

**DHIPAYA GROUP HOLDINGS PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2021**

## **Independent Auditor's Report**

To the shareholders of Dhipaya Group Holdings Public Company Limited

### **My opinion**

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

### **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### **Basis for opinion**

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

## Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Valuation of insurance contract liabilities. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of insurance contract liabilities –</b></p> <p><b><i>Refer to Note of the consolidated and separate financial statements 4.4 (accounting policy) Note 19 (financial disclosures) and Note 8.5 (Critical accounting estimates and judgments)</i></b></p> <p>Insurance contract liabilities of Baht 24.25 million composed of two key components:</p> <ol style="list-style-type: none"><li>1. Claim liabilities includes reported claim reserves not yet settled, claim payable, and claims incurred but not reported (IBNR), as well as claims handling reserve and payable</li><li>2. Premium liabilities which are also called unearned premium reserve.</li></ol>	<p>My key audit procedures in relation to the claim liabilities included:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the controls used when identifying and approving the qualifications of the surveyors and also obtained evidence of approval for the new surveyor as an audit evidence.</li><li>• Evaluated and tested the internal control environment relating to the core insurance system used to process the technical data and integrate that data into the accounting system.</li><li>• Evaluated and tested the design effectiveness and implementation of key controls around the claims handling and claim liabilities setting processes. I examined evidence of the key accounting controls over the valuation of claim liabilities incurred by examining related supporting documentation and the approval by an authorised person of the Group.</li></ul>

Key audit matter	How my audit addressed the key audit matter
<p>I focussed on the valuation of the claim liabilities as this involved a high level of judgement and expertise to evaluate claims liabilities as follows:</p> <ol style="list-style-type: none"> <li>1) Claim liabilities are provided upon receipt of claim advices from the insured for the amount reported. The Group uses external surveyors or internal claim specialist for certain claim cases to assess the claim payments and management records the claim liabilities based on the surveyor's reports.</li> <li>2) Claim incurred but not reported ("IBNR"), I focussed on the balance because of the complexity involved in the estimation process, and the significant judgements that management needed to make to estimate the related balance.</li> </ol>	<ul style="list-style-type: none"> <li>• Checked samples of claim reserves from the core insurance system by comparing the estimated amount of the claim reserve to the appropriate. Moreover, I checked samples documentation, such as reports from the surveyor of claim handling reserve by checking with invoices from surveyors.</li> <li>• Tested the claim payables and claim reserves which are significant in profit and loss of the Group. Also, by checking settled claims with the surveyor's report and supporting documents showing claim payments, and checking claim reserves with the latest surveyor's reports. In addition, we tested the reserve related to claim handling reserve by checking with invoices from surveyors.</li> <li>• Applied the fluctuation analytical review procedures (including monitoring the change in loss ratios) to analyse the significant changes that took place over the reporting period.</li> <li>• Assessed the sufficiency of the disclosures in the financial statements.</li> </ul>

### Key audit matter

### How my audit addressed the key audit matter

Estimating IBNR involves significant judgement because of the size of the liability and inherent uncertainty when assessing the expected future payments for the claims incurred. In particular, judgement is needed to estimate payments for claims that have been incurred as of the end of the year but have not yet been reported to the Group at the reporting date. In addition, certain types of insurance contracts where there is a greater length of time between the initial claim event and the agreed settlement also may tend to incur greater variability between initial estimates and the final settlement.

The valuation of IBNR relies on the quality of the underlying data and assumptions. It involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can have a material effect on the estimate.

The key assumptions that underpin the reserve calculations include the expected ultimate loss ratio and the loss development factor by types of insurances. The valuation of insurance liabilities depends on complete and accurate data about the number of claims, claim amounts and the pattern of historical claims since these are often used to form expectations about future claims. If the data used to calculate insurance liabilities, or to form judgements over key assumptions, is not complete and accurate then, material impacts on the valuation of insurance liabilities may arise. As a result of the above factors, insurance liabilities represent a significant risk.

My key audit procedures in relation to claims incurred but not reported (IBNR) included gaining an understanding of the process used to estimate the claims incurred but not reported and actuarial reserve methods. I also tested the control over claims handling and case reserve setting processes and performed the following detailed tests:

- Evaluated the design effectiveness and implementation of key controls around the claims handling and claim liabilities setting processes because historical claims data was a key input to the actuarial estimates. I examined evidence of the key accounting controls over the valuation of claim liabilities which are recorded in financial statements by examining related supporting documentation and approval by an authorised person of the Group.
- Checked samples of claim reserves in the claim module in the core insurance system of the Group by comparing the estimated amount of the claim reserves to appropriate documentation, such as reports from the surveyors.

Moreover, I performed detailed testings of claims case estimates and settlements. These included the procedures below.

- Tested significant claim expenses in profit and loss of the Group (including claims settled, claims reserved, claims handling fee reserved and claims handling fee settled) and checked these against the surveyor report.

## Key audit matter

## How my audit addressed the key audit matter

- Tested reconciliations between the claims data recorded in the claim module in the core insurance system and the data used in the actuarial reserving calculations as at the reporting date to ensure accuracy and completeness of data.
- Evaluated whether the Group's actuarial methodologies were consistent with those used in the industry and prior year. Obtained an understanding of the assumptions involved when determining the valuation of insurance liabilities. I evaluated the reasonableness of management's significant assumptions by comparing weighted average ultimate loss ratios in the past with the expected loss ratio used by the Group's actuary and investigated any significant differences. I also tested the calculation of the loss development factor based on the Group's historical claim data.
- Evaluated the competence, capabilities and objectivity of the actuary, who is management's expert.
- Engaged my actuarial specialists to carry out independent modelling to assess if the Group's best estimate of gross and net claims reserves fell into my estimated reasonable ranges for selected types of insurance. My actuarial specialists' estimates of outstanding claims reserves are based on a statistical model of the claims process.

Based on all of the above procedures, I found that the key management assumptions are reasonable and the valuation of insurance contract liabilities are reliable.

### **Other information**

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

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

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

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

### **Responsibilities of the directors for the consolidated and separate financial statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Paiboon Tunkoon**  
Certified Public Accountant (Thailand) No. 4298  
Bangkok  
23 February 2022

**Dhipaya Group Holdings Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2021**

	Notes	After	Before		
		restructuring	restructuring		
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Assets</b>					
Cash and cash equivalents	9	2,475,129,985	3,772,670,649	460,660	1,100
Premium receivables, net	10	4,473,957,602	3,611,061,235	-	-
Accrued investment income		37,576,327	38,316,774	-	-
Reinsurance assets, net	11, 19	18,304,764,652	15,520,842,450	-	-
Amount due from reinsurance, net	12	4,465,955,258	3,174,238,078	-	-
Invested assets					
Investments in securities, net	13	14,921,312,685	12,871,292,215	-	-
Investment in subsidiaries	14	-	-	9,136,387,350	-
Investment properties, net	15	149,499,254	154,382,346	-	-
Property, plant and equipment, net	16	1,470,797,424	1,527,379,496	-	-
Intangible assets, net	17	49,869,502	59,889,012	-	-
Income tax receivables		40,841,059	-	-	-
Deferred tax assets	18	1,028,318,403	1,120,539,316	-	-
Prepaid reinsurance premiums, net		703,671,674	781,752,499	-	-
Prepaid commissions		806,226,701	895,776,318	-	-
Other assets		711,495,030	944,087,350	11	-
<b>Total assets</b>		<b>49,639,415,556</b>	<b>44,472,227,738</b>	<b>9,136,848,021</b>	<b>1,100</b>

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

**Dhipaya Group Holdings Public Company Limited**

**Statement of Financial Position (Cont'd)**

**As at 31 December 2021**

	Notes	After	Before		
		restructuring	restructuring		
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Insurance contract liabilities	19	24,253,407,312	21,444,623,387	-	-
Due to reinsurers	20	7,127,135,126	5,750,234,123	-	-
Accrued commission expenses		1,062,459,957	788,531,967	-	-
Premium received in advance		5,402,859,062	5,925,986,081	-	-
Premium suspense accounts		67,722,172	92,953,486	-	-
Income tax payables		-	137,614,182	-	-
Employee benefit obligations	21	512,265,981	489,366,214	-	-
Other liabilities	22	1,538,597,861	1,399,940,367	15,864,000	202,360
<b>Total liabilities</b>		<b>39,964,447,471</b>	<b>36,029,249,807</b>	<b>15,864,000</b>	<b>202,360</b>

