

***BANGKOK LIFE ASSURANCE PUBLIC  
COMPANY LIMITED AND SUBSIDIARIES***

***Financial Statements***

***Year ended December 31, 2021***



บริษัท ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ  
สอบบัญชี จำกัด  
อาคาร เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27  
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## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### 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, 2021, 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, 2021, 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.



## 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.

Key Audit Matters	Key Audit Procedures
<p><b>Reserve for long-term insurance contracts</b></p> <p>As at December 31, 2021, the Group had reserves for long-term insurance contracts of Baht 287,772 million, representing 96.19% 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%.</p> <p>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.</p> <p>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 and measurement of the reserve for long-term insurance contracts which is affected by changes in actuarial model is in accordance with the Thai Financial Reporting Standards.</p> <p>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 4.15.1, 22.1 and 22.5.1 to the financial statements, respectively.</p>	<p>Our key audit procedures were as follows:</p> <ul style="list-style-type: none"> <li>• Understanding the reserve for long-term insurance contract process and related internal control procedures.</li> <li>• Performing the design and implementation of internal control procedures related to recognition of reserve for long-term insurance contracts.</li> <li>• Performing the substantive testing as follows:                             <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- Analyzing and reviewing the reserve for long-term insurance contracts movements.</li> <li>- Performing analytical procedures on financial information relating to reserve for long-term insurance contracts.</li> </ul> </li> </ul>

## **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 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.

*Nantawat Sumraunhant*

Nantawat Sumraunhant  
Certified Public Accountant (Thailand)  
Registration No.7731

**BANGKOK**  
February 25, 2022

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

(UNIT : THOUSAND BAHT)

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>ASSETS</b>					
Cash and cash equivalents	6	7,636,769	8,072,221	7,621,955	8,061,451
Premium receivables	7	1,647,622	1,786,021	1,647,622	1,786,021
Accrued investment income		1,599,447	1,647,384	1,599,447	1,647,384
Reinsurance assets	8, 22	693,336	616,807	693,336	616,807
Amount due from reinsurance	9	1,094,300	724,824	1,094,300	724,824
Derivative assets	10	190,377	1,304,283	190,377	1,304,283
Investment assets					
Investments in securities	11, 34, 35	318,939,305	310,811,466	318,939,305	310,811,466
Investments in subsidiaries	12	-	-	23,760	23,760
Loans and accrued interest receivables	14	12,129,089	11,313,578	12,129,089	11,313,578
Investment property	15	14,556	15,621	14,556	15,621
Investment assets of the insured	16	35,862	-	35,862	-
Premises and equipment	17	2,283,275	2,187,895	2,283,256	2,187,860
Goodwill	18	4,955	4,955	-	-
Intangible assets	19	43,208	27,460	43,203	27,450
Deferred tax assets	20	411,768	600,160	411,768	600,160
Other assets	21	418,961	665,595	407,537	654,832
<b>TOTAL ASSETS</b>		<b>347,142,830</b>	<b>339,778,270</b>	<b>347,135,373</b>	<b>339,775,497</b>

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS AT DECEMBER 31, 2021

(UNIT : THOUSAND BAHT)

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Insurance contract liabilities	22	295,479,972	291,328,579	295,479,972	291,328,579
Amount due to reinsurance	23	1,185,267	798,906	1,185,267	798,906
Derivative liabilities	10	846,697	75,973	846,697	75,973
Income tax payable		57,685	-	57,685	-
Employee benefit obligations	24	198,818	170,749	198,003	170,220
Other liabilities	25	1,408,249	1,305,674	1,402,861	1,301,443
<b>Total liabilities</b>		<b>299,176,688</b>	<b>293,679,881</b>	<b>299,170,485</b>	<b>293,675,121</b>
<b>Equity</b>					
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					
	26	170,800	170,800	170,800	170,800
General reserve					
		400,000	400,000	400,000	400,000
Unappropriated					
		33,951,235	31,157,822	33,950,241	31,160,035
Other component of owners' equity					
Revaluation surplus on investment at fair value					
through other comprehensive income					
- net of income taxes					
	11	8,275,803	9,092,423	8,275,803	9,092,423
Revaluation surplus on derivatives					
cash flow hedges - net of income taxes					
		99,485	208,559	99,485	208,559
Equity attributable to equity holders of					
the Company					
		47,965,882	46,098,163	47,964,888	46,100,376
Non-controlling interests of the subsidiary					
		260	226	-	-
<b>Total equity</b>		<b>47,966,142</b>	<b>46,098,389</b>	<b>47,964,888</b>	<b>46,100,376</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>347,142,830</b>	<b>339,778,270</b>	<b>347,135,373</b>	<b>339,775,497</b>

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



BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
1FOR THE YEAR ENDED DECEMBER 31, 2021

(UNIT : THOUSAND BAHT)

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Continuing operations</b>					
<b>Revenues</b>					
Gross written premium	27, 33	35,717,108	34,744,462	35,717,194	34,744,641
<u>Less</u> Premium ceded to reinsurers	27, 33	(1,630,434)	(1,318,974)	(1,630,434)	(1,318,974)
Net premium written		34,086,674	33,425,488	34,086,760	33,425,667
<u>Less</u> Unearned premium reserves increased form prior year	27	(94,322)	(29,344)	(94,322)	(29,344)
Net earned premium		33,992,352	33,396,144	33,992,438	33,396,323
Fee and commission income	27	671,283	431,928	671,283	431,928
Net investment income	33	12,083,782	12,231,089	12,083,782	12,231,089
Gain on investment	11	922,142	1,020,337	922,142	1,035,995
Gain on revaluation	31	379,009	129,663	379,009	129,663
Other income	33	120,023	127,891	103,084	111,100
<b>Total revenues</b>		<u>48,168,591</u>	<u>47,337,052</u>	<u>48,151,738</u>	<u>47,336,098</u>
<b>Expenses</b>					
Life policy reserves increased from prior year	27	5,364,283	4,918,780	5,364,283	4,918,780
Benefit payments under life policies and claims	27, 33	34,518,877	36,262,471	34,518,877	36,262,471
<u>Less</u> Benefit payments under life policies and claims refundable from reinsurance	27	(866,192)	(801,105)	(866,192)	(801,105)
Commissions and brokerages expenses	27, 33	2,717,502	2,765,077	2,708,319	2,756,164
Other underwriting expenses	27	551,366	557,597	551,276	557,597
Operating expenses	28	1,647,369	1,533,829	1,643,205	1,529,656
Expected credit loss and impairment loss	42	471,701	338,997	471,701	338,997
<b>Total expenses</b>		<u>44,404,906</u>	<u>45,575,646</u>	<u>44,391,469</u>	<u>45,562,560</u>
<b>Profits before income tax expense</b>		<u>3,763,685</u>	<u>1,761,406</u>	<u>3,760,269</u>	<u>1,773,538</u>
Income tax expense	20	(567,701)	(152,924)	(567,701)	(152,924)
<b>Profit from continuing operations</b>		<u>3,195,984</u>	<u>1,608,482</u>	<u>3,192,568</u>	<u>1,620,614</u>
<b>Discontinued operation</b>					
Loss from discontinued operation - net of income taxes	13	-	(345)	-	-
<b>Profit for the years</b>		<u>3,195,984</u>	<u>1,608,137</u>	<u>3,192,568</u>	<u>1,620,614</u>
<b>Profit for the years attributable to</b>					
Equity holders of the Company					
From continuing operations		3,195,950	1,608,448	3,192,568	1,620,614
From discontinued operation		-	(180)	-	-
		<u>3,195,950</u>	<u>1,608,268</u>		
Non-controlling interests of subsidiaries					
From continuing operations		34	35		
From discontinued operation		-	(166)		
		<u>34</u>	<u>(131)</u>		
		<u>3,195,984</u>	<u>1,608,137</u>		

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

(UNIT : THOUSAND BAHT)

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit for the years</b>		<u>3,195,984</u>	<u>1,608,137</u>	<u>3,192,568</u>	<u>1,620,614</u>
<b>Other comprehensive income</b>					
Other comprehensive income to reclassified to profit or loss in subsequent periods					
Gains (loss) on remeasuring investment at fair value through other comprehensive income	11, 32	(897,560)	1,008,033	(897,560)	1,008,033
Reversal of gains realised on the disposal of investment at fair value through other comprehensive income	11, 32	(82,084)	(555,462)	(82,084)	(555,462)
Loss on remeasuring cash flow hedge derivatives at fair value	32	(136,342)	(479,852)	(136,342)	(479,852)
Income taxes relating to other comprehensive income	20, 32	<u>190,292</u>	<u>32,089</u>	<u>190,292</u>	<u>32,089</u>
Other comprehensive income to reclassified to be profit or loss in subsequent periods					
- net of income taxes		<u>(925,694)</u>	<u>4,808</u>	<u>(925,694)</u>	<u>4,808</u>
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Actuarial gain (loss)	32	(12,937)	54,777	(12,762)	55,381
Income taxes relating to other comprehensive income	20,32	<u>2,552</u>	<u>(11,076)</u>	<u>2,552</u>	<u>(11,076)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
- net of income taxes		<u>(10,385)</u>	<u>43,701</u>	<u>(10,210)</u>	<u>44,305</u>
<b>Other comprehensive income (loss) for the years</b>					
- net of income taxes		<u>(936,079)</u>	<u>48,509</u>	<u>(935,904)</u>	<u>49,113</u>
<b>Total comprehensive income for the years</b>		<u><u>2,259,905</u></u>	<u><u>1,656,646</u></u>	<u><u>2,256,664</u></u>	<u><u>1,669,727</u></u>
<b>Total comprehensive income for the years attributable to</b>					
Equity holders of the Company		<u>2,259,871</u>	<u>1,656,777</u>	<u>2,256,664</u>	<u>1,669,727</u>
Non-controlling interests of subsidiaries		<u>34</u>	<u>(131)</u>		
		<u><u>2,259,905</u></u>	<u><u>1,656,646</u></u>		
<b>Earnings per share</b>	37				
Basic earnings (loss) per share					
From continuing operations		1.872	0.942		
From discontinued operation	13	<u>-</u>	<u>(0.001)</u>		
Basic earnings per share		<u><u>1.872</u></u>	<u><u>0.941</u></u>	<u>1.870</u>	<u>0.949</u>

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

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

(UNIT : THOUSAND BAHT)

