

# ANNUAL REPORT 2021

KRUNGTHAI PANICH INSURANCE  
PUBLIC COMPANY LIMITED



## STEP FOR TOMORROW SUSTAINABILITY

บริษัท กรุงไทยพานิชประกันภัย จำกัด (มหาชน)  
Krunghthai Panich Insurance PCL.

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## C O N T E N T S

<b>03</b>	VISION MISSION
<b>04</b>	FINANCIAL HIGHLIGHTS
<b>10</b>	MESSAGE FROM THE BOARD OF DIRECTORS
<b>12</b>	BOARD OF DIRECTORS
<b>15</b>	BOARD OF DIRECTORS PROFILE
<b>22</b>	THE EXECUTIVES
<b>23</b>	THE EXECUTIVE PROFILE
<b>27</b>	SUMMARY OF THE MEETINGS PARTICIPATION
<b>28</b>	MAJOR SHAREHOLDERS
<b>29</b>	GENERAL INFORMATION
<b>30</b>	AWARD RECOGNITION
<b>32</b>	KEY ACHIEVEMENTS
<b>36</b>	ORGANIZATION CHART
<b>38</b>	BUSINESS CHARACTERISTICS
<b>39</b>	NETWORK SERVICES
<b>42</b>	AUDIT COMMITTEE'S REPORT
<b>44</b>	INDEPENDENT AUDITOR'S REPORT
<b>46</b>	FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS



## VISION

"Creating our corporate culture to develop our staff members as an effective and high potential team in the highly competitive market and to advance our business with innovation and excellence in service in responding to the customers' and partners' demand for sustainable profit-making."

## CORE VALUES

### CUSTOMER-CENTRIC

Have service-mindedness with the emphasis on responsiveness and co-operation with the customers through perfectly-matched products and excellent service.

### INTEGRITY

Behave accordingly to the rules and regulations.

### TEAMWORK

Have empathy, vigor, dynamism, co-operation, creativity, responsibility, inquisitiveness to learn and willingness towards change.

### TARGET-DRIVEN

Have a mutual goal and motivation to achieve the set target.

### INTEGRATED PROCESS

Operate an integrated process via modern technology which is both efficient and effective.

# FINANCIAL HIGHLIGHTS

Unit : Million Baht (Except Earnings Per Share Unit : Baht)

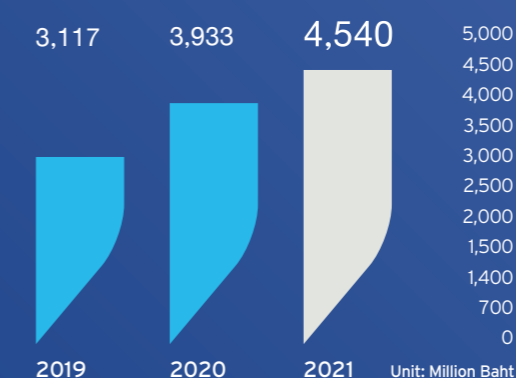
ITEMS	2019	2020	2021
<b>GROSS WRITTEN PREMIUM</b>	<b>3,117</b>	<b>3,933</b>	<b>4,540</b>
% CHANGE	0.78	26.20	15.43
<b>NET WRITTEN PREMIUM</b>	<b>2,140</b>	<b>2,280</b>	<b>2,606</b>
% CHANGE	-10.73	6.54	14.29
<b>UNDERWRITING INCOME</b>	<b>490</b>	<b>532</b>	<b>498</b>
% CHANGE	-5.99	8.53	-6.33
<b>INVESTMENT INCOME</b>	<b>405</b>	<b>341</b>	<b>380</b>
% CHANGE	24.39	-15.59	11.16
<b>NET INCOME</b>	<b>732</b>	<b>716</b>	<b>712</b>
% CHANGE	5.46	-2.10	-0.69
<b>EARNINGS PER SHARE</b>	<b>22.18</b>	<b>21.71</b>	<b>21.56</b>
% CHANGE	5.46	-2.10	-0.69
<b>TOTAL LIABILITIES</b>	<b>3,904</b>	<b>5,126</b>	<b>6,985</b>
% CHANGE	6.89	31.33	36.26
<b>SHAREHOLDER'S EQUITY</b>	<b>6,562</b>	<b>6,695</b>	<b>9,315</b>
% CHANGE	6.85	2.04	39.12
<b>TOTAL ASSETS</b>	<b>10,465</b>	<b>11,822</b>	<b>16,300</b>
% CHANGE	6.86	12.96	37.88

FINANCIAL RATIO	2019	2020	2021
Net Profit / Net Written Premium	34.20	31.43	<b>27.31</b>
Net Profit / Total Assets (ROA)	6.99	6.06	<b>4.37</b>
Net Profit / Shareholder's Equity (ROE)	11.15	10.70	<b>7.64</b>
Total Liabilities / Shareholder's Equity	59.49	76.57	<b>74.99</b>
Capital Adequacy Ratio (CAR Ratio)	750.11	781.17	<b>301.27</b>