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

**Dhipaya Group Holdings Public Company Limited**

**Statement of Financial Position (Cont'd)**

**As at 31 December 2021**

	Notes	After	Before		
		restructuring	restructuring		
		Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
Ordinary shares, 600,010,000 shares					
of par Baht 1 each	24	600,010,000	600,010,000	600,010,000	600,010,000
Issued and paid-up share capital					
Ordinary shares, 594,292,336 shares					
paid-up Baht 1 each	24	594,292,336	10,000	594,292,336	10,000
Premium on ordinary shares	24	895,385,444	-	8,541,105,044	-
Share capital to be issued and					
share premium for capital reorganisation		-	1,489,667,780	-	-
Retained earnings (deficits)					
Appropriated					
Legal reserve	25	59,428,234	59,428,234	-	-
General reserve	25	1,044,987,282	942,727,408	-	-
Unappropriated		8,397,587,462	7,758,083,182	(14,413,359)	(211,260)
Other components of equity		(1,409,048,235)	(1,887,397,441)	-	-
<b>Equity attributable to owners of the</b>					
<b>Company</b>					
		9,582,632,523	8,362,519,163	9,120,984,021	(201,260)
Non-controlling interests		92,335,562	80,458,768	-	-
<b>Total equity</b>		<b>9,674,968,085</b>	<b>8,442,977,931</b>	<b>9,120,984,021</b>	<b>(201,260)</b>
<b>Total liabilities and equity</b>		<b>49,639,415,556</b>	<b>44,472,227,738</b>	<b>9,136,848,021</b>	<b>1,100</b>

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

**Dhipaya Group Holdings Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2021**

	Notes	After	Before	Separate	
		restructuring	restructuring		
		Consolidated		financial statements	
		financial statements		financial statements	
				For the period	
				from 31 July 2020	
				(date of incorporation)	
		2021	2020	2021	to 31 December 2020
		Baht	Baht	Baht	Baht
<b>Revenues</b>					
Premium written		29,410,096,347	25,398,527,522	-	-
<u>Less</u> Ceded premium		(21,225,921,910)	(17,728,005,990)	-	-
Net premium written		8,184,174,437	7,670,521,532	-	-
<u>Add(Less)</u> (Increase) decrease in unearned premium reserves from previous year		(374,967,479)	(97,184,520)	-	-
Net premium earned		7,809,206,958	7,573,337,012	-	-
Fee and commission income		4,839,095,792	4,362,285,705	-	-
Income on investments, net		590,191,367	568,671,903	1,077	-
Gains on investments		273,754,694	185,999,328	-	-
Gains on the revaluation of investments		10,037	638	-	-
Other income		101,555,653	50,570,452	-	-
<b>Total revenues</b>		<b>13,613,814,501</b>	<b>12,740,865,038</b>	<b>1,077</b>	<b>-</b>
<b>Expenses</b>					
Gross insurance claims and loss adjustment expenses		16,239,650,757	13,413,696,278	-	-
<u>Less</u> Insurance claims and loss adjustment expenses recovery		(10,779,398,913)	(9,195,816,173)	-	-
Commission and brokerage expenses		2,297,560,010	2,236,614,683	-	-
Other underwriting expenses		1,623,365,871	1,528,802,733	-	-
Operating expenses	27	1,988,109,538	2,202,801,395	14,203,176	211,260
Net expected credit losses	31	873,998	105,667	-	-
<b>Total expenses</b>		<b>11,370,161,261</b>	<b>10,186,204,583</b>	<b>14,203,176</b>	<b>211,260</b>
Profit (loss) before income tax		2,243,653,240	2,554,660,455	(14,202,099)	(211,260)
Income tax expense	30	(414,617,180)	(489,997,140)	-	-
<b>Profit (loss) for the year</b>		<b>1,829,036,060</b>	<b>2,064,663,315</b>	<b>(14,202,099)</b>	<b>(211,260)</b>

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

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

	Notes	After	Before	Separate		
		restructuring	restructuring			
Consolidated			financial statements			
			financial statements			
			For the period			
			from 31 July 2020			
			(date of incorporation)			
			2021	2020	2021	to 31 December 2020
			Baht	Baht	Baht	Baht
<b>Other comprehensive incomes (expenses)</b>						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Unrealised actuarial losses	21	-	(59,287,519)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	18	-	11,857,503	-	-	-
Total items that will not be reclassified subsequently to profit or loss		-	(47,430,016)	-	-	-
<i>Items that will be reclassified subsequently to profit or loss</i>						
Unrealised gains (losses) in value of investments measured at fair value through other comprehensive income		465,259,581	(1,075,221,334)	-	-	-
Realised (gains) losses from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss		138,429,749	(13,180,510)	-	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	18	(120,737,866)	217,680,369	-	-	-
Total items that will be reclassified subsequently to profit or loss		482,951,464	(870,721,475)	-	-	-
<b>Other comprehensive incomes (expenses) for the year, net of income tax</b>		482,951,464	(918,151,491)	-	-	-
<b>Total comprehensive income for the year</b>		2,311,987,524	1,146,511,824	(14,202,099)	(211,260)	

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

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

	Notes	After	Before	Separate	
		restructuring	restructuring		
		Consolidated		financial statements	
		financial statements		For the period	
		2021	2020	2021	For the period
		Baht	Baht	Baht	from 31 July 2020
					(date of incorporation)
					to 31 December 2020
					Baht
<b>Profit (loss) attributable to:</b>					
Owners of the parent		1,811,469,784	2,044,986,217	(14,202,099)	(211,260)
Non-controlling interests		17,566,276	19,677,098	-	-
		<u>1,829,036,060</u>	<u>2,064,663,315</u>	<u>(14,202,099)</u>	<u>(211,260)</u>
<b>Total comprehensive income (expense)</b>					
<b>attributable to:</b>					
Owners of the parent		2,289,818,990	1,135,584,195	(14,202,099)	(211,260)
Non-controlling interests		22,168,534	10,927,629	-	-
		<u>2,311,987,524</u>	<u>1,146,511,824</u>	<u>(14,202,099)</u>	<u>(211,260)</u>
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share (Baht)	32	3.05	3.44	(0.07)	(21.13)

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

**Dhipaya Group Holdings Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2021**

Consolidated financial statements - Before restructuring													
Attributable to owners of the parent													
	Notes	Other components of equity					Total other components of equity	Retained earnings			Total owners of the parent	Non-controlling interests	Total equity
		Share capital to be issued and share premium for capital reorganisation	Unrealised gains (losses) on change in value of investments measured at fair value through other comprehensive income - net of tax	Unrealised actuarial gains and losses - net of tax	Legal reserve	General reserve		Unappropriated					
		Issued and paid-up share capital	Share premium	Share capital to be issued and share premium for capital reorganisation	Unrealised gains (losses) on change in value of investments measured at fair value through other comprehensive income - net of tax	Unrealised actuarial gains and losses - net of tax	Total other components of equity	Legal reserve	General reserve	Unappropriated	Total owners of the parent	Non-controlling interests	Total equity
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Beginning balance as at 1 January 2020</b>		-	-	-	-	-	-	-	-	-	-	-	-
Impact of reorganisation	3	-	-	1,489,667,780	(992,618,986)	14,623,566	(977,995,420)	59,428,234	850,455,504	6,785,933,272	8,207,489,370	78,965,272	8,286,454,642
<b>Beginning balance after adjustment</b>		-	-	1,489,667,780	(992,618,986)	14,623,566	(977,995,420)	59,428,234	850,455,504	6,785,933,272	8,207,489,370	78,965,272	8,286,454,642
Net profit		-	-	-	-	-	-	-	-	2,044,986,217	2,044,986,217	19,677,098	2,064,663,315
Dividend paid	26	-	-	-	-	-	-	-	-	(980,564,403)	(980,564,403)	(9,434,132)	(989,998,535)
Transfer of unappropriated retained earnings	25	-	-	-	-	-	-	-	92,271,904	(92,271,904)	-	-	-
Issue shares	24	10,000	-	-	-	-	-	-	-	-	10,000	-	10,000
Unrealised losses on change in value of investments measured at fair value through other comprehensive income - net of tax	23	-	-	-	(851,980,061)	-	(851,980,061)	-	-	-	(851,980,061)	(8,197,006)	(860,177,067)
Realised gains from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss - net of tax	23	-	-	-	(10,443,925)	-	(10,443,925)	-	-	-	(10,443,925)	(100,483)	(10,544,408)
Unrealised actuarial losses - net of tax	23	-	-	-	-	(46,978,035)	(46,978,035)	-	-	-	(46,978,035)	(451,981)	(47,430,016)
<b>Closing balance as at 31 December 2020</b>		10,000	-	1,489,667,780	(1,855,042,972)	(32,354,469)	(1,887,397,441)	59,428,234	942,727,408	7,758,083,182	8,362,519,163	80,458,768	8,442,977,931