		Consolidated financial statement									
		Equity attributable to equity holders of the Company									
		Other component of equity									
Issued and paid-up share capital	Premium on share capital	Retained earnings		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	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	Total		
		Statutory reserve	General reserve							Unappropriated	
Balance as at January 1, 2020	1,707,566	3,360,993	170,800	400,000	30,057,207	8,703,734	(4,781)	44,987,959	35,158	45,023,117	
Dividend paid	-	-	-	-	(546,573)	-	(546,573)	-	-	(546,573)	
Change in non-controlling interests from sale of investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	
Profits (losses) for the year	-	-	-	-	1,603,487	-	1,608,268	(131)	(34,801)	1,608,137	
Other comprehensive income (loss) for the year	-	-	-	-	-	-	4,781	-	-	4,781	
Gain on remeasuring of investment at fair value through other comprehensive income - net of income taxes	-	-	-	-	-	388,689	-	388,689	-	388,689	
Loss on remeasuring cash flow hedge derivatives at 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	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	9,092,423	4,781	46,098,163	226	46,098,389	

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

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**(UNIT : THOUSAND BAHT)**

	Consolidated financial statement											
	Equity attributable to equity holders of the Company										Total	
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Surplus on derivatives	Surplus on cash flow hedges	Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total		
			Appropriated	General reserve								Unappropriated
Note	Legal reserve	General reserve	Legal reserve	General reserve	Unappropriated	Surplus on derivatives	Surplus on cash flow hedges	Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	
<b>Balance as at January 1, 2021</b>	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		
Dividend paid	-	-	-	-	(392,152)	-	-	(392,152)	-	(392,152)	-	
Profit for the year	-	-	-	-	3,195,950	-	-	3,195,950	34	3,195,984	-	
Other comprehensive loss for the year	-	-	-	-	-	-	-	-	-	-	-	
Loss on remeasuring of investment at fair value through other comprehensive income - net of income taxes	-	-	-	-	-	-	(816,620)	(816,620)	-	(816,620)	-	
Loss on remeasuring cash flow hedge derivatives at fair value - net of income taxes	-	-	-	-	(109,074)	-	-	(109,074)	-	(109,074)	-	
Actuarial loss - net of income taxes	-	-	-	-	(10,385)	-	-	(10,385)	-	(10,385)	-	
<b>Total comprehensive income (loss) for the year</b>	-	-	-	-	3,185,565	(109,074)	(816,620)	2,259,871	34	2,259,905	-	
<b>Balance as at December 31, 2021</b>	1,707,566	3,360,993	170,800	400,000	33,951,235	99,485	8,275,803	47,965,882	260	47,966,142		

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See the condensed notes to the interim financial statements

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

(UNIT : THOUSAND BAHT)

	Separate financial statement									
	Issued and paid-up share capital	Premiums on share capital	Retained earnings			Unappropriated	Other component of equity			Total
			Statutory reserve	Appropriated	General reserve		Surplus on derivatives	Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes	Surplus on cash flow hedges - net of income taxes	
Balance as at January 1, 2020	1,707,566	3,360,993	170,800	400,000	30,041,689	592,440	8,703,734	44,977,222		
Dividend paid	-	-	-	-	(546,573)	-	-	(546,573)		
Profit for the year	-	-	-	-	1,620,614	-	-	1,620,614		
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	-		
Gain 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 at 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

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

(UNIT : THOUSAND BAHT)

	Separate financial statements										
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other component of equity			Total	
				Appropriated		Unappropriated	Surplus on derivatives		Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes		
				Legal reserve	General reserve		cash flow hedges	- net of income taxes	remeasuring investment at fair value through other comprehensive income - net of income taxes		- net of income taxes
<b>Balance as at January 1, 2021</b>		1,707,566	3,360,993	170,800	400,000	31,160,035	208,559	9,092,423	46,100,376		
Dividend paid	38	-	-	-	-	(392,152)	-	-	(392,152)		
Profit for the year		-	-	-	-	3,192,568	-	-	3,192,568		
Other comprehensive loss for the year		-	-	-	-	-	-	-	-		
Loss on remeasuring investment at fair value through other comprehensive income - net of income taxes		-	-	-	-	-	-	-	(816,620)		
Loss on remeasuring cash flow hedge derivatives at fair value - net of income taxes		-	-	-	-	-	-	-	(109,074)		
Actuarial loss - net of income taxes		-	-	-	-	(10,210)	-	-	(10,210)		
<b>Total comprehensive income (loss) for the year</b>		-	-	-	-	3,182,358	(109,074)	(816,620)	2,256,664		
<b>Balance as at December 31, 2021</b>		1,707,566	3,360,993	170,800	400,000	33,950,241	99,485	8,275,803	47,964,888		

See the condensed notes to the interim financial statements

## BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

(UNIT : THOUSAND BAHT)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
<b>Cash flows provided by operating activities</b>					
Gross premium		35,837,190	34,664,156	35,837,276	34,664,156
Cash payments from reinsurance		(652,754)	(1,288,593)	(652,754)	(1,288,593)
Interest income		10,524,858	10,336,710	10,524,858	10,335,732
Dividend income		1,551,578	1,826,325	1,551,578	1,826,325
Gain on investments		1,119,771	860,214	1,119,771	860,214
Other income		117,739	132,128	101,017	110,849
Benefit payments under life policies and loss					
incurred on direct insurance		(35,238,855)	(35,351,362)	(35,238,855)	(35,351,362)
Commissions and brokerages on direct insurance		(2,726,624)	(2,751,962)	(2,717,549)	(2,742,331)
Other underwriting expenses		(468,149)	(672,613)	(468,058)	(672,613)
Operating expenses		(1,509,274)	(1,336,481)	(1,505,831)	(1,322,769)
Corporate income taxes		21,725	(69,547)	21,725	(69,529)
Cash received - financial assets		17,102,982	31,497,106	17,102,982	31,497,106
Cash payments - financial assets		(25,493,541)	(41,837,586)	(25,493,541)	(41,804,937)
<b>Net cash provided by (used in) operating activities</b>		<u>186,646</u>	<u>(3,991,505)</u>	<u>182,619</u>	<u>(3,957,752)</u>
<b>Cash flows used in investing activities</b>					
Net cash flows for purchases and disposals of					
premises and equipment		(229,946)	(860,836)	(229,963)	(860,791)
Cash received from sale of a subsidiary		-	59,201	-	59,201
<b>Net cash used in investing activities</b>		<u>(229,946)</u>	<u>(801,635)</u>	<u>(229,963)</u>	<u>(801,590)</u>
<b>Cash flows used in financing activities</b>					
Dividend paid		(392,152)	(546,573)	(392,152)	(546,573)
<b>Net cash used in financing activities</b>		<u>(392,152)</u>	<u>(546,573)</u>	<u>(392,152)</u>	<u>(546,573)</u>
Non-controlling interests of subsidiary		-	(34,931)	-	-
Exchange differences on translation of					
financial statements in foreign currency		-	4,982	-	-
<b>Net decrease in cash and cash equivalents</b>		<u>(435,452)</u>	<u>(5,369,662)</u>	<u>(439,496)</u>	<u>(5,305,915)</u>
Cash and cash equivalents at beginning of years		8,072,221	13,441,883	8,061,451	13,367,366
<b>Cash and cash equivalents at the end of years</b>	6	<u>7,636,769</u>	<u>8,072,221</u>	<u>7,621,955</u>	<u>8,061,451</u>

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

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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 located at No. 1415, Krungthep - Nonthaburi Road, Wongsawang, Bangsue District, Bangkok 10800.

**CORONAVIRUS DISEASE 2019 PANDEMIC**

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

**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, 2021 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 4).



- 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,	
			2021	2020
			%	%
BLA Insurance Broker Company Limited	Insurance broker	Thailand	99	99

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 Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. 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, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate benchmark reform. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

The Amendment to Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”) added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, and Thai Financial Reporting Standards No. 9 “Financial Instruments”, which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of Thai Financial Reporting Standards No. 7.

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 amended to be in accordance with the Phase 2 of the interest rate benchmark reform amendments to Thai Financial Reporting Standards No. 4 “Insurance Contracts”, Thai Financial Reporting Standards No. 7 “Financial Instruments: Disclosures”, Thai Financial Reporting Standards No. 9 “Financial Instruments” and Thai Financial Reporting Standards No. 16 “Leases”, which has been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 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%.

## 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 inforce 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 on 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

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.

##### Hedge accounting

The Group designates certain derivatives as follows:

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

The Group and the Company measure 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 immediately 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 interest 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

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

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 Investment assets of the insured

Investment assets of the insured is invested assets held for policies issued that policy holders take risks of changes in value of those assets such as unit linked products. Investment assets of the insured is initially recorded at cost and subsequently measured at fair value.

#### 4.11 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.

#### 4.12 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.

#### 4.13 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.

#### 4.14 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.

#### 4.15 Insurance contract liabilities

##### 4.15.1 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% 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 using 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.

#### 4.15.2 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.

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).

#### 4.15.3 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 compare 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.

#### 4.15.4 Unpaid policy benefits

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

#### 4.15.5 Other insurance liabilities

Other insurance liabilities represent premiums received in advance, carrying amount of unit linked products and other payable to policyholders other than policy benefit specified in policies.

### 4.16 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 Group and the Company 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.

#### 4.17 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.

#### 4.18 Long-term leases

The Group and the Company assesses whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, The Group and the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

#### 4.19 Foreign currencies

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

#### 4.20 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.

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.

#### 4.21 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.

#### 4.22 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 have 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.



## 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, 2021 and 2020, the Group and the Company have cash and cash equivalent as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash on hand	3,480	5,978	3,479	5,977
Deposits at banks with no fixed maturity date	2,281,948	4,340,655	2,267,135	4,329,886
Short-term investments in promissory notes	5,351,341	3,725,588	5,351,341	3,725,588
Cash and cash equivalents	<u>7,636,769</u>	<u>8,072,221</u>	<u>7,621,955</u>	<u>8,061,451</u>

As at December 31, 2021, interest rates on saving accounts and promissory notes are in the range of 0.13 % - 0.50% per annum (as at December 31, 2020: 0.13% - 0.63% per annum).

