 2020	
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	8,061,451	8,061,451
Investments in securities		
Investment at fair value through profit or loss	14,040	14,040
Investment at fair value through other comprehensive income	117,235,651	117,235,651
Derivative		
Cross currency swap contracts	1,224,550	1,224,550
Forward exchange contracts	72,270	72,270
Forward contracts	7,463	7,463
Assets for which fair value are disclosed		
Investments in securities		
Investment at amortised cost	193,561,775	225,947,379
Loans and accrued interest receivables		
Policy loans	9,523,824	11,299,308
Mortgage loans	1,789,645	1,781,135
Investment property	15,621	36,506
Liabilities measured at fair value		
Derivative		
Cross currency swap contracts	2,033	2,033
Forward exchange contracts	73,940	73,940

NOTES TO THE FINANCIAL STATEMENTS

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Thousand Baht)

	Separate financial statements	
	As at December 31, 2019	
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	13,367,366	13,367,366
Investments in securities		
Held-for-trading investments	20,856	20,856
Available-for-sale investments	80,104,389	80,104,389
Assets for which fair value are disclosed		
Investments in securities		
Held-to-maturity investments	219,980,163	260,293,865
Derivative		
Cross currency swap contracts	927,867	1,598,446
Forward exchange contracts	70,254	145,718
Loans and accrued interest receivables		
Policy loans	9,471,230	11,014,242
Mortgage loans	1,750,230	1,750,064
Investment property	16,686	22,646
Liabilities for which fair value are disclosed		
Derivative		
Cross currency swap contracts	78,799	8,827
Forward exchange contracts	39,474	-

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- 1) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, their carrying amounts in the statement of financial position approximate their fair value.
- 2) For debts securities, their fair values are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- 3) For equity securities, their fair values are generally derived from quoted market prices.
- 4) For policy loans, their fair values are estimated by discounting expected future cash flow by the interest-free bonds.
- 5) For mortgage loans, their fair values are estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. Thus, carrying value presented in the financial statements is closely to fair value.
- 6) For derivatives, their fair values have been determined by using fair values obtained from its counterparties, who are banks.

44. CAPITAL MANAGEMENT

The primary objective of the Company's capital management are to ensure that it has an appropriate financial structure, to preserves the Company's ability to continue its business as a going concern and to maintain risk-based capital in accordance with Declarations of the OIC.

45. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2019, to conform to the classification used in current year's financial statements. Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follow:

(Unit : Thousand Baht)

Items	Previous presentation	Current presentation	Consolidated Financial Statements	Separate Financial Statements
Accrued interest receivables from loans	Accrued investment income	Loans and accrued interest receivables	995,614	995,614

46. EVENT AFTER THE REPORTING PERIOD

At the Company's Board of Directors' meeting held on February 24, 2021, the Board of Directors passed a resolution to approve a dividend payment of Baht 0.23 per share. However, the payment of dividend must be approved by the resolution of the Annual General Meeting of shareholders of the Company and the Office of Insurance Commission.

47. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on February 24, 2021.



บริษัท กรุงเทพประกันชีวิต จำกัด (มหาชน)
BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED

**STEP
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FUTURE**

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