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



Dhipaya Group Holdings Public Company Limited

Statement of Changes in Equity (Cont'd)

For the year ended 31 December 2021

Consolidated financial statements - After restructuring													
Attributable to owners of the parent													
Notes	Share capital			Other components of equity		Total other components of equity	Retained earnings			Total owners of the parent	Non-controlling interests	Total	
	Issued and paid-up share capital	Share premium	to be issued and share premium for capital reorganisation	Unrealised gains (losses) on change in value of investments measured at fair value through other comprehensive income - net of tax	Unrealised actuarial gains and losses - net of tax		Appropriated						Unappropriated
							Legal reserve	General reserve					
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
<b>Beginning balance as at 1 January 2021</b>	10,000	-	1,489,667,780	(1,855,042,972)	(32,354,469)	(1,887,397,441)	59,428,234	942,727,408	7,758,083,182	8,362,519,163	80,458,768	8,442,977,931	
Net profit	-	-	-	-	-	-	-	-	1,811,469,784	1,811,469,784	17,566,276	1,829,036,060	
Dividend paid	26	-	-	-	-	-	-	-	(1,069,705,630)	(1,069,705,630)	(10,291,770)	(1,079,997,400)	
Issue shares	-	-	-	-	-	-	-	-	-	-	30	30	
Transfer of unappropriated retained earnings	25	-	-	-	-	-	-	102,259,874	(102,259,874)	-	-	-	
Unrealised gains on change in value of investments measured at fair value through other comprehensive income - net of tax	23	-	-	368,660,734	-	368,660,734	-	-	-	368,660,734	3,546,931	372,207,665	
Realised losses from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss - net of tax	23	-	-	109,688,472	-	109,688,472	-	-	-	109,688,472	1,055,327	110,743,799	
Impact of reorganisation	24	594,282,336	895,385,444	(1,489,667,780)	-	-	-	-	-	-	-	-	
<b>Closing balance as at 31 December 2021</b>		<b>594,292,336</b>	<b>895,385,444</b>	<b>-</b>	<b>(1,376,693,766)</b>	<b>(32,354,469)</b>	<b>(1,409,048,235)</b>	<b>59,428,234</b>	<b>1,044,987,282</b>	<b>8,397,587,462</b>	<b>92,335,562</b>	<b>9,674,968,085</b>	

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

**Dhipaya Group Holdings Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2021**

	Note	Separate financial statements			Total Baht
		Issued and paid-up share capital Baht	Share premium Baht	Deficits - Unappropriated Baht	
<b>Beginning balance as at 31 July 2020</b>	24	10,000	-	-	10,000
Loss for the period		-	-	(211,260)	(211,260)
<b>Closing balance as at 31 December 2020</b>		<u>10,000</u>	<u>-</u>	<u>(211,260)</u>	<u>(201,260)</u>
<b>Opening balance as at 1 January 2021</b>		10,000	-	(211,260)	(201,260)
Loss for the period		-	-	(14,202,099)	(14,202,099)
Issue shares	24	594,282,336	8,541,105,044	-	9,135,387,380
<b>Closing balance as at 31 December 2021</b>		<u>594,292,336</u>	<u>8,541,105,044</u>	<u>(14,413,359)</u>	<u>9,120,984,021</u>

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

**Dhipaya Group Holdings Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2021**

	After restructuring		Before restructuring	
	Consolidated financial statements		Separate financial statements	
	2021	2020	For the period from 31 July 2020 (date of incorporation) to 31 December 2020	
Note	Baht	Baht	2021 Baht	Baht
<b>Cash flows from (used in) operating activities</b>				
Net direct premium written	27,807,183,750	24,430,829,476	-	-
Cash received (paid) for reinsurance	(6,240,250,965)	(5,101,268,149)	-	-
Losses incurred of direct insurance	(14,624,952,452)	(10,135,607,527)	-	-
Loss adjustment expenses of direct insurance	(537,152,473)	(511,086,957)	-	-
Commissions and brokerages of direct insurance	(2,064,169,378)	(1,901,574,143)	-	-
Other underwriting expenses	(1,199,247,450)	(1,131,955,204)	-	-
Interest income	133,682,574	162,216,616	1,077	-
Dividend received	497,925,547	440,699,461	-	-
Other income	107,206,694	51,216,198	-	-
Operating expenses	(2,314,313,005)	(2,395,188,311)	(13,397,119)	(10,900)
Income tax paid	(615,448,874)	(523,058,973)	-	-
Cash received from financial assets	17,812,174,644	17,658,464,268	-	-
Cash used in financial assets	(18,956,291,356)	(17,787,692,083)	-	-
Others	110,123,951	(154,244,548)	94,518	-
Net cash provided from operating activities	(83,528,793)	3,101,750,124	(13,301,524)	(10,900)
<b>Cash flows from (used in) investing activities</b>				
<u>Cash provided from</u>				
Proceeds from disposal of property, plant and equipment	3,004,014	1,466,075	-	-
Cash provided from investing activities	3,004,014	1,466,075	-	-
<u>Cash used in</u>				
Purchase of property, plant and equipment	(88,650,720)	(112,163,911)	-	-
Purchase of intangible assets	(10,323,286)	(15,350,288)	-	-
Acquisition of investment in subsidiaries	14	-	(999,970)	-
Cash used in investing activities	(98,974,006)	(127,514,199)	(999,970)	-
Net cash used in investing activities	(95,969,992)	(126,048,124)	(999,970)	-

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

**Dhipaya Group Holdings Public Company Limited**

**Statement of Cash Flows (Cont'd)**

**For the year ended 31 December 2021**

	Note	After	Before	Separate	
		restructuring	restructuring		
Consolidated			financial statements		
			financial statements		
For the period					
from 31 July 2020					
(date of incorporation)					
to 31 December 2020					
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
<b>Cash flows used in financing activities</b>					
Proceeds from issue of ordinary shares	24	30	10,000	-	10,000
Employee cash advances		19,999	2,000	(2,000)	2,000
Advances from related party		-	-	14,763,054	-
Repayment on lease liabilities		(38,064,508)	(41,406,949)	-	-
Dividend paid	26	(1,079,997,400)	(989,998,535)	-	-
Net cash used in financing activities		(1,118,041,879)	(1,031,393,484)	14,761,054	12,000
<b>Net increase (decrease) in cash and cash equivalents</b>					
Cash and cash equivalents as at the beginning of the year		(1,297,540,664)	1,944,308,516	459,560	1,100
Cash and cash equivalents as at the end of the year		3,772,670,649	1,828,362,133	1,100	-
<b>Significant non-cash transactions comprised of:</b>					
Accounts payable - purchase of property, plant and equipment		3,193,500	20,641,836	-	-
Accounts payable - purchase of intangible assets		350,000	4,122,450	-	-
Acquisition of right-of-use assets		21,500,713	115,953,660	-	-
Reclassify investments in securities with maturity not over 3 months from acquisition date from investments measured at fair value through other comprehensive income to cash and cash equivalents		199,978,140	1,709,932,006	-	-
The restructuring of an entity by means of ordinary shares issue		-	-	9,135,387,380	-

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

## **1. General information**

### **1.1 Corporate information**

Dhipaya Group Holdings Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand on 31 July 2020. The address of the Company’s registered office is as follows:

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

The principal business operations of the Company is holding investment in other companies.

The Company has a subsidiary company, Dhipaya Insurance Public Company Limited (“Dhipaya Insurance”), which operates non-life insurance business, holding by 99.05%.

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

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

### **1.2 The Group’s restructuring plan**

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

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

## 2. Significant events during the current year

### Coronavirus Disease 2019 outbreak

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

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

## 3. Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act and as required by the Notification of the Office of Insurance Commission entitled “Principle, methodology, condition and timing of preparation, submission and reporting of financial statements and operation performance for non-life insurance company (No. 2) B.E. 2562” dated on 4 April 2019 (‘OIC Notification’).

As described in note 1.2, the Company and Dhipaya Insurance have implemented the Shareholding and Management Restructuring Plan. The consolidated financial statements and comparative financial statements comprise the statement of financial position as at 31 December 2021, the statement of financial position as at 31 December 2020, the statement of comprehensive income, the related statement of changes in equity and cash flows for the period ended 31 December 2021 and the notes to consolidated financial statements as if the restructuring plan had been taken place since the beginning of the year in financial statements for the year 2020 as comparative information. The transaction ‘Share capital to be issued and share premium for capital reorganization’ presents former issued and paid-up share capital and share premium of Dhipaya Insurance whereas on the proportion of shares owned by the Company that were used in exchange for Dhipaya Insurance’s shares in 2021.