## 7. PREMIUM RECEIVABLES

As at December 31, 2021 and 2020, 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, 2021	December 31, 2020
Not yet due	1,585,647	1,715,483
Not over 30 days	40,261	47,118
Over 30 days to 60 days	3,145	18,669
Over 60 days to 90 days	16,140	3,175
Over 90 days	2,429	1,576
Total premium receivables	<u>1,647,622</u>	<u>1,786,021</u>

For premium receivables due from agents and brokers, the Group and the Company have determined criteria in collections from those debtors. For overdue premium receivables, the Group and the Company have 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, 2021 and 2020, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Reserves recordable from reinsurances		
Claim reserves	207,240	141,559
Unearned premium reserves	486,096	475,248
Total reinsurance assets	<u>693,336</u>	<u>616,807</u>

## 9. AMOUNT DUE FROM REINSURANCE

As at December 31, 2021 and 2020, amount due from reinsurance receivables consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Amounts due from reinsurers	1,094,300	724,824
Total amounts due from reinsurance	<u>1,094,300</u>	<u>724,824</u>

As at December 31, 2021 and 2020, the outstanding balances of amounts due from reinsurance, classified by overdue period, are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not yet due	1,094,300	724,824
Total amounts due from reinsurance	<u>1,094,300</u>	<u>724,824</u>

## 10. DERIVATIVE ASSETS AND LIABILITIES

As at December 31, 2021 and 2020 derivatives classified by objective are as follows:

Contract type and objective	Number of contracts	Notional amount (Thousand Units)	December 31, 2021		For the year ended
			Fair value		December 31, 2021
			Assets (Thousand Baht)	Liabilities (Thousand Baht)	Fair value gains on derivatives (Thousand Baht)
Derivatives - not apply hedge accounting					
Hedge of net investment in foreign currencies	143	863,737	18,454	105,943	2,045
Derivatives - apply hedge accounting					
Cash flow hedge	98	484,170	171,923	740,754	124,356
Total derivative assets and liabilities			190,377	846,697	
Contract type and objective	Number of contracts	Notional amount (Thousand Units)	December 31, 2020		For the year ended
			Fair value		December 31, 2020
			Assets (Thousand Baht)	Liabilities (Thousand Baht)	Fair value gain (loss) 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	

As at December 31, 2021 and 2020, derivatives assets and liabilities consisted of the following:

	<b>Consolidated and separate financial statements</b>		
	<b>December 31, 2021</b>		
	<b>Notional amount (Thousand Unit)</b>	<b>Fair value amount</b>	
		<b>Assets (Thousand Baht)</b>	<b>Liabilities (Thousand Baht)</b>
Cross currency swap contracts			
US dollar	474,170	157,005	740,754
Euro	10,000	14,918	-
Forward exchange contracts			
Yen	639,375	2,491	981
US dollar	118,510	2,725	50,821
Singapore dollar	70,906	-	44,117
Euro	34,946	13,238	10,024
<b>Total derivatives</b>	<b>1,347,907</b>	<b>190,377</b>	<b>846,697</b>

	<b>Consolidated and separate financial statements</b>		
	<b>December 31, 2020</b>		
	<b>Notional amount (Thousand Unit)</b>	<b>Contract value amount</b>	
		<b>Assets (Thousand Baht)</b>	<b>Liabilities (Thousand Baht)</b>
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
<b>Total derivatives</b>	<b>1,212,878</b>	<b>1,304,283</b>	<b>75,973</b>

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

## 11. INVESTMENTS IN SECURITIES

### 11.1 Investments in securities

As at December 31, 2021 and 2020, investment in securities consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	December 31, 2021		December 31, 2020	
	Cost	Fair value	Cost	Fair value
<b>Investment at fair value through profit or loss</b>				
Equity securities	52,534	39,104	28,840	14,040
Total	52,534	39,104	28,840	14,040
<u>Less</u> Unrealised losses	(13,430)	-	(14,800)	-
Total investment at fair value through profit or loss	39,104	39,104	14,040	14,040
<b>Investment at fair value through other comprehensive income</b>				
Government and state enterprise securities	31,213,988	35,039,048	33,307,784	39,467,580
Private enterprises debt securities	30,171,679	31,915,447	32,158,664	34,267,661
Equity securities	31,585,986	33,159,576	31,702,644	32,685,117
Foreign debt securities	11,615,633	14,443,807	9,892,455	10,765,742
Foreign equity securities	335,972	209,711	176,080	49,551
Total	104,923,258	114,767,589	107,237,627	117,235,651
<u>Add</u> Unrealised gains	9,844,331	-	9,998,024	-
Total investment at fair value through other comprehensive income	114,767,589	114,767,589	117,235,651	117,235,651
		<b>Amortised cost</b>		<b>Amortised cost</b>
<b>Investment at amortised cost</b>				
Government and state enterprise securities		132,045,615		127,624,927
Private enterprises debt securities		67,507,068		60,622,139
Foreign debt securities		4,849,281		5,592,270
Total		204,401,964		193,839,336
<u>Less</u> Allowance for expected credit loss		(269,352)		(277,561)
Total investment at amortised cost		204,132,612		193,561,775
Total investments in securities		318,939,305		310,811,466

As at December 31, 2021, the Company has allowance for impairment loss and allowance for expected credit loss for investment in securities of Baht 515 million and Baht 320 million, respectively.

As at December 31, 2020, the Company has allowance for impairment loss and allowance for expected credit loss for investment in securities of Baht 129 million and Baht 314 million, respectively.

## 11.2 Allowance for expected credit loss

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	December 31, 2021		December 31, 2020	
	Fair value	Allowance for expected credit loss through other comprehensive income	Fair value	Allowance for expected credit loss through other comprehensive income
<b>Investment at fair value through other comprehensive income</b>				
Debt securities with not significantly increased in credit risk (Stage 1)	66,862,295	(50,476)	73,693,901	(34,276)
Debt securities with significantly increased in credit risk (Stage 2)	-	-	100,284	(1,637)
<b>Total</b>	<b>66,862,295</b>	<b>(50,476)</b>	<b>73,794,185</b>	<b>(35,913)</b>

(Unit : Thousand Baht)

	Consolidated and separate financial statements		
	December 31, 2021		
	Gross amount	Allowance for expected credit loss	Net Amount
<b>Investment at amortised cost</b>			
Debt securities with not significantly increased in credit risk (Stage 1)	204,077,079	(102,816)	203,974,263
Debt securities credit-impaired (Stage 3)	324,885	(166,536)	158,349
<b>Total</b>	<b>204,401,964</b>	<b>(269,352)</b>	<b>204,132,612</b>

(Unit : Thousand Baht)

	Consolidated and separate financial statements		
	December 31, 2020		
	Gross amount	Allowance for expected credit loss	Net Amount
<b>Investment at amortised cost</b>			
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
<b>Total</b>	<b>193,839,336</b>	<b>(277,561)</b>	<b>193,561,775</b>

11.3 Remaining periods to maturity of debt securities

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2021				
Period to maturity				
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Investment at fair value through other comprehensive income</b>				
Government and state enterprise securities	1,263,289	6,918,738	21,767,635	29,949,662
Private enterprises debt securities	2,137,137	21,562,387	6,472,155	30,171,679
Foreign debt securities	9,637,755	1,977,878	-	11,615,633
<u>Add</u> Unrealised gains	2,865,965	1,924,258	3,559,937	8,350,160
<b>Total investment at fair value through other comprehensive income</b>	<u>15,904,146</u>	<u>32,383,261</u>	<u>31,799,727</u>	<u>80,087,134</u>
<b>Investment at amortised cost</b>				
Government and state enterprise securities	2,610,413	10,544,708	118,890,494	132,045,615
Private enterprises debt securities	8,783,752	23,737,927	34,985,389	67,507,068
Foreign debt securities	-	2,935,444	1,913,837	4,849,281
<u>Less</u> Allowance for expected credit loss	(8,631)	(43,251)	(217,470)	(269,352)
<b>Total investment at amortised cost</b>	<u>11,385,534</u>	<u>37,174,828</u>	<u>155,572,250</u>	<u>204,132,612</u>

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2020				
Period to maturity				
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Investment at fair value through other comprehensive income</b>				
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
<u>Add</u> Unrealised gains	1,075,215	1,922,791	6,182,177	9,180,183
<b>Total investment at fair value through other comprehensive income</b>	<u>18,130,238</u>	<u>25,550,644</u>	<u>39,501,572</u>	<u>83,182,454</u>
<b>Investment at amortised cost</b>				
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
<u>Less</u> Allowance for expected credit loss	(207,173)	(44,140)	(26,248)	(277,561)
<b>Total investment at amortised cost</b>	<u>6,183,728</u>	<u>44,649,274</u>	<u>142,728,773</u>	<u>193,561,775</u>

#### 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:

- (a) As at December 31, 2021 and 2020, the Company has investments of Baht 928 million and Baht 1,476 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 - 5 years and 1 - 6 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.
- (b) As at December 31, 2021 and 2020, the Company has investments of Baht 1,641 million and Baht 1,475 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity periods of 4 - 5 years and 5 - 6 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, 2021 and 2020, the Group and the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 66,247 million and Baht 61,509 million, respectively, with the Registrar as securities and reserves as described in Notes 34 and 35.