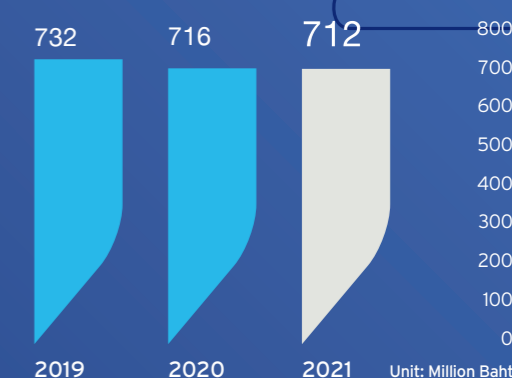
**Note :**

\* CAR Ratio 2021 is prior to submission to the Office of Insurance Commission (OIC)

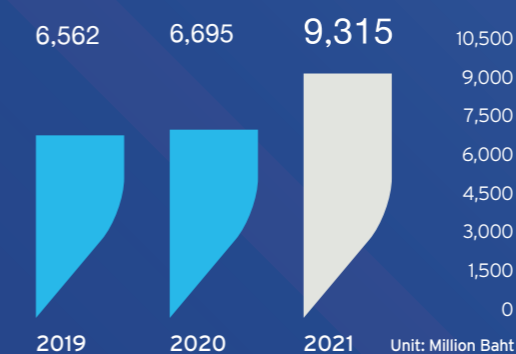
## GROSS WRITTEN PREMIUM



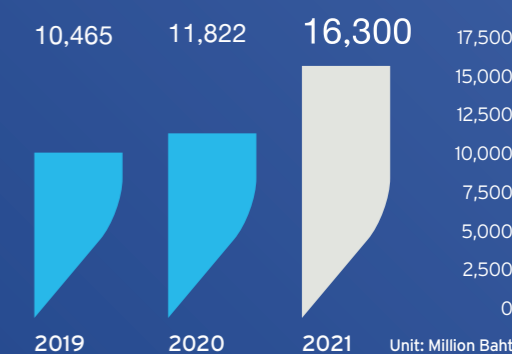
## NET INCOME



## SHAREHOLDER'S EQUITY



## TOTAL ASSETS

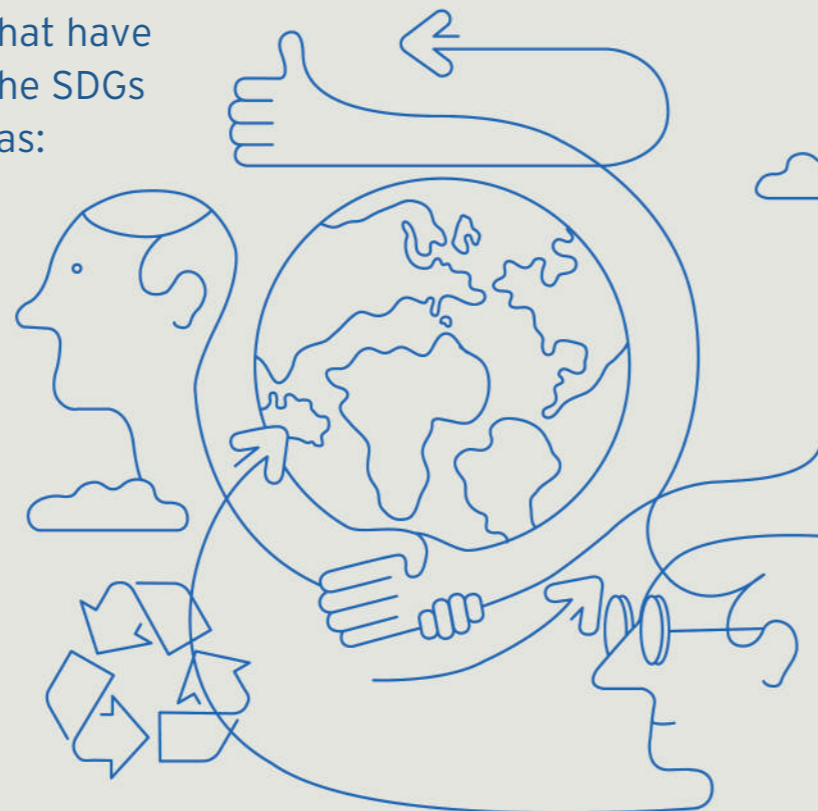




# STEP FOR TOMORROW SUSTAINABILITY

## “Growing Together to Create a Sustainable Society”

Krungthai Panich Insurance operates its business based on corporate governance principles, focusing on fairness, transparency and verifiability. Taking into account all groups of stakeholders, the Company combines the implementation of the policy “For Sustainable Development.” It also focuses on international standard practices that have been applied in accordance with the SDGs framework, focusing on three areas: Good Health and Well Being, Climate Action, Responsible Production and Consumption.