The Company has presented the consolidated financial statements includes the financial statements of Dhipaya Group Holdings Public Company Limited and Dhipaya Insurance Public Company Limited which 99.05% owned by the Company. Significant transactions and balances between the Company and the subsidiary have been eliminated.

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

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

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

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

## **4. Accounting policies**

### **4.1 Principles of consolidation accounting**

#### **(a) Subsidiaries**

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

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

**(b) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

When the Group loses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

**(c) Intercompany transactions on consolidation**

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

**4.2 Revenue recognition**

**(a) Net premium earned**

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

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

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



**(b) Fee and commission income**

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

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

**(c) Interest income and dividends**

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

**(d) Gains (losses) on securities trading**

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

**(e) Other income**

Other income is recognised on the accrual basis.

**4.3 Premium reserve**

**(a) Unearned premium reserve**

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

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

**(b) Unexpired risks reserve**

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

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

**4.4 Loss reserve and outstanding claims**

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

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

**4.5 Product classification**

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

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

#### **4.6 Liabilities adequacy testing**

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

#### **4.7 Commissions, brokerages and other expenses**

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

Other expenses are recognised on the accrual basis.

#### **4.8 Cash and cash equivalents**

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

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

#### **4.9 Premium due and uncollected**

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

#### **4.10 Reinsurance assets and due to reinsurers**

##### **(a) Reinsurance assets, net**

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

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

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

##### **(b) Amount due from reinsurance, net**

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

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

##### **(c) Due to reinsurers**

Due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance. Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims. The Group presents net of reinsurance to the same entity (reinsurance assets or amounts due to reinsurers) when the criteria for offsetting as follows:

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

#### **4.11 Investment in securities**

##### **(a) Classification**

The Group classifies its investments in securities as follows:

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

##### **(b) Recognition and derecognition**

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

##### **(c) Measurement**

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

##### **(d) Debt instruments**

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

- Amortised cost: Investments in securities that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these investments is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in gain (loss) on investments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVOCI: Investments in securities that the Group intends to either hold for an indefinite period or sell in response to the needs of the Group's liquidity or change in interest rate are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of 1) impairment gains or losses, 2) interest income using the effective interest method, and 3) foreign exchange gains and losses which are recognised in profit or loss. When the investments is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gain (loss) on investments. Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.

**(e) Equity instruments**

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

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

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

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

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

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

**(f) Impairment**

The Group assesses expected credit loss on a forward looking basis for its financial assets which classified as debt instruments carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been any significant increases in credit risk. The Group accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Group measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

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

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

**4.12 Investment property**

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

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

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

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

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

Building and improvements	20 years
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#### **4.13 Property, plant and equipment**

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

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

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

The assets' residual values and useful lives are reviewed by the Group, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### **4.14 Intangible assets**

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

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

Computer software	5 - 7 years
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#### **4.15 Leasehold rights**

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

#### **4.16 Impairment of assets**

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

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

#### **4.17 Leases**

##### *Leases - where the Group is the lessee*

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

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

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

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

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

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

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

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

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

#### Leases - where the Group is the lessor

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

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

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

#### **4.18 Foreign currency translation**

##### **(a) Functional and presentation currency**

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

##### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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

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

#### **4.19 Employee benefits**

##### **(a) Short-term employee benefits**

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

##### **(b) Defined contribution plan**

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

**(c) Defined benefit plans**

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

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

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

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

**(d) Other long-term benefits**

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

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

**4.20 Current and deferred income taxes**

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

*Current tax*

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

*Deferred income tax*

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

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

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

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

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

**4.21 Provisions**

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

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

#### **4.22 Share capital**

Ordinary shares are classified as equity.

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

#### **4.23 Dividend distribution**

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

#### **4.24 New and amended financial reporting standards**

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

## **5. Financial risk management**

### **5.1 Financial risk**

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

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

#### **5.1.1 Market risk**

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

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a) **Foreign currency risk**

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

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

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

*Foreign exchange risk sensitivity analysis*

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

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>Impact to net profit</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Foreign exchange increases 1% *</b>		
US Dollar	297,830	(276,965)
Euro	(17,601)	(2,785)
Other	(1,907)	965
<b>Foreign exchange decreases 1% *</b>		
US Dollar	(297,830)	276,965
Euro	17,601	2,785
Other	1,907	(965)

\* Holding all other variables constant

**b) Cash flow and fair value interest rate risk**

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

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



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

		<b>After restructuring</b>								
		<b>Consolidated financial statements</b>								
		<b>2021</b>								
		<b>Fixed interest rates</b>			<b>Floating interest rates</b>			<b>Non-</b>		
		<b>Within</b>	<b>1 - 5</b>	<b>Over</b>	<b>Within</b>	<b>1 - 5</b>	<b>Over</b>	<b>Interest</b>	<b>Total</b>	<b>Interest</b>
		<b>1 year</b>	<b>years</b>	<b>5 years</b>	<b>1 year</b>	<b>years</b>	<b>5 years</b>	<b>bearing</b>	<b>Million</b>	<b>rate</b>
		<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>(% p.a.)</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	
<b>Financial assets</b>										
Cash and cash equivalents		200	-	-	2,168	-	-	107	2,475	0.13-2.00
Accrued investment income		6	30	1	-	-	-	-	37	0.09-4.94
Investment in securities		1,603	3,861	219	-	-	-	9,238	14,921	0.09-4.94
		<b>1,809</b>	<b>3,891</b>	<b>220</b>	<b>2,168</b>	<b>-</b>	<b>-</b>	<b>9,345</b>	<b>17,433</b>	
<b>Financial liabilities</b>										
Lease liabilities		27	56	2	-	-	-	-	85	2.43-5.00
		<b>27</b>	<b>56</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85</b>	
		<b>Before restructuring</b>								
		<b>Consolidated financial statements</b>								
		<b>2020</b>								
		<b>Fixed interest rates</b>			<b>Floating interest rates</b>			<b>Non-</b>		
		<b>Within</b>	<b>1 - 5</b>	<b>Over</b>	<b>Within</b>	<b>1 - 5</b>	<b>Over</b>	<b>Interest</b>	<b>Total</b>	<b>Interest</b>
		<b>1 year</b>	<b>years</b>	<b>5 years</b>	<b>1 year</b>	<b>years</b>	<b>5 years</b>	<b>bearing</b>	<b>Million</b>	<b>rate</b>
		<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>Million</b>	<b>(% p.a.)</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	
<b>Financial assets</b>										
Cash and cash equivalents		2,244	-	-	1,522	-	-	6	3,772	0.14-3.10
Accrued investment income		16	22	-	-	-	-	-	38	0.25-4.97
Investment in securities		1,794	3,834	88	-	-	-	7,156	12,872	0.25-4.97
		<b>4,054</b>	<b>3,856</b>	<b>88</b>	<b>1,522</b>	<b>-</b>	<b>-</b>	<b>7,162</b>	<b>16,682</b>	
<b>Financial liabilities</b>										
Lease liabilities		32	58	7	-	-	-	-	97	2.62-5.00
		<b>32</b>	<b>58</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>	

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		Seperate financial statements								
		2021								
		Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
<b>Financial assets</b>										
Cash and cash equivalents		-	-	-	450,660	-	-	10,000	460,660	0.25
		-	-	-	450,660	-	-	10,000	460,660	-
		Seperate financial statements								
		2020								
		Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
<b>Financial assets</b>										
Cash and cash equivalents		-	-	-	-	-	-	1,100	1,100	-
		-	-	-	-	-	-	1,100	1,100	-

*Interest rate sensitivity analysis*

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of debt investments at fair value through other comprehensive income.