#### 11.6 Gains on investments

Gains on investments for the years ended December 31, 2021 and 2020 consisted of the following:

	(Unit : Thousand Baht)	
	<b>Consolidated financial statements</b>	
	<b>For the years ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Gains on sales of investment at fair value through profit or loss	6,440	3,126
Gains on sales of investment at fair value through other comprehensive income	915,702	1,049,130
Loss on sales of a subsidiary	-	(31,919)
<b>Total gains on investments</b>	<b>922,142</b>	<b>1,020,337</b>

	(Unit : Thousand Baht)	
	<b>Separate financial statements</b>	
	<b>For the years ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Gains on sales of investment at fair value through profit or loss	6,440	3,126
Gains on sales of investment at fair value through other comprehensive income	915,702	1,049,130
Loss on sales of a subsidiary	-	(16,261)
<b>Total gains on investments</b>	<b>922,142</b>	<b>1,035,995</b>



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, 2021 and 2020 consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended December 31,	
	2021	2020
Revaluation surplus on investment at fair value through other comprehensive income - beginning of the years	11,324,397	10,871,826
Gains (loss) on revaluation of investment at fair value through other comprehensive income	(897,560)	1,008,033
Gains on sales of investment at fair value through other comprehensive income during the years transferred to be recognised in profit or loss	(82,084)	(555,462)
Revaluation surplus on investment at fair value through other comprehensive income - end of the years	10,344,753	11,324,397
<u>Less</u> Income taxes	(2,068,950)	(2,231,974)
Revaluation surplus on investment at fair value through other comprehensive income - net of taxes	8,275,803	9,092,423

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, 2021		December 31, 2020	
	Fair value - end of the year	Change in fair value during the year	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	284,590,729	(12,199,588)	296,790,317	9,425,750
Cash flows that are not solely payments of principal and interest on the principal amount outstanding	15,793,994	3,454,479	12,339,515	(1,011,287)

## 12. INVESTMENTS IN SUBSIDIARIES

As at December 31, 2021 and 2020, 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
			BLA Insurance Broker Company Limited	Insurance broker	Thailand	24,000	24,000	99
Total investments in subsidiaries							23,760	23,760

### 13. DISCONTINUED OPERATION

On December 9, 2020, the Company sold investment in Bangkok Life Assurance (Cambodia) Public Limited Company which was a subsidiary of the Company. Thus, the Company lost control over the subsidiary. The Company has not recognized the financial position and operating results of the subsidiary in the consolidated financial statements since the date that the Company lost the control. The Company has presented the operating results of the subsidiary for the period before losing control as loss from discontinued operation in the consolidated financial statements

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

	<b>(Unit : Thousand Baht)</b>
	<b>Consolidated</b>
	<b>financial statements</b>
	<b>For the period from</b>
	<b>January 1 to</b>
	<b>December 9, 2020</b>
<b>Discontinued operation</b>	
Revenue	977
Expenses	(1,304)
<b>Loss before income tax expense</b>	<b>(327)</b>
Income tax expense	(18)
<b>Loss for the years from discontinued operation, net of income tax</b>	<b>(345)</b>
<b>Losses per share*</b>	
Basic losses per share (Baht)	(0.001)

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

### 14. LOANS AND ACCRUED INTEREST RECEIVABLES

As at December 31, 2021 and 2020, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

	<b>(Unit : Thousand Baht)</b>			
	<b>Consolidated and separate financial statements</b>			
	<b>December 31, 2021</b>			
	<b>Loans and accrued interest income</b>			
<b>Overdue periods</b>	<b>Policy loans</b>	<b>Mortgage loans</b>	<b>Other loans</b>	<b>Total</b>
Not yet due	9,652,703	2,388,129	-	12,040,832
Overdue:				
Less than 3 months	-	21,275	-	21,275
3 - 6 months	-	1,840	-	1,840
6 - 12 months	-	34,785	-	34,785
Over 12 months	-	102,236	55	102,291
<b>Total</b>	<b>9,652,703</b>	<b>2,548,265</b>	<b>55</b>	<b>12,201,023</b>
<b>Less Allowance for expected credit loss</b>	<b>-</b>	<b>(71,934)</b>	<b>-</b>	<b>(71,934)</b>
<b>Loans and accrued interest receivables - net</b>	<b>9,652,703</b>	<b>2,476,331</b>	<b>55</b>	<b>12,129,089</b>

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2020				
Loans and accrued interest income				
Overdue periods	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

(Unit : Thousand Baht)

Consolidated and separate financial statements			
December 31, 2021			
Loans and accrued interest income			
Stages	Mortgage loans	Other loans	Total
Loans with not significantly increased in credit risk (Stage 1)	2,409,404	-	2,409,404
Loans with significantly increased in credit risk (Stage 2)	36,625	-	36,625
Loans with credit impaired (Stage 3)	102,236	55	102,291
Total	2,548,265	55	2,548,320
<u>Less</u> Allowance for expected credit loss	(71,934)	-	(71,934)
Total	2,476,331	55	2,476,386

(Unit : Thousand Baht)

Consolidated and separate financial statements			
December 31, 2020			
Loans and accrued interest income			
Stages	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
<u>Less</u> 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 4% - 8% 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% per annum. As at December 31, 2021 and 2020, loans to employees amounted to Baht 0.01 million and Baht 0.10 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% - 6% per annum. As at December 31, 2021 and 2020, loans to employees under the mortgage loans amounted to Baht 9 million and Baht 12 million, respectively.

**15. INVESTMENT PROPERTY**

The net carrying value of investment property as at December 31, 2021 and 2020 are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Office building for rent		
Cost	21,303	21,303
<u>Less</u> Accumulated depreciation	<u>(6,747)</u>	<u>(5,682)</u>
Net carrying value	<u>14,556</u>	<u>15,621</u>

A reconciliation of the net carrying value of investment property for the years ended December 31, 2021 and 2020 is presented below:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Net carrying value - beginning of the years	15,621	16,686
Depreciation for the years	<u>(1,065)</u>	<u>(1,065)</u>
Net carrying value - ending of the years	<u>14,556</u>	<u>15,621</u>

The fair value of the investment property as at December 31, 2021 and 2020 are stated below:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Office building for rent	<u>35,987</u>	<u>36,506</u>

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, 2021 and 2020, the Group and the Company have revenue from rental of investment property amounted to Baht 0.60 million and Baht 0.90 million, respectively.

## 16. INVESTMENT ASSETS OF THE INSURED

Fair value of investment assets of the insured as at as at December 31, 2021 and 2020 are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2021	December 31, 2020
Investment in debt securities	34,885	-
Investment in equity securities	977	-
<b>Total</b>	<b>35,862</b>	<b>-</b>

## 17. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the years ended December 31, 2021 and 2020 are as follows:

	(Unit : Thousand Baht)						
	Consolidated financial statements						
	Land	Buildings and buildings improvements and leasehold building	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
<b>Cost:</b>							
January 1, 2020	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	-	(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
Additions	-	5	-	55,149	4,396	172,618	232,168
Disposals/Write-off	-	-	-	(46,053)	(7,575)	(35)	(53,663)
Transfer in (out)	-	58,954	-	113,516	-	(172,470)	-
December 31, 2021	791,346	1,386,742	36,633	957,080	46,683	1,837	3,220,321
<b>Accumulated depreciation:</b>							
January 1, 2020	-	412,662	29,614	581,357	26,193	-	1,049,826
Depreciation on disposals	-	(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
Depreciation on disposals	-	-	-	(45,949)	(7,575)	-	(53,524)
Depreciation for the year	-	38,864	1,828	89,310	6,647	-	136,649
December 31, 2021	-	291,652	33,274	580,533	31,587	-	937,046
<b>Net carrying value:</b>							
December 31, 2020	791,346	1,074,995	5,187	297,296	17,347	1,724	2,187,895
December 31, 2021	791,346	1,095,090	3,359	376,547	15,096	1,837	2,283,275
<b>Depreciation for the years ended December 31,</b>							
2020						Thousand Baht	98,688
2021						Thousand Baht	136,649

(Unit : Thousand Baht)

Separate financial statements							
	Land	Buildings and buildings improvements and leasehold building	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
<b>Cost:</b>							
January 1, 2020	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
Additions	-	5	-	55,149	4,396	172,618	232,168
Disposals	-	-	-	(46,053)	(7,575)	(35)	(53,663)
Transfer in (out)	-	58,954	-	113,516	-	(172,470)	-
December 31, 2021	791,346	1,386,644	36,633	956,686	46,683	1,837	3,219,829
<b>Accumulated depreciation:</b>							
January 1, 2020	-	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
Depreciation on disposals	-	-	-	(45,949)	(7,575)	-	(53,524)
Depreciation for the year	-	38,864	1,828	89,294	6,647	-	136,633
December 31, 2021	-	291,551	33,276	580,158	31,588	-	936,573
<b>Net carrying value:</b>							
December 31, 2020	791,346	1,074,998	5,185	297,261	17,346	1,724	2,187,860
December 31, 2021	791,346	1,095,093	3,357	376,528	15,095	1,837	2,283,256
<b>Depreciation for the years ended December 31,</b>							
2020						Thousand Baht	98,655
2021							136,633

As at December 31, 2021 and 2020, 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 551 million and Baht 571 million, respectively (the separate financial statements: Baht 551 million and Baht 571 million, respectively).

As at December 31, 2021 and 2020, 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, 2021	December 31, 2020
Land	2,480	2,480
Building	5,437	5,437
Building improvement	16,168	16,168
Office equipment	8,049	12,859
Computer	371	806
Office furniture, fixture and equipment	6,557	6,557
Total	39,062	44,307

## 18. 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, 2021 and 2020, the consolidated financial statements have goodwill amounted to Baht 5 million and Baht 5 million, respectively.

## 19. INTANGIBLE ASSETS

Movement of intangible assets as at December 31, 2021 and 2020 are as follows:

	(Unit : Thousand Baht)		
	Consolidated financial statements		
	Computer software	Computer Software under development	Total
<b>Cost:</b>			
January 1, 2020	114,952	1,787	116,739
Increase	20,086	8,219	28,305
December 31, 2020	135,038	10,006	145,044
Increase	27,562	848	28,410
Adjustment	-	(1,873)	(1,873)
December 31, 2021	162,600	8,981	171,581
<b>Accumulated amortisation:</b>			
January 1, 2020	112,807	-	112,807
Amortisation for the year	4,777	-	4,777
December 31, 2020	117,584	-	117,584
Amortisation for the year	10,789	-	10,789
December 31, 2021	128,373	-	128,373
<b>Net carrying value:</b>			
December 31, 2020	17,454	10,006	27,460
December 31, 2021	34,227	8,981	43,208
<b>Amortisation for the years ended December 31,</b>			
2020		Thousand Baht	4,777
2021		Thousand Baht	10,789

(Unit : Thousand Baht)

	Separate financial statements		
	Computer software	Computer Software under development	Total
<b>Cost:</b>			
January 1, 2020	114,871	1,787	116,658
Increase	20,076	8,219	28,295
December 31, 2020	134,947	10,006	144,953
Increase	27,562	848	28,410
Adjustment	-	(1,873)	(1,873)
December 31, 2021	162,509	8,981	171,490
<b>Accumulated amortisation:</b>			
January 1, 2020	112,726	-	112,726
Amortisation for the year	4,777	-	4,777
December 31, 2020	117,503	-	117,503
Amortisation for the year	10,784	-	10,784
December 31, 2021	128,287	-	128,287
<b>Net carrying value</b>			
December 31, 2020	17,444	10,006	27,450
December 31, 2021	34,222	8,981	43,203
<b>Amortisation for the years ended December 31,</b>			
2020		<b>Thousand Baht</b>	4,777
2021		<b>Thousand Baht</b>	10,784

As at December 31, 2021 and 2020, 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 103 million and Baht 101 million, respectively.