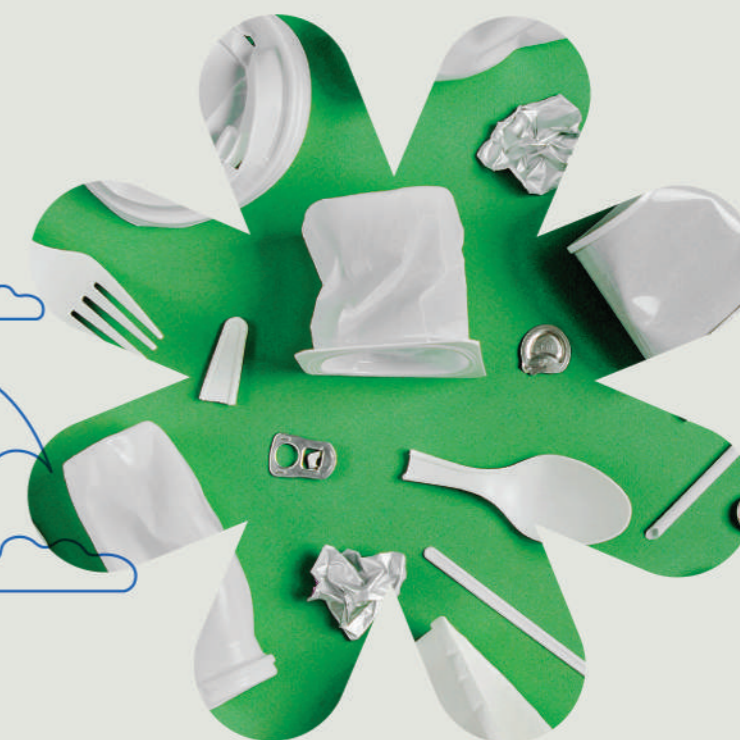
# GOOD HEALTH AND WELL BEING

“Creating guarantees for good health and promoting well-being for all people of all ages.” Krungthai Panich Insurance has designed and developed insurance products and services to take care of different groups of customers including placing an importance to the elderly customers and fragile customer groups. Therefore, this makes it easier to access various types of insurance, which can be used as a guarantee for family security.



# RESPONSIBLE CONSUMPTION & PRODUCTION

We can consume in an environmentally friendly way in order to pass it on to our children and grandchildren's generations. So they will make their living and sustain their consumption in the future. The company aims to alter the production processes and provide services that focus on Net Zero Entrepreneurship (Net zero greenhouse gas emissions) in accordance with the guidelines of effective natural resource management. This helps lessen pollution and the generation of solid waste, encourage recycling, reduce global warming conditions and encourage our country to step into a sustainable consumption plan.



# CLIMATE ACTION

Climate change is a major challenge that has greatly affected human life, the environment and the economic development, especially the changes of seasonal weather, natural disasters and the problem of greenhouse gas emissions. It also creates the changes in the distribution patterns of pathogens and carriers. The Company aims to support activities to reduce and eliminate the use of fossil fuels or to decrease and halt the use of resources that harm the environment, including the development of insurance products that help consumers cope with natural disasters better. It also joins the investments in public enterprise organizations that help promote and reduce global warming problems.

# MESSAGE FROM THE BOARD OF DIRECTORS



**DR.DHIRAPHORN SRIFUENGFUNG**  
Chairman of the Board of Directors

The Office of the National Economic and Social Development Board (NESDB) forecast that the Thai economy in 2021 was likely to expand by 1.2 percent, which was slowly improving from the contraction of 6.1 percent in 2020, as the economy recovered in the third quarter faster than expected. In particular, the merchandise exports gradually improved in line with the economies of trading partner countries, as well as the continuous improvement of domestic private consumption after the easing of measures to control the contagion of the coronavirus (COVID-19) outbreak. The issuance of fiscal and monetary measures of the government sector also helps to support consumers' purchasing power through various projects. However, the tourism sector and private investment continued to contract strongly, while the overall non-life insurance business in 2021 will grow at only 4.8 percent from 2020. Direct insurance premium of approximately 266,628 million baht (Source: Thai Re Knowledge Center).

In 2021, the Company had total insurance premiums of 4,540 million baht, a 15.44 percent increase from 2020, with insurance income after operating expenses of 498 million baht, net investment income of 380 million baht, and gains a net profit from operations after corporate income tax of 712 million baht.

As for the Thai economy in 2022, it is expected that the economy will expand by 3.5-4.5 percent. In 2022, The Thai economy has a clear tendency to recover from a low base expansion in 2021, supported by significant improvements in domestic demand following the easing of the epidemic situation and The continual increase of vaccine distribution. The recovery trend of the tourism sector from the relaxation of health regulations to welcome foreign tourists and the expansion of the export sector and industrial production following the continual recovery of the economy and the global trade volume, including the driving force from the government, both from the government's disbursement and spending framework under the loan decree. However, there are still limitations and risk factors that may affect the economic recovery in 2022 to slow down, which is expected as a result of the uncertainty of the COVID-19 epidemic situation with viral mutations as well as constraints from the financial conditions of households and businesses. At the same time, driven by the expansion of the export and industrial production sectors, there is also a risk of being affected by the lengthening of the constraints in the international production and logistics chains and Risks from global economic and financial volatility amid rising inflationary pressures.