The table below shows the interest sensitivity for the financial assets and financial liabilities held as at reporting date

	<b>After restructuring</b>	<b>Before restructuring</b>	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>			
	<b>Impact to net profit</b>		<b>Impact to other components of equity</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Interest rate - increase 1%*	23,071,575	15,224,391	(76,601,263)	(79,507,555)
Interest rate - decrease 1%*	(5,767,894)	(3,806,098)	79,632,298	81,797,811

\* Holding all other variables constant

c) **Price risk**

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

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

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

*Equity price risk sensitivity analysis*

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

	<b>After restructuring</b>	<b>Before restructuring</b>	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>			
	<b>Impact to net profit</b>		<b>Impact to other components of equity</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Equity prices				
- increase 1%*	119	-	43,517,428	53,654,871
Equity prices				
- decrease 1%*	(119)	-	(43,517,428)	(53,654,871)

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

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

### 5.1.2 Credit risk

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

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

a) **Risk management**

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

Risk assessment

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

Risk reporting

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

Risk management

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

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

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

**b) Impairment of financial assets**

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

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

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

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

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

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

Forward- looking economic information is also included in determining the next 12 months or over the remaining lifetime.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

*Maximum credit risk exposure*

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

*Investment in debt instruments*

The Group accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Group measures impairment losses and applies the effective interest rate method. The Group considers that all debt investments measured at amortised cost and FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

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*Investment in debt instruments measured at amortised cost*

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

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

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



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*Debt investments measured at fair value through other comprehensive income*

Debt investments measured at fair value through other comprehensive income (FVOCI) include listed and unlisted debt securities. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

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

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

### 5.1.3 Liquidity risk

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

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

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

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Floating rate</b>		
Expiring within one year		
- Bank overdraft	10,000,000	10,000,000
	10,000,000	10,000,000

## **5.2 Capital management**

### **5.2.1 Risk management**

The objectives when managing capital are to:

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

In order to maintain solvency capital as required by the Office of Insurance Commission and to maintain an optimal capital structure to reduce the cost of capital, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

## **6. Insurance risk**

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

### **6.1 Underwriting risk**

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

## **6.2 Reinsurance risk**

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

## **6.3 Concentration of risks**

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

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

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

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

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

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**7. Fair value**

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

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

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Financial institutions	38.67	38.48
Government and state enterprise	5.05	2.32
Other parties	56.28	59.20
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

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

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

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

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

	<b>After restructuring</b>			
	<b>Consolidated financial statements</b>			
	<b>2021</b>			
	<b>Level 1 Baht</b>	<b>Level 2 Baht</b>	<b>Level 3 Baht</b>	<b>Total Baht</b>
<b>Assets</b>				
Investment property	-	617,139,754	-	617,139,754
<b>Total assets</b>	-	617,139,754	-	617,139,754
	<b>Before restructuring</b>			
	<b>Consolidated financial statements</b>			
	<b>2020</b>			
	<b>Level 1 Baht</b>	<b>Level 2 Baht</b>	<b>Level 3 Baht</b>	<b>Total Baht</b>
<b>Assets</b>				
Investment property	-	628,180,596	-	628,180,596
<b>Total assets</b>	-	628,180,596	-	628,180,596



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

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

### **Valuation techniques used to determine fair values**

#### *Financial instruments in level 1*

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

#### *Financial instruments in level 2*

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

#### *Valuation process in level 3*

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

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

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

Transfer between fair value hierarchy

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

Financial assets measured in level 3

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Beginning balance of the year	587,088,096	600,956,364
Gains (losses) recognised in other comprehensive income	220,125,159	(13,868,268)
Closing balance of the year	807,213,255	587,088,096

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

## **8. Critical accounting estimates, assumptions and judgements**

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

### **8.1 Impairment of premium receivable**

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

### **8.2 Impairment on amount due from reinsurance**

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

### **8.3 Buildings and equipment and intangible assets**

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

### **8.4 Deferred tax**

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

## **8.5 Valuation of Insurance contract liabilities**

### **Claim liabilities**

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

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

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

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

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

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

#### Unallocated loss adjustment expense ("ULAE")

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

#### **8.6 Unexpired risk reserve**

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

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

#### **8.7 Employee benefits obligations**

Employee benefits obligations are determined by independent actuary. The amount recognised in the Statement of Financial Position is determined on an estimation basis utilising various assumptions. The assumptions used in determining the cost for employee benefits include discount rate, future salary increase rate, staff turnover rate, mortality rate, gold prices and gold inflation rates. Any changes in these assumptions will impact the cost recorded for employee benefits. On an annual basis, the Group reviews the appropriate assumptions, which represents the provision expected to settle for the employee benefits.

#### **8.8 Fair value of financial instruments**

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

### **8.9 Impairment of financial assets**

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

### **8.10 Determination of lease terms**

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

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

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

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

### **8.11 Determination of discount rate applied to leases**

The Group determines the incremental borrowing rate as follows:

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

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**9. Cash and cash equivalents**

	<b>After restructuring</b>	<b>Before restructuring</b>	<b>Separate</b>	
	<b>Consolidated financial statements</b>		<b>financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
Cash on hand	1,289,857	1,307,867	10,000	1,100
Bank deposits held at call	2,273,861,988	1,527,622,381	450,660	-
Bank deposits with fixed maturity and certificate of deposits	1,818,050,000	1,888,050,000	-	-
Investment in securities with maturity not over 3 months from acquisition date	199,978,140	2,243,740,401	-	-
<b>Total cash and deposits at financial institutions</b>	<b>4,293,179,985</b>	<b>5,660,720,649</b>	<b>460,660</b>	<b>1,100</b>
<u>Less</u> Deposits at banks and other institutions with maturity over 3 months from acquisition date (Note 13)	(1,763,950,000)	(1,763,950,000)	-	-
Restricted deposit at banks	(54,100,000)	(124,100,000)	-	-
<b>Cash and cash equivalents</b>	<b>2,475,129,985</b>	<b>3,772,670,649</b>	<b>460,660</b>	<b>1,100</b>

As at 31 December 2021, the Group had pledged fixed deposits totaling Baht 54.10 million (2020: Baht 124.10 million) as collaterals against bank overdrafts and as bail bond in cases where insured drivers have been charged with criminal offence, place as a reserve for insurance premiums with the Registrar, in accordance with Section 23 of the Insurance Act B. E. 2535, and placed with the Registrar, in accordance with Section 19 of the Insurance Act B.E. 2535, (as stated in Notes 34, 35 and 38).

## 10. Premium receivables, net

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

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

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



## 11. Reinsurance assets, net

The Group has assets from reinsurance as follows:

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

### 11.1 Loss reserve to be called from reinsurance companies

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

## 11.2 Unearned premium reserve to be called from reinsurance companies

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

## 12. Amount due from reinsurance, net

The Group has amount due from reinsurance as follows:

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

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

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

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

### 13. Investment in securities, net

The Group has investment in securities as follows:

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

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

**13.1 Financial assets at amortised cost**

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

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

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

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b) Fair values of financial assets at amortised cost

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

	After restructuring	Before restructuring
	Consolidated financial statements	
	2021	2020
	Baht	Baht
Government and state enterprise		
Securities	800,562,767	848,987,290
Savings lottery	10,000,000	15,000,000

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

c) Financial assets pledged as security

As at 31 December 2021, the Group pledge bonds, debenture and savings lottery at the carrying amounts of Baht 736.20 million (2020: Baht 776.93 million) as collateral against premium reserve with the registrar, collateral for underwriting policies and collateral in case of the insured driver is an alleged offender (as stated in Notes 35 and 38).

d) Loss allowance

*Debt securities that are measured at amortised cost*

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

	<b>Before restructuring</b>		
	<b>Consolidated financial statements</b>		
	<b>2020</b>		
	<b>Gross carrying value Baht</b>	<b>Expected credit loss Baht</b>	<b>Carrying value Baht</b>
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,619,388,188	(1,232)	2,619,386,956
Total	2,619,388,188	(1,232)	2,619,386,956

### 13.2 Financial assets at fair value through other comprehensive income

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

Financial assets at FVOCI comprise the following investments:

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



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

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

***Disposals of equity and debt investments***

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

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

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b) **Amounts recognised in profit or loss and other comprehensive income**

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

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

*Significant acquisitions and disposals during the year*

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

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

c) **Financial assets pledged as security**

As at 31 December 2021, the Group pledge debenture at the carrying amounts of Baht 383.59 million (2020: Baht 300.73 million) as collateral against premium reserve with the registrar, collateral for underwriting policies and collateral in case of the insured driver is an alleged offender (as stated in Notes 35 and 38).

d) **Loss allowance**

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

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

### 13.3 Financial assets at fair value through profit or loss

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

Financial assets measured at FVPL include the following:

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Listed equity securities	14,069	4,033
Total	14,069	4,033

b) Amounts recognised in profit or loss

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Fair value gains (losses) on equity investments at FVPL recognised in other gains/(losses)	10,674	638

*Significant acquisitions and disposals during the year*

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

### 13.4 Disclosure on fair value of investments

The fair value measurement of investments were as follows.