## 20. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSES

### 20.1 Deferred tax assets/liabilities

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

	(Unit : Thousand Baht)					
	Consolidated and separate financial statements					
			Change in deferred tax assets/liabilities reported in profit or loss for the years ended		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the years ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Deferred tax assets</b>						
Reserves for long-term insurance contracts	1,881,093	2,123,450	(242,357)	(298,473)	-	-
Claim reserves and outstanding claims	19,702	14,648	5,054	(1,929)	-	-
Provisions for long-term employee benefits	39,600	34,044	3,004	4,101	2,552	(11,076)
Allowance for expected credit loss and impairment loss	196,338	102,155	94,183	67,799	-	-
Others	-	113,953	(113,953)	103,417	-	-
<b>Total deferred tax assets</b>	<u>2,136,733</u>	<u>2,388,250</u>	<u>(254,069)</u>	<u>(125,085)</u>	<u>2,552</u>	<u>(11,076)</u>
<b>Deferred tax liabilities</b>						
Investment at fair value through other comprehensive income	1,699,685	1,743,201	119,509	63,919	(163,025)	63,882
Cash flow hedge	25,280	44,889	7,658	(30,238)	(27,267)	(95,971)
<b>Total deferred tax liabilities</b>	<u>1,724,965</u>	<u>1,788,090</u>	<u>127,167</u>	<u>33,681</u>	<u>(190,292)</u>	<u>(32,089)</u>
<b>Deferred tax assets/liabilities - net</b>	<u>411,768</u>	<u>600,160</u>	<u>(381,236)</u>	<u>(158,766)</u>	<u>192,844</u>	<u>21,013</u>

### 20.2 Income tax expenses

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

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended December 31,	
	2021	2020
<b>Current income tax:</b>		
Corporate income tax charge	186,465	-
Adjustment in respect of income tax of previous year	-	(5,842)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	381,236	158,766
Income tax expenses reported in profits or losses	<u>567,701</u>	<u>152,924</u>

Reconciliation between accounting profits and income tax expense for the years ended December 31, 2021 and 2020 are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2021	2020	2021	2020
Accounting profit before income tax expenses	3,763,685	1,761,406	3,760,269	1,773,538
Corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	752,054	354,708	752,054	354,708
Adjustment in respect of income tax of previous year	-	(5,842)	-	(5,842)
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(184,353)	(195,942)	(184,353)	(195,942)
Income tax expenses recognised in profits or losses	567,701	152,924	567,701	152,924

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

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended December 31,	
	2021	2020
Income taxes relating to:		
Gains (loss) on revaluation of investment at fair value through other comprehensive income	146,607	(174,974)
Gains on sales of investment at fair value through other comprehensive income transferred to be recognised in profit or loss	16,417	111,092
Gains on remeasuring cash flow hedge derivatives fair value	27,268	95,971
Actuarial (gain) loss	2,552	(11,076)
Income taxes expenses as reported in statements of comprehensive income	192,844	21,013

## 21. OTHER ASSETS

As at December 31, 2021 and 2020, other assets consisted of the following:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	December 31,		financial statements	
	2021	2020	2021	2020
Prepaid income tax	174,823	275,740	174,823	275,740
Deposits	67,766	44,967	67,766	44,967
Receivable from sales of investments	203	197,830	203	197,830
Prepaid expenses	38,864	14,270	38,864	14,270
Others	137,305	132,788	125,881	122,025
Total other assets	418,961	665,595	407,537	654,832

## 22. INSURANCE CONTRACT LIABILITIES

As at December 31, 2021 and 2020, insurance contract liabilities consisted of the following:

	(Unit : Thousand Baht)					
	Consolidated and separate financial statements					
	December 31, 2021			December 31, 2020		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	287,771,587	-	287,771,587	282,407,305	-	282,407,305
Claim reserves						
Reserves for reported claims	279,446	(207,240)	72,206	189,309	(141,559)	47,750
Reserves for claims incurred but not yet reported	98,512	-	98,512	73,242	-	73,242
Premium reserves						
Unearned premium reserves	1,588,010	(486,096)	1,101,914	1,482,840	(475,248)	1,007,592
Unpaid policy benefits	347,815	-	347,815	236,895	-	236,895
Other insurance liabilities	5,394,602	-	5,394,602	6,938,988	-	6,938,988
Total insurance contract liabilities	295,479,972	(693,336)	294,786,636	291,328,579	(616,807)	290,711,772

During the years 2021 and 2020, the Group and the Company management have 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, 2020 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.

22.1 Reserves for long-term insurance contracts

As at December 31, 2021 and 2020, reserves for long-term insurance contracts consisted of the following:

	<b>Consolidated</b>		<b>(Unit : Thousand Baht)</b>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>For the years ended</b>		<b>financial statements</b>	
	<b>December 31,</b>		<b>For the years ended</b>	
	<b>2021</b>	<b>2020</b>	<b>December 31,</b>	<b>2020</b>
Balances - beginning of the year	282,407,305	277,488,536	282,407,305	277,488,525
Reserved increased for new businesses and inforce policies	30,004,656	32,614,960	30,004,656	32,614,971
Reserve decreased for death, maturities, benefits, claims, lapses and surrender, etc.	(24,640,374)	(27,696,191)	(24,640,374)	(27,696,191)
Balances - end of the year	<u>287,771,587</u>	<u>282,407,305</u>	<u>287,771,587</u>	<u>282,407,305</u>

22.2 Claim reserves

As at December 31, 2021 and 2020, claim reserves consisted of the following:

	<b>(Unit : Thousand Baht)</b>	
	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	<b>For the years ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Balances - beginning of the year	262,551	234,462
Claims incurred in the current year	2,477,891	2,179,313
Claims paid during the year	(2,362,484)	(2,151,224)
Balances - end of the year	<u>377,958</u>	<u>262,551</u>

22.3 Unearned premium reserves

As at December 31, 2021 and 2020, unearned premium reserves consisted of the following:

	<b>(Unit : Thousand Baht)</b>	
	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	<b>For the years ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Balances - beginning of the year	1,482,840	1,451,634
Premium written for the year	4,213,165	4,086,611
Premium earned for the year	(4,107,995)	(4,055,405)
Balances - end of the year	<u>1,588,010</u>	<u>1,482,840</u>

## 22.4 Claims development table

### 22.4.1 Claims development table - gross of reinsurance

As at December 31, 2021

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2016	2016	2017	2018	2019	2020	2021	
Estimate of Claims incurred:								
- At end of accident year	1,662,384	1,786,229	1,787,570	2,072,358	2,118,688	2,015,945	2,220,699	-
- One year later	1,737,766	1,853,351	1,870,902	2,138,994	2,189,974	2,116,192	-	-
- Two year later	1,738,526	1,857,916	1,872,483	2,140,221	2,193,864	-	-	-
- Three year later	1,738,526	1,857,916	1,872,483	2,140,221	-	-	-	-
- Four year later	1,738,526	1,857,916	1,872,483	-	-	-	-	-
- Five year later	1,738,526	1,857,916	-	-	-	-	-	-
Estimate of cumulative claims incurred	1,738,526	1,857,916	1,872,483	2,140,221	2,193,864	2,118,003	2,317,400	14,238,413
Cumulative payments to date	(1,735,835)	(1,857,196)	(1,872,437)	(2,140,032)	(2,192,353)	(2,114,881)	(1,947,721)	(13,860,455)
Total claims provision								
- gross of reinsurance	2,691	720	46	189	1,511	3,122	369,679	377,958

As at December 31, 2020

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2015	2015	2016	2017	2018	2020	2021	
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

### 22.4.2 Claims development table - net of reinsurance

As at December 31, 2021

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2016	2016	2017	2018	2019	2020	2021	
Estimate of Claims incurred:								
- At end of accident year	1,662,384	1,786,229	1,787,570	2,072,358	2,118,688	2,015,945	2,220,699	-
- One year later	1,737,766	1,853,351	1,870,902	2,138,994	2,189,974	2,116,192	-	-
- Two year later	1,738,526	1,857,916	1,872,483	2,140,221	2,193,864	-	-	-
- Three year later	1,738,526	1,857,916	1,872,483	2,140,221	-	-	-	-
- Four year later	1,738,526	1,857,916	1,872,483	-	-	-	-	-
- Five year later	1,738,526	1,857,916	-	-	-	-	-	-
Estimate of cumulative claims incurred	1,738,526	1,857,916	1,872,483	2,140,221	2,193,864	2,118,003	2,317,400	14,238,413
Cumulative payments to date	(1,735,935)	(1,857,196)	(1,872,437)	(2,141,934)	(2,195,481)	(2,133,870)	(2,130,842)	(14,067,695)
Total claims provision - gross of reinsurance	2,591	720	46	(1,713)	(1,617)	(15,867)	186,558	170,718

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

## 22.5 Key assumptions

### 22.5.1 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.

### 22.5.2 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.

22.6 Unpaid policy benefits

As at December 31, 2021 and 2020, unpaid policy benefits consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2021	December 31, 2020
Death benefit	93,174	66,820
Maturity payment	217,164	139,688
Benefit payment	36,341	29,105
Surrender	1,136	1,282
Total unpaid policy benefits	<u>347,815</u>	<u>236,895</u>

22.7 Other insurance liabilities

As at December 31, 2021 and 2020, other insurance liabilities consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2021	December 31, 2020
Deposit from insurance contracts	5,119,918	6,613,326
Premiums received in advance	157,840	240,624
Payable to policyholders on exempted premiums	80,740	85,038
Carrying amount of unit linked products	36,104	-
Total other insurance liabilities	<u>5,394,602</u>	<u>6,938,988</u>

23. AMOUNT DUE TO REINSURANCE

As at December 31, 2021 and 2020, amount due to reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2021	December 31, 2020
Amount due to reinsurances	1,185,267	798,906
Total amount due to reinsurance	<u>1,185,267</u>	<u>798,906</u>

## 24. EMPLOYEE BENEFIT OBLIGATIONS

As at December 31, 2021 and 2020, employee benefit obligations consisted of the following:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Post-employment benefit obligations for severance pay (see Note 24.1)	171,422	145,012	170,673	144,530
Other employment benefit obligation for long service awards (see Note 24.2)	27,396	25,737	27,330	25,690
<b>Total employee benefit obligations</b>	<b>198,818</b>	<b>170,749</b>	<b>198,003</b>	<b>170,220</b>

### 24.1 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:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	For the years ended December 31,		For the years ended December 31,	
	2021	2020	2021	2020
Beginning balance as at January 1,	145,012	185,863	144,530	183,925
Increases (decreases) during the year	26,410	(40,851)	26,143	(39,395)
Ending balance as at December 31,	171,422	145,012	170,673	144,530

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.