In this regard, in 2022, the Company still focuses on expanding its work mainly to medium and small customers. For the large customer groups, the Company will primarily consider expanding their underwriting to industries with low damage rates in order to grow stably and sustainably. The Company also continuously strengthens good relationships with customers, business partners and business alliances to maintain and increase the policy renewal rate of current customers to the highest level. This includes considering the recruitment of new business partners and alliances which have the potential to expand through online channels as well by applying in-depth customer data analytics approaches and methods to create new insurance expansion opportunities and offer insurance products to customers to respond more quickly and comprehensively to the changing risks of today. Easy, convenient and fast insurance product sales channel optimization is developed by the Company's information technology system to be up-to-date at all times to support the behaviour of consumers who begin to search for information and buy insurance online more as well. In 2022, the Company continues to focus on providing customers with standard quality services and is determined to maintain profitable growth with sustainable support in transforming the organization to the digital era in full. This also includes activities and projects to give back to the society continually as well as placing importance to the conduct, supervision, auditing and risk management strictly to continue to create good governance.

On behalf of the Board of Directors, I would like to express my sincere appreciation to all shareholders, customers, business partners and personnel at all levels of the Company, who supports the business operation greatly throughout 2021, and will adhere to the intention to drive the business with stable, sustainable growth and to compete at full capacity in years to come.

A stylized blue ink signature of Dr. Dhiraphorn Srifuengfung.

**DR.DHIRAPHORN SRIFUENGFUNG**  
Chairman of the Board of Directors

# BOARD OF DIRECTORS



**DR.DHIRAPHORN  
SRIFUENGFUNG**  
Chairman of The Board of  
Directors



**MR.WERAPONG  
SUPPASEDSAK**  
Vice Chairman of The Board of Directors /  
Chairman of Executive Director



**MR.PAYUNGSAK  
CHARTSUTIPOL**  
Independent Director /  
Chairman of Audit Committee /  
Chairman of Corporate  
Governance Committee



**ASST.PROF.KULAYA  
JANTADEJ PH.D.**  
Independent Director /  
Audit Committee



**MR.TANET  
PHANICHEWA**  
Independent Director /  
Corporate Governance  
Committee



**MR.CHERDCHAI  
CHOMPOONUKULRAT**  
Independent Director



**MS.SARANYA  
VEJAKUL**  
Director / Executive Director /  
Audit Committee



**MR.CHALERM  
PRADIDARECHEEP**  
Director /  
Corporate Governance Committee



**MR.PONSAK  
JITPRASERT**  
Director



**MRS.SUWANNA  
ANANTANOND**  
Director /  
Investment Committee



**MR.KERATI  
PANICHEWA**  
Director / Executive Director /  
Chairman of Investment  
Committee



**MS.SUCHAVADEE  
SANGANONG**  
Director / Executive Director



**DR.PONGPANU  
DAMRONGSIRI**  
Director / Executive Director /  
Investment Committee

## BOARD OF DIRECTORS PROFILE

### DR.DHIRAPHORN SRIFUENG FUNG CHAIRMAN OF BOARD OF DIRECTORS

<b>AGE</b>	72 Years
<b>APPOINTED DATE AS DIRECTOR</b>	1 August 1995

#### EDUCATION

- Ph.D. Civil Engineering University of Missouri, USA

#### TRAINING

- National Defence Course for public, private and political defence class 1, National Defence College
- Directors Accreditation Program (DAP)  
Thai Institute of Directors Association (IOD)

#### RELEVANT IMPORTANT POSITION

- Chief Executive Officer of Pimai Salt Co., Ltd.
- Chairman of Goodyear (Thailand) Public Co., Ltd.
- President of Patong Beach Hotel (Phuket) Co., Ltd.
- President of Baan Samui Resort Co., Ltd.
- Executive Director of Thai Refined Salt Co., Ltd.
- Executive Director of Boonsong Co., Ltd.
- Executive Director of Boonpermpoon Co., Ltd.
- Director of TTL Industries Public Co., Ltd.

#### NO. OF SHARES

- None

### MR.WERAPONG SUPPASEDSAK VICE CHAIRMAN OF THE BOARD OF DIRECTOR / CHAIRMAN OF EXECUTIVE DIRECTOR

<b>AGE</b>	55 Years
<b>APPOINTED DATE AS DIRECTOR</b>	19 April 2019

#### EDUCATION

- Master Degree of Economics (Finance Economics,  
National Institute of Development Administration (NIDA)
- Bachelor Degree of International Economics,  
Ramkhamhaeng University

#### RELEVANT IMPORTANT POSITION

- None

#### NO. OF SHARES

- None

# BOARD OF DIRECTORS PROFILE

## MR.PAYUNSAK CHARTSUTIPOL INDEPENDENT DIRECTOR / CHAIRMAN OF AUDIT COMMITTEE / CHAIRMAN OF CORPORATE GOVERNANCE COMMITTEE