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

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

#### 14. Investments in subsidiaries

As at 31 December 2021, the subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

	Country of incorporation	Nature of business	Separate financial statements		
			Paid-up capital	Shareholding percentage	Cost
			2021 Baht	2021 Baht	2021 Baht
<b>Subsidiary company</b>					
Dhipaya Insurance Public Company Limited	Thailand	Non-life insurance	600,000,000	99.05%	9,135,387,380
TIP ISB Company Limited	Thailand	Investment	1,000,000	99.99%	999,970

Movements of investments in subsidiaries are as follows:

	Separate financial statements Investment at cost method 2021 Baht
Opening net book value	-
Increase in investment	9,136,387,350
Closing net book value	9,136,387,350

The Company has recognised investment in Dhipaya Insurance amounting to Baht 9,135.39 million in the separate financial information, calculated based on the proportion of the net book value of Dhipaya Insurance' shareholders equity which presented in the interim financial information as at the date of restructuring.

On 26 October 2021, the Board of Directors' Meeting No.7/2564 passed a resolution to approve to invest in TIP ISB Company Limited (subsidiary) which is a newly incorporated company, with ordinary shares of 99,997 at Baht 10 per share, totaling Baht 999,970. TIP ISB Company Limited was registered with Department of Business Development on 15 November 2021.

15. Investment property, net

	After restructuring		
	Consolidated financial statements		
	Land Baht	Buildings and improvements Baht	Total Baht
<b>As at 1 January 2021</b>			
Cost	136,804,876	128,767,469	265,572,345
<u>Less</u> Accumulated depreciation	-	(111,189,999)	(111,189,999)
Net book amount	136,804,876	17,577,470	154,382,346
<b>For the year ended 31 December 2021</b>			
Opening net book amount	136,804,876	17,577,470	154,382,346
Transferred in/(out) (Note 16.1)	-	(3,123,789)	(3,123,789)
Depreciation	-	(1,759,303)	(1,759,303)
Closing net book amount	136,804,876	12,694,378	149,499,254
<b>As at 31 December 2021</b>			
Cost	136,804,876	105,883,496	242,688,372
<u>Less</u> Accumulated depreciation	-	(93,189,118)	(93,189,118)
Net book amount	136,804,876	12,694,378	149,499,254
Fair value	566,054,095	51,085,659	617,139,754



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	<b>Before restructuring</b>		
	<b>Consolidated financial statements</b>		
	<b>Land</b>	<b>Buildings and</b>	<b>Total</b>
	<b>Baht</b>	<b>improvements</b>	<b>Baht</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>As at 1 January 2020</b>			
Cost	139,914,078	127,214,722	267,128,800
<u>Less</u> Accumulated depreciation	-	(109,038,739)	(109,038,739)
Net book amount	139,914,078	18,175,983	158,090,061
<b>For the year ended 31 December 2020</b>			
Opening net book amount	139,914,078	18,175,983	158,090,061
Transferred in/(out) (Note 16.1)	(3,109,202)	1,552,747	(1,556,455)
Depreciation	-	(2,151,260)	(2,151,260)
Closing net book amount	136,804,876	17,577,470	154,382,346
<b>As at 31 December 2020</b>			
Cost	136,804,876	128,767,469	265,572,345
<u>Less</u> Accumulated depreciation	-	(111,189,999)	(111,189,999)
Net book amount	136,804,876	17,577,470	154,382,346
Fair value	566,054,095	62,126,501	628,180,596

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

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

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

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

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

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Rental and service income	20,281,507	23,906,465
Direct operating expense arise from investment property that generated rental and service income	5,361,248	6,539,123
Direct operating expense arise from investment property that did not generated rental and service Income	2,396,379	1,241,324

## 16. Property, plant and equipment, net

### 16.1 Property, plant and equipment

	Consolidated financial statements - After restructuring					Total Baht
	Land Baht	Buildings and improvements Baht	Fixtures and equipment Baht	Vehicles Baht	Assets under construction Baht	
<b>At 1 January 2021</b>						
Cost	473,825,365	1,181,262,507	632,732,629	141,795,832	2,067,436	2,431,683,769
<u>Less</u> Accumulated depreciation	-	(407,440,738)	(475,013,766)	(119,571,038)	-	(1,002,025,542)
Net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227
<b>For the year ended 31 December 2021</b>						
Opening net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227
Additions	-	528,412	13,945,269	32,100	56,696,603	71,202,384
Disposals	-	-	(11,573)	(6,025,256)	-	(6,036,829)
Write-off	-	-	-	-	-	-
Transfers in/(out)	-	10,865,832	6,509,544	-	(17,375,376)	-
Transferred from (to) investment properties (Note 15)	-	3,123,789	-	-	-	3,123,789
Transferred from right-of-use assets (Note 16.2)	-	-	-	6,809,095	-	6,809,095
Depreciation charge	-	(60,690,639)	(43,879,802)	(10,811,384)	-	(115,381,825)
Closing net book amount	473,825,365	727,649,163	134,282,301	12,229,349	41,388,663	1,389,374,841
<b>At 31 December 2021</b>						
Cost	473,825,365	1,215,540,724	652,741,144	129,015,942	41,388,663	2,512,511,838
<u>Less</u> Accumulated depreciation	-	(487,891,561)	(518,458,843)	(116,786,593)	-	(1,123,136,997)
Net book amount	473,825,365	727,649,163	134,282,301	12,229,349	41,388,663	1,389,374,841

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	<b>Consolidated financial statements - Before restructuring</b>					
	<b>Land Baht</b>	<b>Buildings and improvements Baht</b>	<b>Fixtures and equipment Baht</b>	<b>Vehicles Baht</b>	<b>Assets under construction Baht</b>	<b>Total Baht</b>
<b>At 1 January 2020</b>						
Cost	461,695,361	1,161,161,890	581,916,829	127,373,066	17,950,464	2,350,097,610
<u>Less</u> Accumulated depreciation	-	(347,347,212)	(425,699,941)	(103,154,060)	-	(876,201,213)
Net book amount	461,695,361	813,814,678	156,216,888	24,219,006	17,950,464	1,473,896,397
<b>For the year ended 31 December 2020</b>						
Opening net book amount	461,695,361	813,814,678	156,216,888	24,219,006	17,950,464	1,473,896,397
Additions	9,020,802	7,005,926	28,000,075	165,000	21,895,625	66,087,428
Disposals	-	-	(29,140)	(20,526)	-	(49,666)
Write-off	-	-	(18)	-	-	(18)
Transfers in/(out)	-	14,647,438	23,131,215	-	(37,778,653)	-
Transferred from (to) investment properties (Note 15)	3,109,202	(1,552,747)	-	-	-	1,556,455
Transferred from right-of-use assets (Note 16.2)	-	-	-	9,575,888	-	9,575,888
Depreciation charge	-	(60,093,526)	(49,600,157)	(11,714,574)	-	(121,408,257)
Closing net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227
<b>At 31 December 2020</b>						
Cost	473,825,365	1,181,262,507	632,732,629	141,795,832	2,067,436	2,431,683,769
<u>Less</u> Accumulated depreciation	-	(407,440,738)	(475,013,766)	(119,571,038)	-	(1,002,025,542)
Net book amount	473,825,365	773,821,769	157,718,863	22,224,794	2,067,436	1,429,658,227

**16.2 Right-of-use asset**

	<b>After restructuring</b>			
	<b>Consolidated financial statements</b>			
	<b>Land Baht</b>	<b>Buildings Baht</b>	<b>Vehicles Baht</b>	<b>Total Baht</b>
<b>At 1 January 2021</b>				
Cost	37,221,512	13,155,148	80,199,000	130,575,660
<u>Less</u> Accumulated amortisation	(6,845,290)	(6,052,329)	(19,956,772)	(32,854,391)
Net book amount	30,376,222	7,102,819	60,242,228	97,721,269
<b>For the year ended 31 December 2021</b>				
Opening net book amount	30,376,222	7,102,819	60,242,228	97,721,269
Additions	-	5,384,388	16,116,325	21,500,713
Transferred to property, plant and equipment (Note 16.1)	-	-	(6,809,095)	(6,809,095)
Amortisation charge	(6,845,289)	(7,787,515)	(16,357,500)	(30,990,304)
Closing net book amount	23,530,933	4,699,692	53,191,958	81,422,583
<b>At 31 December 2021</b>				
Cost	37,221,512	18,539,536	83,551,325	139,312,373
<u>Less</u> Accumulated amortisation	(13,690,579)	(13,839,844)	(30,359,367)	(57,889,790)
Net book amount	23,530,933	4,699,692	53,191,958	81,422,583