### 24.2 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:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	For the years ended December 31,		For the years ended December 31,	
	2021	2020	2021	2020
Beginning balance as at January 1,	25,737	27,997	25,690	27,952
Increases (decreases) during the year	1,659	(2,260)	1,640	(2,262)
Ending balance as at December 31,	27,396	25,737	27,330	25,690



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, 2021 and 2020 were as follows:

	<b>Consolidated</b>		<b>(Unit : Thousand Baht)</b>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>For the years ended</b>		<b>financial statements</b>	
	<b>December 31,</b>		<b>For the years ended</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Provision for long-term employee benefits at beginning of years</b>	170,749	213,860	170,220	211,877
Included in profit or loss:				
Current service cost	28,664	31,010	28,565	31,943
Interest cost	3,108	4,555	3,098	4,513
Actuarial (gain) loss arising from				
Demographic assumptions changes	1,502	(2,833)	1,496	(2,824)
Financial assumptions changes	(1,087)	(143)	(1,083)	(148)
Experience adjustments	(252)	(612)	(252)	(604)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	17,267	(35,027)	17,200	(34,924)
Financial assumptions changes	(4,629)	(13,144)	(4,611)	(13,107)
Experience adjustments	299	(6,606)	173	(7,350)
Benefits paid during the year	(16,803)	(20,311)	(16,803)	(19,156)
<b>Provision for long-term employee benefits at end of years</b>	<b>198,818</b>	<b>170,749</b>	<b>198,003</b>	<b>170,220</b>

As at December 31, 2021 and 2020, the Group and the Company expect to pay long-term employee benefits during the next year 10 million and 5 million, respectively.

As at December 31, 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefit of the Group and the Company are 20 years and 21 years, respectively.

Significant actuarial assumptions are summarised below:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>(% per annum)</b>	<b>(% per annum)</b>	<b>(% per annum)</b>	<b>(% per annum)</b>
Discount rate for defined benefit plans	2.13	1.82	2.13	1.82
Discount rate for other long-term employee benefits	2.13	1.82	2.13	1.82
Inflation rate for gold price	3.00	3.00	3.00	3.00
Salary increase rate	5.00	5.00	5.00	5.00
Turnover rate (depending on age of employee)	6.30, 9.10	7.30, 9.70	6.30, 9.10	7.30, 9.70
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, 2021 are summarised below:

	Assumptions increase (decrease) (% per annum)	Consolidated	Separate
		financial statements	financial statements
		Amount increase (decrease) (Thousand Baht)	Amount increase (decrease) (Thousand Baht)
Discount rate	0.25%	(4,522)	(4,506)
Discount rate	(0.25%)	4,688	4,671
Inflation rate of gold price	1.00%	1,825	1,818
Inflation rate of gold price	(1.00%)	(1,668)	(1,662)
Salary increase rate	0.25%	4,094	4,078
Salary increase rate	(0.25%)	(3,966)	(3,951)
Turnover rate	10.00%	(12,224)	(12,179)
Turnover rate	(10.00%)	13,337	13,288
Gold per weight of 1 Baht	10.00%	2,740	2,733
Gold per weight of 1 Baht	(10.00%)	(2,740)	(2,733)

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.

## 25. OTHER LIABILITIES

As at December 31, 2021 and 2020, other liabilities consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Accrued commission expenses	519,494	528,616	518,634	527,864
Accrued expenses	324,797	209,500	324,498	209,414
Premium received for policies not yet approved	74,913	33,098	74,913	33,098
Amounts received awaiting transfer	101,469	92,936	101,469	92,936
Specific Business Tax payable	153,739	150,737	153,739	150,737
Payable from purchases of investments	-	110,886	-	110,886
Withholding tax payable	34,582	53,846	34,545	53,809
Short-term employee benefit payables	111,614	-	111,353	-
Others	87,641	126,055	83,710	122,699
Total other liabilities	1,408,249	1,305,674	1,402,861	1,301,443

## 26. 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.

## 27. 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 are operating its core business in a single segment which is 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.

Underwriting information classified by insurance categories for the years ended December 31, 2021 and 2020 is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements						Total
	For the year ended December 31, 2021						
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Investment Life Insurance Products	Personal accident	Others	
<b>Underwriting income</b>							
Premium written	30,252,796	4,820,388	599,286	329	44,309	-	35,717,108
<u>Less</u> Premium ceded	(1,630,434)	-	-	-	-	-	(1,630,434)
Net premium written	28,622,362	4,820,388	599,286	329	44,309	-	34,086,674
<u>Add (Less)</u> Unearned premium reserve (increased) from prior year	(94,677)	-	-	-	355	-	(94,322)
Net earned premium	28,527,685	4,820,388	599,286	329	44,664	-	33,992,352
Fee and commission income	655,895	-	-	15,388	-	-	671,283
<b>Total underwriting income</b>	<b>29,183,580</b>	<b>4,820,388</b>	<b>599,286</b>	<b>15,717</b>	<b>44,664</b>	<b>-</b>	<b>34,663,635</b>
<b>Underwriting expenses</b>							
Life policy reserves increased from prior years	692,696	611,531	4,059,955	101	-	-	5,364,283
Benefit payments under life policies and claims net refundable from reinsurance	33,518,668	25,085	99,912	-	9,020	-	33,652,685
Commissions and brokerage expenses	2,420,058	246,710	27,142	12,961	1,447	9,184	2,717,502
Other underwriting expenses	479,611	60,948	7,577	2,574	565	91	551,366
<b>Total underwriting expenses</b>	<b>37,111,033</b>	<b>944,274</b>	<b>4,194,586</b>	<b>15,636</b>	<b>11,032</b>	<b>9,275</b>	<b>42,285,836</b>

(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
<b>Underwriting income</b>						
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
<b>Total underwriting income</b>	<b>30,566,884</b>	<b>2,558,081</b>	<b>658,006</b>	<b>45,101</b>	<b>-</b>	<b>33,828,072</b>
<b>Underwriting expenses</b>						
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
<b>Total underwriting expenses</b>	<b>40,476,833</b>	<b>877,560</b>	<b>2,328,489</b>	<b>11,024</b>	<b>8,914</b>	<b>43,702,820</b>

## 28. OPERATING EXPENSES

For the years ended December 31, 2021 and 2020, 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,	
	2021	2020	2021	2020
Personnel expenses	918,879	845,280	914,932	841,350
Premises and equipment expenses	187,006	179,131	186,686	178,711
Taxes and duties	2,987	2,777	2,986	2,777
Other operating expenses	538,497	506,641	538,601	506,818
<b>Total operating expenses</b>	<b>1,647,369</b>	<b>1,533,829</b>	<b>1,643,205</b>	<b>1,529,656</b>

## 29. EXPENSES BY NATURE

For the years ended December 31, 2021 and 2020, expenses by nature consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2021	2020	2021	2020
<b>Employee related expenses</b>				
Included in benefit payments under life policies and claims	35,962	36,509	35,962	36,509
Included in other underwriting expenses	20,626	23,647	20,626	23,647
Included in operating expenses	918,879	845,280	914,932	814,350
Total	<u>975,467</u>	<u>905,436</u>	<u>971,520</u>	<u>874,506</u>
<b>Premises and equipment expenses</b>				
Included in operating expenses	187,006	179,131	186,686	178,711
Total	<u>187,006</u>	<u>179,131</u>	<u>186,686</u>	<u>178,711</u>

## 30. 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 Group and the employees 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 2021 and 2020, the Group and the Company contributed to the fund by Baht 39 million and Baht 39 million, respectively.

## 31. GAINS ON REVALUATION

For the years ended December 31, 2021 and 2020, gains on revaluation consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate	
	financial statements	
	For the years ended December 31,	
	2021	2020
Unrealised gains (losses) from investment at fair value through profit or loss	1,370	(3,995)
Unrealised losses on foreign exchange contracts	(522,611)	(164,299)
Gains on exchange rate	861,953	449,148
Gains (loss) on revaluation fair value of forward exchange contracts	38,297	(151,191)
Total fair value gains	<u>379,009</u>	<u>129,663</u>

### 32. EFFECTED TAX OF OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020, effected tax of other comprehensive income consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements					
	For the years ended December 31,					
	2021			2020		
Amount before taxes	Taxes income (expense)	Amount after taxes	Amount before taxes	Taxes income (expense)	Amount after taxes	
Gains (loss) on remeasuring investment at fair value through other comprehensive income	(897,560)	146,607	(750,953)	1,008,033	(174,974)	833,059
Reversal of gain realised on the disposal of investment at fair value through other comprehensive income	(82,084)	16,417	(65,667)	(555,462)	111,092	(444,370)
Losses on remeasuring cash flow hedge derivatives fair value	(136,342)	27,268	(109,074)	(479,852)	95,971	(383,881)
Actuarial gain (loss)	(12,937)	2,552	(10,385)	54,777	(11,076)	43,701
<b>Total</b>	<b>(1,128,923)</b>	<b>192,844</b>	<b>(936,079)</b>	<b>27,496</b>	<b>21,013</b>	<b>48,509</b>

(Unit : Thousand Baht)

	Separate financial statements					
	For the years ended December 31,					
	2021			2020		
Amount before taxes	Taxes income (expense)	Amount after taxes	Amount before taxes	Taxes income (expense)	Amount after taxes	
Gains (loss) on remeasuring investment at fair value through other comprehensive income	(897,560)	146,607	(750,953)	1,008,033	(174,974)	833,059
Reversal of gain realised on the disposal of investment at fair value through other comprehensive income	(82,084)	16,417	(65,667)	(555,462)	111,092	(444,370)
Losses on remeasuring cash flow hedge derivatives fair value	(136,342)	27,268	(109,074)	(479,852)	95,971	(383,881)
Actuarial gain (loss)	(12,762)	2,552	(10,210)	55,381	(11,076)	44,305
<b>Total</b>	<b>(1,128,748)</b>	<b>192,844</b>	<b>(935,904)</b>	<b>28,100</b>	<b>21,013</b>	<b>49,113</b>

### 33. 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
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
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
I-Direct Insurance Broker Co., Ltd.	Life Insurance broker	Related by way of common shareholders
Fine Metal Technologies Public Co., Ltd.	Industry	Related by way of common directors
Bang Pa-In Golf Co., Ltd.	Services	Related by way of common shareholders
Bangkok Life Assurance (Cambodia) Public Limited Company <sup>(1)</sup>	Insurance	Subsidiary
Ek-Chai Distribution System Co., Ltd. <sup>(2)</sup>	Commercial	Related by way of common directors
Rajburi Sugar Co., Ltd. <sup>(3)</sup>	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd. <sup>(4)</sup>	Property development	Shareholding by an individual related to the major shareholder of the Company

(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.