AGE	69 Years
APPOINTED DATE AS DIRECTOR	19 April 2017

### EDUCATION

- Honorary Degree of Doctor of Engineering, Suranaree University of Technology
- Honorary Degree of Doctor of Philosophy, Organization Development Administration, Chaopraya University
- Certificate of Management Development Program, North Western University, USA
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University

### TRAINING

- Director Accreditation Program (DAP SCC / 2004), Thai Institute of Directors
- Risk Management Program for Corporate Leaders (RCL 3 / 2016), Thai Institute of Directors
- Top Executives in the Energy Education Program (Batch 1), Thailand Energy Academy (TEA)
- Executive Program, Poompalungpandin Program (Batch 1), Chulalongkorn University
- Administrative Justice for Executives (Batch 2), Administrative Court
- Capital Market Academy Leader Program (Batch 11), Capital Market Academy (CMA)
- Top Executive Program in Commerce and Trade (TEPCoT Class 2), Commerce Academy, University of the Thai Chamber of Commerce

### RELEVANT IMPORTANT POSITION

- Chairman, Glow Energy Public Company Limited
- Chairman, Siam City Leasing and Factoring Public Company Limited
- Director, Linde (Thailand) Public Company Limited
- Director, The Siam United Stell (1995) Company Limited
- Independent Director / Vice Chairman, Sapthip Company Limited

### NO. OF SHARES

- None

## ASSISTANT PROFESSOR KULAYA JANTADEJ, PH.D. INDEPENDENT DIRECTOR / AUDIT COMMITTEE

AGE	50 Years
APPOINTED DATE AS DIRECTOR	28 March 2018

### EDUCATION

- Doctor of Philosophy (Accounting Specialization), University of Nebraska-Lincoln, U.S.A.
- Master of Financial Management, The University of Queensland, Australia
- Bachelor of Business Administration (1st Class Honors, Gold Medal), Accounting Major, Thammasat University

### TRAINING

- IFRS 9 Financial Instruments: Practical Application organized by PwC's Academy, Singapore
- TFRS 9 Impairment of Financial Assets organized by Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- TFRS 13 Fair Value Measurement organized by Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- TFRS 15 Revenue from Contracts with Customers organized by Thai Accounting Association
- TFRS 16 Leases organized by Thai Accounting Association
- The Conceptual Framework for Financial Reporting organized by Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- TFRS for PAEs / TFRS for NPAEs organized by Thai Accounting Association
- Internal Audit Modernization & Cybersecurity and Audit Work organized by Krung Thai Bank Public Company Limited

### RELEVANT IMPORTANT POSITION

- None

### NO. OF SHARES

- None

## MR.TANET PHANICHEWA INDEPENDENT DIRECTOR / CORPORATE GOVERNANCE COMMITTEE

AGE	56 Years
APPOINTED DATE AS DIRECTOR	23 November 2016

### EDUCATION

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Bangkok, Thailand
- Bachelor of Industrial Engineering, School of Engineering, Newcastle University, NSW, Australia

### TRAINING

- Capital Market Academy (CMA)
- Future Entrepreneurs Forum (FEF)
- Academy of Business Creativity (ABC)
- Tourism Management Program for Executives (TME)
- Top Executive Program in Commerce and Trade (TEPCoT)
- Top Executive Program for Creative & Amazing Thai Services (ToPCATS)
- The National Defence Course (NDC)

### RELEVANT IMPORTANT POSITION

- KIARTI THANEE COUNTRY CLUB CO., LTD.
- Director, TTL INDUSTRIES PUBLIC CO., LTD.

### NO. OF SHARES

- 90,267

## MR.CHERDCHAI CHOMPOONUKULRAT INDEPENDENT DIRECTOR

AGE	64 Years
APPOINTED DATE AS DIRECTOR	8 April 2021

### EDUCATION

- Master Degree of Business Administration, Naresuan University
- Bachelor Degree of Science, Kasetsart University

### RELEVANT IMPORTANT POSITION

- None

### NO. OF SHARES

- None

# BOARD OF DIRECTORS PROFILE

## MS.SARANYA VEJAKUL DIRECTOR / EXECUTIVE DIRECTOR / AUDIT COMMITTEE

AGE	52 Years
APPOINTED DATE AS DIRECTOR	31 March 2020

### EDUCATION

- MBA Executive Program, Chulalongkorn University
- Bachelor of Economics (Accounting), Kasetsart University

### TRAINING

- Financial and Fiscal Management Program for Senior Executive (FME) 2020
- TRFS9 Financial Instrument - Hedge Accounting (Workshop) 2020
- CFO Focus on Financial Reporting 2019
- The Anti-Money Laundering and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) 2019

### RELEVANT IMPORTANT POSITION

- None

### NO. OF SHARES

- None

## MR.CHALERM PRADIDARECHEEP DIRECTOR / CORPORATE GOVERNANCE COMMITTEE

AGE	58 Years
APPOINTED DATE AS DIRECTOR	8 April 2021

### EDUCATION

- Master Degree of Public and Private Management, National Institute of Development Administration (NIDA)
- Bachelor Degree of Education, Kasetsart University