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	<b>Before restructuring</b>			
	<b>Consolidated financial statements</b>			
	<b>Land Baht</b>	<b>Buildings Baht</b>	<b>Vehicles Baht</b>	<b>Total Baht</b>
<b>At 1 January 2020</b>				
Cost	37,221,512	9,695,371	82,652,014	129,568,897
<u>Less</u> Accumulated amortisation	-	-	(12,285,789)	(12,285,789)
Net book amount	37,221,512	9,695,371	70,366,225	117,283,108
<b>For the year ended 31 December 2020</b>				
Opening net book amount	37,221,512	9,695,371	70,366,225	117,283,108
Additions	-	3,459,777	15,789,986	19,249,763
Transferred to property, plant and equipment (Note 16.1)	-	-	(9,575,888)	(9,575,888)
Amortisation charge	(6,845,290)	(6,052,329)	(16,338,095)	(29,235,714)
Closing net book amount	30,376,222	7,102,819	60,242,228	97,721,269
<b>At 31 December 2020</b>				
Cost	37,221,512	13,155,148	80,199,000	130,575,660
<u>Less</u> Accumulated amortisation	(6,845,290)	(6,052,329)	(19,956,772)	(32,854,391)
Net book amount	30,376,222	7,102,819	60,242,228	97,721,269

Related lease liabilities are disclosed in Note 22.

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

17. Intangible assets, net

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

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



## 18. Deferred income tax

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Deferred tax assets	1,028,320,537	1,120,539,443
Deferred tax liabilities	(2,134)	(127)
Deferred tax asset, net	1,028,318,403	1,120,539,316

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

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

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

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

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

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

19. Insurance contract liabilities

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

**19.1 Claim liabilities**

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

**19.2 Unearned premium reserve**

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

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

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**19.3 Gross claim development table**

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

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**19.4 Net claim development table**

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

**19.5 Maturity analysis of claim liabilities expected to be paid**

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

**19.6 Sensitivity analysis**

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



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

## 20. Due to reinsurers

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Outward premium payables	3,973,070,482	2,677,365,997
Amounts withheld on reinsurance treaties	3,154,064,644	3,072,868,126
<b>Total due to reinsurers</b>	<b>7,127,135,126</b>	<b>5,750,234,123</b>

21. Employee benefit obligations

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

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

	After restructuring		
	Consolidated financial statements		
	2021		
	Post- employment benefit Baht	Other benefit Baht	Total Baht
Beginning balance for the year	438,705,723	50,660,491	489,366,214
Current service cost	36,578,641	4,293,850	40,872,491
Interest cost	5,237,693	493,435	5,731,128
Remeasurements :			
Actuarial (gains) losses due to experience adjustments	-	-	-
Actuarial (gains) losses - demographic Assumptions	-	-	-
Actuarial (gains) losses - financial Assumptions	-	-	-
<u>Less</u> Benefits paid	(18,480,267)	(5,223,585)	(23,703,852)
Closing balance for the year	462,041,790	50,224,191	512,265,981

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	<b>Before restructuring</b>		
	<b>Consolidated financial statements</b>		
	<b>2020</b>		
	<b>Post- employment benefit Baht</b>	<b>Other benefit Baht</b>	<b>Total Baht</b>
Beginning balance for the year	379,744,181	36,847,676	416,591,857
Current service cost	31,299,950	3,326,939	34,626,889
Interest cost	10,045,278	842,557	10,887,835
Remeasurements :			
Actuarial (gains) losses due to experience adjustments	3,968,212	2,955,527	6,923,739
Actuarial (gains) losses - demographic Assumptions	(19,788,752)	(1,800,293)	(21,589,045)
Actuarial (gains) losses - financial Assumptions	59,772,240	14,180,585	73,952,825
<u>Less</u> Benefits paid	(26,335,386)	(5,692,500)	(32,027,886)
Closing balance for the year	438,705,723	50,660,491	489,366,214

The principal actuarial assumptions used are as follows:

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021</b>	<b>2020</b>
Discount rate	1.6% per year	1.6% per year
Salary increase rate	7.0% per year	7.0% per year
Average turnover rate	4.5% per year	4.5% per year
Mortality rate	TMO 2017 with 3 % improvement	TMO 2017 with 3 % improvement
Retirement age	60 years	60 years
Gold prices	27,350 Baht	27,350 Baht
Gold Inflation rate	2.0% per year	2.0% per year

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Sensitivity analysis on key assumption changes are as follows:

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

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the Statement of Financial Position.

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

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

Changes in bond yields

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

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

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

## 22. Other liabilities

	After restructuring	Before restructuring	Separate	
	Consolidated financial statements		financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Subrogation payables	4,941,404	5,942,178	-	-
Suspense accounts	312,093,515	413,851,559	-	-
Lease liabilities	84,527,823	97,204,579	-	-
Accrued expenses	11,303,440	10,887,001	950,751	202,360
Amount withheld on insurance	80,729,667	-	-	-
Others	1,045,002,012	872,055,050	14,913,249	-
<b>Total other liabilities</b>	<b>1,538,597,861</b>	<b>1,399,940,367</b>	<b>15,864,000</b>	<b>202,360</b>

### 22.1 Lease liabilities

Maturity of lease liabilities are as follows:

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

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

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**23. Tax effects relating to each component of other comprehensive income**

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

**24. Share capital and premium on share capital**

	Separate financial statements		
	Number of Shares Shares	Ordinary Shares Baht	Share Premium Baht
<u>Authorised share capital</u>			
At 31 July 2020	10,000	10,000	-
Issue of shares	600,000,000	600,000,000	-
At 31 December 2020	600,010,000	600,010,000	-
Issue of shares	-	-	-
At 31 December 2021	600,010,000	600,010,000	-
<u>Paid-up share capital</u>			
At 31 July 2020	10,000	10,000	-
Issue of shares	-	-	-
At 31 December 2020	10,000	10,000	-
Issue of shares	594,282,336	594,282,336	8,541,105,044
At 31 December 2021	594,292,336	594,292,336	8,541,105,044

*Issue of ordinary shares*

On 31 July 2020, the Company has incorporated as public limited company with the initial registered capital of Baht 10,000 divided into 10,000 ordinary shares valued at Baht 1 per share. The issued ordinary shares amount of 10,000 shares are fully paid.

As mentioned in note 1.2, as at 31 August 2021 the Company summarized number of ordinary share which were issued to exchange with ordinary share of Dhipaya Insurance total of 594,282,336 shares at 1 Baht per share. The Company registered the increase in the authorised share capital with the Ministry of Commerce on 1 September 2021.

*Issue of authorised share capital*

On 21 August 2020, the shareholders at the extraordinary general meeting passed a resolution to approve increase the authorised share capital to 600,010,000 ordinary shares with a par value of Baht 1 per share to exchange with Dhipaya Insurance's authorised share capital under the Shareholding and Management Restructuring Plan. The Company registered the increased share capital with the ministry of commerce on 2 September 2020.

*Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## 25. Statutory reserve and general reserve

*Statutory reserve*

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

As at 31 December 2021 and 2020, the Group's statutory reserve has reached 10% of the registered capital.

*General reserve*

The Company and its subsidiaries have appropriated a portion of retained earnings for the general reserve for their business activities in the future.

## 26. Dividend paid

### *Subsidiary*

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

At the Annual General Meeting of the shareholders of Dhipaya Insurance held on 22 April 2021, the shareholders approved the payment of annual dividend from net profit for the year ended 31 December 2020 at Baht 1.30 per share, totalling Baht 780,000,000. Such dividend was paid to the shareholders on 19 May 2021.

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

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



**27. Operating expenses**

	<b>After restructuring</b>		<b>Before restructuring</b>	
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>From 31 July 2020 (date of incorporation) to 31 December 2020</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Personal expenses which are not expenses for underwritings and claims	875,363,409	861,670,893	-	-
Premises and equipment expenses which is not expenses for underwriting and claims	370,890,165	389,071,656	-	-
(Reversal) Bad debts and doubtful accounts	(54,079,200)	126,752,236	-	-
Directors' remuneration	41,315,000	28,821,000	6,723,000	-
Other operating expenses	754,620,164	796,485,610	7,480,176	211,260
<b>Total operating expenses</b>	<b>1,988,109,538</b>	<b>2,202,801,395</b>	<b>14,203,176</b>	<b>211,260</b>

**28. Employee and company's committee expenses**

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Salary and wages	1,092,839,335	1,040,456,132
Social security fund	6,535,976	7,960,270
Contribution to provident fund	59,475,215	56,461,758
Other benefits	98,399,385	112,029,124
<b>Total employee and company's committee expenses</b>	<b>1,257,249,911</b>	<b>1,216,907,284</b>
	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Other benefits	6,723,000	-
<b>Total employee and company's committee expenses</b>	<b>6,723,000</b>	<b>-</b>

### 29. Provident fund

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

### 30. Income tax expense

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

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

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

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

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

More information relating to deferred tax is presented in Note 18.