(2) It had been considered as related party until June 30, 2020 because the Company doesn't relate by way of common directors since then.

(3) It had been considered as related party until October 31, 2020 because the Company doesn't relate by way of common directors since then.

(4) It had been considered as related party until November 30, 2020 because the Company doesn't have a shareholding by an individual related to the major shareholder of the Company since then.

During the years ended December 31, 2021 and 2020, 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)

	<b>Consolidated financial statements</b>		<b>Pricing policy</b>
	<b>For the years ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	
<b>Related parties</b>			
Premium written	13,433	10,347	Normal commercial terms for underwriting
Premium ceded to reinsurers	923,557	517,993	Normal commercial terms for underwriting
Fee and commission income	347,806	161,738	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	358,077	403,874	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	7,520	8,089	Same rates as the Group and the Company charged to general borrowers who mortgage assets as collateral
Dividend income	274,994	424,562	The declared amount
Rental and service income	11,585	11,160	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	77,599	65,071	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	(649,646)	1,767	Normal commercial terms on contracts
Commission and brokerage	852,183	970,916	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	488,384	331,607	Normal commercial terms for underwriting
Claim payment and diagnose charge	36,636	23,847	Normal commercial terms for underwriting
Bank charges	199,223	184,582	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	4,107	3,138	Normal commercial terms for underwriting
Building space rental and services	5,715	57,320	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	5,720	6,391	Normal commercial terms for services



(Unit : Thousand Baht)

	Separate financial statements		Pricing policy
	For the years ended		
	December 31,		
	2021	2020	
<b>Transactions with related companies</b>			
<b>Subsidiaries</b>			
Written Premium	86	180	Normal commercial terms for underwriting
Rental and service income	423	496	Rate on agreements as those charged by rental and service fees per square meter per month
<b>Related parties</b>			
Written Premium	13,433	10,347	Normal commercial terms for underwriting
Premium ceded to reinsurers	923,557	517,993	Normal commercial terms for underwriting
Fee and commission income	347,806	161,738	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	358,068	403,866	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	7,520	8,089	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	274,994	424,562	The declared amount
Brokerage income from securities trading	77,599	65,071	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	(649,646)	1,767	Normal commercial terms on contracts
Commission and brokerage	852,183	970,916	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	488,384	331,607	Normal commercial terms for underwriting
Claim payment and diagnose charge	36,636	23,847	Normal commercial terms for underwriting
Bank charges	199,125	184,507	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	4,100	3,131	Normal commercial terms for underwriting
Building space rental and services	5,715	57,320	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	Normal commercial terms for services

For the years ended December 31, 2021 and 2020, premium written from the Bancassurance distribution channel represented approximately 56.49% and 54.88% of total net premium written, respectively.

As at December 31, 2021 and 2020, the balance of the accounts between the Group and the Company and those related companies are as follows:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Subsidiaries</b>				
Other liabilities				
Deposits	-	-	66	66
Total other liabilities	-	-	66	66
<b>Related parties</b>				
Deposit at financial institution (included in cash and cash equivalents)	1,540,657	3,585,042	1,525,949	3,574,885
Investment assets				
Investment in securities	12,799,660	16,717,195	12,799,660	16,717,195
Loans	134,705	151,185	134,705	151,185
Total investments assets	12,934,365	16,868,380	12,934,365	16,868,380
Amount due from reinsurance	420,864	209,920	420,864	209,920
Forward and swap foreign exchange contract receivables	7,758,534	6,642,438	7,758,534	6,642,438
Other assets	5,238	15,023	-	9,909
Amount due to reinsurance	341,495	150,843	341,495	150,843
Outstanding claims	7,871	5,542	7,871	5,542
Forward and swap foreign exchange contract payables	7,918,973	6,546,170	7,918,973	6,546,170
Other liabilities	164,117	176,534	160,471	173,169

### Directors and key management's benefits

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

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	For the years ended December 31, 2021	For the years ended December 31, 2020	For the years ended December 31, 2021	For the years ended December 31, 2020
Short-term employee benefits	66,133	87,684	66,133	87,684
Long-term employee benefits	2,224	2,952	2,164	2,952
Total directors and management's benefits	68,357	90,636	68,297	90,636

### 34. ASSETS PLACED WITH THE REGISTRAR

As at December 31, 2021 and 2020, 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, 2021		December 31, 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	22,891	25,969	22,973	30,090

### 35. ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2021 and 2020, 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, 2021		December 31, 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	63,024,086	72,255,995	58,286,270	76,622,708
State enterprise bonds	3,198,750	3,473,504	3,199,448	3,622,938
Total	66,222,836	75,729,499	61,485,718	80,245,646

### 36. CONTRIBUTION TO LIFE INSURANCE FUND

For the years ended December 31, 2021 and 2020, contribution to life insurance fund consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended December 31,	
	2021	2020
Life insurance fund at the beginning of the years	455,157	420,412
Contribution during the years	35,760	34,745
Life insurance fund at the end of the years	490,917	455,157

### 37. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the years ended December 31, 2021 and 2020 are as follows:

	Consolidated financial statement					
	For the years ended December 31,					
	Continuing operations		Discontinued operations		Total	
	2021	2020	2021	2020	2021	2020
Net profit (loss) (Thousand Baht)	3,195,950	1,608,448	-	(180)	3,195,950	1,608,268
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 (loss) per share (Baht per share)	1.872	0.942	-	(0.001)	1.872	0.941

	Separate financial statement	
	For the years ended December 31,	
	2021	2020
Net profit (Thousand Baht)	3,192,568	1,620,614
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht per share)	1.870	0.949

### 38. DIVIDENDS PAID

Dividends declared during the years ended December 31, 2021 and 2020 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht per share)
Annual dividend for 2020	Annual General Meeting of the Shareholders on April 28, 2021 and the OIC on April 26, 2021	392	0.23
<b>Total dividend paid for the period 2021</b>		<b>392</b>	<b>0.23</b>
Annual dividend for 2019	Annual General Meeting of the Shareholders on July 10, 2020 and the OIC on July 2, 2020	547	0.32
<b>Total dividend paid for the period 2020</b>		<b>547</b>	<b>0.32</b>

### 39. COMMITMENTS

39.1 As at December 31, 2021 and 2020, the Company entered into construction building agreement with local companies totaling of Baht 643.97 million and Baht 979.70 million, respectively. The Company had commitment according to the agreements amounting to Baht 31.44 million and Baht 175.12 million, respectively.

39.2 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, 2021 and 2020, 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, 2021		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Other parties	17.19	15.96	33.15
Service agreements	1.60	-	1.60
Total	18.79	15.96	34.75

	(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

The Group and the Company recognized rental expense derived from the operating leases for the years ended December 31, 2021 and 2020 amounting to Baht 24.08 million and Baht 38.95 million, respectively.

39.3 As at December 31, 2021 and 2020, the Company had bank guarantee issued by banks Baht 2.7 million and Baht 1.6 million, respectively.

#### 40. LITIGATION

As at December 31, 2021 and 2020, the Group and the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 6 million and Baht 5 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.

#### 41. 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

As at December 31, 2021 and 2020, 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, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Derivative assets				
Cross currency swap contracts	-	171,923	-	171,923
Forward exchange contracts	-	18,454	-	18,454
Investment at fair value through profit or loss				
Equity instruments	39,104	-	-	39,104
Investment at fair value through other comprehensive income				
Equity instruments	33,590,504	-	1,089,951	34,680,455
Debt instruments	5,047,988	72,469,991	2,569,155	80,087,134
<b>Assets for which fair value are disclosed</b>				
Investment at amortised cost				
Debt instruments	-	217,149,483	3,148,106	220,297,589
Investment property	-	-	35,987	35,987
Loans and accrued interest receivables				
Policy loans	-	-	11,277,872	11,277,872
Mortgage loans	-	-	2,468,244	2,468,244
<b>Financial liabilities measured at fair value</b>				
Derivative liabilities				
Cross currency swap contracts	-	740,754	-	740,754
Forward exchange contracts	-	105,943	-	105,943

  

	(Unit : Thousand Baht)			
	Consolidated and separated financial statements			
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
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
<b>Assets for which fair value are disclosed</b>				
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
<b>Financial liabilities measured at fair value</b>				
Derivative liabilities				
Cross currency swap contracts	-	2,033	-	2,033
Forward exchange contracts	-	73,940	-	73,940

### **Valuation techniques and inputs to Level 2 valuations**

- a) 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.
- b) 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.
- c) For derivatives, their fair values have been determined by using fair values obtained from its counterparties, who are banks.