### RELEVANT IMPORTANT POSITION

- None

### NO. OF SHARES

- None

## MR.PONSAK JITPRASERT DIRECTOR

AGE	59 Years
APPOINTED DATE AS DIRECTOR	10 April 2019

### EDUCATION

- Master Degree of Business Administration, Ramkhamhaeng University
- Bachelor Degree of Arts, Ramkhamhaeng University

### TRAINING

- None

### RELEVANT IMPORTANT POSITION

- None

### NO. OF SHARES

- None

## MRS.SUWANNA ANANTANOND DIRECTOR / INVESTMENT COMMITTEE

AGE	48 Years
APPOINTED DATE AS DIRECTOR	8 April 2021

### EDUCATION

- Master Degree of Business Administration, Thammasat University
- Bachelor Degree of Business Administration, Chulalongkorn University

### RELEVANT IMPORTANT POSITION

- None

### NO. OF SHARES

- None

# BOARD OF DIRECTORS PROFILE

## MR.KERATI PANICHEWA DIRECTOR / EXECUTIVE DIRECTOR / CHAIRMAN OF INVESTMENT COMMITTEE

AGE	62 Years
APPOINTED DATE AS DIRECTOR	1 August 1995

### EDUCATION

- Master of Business Administration, College of Notre Dame, California, USA
- Bachelor Degree in Insurance, University of Hartford, Connecticut, USA

### TRAINING

- Director Certification Program, Class 1/2000, Thai Institute of Directors Association (IOD)
- Leadership Program Class 11, Capital Market Academy, The Stock Exchange of Thailand

### RELEVANT IMPORTANT POSITION

- Director of Thai Reinsurance Public Company Limited
- Director of TTL Industries Public Company Limited
- Director of Kiarti Thanee Country Club Company Limited
- Director of Thai Public Port Company Limited

### NO. OF SHARES

- None

## DR.PONGPANU DAMRONGSIRI DIRECTOR / EXECUTIVE DIRECTOR / INVESTMENT COMMITTEE

AGE	53 Years
STARTING DATE AS DIRECTOR	3 June 2019

### EDUCATION

- Ph.D. Organization Development, Assumption University
- M.S. Insurance University of Hartford, Connecticut, USA
- B.B.A. Life Insurance Assumption University

### TRAINING

- Police Administration in Digital Age (PADA), The Royal Thai Police Association
- Digital Transformation for CEO, Nation Group
- Director Certification Program Class 283/ 2019, Thai Institute of Directors
- The CMO Academy, Marketing Association of Thailand
- Thailand Insurance Leadership Program Batch 5, OIC Advanced Insurance Institute
- Allianz Recognition and Education Conference (AREC) in Singapore
- Separation Notification Training
- "Managing the Business the AIU Personal Lines Way", New York
- "Maximum Impact Presentation Skills", Bangkok
- "AIG Leadership Breakthrough Part II", Hong Kong
- "AIG Leadership Breakthrough" in Hong Kong
- "AIG Strategic Leadership in the Marketplace"

### RELEVANT IMPORTANT POSITION

- None

### NO. OF SHARES

- None

## MS.SUCHAVADEE SANGANONG DIRECTOR / EXECUTIVE DIRECTOR

AGE	48 Years
APPOINTED DATE AS DIRECTOR	10 April 2019

### EDUCATION

- MBA (Finance), University of Hartford, Connecticut, United States of America
- MS (Insurance), University of Hartford, Connecticut, United States of America
- BBA (General Management and Insurance & Risks Management), Assumption University

### TRAINING

- Class 29/2019, Capital Market Academy Programs (CMA)
- Class 1/2019, Top Executive Program for Creative & Amazing Thai Service (ToPCATS)
- Class 11/2018, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy
- Class 1/2016, Digital Economy for Management (DE4M), Institute of Research and Development for Public Enterprises (IRDPE)
- Class 25/2015, Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD)
- Class 194/2014, Director Certification Program (DCP), Thai Institute of Directors (IOD)
- Class 3/2013, Advance Insurance Institution (AII), Office of Insurance Commission (OIC)

### RELEVANT IMPORTANT POSITION

- Director, Thai General Insurance Association (TGIA) A.D. 2021-2023
- Director, Thai Insurers Datanet Co., Ltd. (TID)

### NO. OF SHARES

- None

# THE EXECUTIVES



**DR.PONGPANU DAMRONGSIRI**  
President



**MS.SUCHAVADEE SANGANONG**  
Senior Executive Vice President



**MR.RANISORN PHOUNGVARINTARA**  
Executive Vice President



**MRS.TASANEE HRUETRAKOON**  
Executive Vice President



**MS. VEECHALITA JIRASANTIPONG**  
Executive Vice President



**MRS.DUANCHAI KOSONMETHAKUN**  
Executive Vice President



**MR.APICHART CHONGCHAROEN**  
Executive Vice President

# THE EXECUTIVE PROFILE

## DR.PONGPANU DAMRONGSIRI PRESIDENT

<b>AGE</b>	53 Years
<b>STARTING DATE</b>	3 June 2019

### EDUCATION

- Ph.D. Organization Development, Assumption University
- M.S. Insurance University of Hartford, Connecticut, USA
- B.B.A. Life Insurance Assumption University