### 31. Net expected credit losses

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Investments in securities	873,998	105,667
Total expected credit loss	873,998	105,667

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

### 32. Earnings (losses) per share

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

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

	<b>After restructuring</b>		<b>Before restructuring</b>	<b>Separate financial statements</b>
	<b>Consolidated financial statements</b>			
	<b>2021</b>	<b>2020</b>		<b>From 31 July 2020 (date of incorporation) to 31 December 2020</b>
Net profit (loss) attributable to shareholders (Baht)	1,811,469,784	2,044,986,217	(14,202,099)	(211,260)
Weighted average number of ordinary shares outstanding (Shares)	594,292,336	594,292,336	200,275,006	10,000
Basic earnings (loss) per share (Baht)	3.05	3.44	(0.07)	(21.13)

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

### 33. Related party transactions

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

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

Related parties are as follows:

Company's name	Nature of relationship
Dhipaya Insurance Public Company Limited	Subsidiary company
TIP ISB Company Limited	Subsidiary company
PTT Public Company Limited	13.46 of shares held in the Company and common director
Government Saving Bank	11.31 of shares held in the Company and common director
Krung Thai Bank Public Company Limited	10.10 of shares held in the Company and common director
Dhipaya Life Assurance Public Company Limited	17.76 of shares held by the subsidiary and common director
Dhipaya Insurance Co., Ltd. (Lao PDR)	10.00 of shares held by the subsidiary and common director
Community and Estate Management Co., Ltd.	10.00 of shares held by the subsidiary and common director
Vejthani Public Company Limited	1.54 of shares held by the subsidiary and common director

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

	<b>After restructuring</b>	<b>Before restructuring</b>	
	<b>Consolidated financial statements</b>		
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>Pricing policies</b>
<b>Statement of Comprehensive Income</b>			
Premium written	1,079,877,208	813,642,130	Normal commercial terms for major customers.
Commission and Brokerage expenses	389,169,795	507,430,497	Rate of commission terms for depending on types of insurance that not over the rate under the regulation.
Net investment income			
Interest income	12,185,134	15,588,496	Interest rate 0.25% - 1.10% per annum.
Dividend received	10,631,750	732,600	According to the payment declaration.
Gains on investments	(728,464)	2,194,467	Offer price
Other income			
Rental revenue	5,539,146	5,984,340	Contract price referencing to market rate.
Service revenue	8,140,463	8,800,500	Contract price referencing to market rate.

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

	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Consolidated financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Statement of Financial Position</b>		
Investments in securities, net		
<u>Stocks</u>		
PTT Public Company Limited	321,860,000	-
Dhipaya Life Assurance Public Company Limited	486,367,337	323,254,398
Dhipaya Insurance Company Limited (Lao PDR)	10,392,252	496,213
Community and Estate Management Company Limited	1,206,375	856,485
Vejthani Public Company Limited	49,332,650	13,761,500
	<u>869,158,614</u>	<u>338,368,596</u>
<u>Less</u> Allowance for impairment	(8,326,400)	(8,326,400)
Total	<u>860,832,214</u>	<u>330,042,196</u>
<u>Debentures</u>		
PTT Public Company Limited	351,276,320	86,720,767
Government Savings Bank	60,081,309	60,306,923
Total	<u>411,357,629</u>	<u>147,027,690</u>
Deposits at financial institutions		
Government Savings Bank	1,023,199,131	1,016,188,516
Krung Thai Bank Public Company Limited	505,928,216	510,201,061
Total	<u>1,529,127,347</u>	<u>1,526,389,577</u>
Accrued investment income		
Government Savings Bank	15,671,233	4,671,233
Krung Thai Bank Public Company Limited	128,129	184,028
Total	<u>15,799,362</u>	<u>4,855,261</u>



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

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	<b>After restructuring</b>	<b>Before restructuring</b>
	<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>
Other liabilities		
Dhipaya Insurance Public Company Limited	14,763,054	-
<b>Total</b>	<b>14,763,054</b>	<b>-</b>

**Key management compensation**

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

	<b>After restructuring</b>	<b>Before restructuring</b>		
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021 Baht</b>	<b>2020 Baht</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
				<b>From 31 July 2020 (date of incorporation) to 31 December</b>
				<b>2021 Baht</b>
				<b>2020 Baht</b>
Short-term employee benefits	142,050,011	119,025,007	6,723,000	-
Post-employment benefits	2,833,216	4,252,462	-	-
Other long-term employee benefits	79,434	64,613	-	-
<b>Total</b>	<b>144,962,661</b>	<b>123,342,082</b>	<b>6,723,000</b>	<b>-</b>

#### **34. Assets pledged with registrar**

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

#### **35. Assets reserve pledged with registrar**

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

#### **36. Contribution to Non-life guarantee fund**

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

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**37. Financial information by segment**

The Group's operations involve in two business segments being of non-life insurance and investment business, and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating profits and assets as reflected in this interim consolidated financial information pertain to the aforementioned business segment and geographical area. For the purposes of administration, the Group has reported operating segments as segment income and profit for the years ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements - After restructuring							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Underwriting revenues	12,648,302,750	11,935,622,717	-	-	-	-	12,648,302,750	11,935,622,717
Income on investments	863,955,011	754,671,869	1,087	-	-	-	863,956,098	754,671,869
Other income	101,555,653	50,570,452	-	-	-	-	101,555,653	50,570,452
<b>Total revenue</b>	<b>13,613,813,414</b>	<b>12,740,865,038</b>	<b>1,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,613,814,501</b>	<b>12,740,865,038</b>
Insurance business expenses	9,381,177,725	7,983,297,521	-	-	-	-	9,381,177,725	7,983,297,521
Directors and key management personnel's remuneration	138,239,661	123,342,082	6,723,000	-	-	-	144,962,661	123,342,082
Other expenses	1,835,535,202	2,079,248,053	7,611,675	211,260	-	-	1,843,146,877	2,079,459,313
Expected credit losses	873,998	105,667	-	-	-	-	873,998	105,667
Income tax expense	414,617,180	489,997,140	-	-	-	-	414,617,180	489,997,140
<b>Total expenses</b>	<b>11,770,443,766</b>	<b>10,675,990,463</b>	<b>14,334,675</b>	<b>211,260</b>	<b>-</b>	<b>-</b>	<b>11,784,778,441</b>	<b>10,676,201,723</b>
<b>Net income (loss)</b>	<b>1,843,369,648</b>	<b>2,064,874,575</b>	<b>(14,333,588)</b>	<b>(211,260)</b>	<b>-</b>	<b>-</b>	<b>1,829,036,060</b>	<b>2,064,663,315</b>

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The assets and liabilities of the Group's operating segments are as follows:

	<b>Non-life insurance business Baht</b>	<b>Investment business Baht</b>	<b>Elimination of inter-segment Baht</b>	<b>Total Baht</b>
<b><u>Assets</u></b>				
As at 31 December 2021	49,652,707,429	9,137,858,531	(9,151,150,404)	49,639,415,556
As at 31 December 2020	44,472,226,638	1,100	-	44,472,227,738
<b><u>Liabilities</u></b>				
As at 31 December 2021	39,963,204,526	16,005,999	(14,763,054)	39,964,447,471
As at 31 December 2020	36,029,047,447	202,360	-	36,029,249,807

### **38. Restricted assets and commitment**

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

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

### **39. Contingent liabilities and commitment**

#### **Operating lease and building construction obligations**

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

#### **Litigation cases**

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

#### **Guarantees**

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

#### 40. Event after the Statement of Financial Position date

On 25 January 2022, the Board of Director passed a resolution at the Board of Directors' meeting No. 1/2022 to approve that TIP ISB Co., Ltd. ("TIP ISB"), its subsidiary in which the Company holds 99.99 percent, invests in DP Survey and Law Co., Ltd. ("DP Survey") and Amity Insurance Broker Co., Ltd. ("Amity") by purchasing 75 percent of ordinary shares of DP Survey and Amity from existing shareholders. After the investment, TIP ISB will hold 75 percent of the issued and paid up shares of DP Survey and Amity.