### **Valuation techniques and inputs to Level 3 valuations**

- a) 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.
- b) 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.
- c) 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
- d) The fair value of policy loans are estimated by discounting expected future cash flow by the interest-free bonds.
- 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



**42. EXPECTED CREDIT LOSS AND IMPAIRMENT LOSS**

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the year ended 2021	December 31, 2020
<b>Expected Credit Loss</b>		
Investments in securities	6,357	186,950
Loans and accrued interest receivables	3,244	23,437
<b>Impairment loss</b>		
Investments in securities	461,315	128,610
Loans and accrued interest receivables	785	-
Total	471,701	338,997

**43. 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.

**43.1 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 and separate financial statements											
Insurance contract liabilities - Gross of reinsurance											
December 31, 2021						December 31, 2020					
Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Unit linked products	Group insurance and riders	Total	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	
Reserves for long-term insurance contracts	275,877,304	6,252,609	5,641,573	101	-	287,771,587	275,184,609	2,192,654	5,030,042	-	282,407,305
Claim reserves	-	-	-	-	377,958	377,958	-	-	-	262,551	262,551
<b>Total</b>	<b>275,877,304</b>	<b>6,252,609</b>	<b>5,641,573</b>	<b>101</b>	<b>377,958</b>	<b>288,149,545</b>	<b>275,184,609</b>	<b>2,192,654</b>	<b>5,030,042</b>	<b>262,551</b>	<b>282,669,856</b>

(Unit : Thousand Baht)

Consolidated and separate financial statements											
Insurance contract liabilities - Net of reinsurance											
December 31, 2021						December 31, 2020					
Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Unit linked products	Group insurance and riders	Total	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	
Reserves for long-term insurance contracts	275,877,304	6,252,609	5,641,573	101	-	287,771,587	275,184,609	2,192,654	5,030,042	-	282,407,305
Claim reserves	-	-	-	-	170,718	170,718	-	-	-	120,992	120,992
<b>Total</b>	<b>275,877,304</b>	<b>6,252,609</b>	<b>5,641,573</b>	<b>101</b>	<b>170,718</b>	<b>287,942,305</b>	<b>275,184,609</b>	<b>2,192,654</b>	<b>5,030,042</b>	<b>120,992</b>	<b>282,528,297</b>

## 43.2 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.

### 43.3 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, 2021				
	0 - 5 years	5 - 10 years	Over 10 years	Total
<b>Assets</b>				
Reinsurance assets	693,336	-	-	693,336
Investment in securities <sup>(1)</sup>	137,371,642	99,234,227	149,084,619	385,690,488
<b>Total assets</b>	<b>138,064,978</b>	<b>99,234,227</b>	<b>149,084,619</b>	<b>386,383,824</b>
<b>Liabilities</b>				
Reserves for long-term insurance contracts <sup>(2)</sup>	123,794,761	79,653,319	181,460,374	384,908,454
Claim reserves	279,446	-	-	279,446
<b>Total liabilities</b>	<b>124,074,207</b>	<b>79,653,319</b>	<b>181,460,374</b>	<b>385,187,900</b>

(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
<b>Assets</b>				
Reinsurance assets	616,807	-	-	616,807
Investment in securities <sup>(1)</sup>	140,416,821	90,951,428	150,568,253	381,936,502
<b>Total assets</b>	<b>141,033,628</b>	<b>90,951,428</b>	<b>150,568,253</b>	<b>382,553,309</b>
<b>Liabilities</b>				
Reserves for long-term insurance contracts <sup>(2)</sup>	128,023,778	75,905,632	174,959,332	378,888,742
Claim reserves	262,551	-	-	262,551
<b>Total liabilities</b>	<b>128,286,329</b>	<b>75,905,632</b>	<b>174,959,332</b>	<b>379,151,293</b>

(1) Total principal amount and interest

(2) Amount before discount

#### 43.4 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, 2021 and 2020, 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, 2021 and 2020, the Company would have no additional reserves for long-term insurance contracts required.

##### *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.

#### 44. FINANCIAL INSTRUMENTS

##### 44.1 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, 2021 and 2020, financial assets classified by type of interest rate are summarised in the table below:

	(Unit : Thousand Baht)		
	Consolidated financial statements		
	December 31, 2021		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,406,432	878,996	5,351,341
Investments in securities			
Government and state enterprise securities	-	-	165,765,812
Private enterprise debt securities	758,049	-	98,414,448
Foreign debt securities	12,466,790	-	6,814,648
Loans			
Policy loans	-	-	8,491,006
Mortgage loans	-	-	2,540,972
Other loans	-	-	53
<b>Total</b>	<b>14,631,271</b>	<b>878,996</b>	<b>287,378,280</b>

(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	-	-	165,768,032
Private enterprise debt securities	440,490	-	94,192,315
Foreign debt securities	8,947,778	-	7,395,614
Loans			
Policy loans	-	-	8,420,410
Mortgage loans	-	-	1,852,578
Other loans	-	-	107
<b>Total</b>	<b>10,412,029</b>	<b>3,322,872</b>	<b>281,354,644</b>

(Unit : Thousand Baht)

**Separate financial statements**

**December 31, 2021**

	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,397,973	872,641	5,351,341
Investments in securities			
Government and state enterprise securities	-	-	165,765,812
Private enterprise debt securities	758,049	-	98,414,448
Foreign debt securities	12,466,790	-	6,814,648
Loans			
Policy loans	-	-	8,491,006
Mortgage loans	-	-	2,540,972
Other loans	-	-	53
<b>Total</b>	<b>14,622,812</b>	<b>872,641</b>	<b>287,378,280</b>

(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	-	-	165,768,032
Private enterprise debt securities	440,490	-	94,192,315
Foreign debt securities	8,947,778	-	7,395,614
Loans			
Policy loans	-	-	8,420,410
Mortgage loans	-	-	1,852,578
Other loans	-	-	107
<b>Total</b>	<b>10,405,683</b>	<b>3,318,448</b>	<b>281,354,644</b>

As at December 31, 2021 and 2020, 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, 2021					
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate (% p.a.)
Cash equivalents	5,351,341	-	-	5,351,341	0.36
Investments in securities					
Government and state enterprise securities	3,873,617	18,134,063	143,758,132	165,765,812	3.52
Private enterprises debt securities	10,191,225	46,520,053	41,703,170	98,414,448	3.87
Foreign debt securities	-	4,903,973	1,910,675	6,814,648	4.54
Loans					
Mortgage loans	199,120	2,109,386	232,466	2,540,972	6.19
Other loans	-	-	53	53	6.00
<b>Total</b>	<b>19,615,303</b>	<b>71,667,475</b>	<b>187,604,496</b>	<b>278,887,274</b>	

(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	8,280,317	20,638,452	136,849,263	165,768,032	3.62
Private enterprises debt securities	5,799,002	44,917,434	43,475,879	94,192,315	3.92
Foreign debt securities	846,379	4,644,032	1,905,203	7,395,614	4.48
Loans					
Mortgage loans	280,486	1,322,175	249,917	1,852,578	6.26
Other loans	54	-	53	107	6.00
<b>Total</b>	<b>18,931,826</b>	<b>71,522,093</b>	<b>182,480,315</b>	<b>272,934,234</b>	



## Foreign currency risk

The Company has 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, 2021 and 2020, the balances of financial assets denominated in foreign currencies are summarised below:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at December 31,		As at December 31,		As at December 31,	
	2021	2020	2021	2020	2021	2020
	(Million units)		(Million units)		(Baht per 1 foreign currency unit)	
US dollar	656.6	626.5	592.68	604.17	31.98	31.29
Yen	691.8	300.0	639.38	355.77	0.29	0.29
Euro	53.4	45.9	44.97	36.71	37.81	35.68
LAK	40,824.0	40,824.0	-	-	0.0033	0.0036
Singapore dollar	71.1	60.6	70.91	66.22	23.80	22.69

As at December 31, 2021 and 2020 cross currency swap and forward exchange contracts outstanding are summarised below:

Foreign currency	Long position		Contractual exchange rates		Maturity date	
	as at December 31,					
	2021	2020	2021	2020	2021	2020
	(Million units)		(Baht per 1 foreign currency unit)			
US dollar	592.7	604.2	29.25 - 36.30	29.25 - 36.30	Jan. 2022 - Oct 2026	Jan. 2021 - Jun. 2021
Yen	639.4	355.8	0.2864 - 0.3072	0.2804 - 0.2985	Jan. 2022 - Dec. 2022	Jan. 2021 - Dec. 2021
Euro	45.0	36.7	36.62 - 39.60	34.24 - 38.27	Jan. 2022 - Jun. 2028	Feb. 2021 - Jun. 2028
Singapore dollar	70.9	66.2	22.69 - 24.71	22.31 - 23.00	Jan. 2022 - Jun. 2022	Jan. 2021 - Dec. 2021

## 44.2 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, 2021	
	Carrying amount	Fair value
<b>Financial assets at fair value</b>		
Cash and cash equivalents	7,636,769	7,636,769
Investments in securities		
Investment at fair value through profit or loss	39,104	39,104
Investment at fair value through other comprehensive income	114,767,589	114,767,589
Derivative		
Cross currency swap contracts	171,923	171,923
Forward exchange contracts	18,454	18,454

(Unit : Thousand Baht)  
**Consolidated financial statements**  
**As at December 31, 2021**

	<u>Carrying amount</u>	<u>Fair value</u>
<b>Assets for which fair value are disclosed</b>		
Investments in securities		
Investment at amortised cost	204,132,612	220,297,589
Loans and accrued interest receivables		
Policy loans	9,652,703	11,277,873
Mortgage loans	2,476,331	2,468,244
Investment property	14,556	35,987
<b>Liabilities measured at fair value</b>		
Derivative		
Cross currency swap contracts	740,754	740,754
Forward exchange contracts	105,943	105,943

(Unit : Thousand Baht)  
**Consolidated financial statements**  
**As at December 31, 2020**

	<u>Carrying amount</u>	<u>Fair value</u>
<b>Financial assets at fair value</b>		
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
<b>Assets for which fair value are disclosed</b>		
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
<b>Liabilities measured at fair value</b>		
Derivative		
Cross currency swap contracts	2,033	2,033
Forward exchange contracts	73,940	73,940

	(Unit : Thousand Baht)	
	Separate financial statements	
	As at December 31, 2021	
	Carrying amount	Fair value
<b>Financial assets at fair value</b>		
Cash and cash equivalents	7,621,955	7,621,955
Investments in securities		
Investment at fair value through profit or loss	39,104	39,104
Investment at fair value through other comprehensive income	114,767,589	114,767,589
Derivative		
Cross currency swap contracts	171,923	171,923
Forward exchange contracts	18,454	18,454
<b>Assets for which fair value are disclosed</b>		
Investments in securities		
Investment at amortised cost	204,132,612	220,297,589
Loans and accrued interest receivables		
Policy loans	9,652,703	11,277,873
Mortgage loans	2,476,331	2,468,244
Investment property	14,556	35,987
<b>Liabilities measured at fair value</b>		
Derivative		
Cross currency swap contracts	740,754	740,754
Forward exchange contracts	105,943	105,943

	(Unit : Thousand Baht)	
	Separate financial statements	
	As at December 31, 2020	
	Carrying amount	Fair value
<b>Financial assets at fair value</b>		
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
<b>Assets for which fair value are disclosed</b>		
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
<b>Liabilities measured at fair value</b>		
Derivative		
Cross currency swap contracts	2,033	2,033
Forward exchange contracts	73,940	73,940

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.

#### **46. EVENT AFTER THE REPORTING PERIOD**

At the Company's Board of Directors' meeting held on February 25, 2022, the Board of Directors passed a resolution to approve a dividend payment of Baht 0.56 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 25, 2022.