### WORK EXPERIENCE

- Senior Executive Vice President, Chief of Agency. Chubb Samaggi Insurance Public Company Limited
- Chief Executive Officer. KSK Insurance (Thailand) Public Company Limited
- CAO Management Team. Allianz Aydhaya Life Insurance Public Company Limited
- Vice President, Agency and Broker Channel Management Department. New Hampshire Insurance Company
- Vice President, Personal Lines Department, New Hampshire Insurance Company
- Senior Assistant Vice President, Personal Lines Department. New Hampshire Insurance Company
- Special Project Manager. Krungthai Panich Insurance Co., Ltd.

### TRAINING

- Police Administration in Digital Age (PADA), The Royal Thai Police Association
- Digital Transformation for CEO, Nation Group
- Director Certification Program Class 283/ 2019, Thai Institute of Directors
- The CMO Academy, Marketing Association of Thailand
- Thailand Insurance Leadership Program Batch 5, OIC Advanced Insurance Institute
- Allianz Recognition and Education Conference (AREC) in Singapore
- Separation Notification Training
- "Managing the Business the AIU Personal Lines Way", New York
- "Maximum Impact Presentation Skills", Bangkok
- "AIG Leadership Breakthrough Part II", Hong Kong
- "AIG Leadership Breakthrough" in Hong Kong
- "AIG Strategic Leadership in the Marketplace"

## MS.SUCHAVADEE SANGANONG SENIOR EXECUTIVE VICE PRESIDENT

<b>AGE</b>	48 Years
<b>STARTING DATE</b>	1 January 2003

### EDUCATION

- MBA (Finance), University of Hartford, Connecticut, United States of America
- MS (Insurance), University of Hartford, Connecticut, United States of America
- BBA (General Management and Insurance & Risks Management), Assumption University

### WORK EXPERIENCE

- Thai Reinsurance PLC.
- American Reinsurance, New York & New Jersey, United State of America
- Kasikorn Asset Management Co., Ltd.
- Muang Thai Life Assurance PLC.
- Thai Insurance Institution (Lecturer)
- Assumption University (Lecturer)

### TRAINING

- Capital Market Academy Programs (CMA) - Class 29
- Top Executive Program for Creative & Amazing Thai Service (ToPCATS) - Class
- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy - Class 11
- International Management Seminar : Partnership for Success - New York, United States of America
- Cyber Conference - Seoul, South Korea
- Digital Economy for Management (DE4M), Institute of Research and Development for Public Enterprises (IRDPE) - Class 1
- Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD) - Class 25
- Director Certification Program (DCP), Thai Institute of Directors (IOD) - Class 194
- Enterprise Risk Management Workshop (ERM) - Munich, Germany
- Advance Insurance Institution (AII), Office of Insurance Commission (OIC) - Class 3
- Leadership Program, PacRim Group
- East Asian Insurance Congress (EAIC)
- Singapore Reinsurance Conference (SIRC)

# THE EXECUTIVE PROFILE

## MR.RANISORN PHOUNGVARINTARA EXECUTIVE VICE PRESIDENT

**AGE** 57 Years  
**STARTING DATE** 1 June 2016

### EDUCATION

- Faculty of Laws Ramkhamhaeng University
- Young executive MBA Chulalongkorn university
- Principal of insurance and engineering Munich Re insurance Germany
- Executive MM Thammasat university

### WORK EXPERIENCE

- The Thai commercial Insurance Public Company Limited
- One insurance Public Company Limited
- Thai insurance Public Company Limited
- Aioi Bangkok insurance Public Company Limited

### TRAINING

- Victoria Insurance Dusseldorf Germany
- General insurance at Association of Thailand
- Marine cargo insurance at Association of Thailand
- Kepner and tregoe Thailand
- John robert power Thailand
- Factoring model at Toyota Nagoya Japan

## MRS.TASANEE HRUETRAKOON EXECUTIVE VICE PRESIDENT

**AGE** 52 Years  
**STARTING DATE** 1 May 2017

### EDUCATION

- Master Degree of MBA, Major Finance and Banking Ramkhamhaeng University
- Bachelor Degree of Business Administration, Major in Accounting, Ramkhamhaeng University
- Professional Controller Certification Program
- Federation of Accounting Professions

### WORK EXPERIENCE

- Chubb Smaggi Insurance Public Company Limited
- Managerial Accounting Manager
- Accounting Manager
- Supervisor of General Accounting
- Accounting Officer

## MS. VEECHALITA JIRASANTIPONG EXECUTIVE VICE PRESIDENT

**AGE** 44 Years  
**STARTING DATE** 9 September 2019

### EDUCATION

- Bangkok University, Master Degree of MBA
- South-East Asia University, Bachelor of Arts and Science, Major in Business English

### WORK EXPERIENCE

- HR and Admin Senior Manager (Head of Department) Aegon Insights (Thailand) Limited.
- HR & Admin Senior Manager (Head of Department) KSK Insurance (Thailand) Public Company Limited.
- HR & Admin Manager MJR Development Company Limited.
- HR Business Partner - AVP United Overseas Bank (Thai) Public Company Limited.
- HR Business Partner Manager Ayudhya Capital Auto Lease Public Company Limited.
- Recruitment Specialist Prukha Real Estate Public Company Limited.
- Executive Consultant Progress HR Company Limited. (KasikornBank Group)
- Sales Executive (Export Department) TPI Polene Company Limited.

### TRAINING

- The 7 Habits of Highly Effective People @ Signature Edition
- Insurance Digital Go!
- Privacy and Cybersecurity Law
- AGILE Training for the Delivery Organization
- Digital Foundation
- Unconscious Bias Group
- Digital Transformation
- Future Fit and Team Development Workshop

## MR. APICHART CHONGCHAROEN EXECUTIVE VICE PRESIDENT

**AGE** 49 Years  
**STARTING DATE** 16 March 2020

### EDUCATION

- Master of Science, Major Information Technology King Mongkut's University of Technology Thonburi
- Bachelor's degree of Engineer, Major Computer Engineering King Mongkut's Institute of Technology

### WORK EXPERIENCE

- Head of IT Infrastructure Kiatnakin Bank Plc.
- Head of Solution Architecture
- Head of Security Operation
- Enterprise Architecture Kasikorn Bank Plc.
- Managing Director GSB Co., Ltd.
- Presale Manager Teledata Inc.
- Technical Sale The Communication Solution Co., Ltd.
- Security Consultant Equant Integration Service Inc.
- Network Specialist Manager The Communication Solution Co., Ltd.

### TRAINING

- Cisco Certified Internetwork Expert (1998)

# THE EXECUTIVE PROFILE

## MRS. DUANCHAI KOSONMETHAKUN

### EXECUTIVE VICE PRESIDENT

**AGE** 50 Years  
**STARTING DATE** 16 June 2021

### EDUCATION

- Master Degree in Economics (Major Economics) , Chulalongkorn University
- Bachelor Degree in Statistics (Major Insurance) , Chulalongkorn University
- Diploma in General Insurance (Australian and New Zealand Insurance Institute )
- Associate Level, General Insurance (Thailand Insurance Institute )

### WORK EXPERIENCE

- Chief Underwriting Officer, Corporate and Retails Technical Department, Sampo
- Insurance Thailand PCL
- EVP, Head of Global Corporate and Commercial, Thailand บมจ.เจเนอราลี่ ประกันภัย
- Director and General Manager, Tokyo Marine Insurance PCL
- Manager Reinsurance and Commercial Underwriting Department, Thanachart Insurance PCL
- Senior Underwriter, Thai Commercial Insurance Co.,Ltd, (Navakij Insurance PCL)

# SUMMARY OF THE MEETING PARTICIPATION

(JANUARY-DECEMBER 2021)

KRUNGTHAI PANICH INSURANCE PCL.

#	LIST OF DIRECTORS	APPOINTED DATE	NO. OF PARTICIPATIONS <sup>(1)</sup>
1	DR.DHIRAPHORN SRIFUENGUNG	APRIL 10 , 2019	6 / 6
2	MR.PAYUNGSACK CHARTSUTIPOL	MARCH 31 , 2020	6 / 6
3	MR.WERAPONG SUPPAEDSAK <sup>(2)</sup>	APRIL 8 , 2021	4 / 4
4	MS.SARANYA VEJAKUL	MARCH 31 , 2020	5 / 6
5	MR.CHERDCHAI CHOMPOONUKULRAT <sup>(2)</sup>	APRIL 8 , 2021	4 / 4
6	MR.CHALERM PRADIDARECHEEP <sup>(2)</sup>	APRIL 8 , 2021	4 / 4
7	MRS.SUWANNA ANANTANOND <sup>(2)</sup>	APRIL 8 , 2021	4 / 4
8	MR.PONSAK JITPRASERT	APRIL 10 , 2019	6 / 6
9	ASST.PROF.KULAYA JANTADEY PH.D.	MARCH 28 , 2018	6 / 6
10	MR.TANET PHANICHEWA	APRIL 8 , 2021	6 / 6
11	MR.KERATI PANICHEWA	APRIL 10 , 2019	6 / 6
12	DR.PONGPANU DAMRONGSIRI	JUNE 3 , 2019	6 / 6
13	MS.SUCHAVADEE SANGANONG	APRIL 8 , 2021	6 / 6

Note

(1) No. of Participation / No. of Total Meeting

(2) Assigned in April 8 , 2021

# MAJOR SHAREHOLDERS

NAME	SHARES	% SHARE
1. KRUNGTHAI BANK PCL	14,850,000	45.00
2. PAIBUL CAPITAL CO.,LTD.	8,661,273	26.25
3. BOONPERMPOON CO.,LTD.	4,723,866	14.31
4. MR.SOMBATH PHANICHEWA	1,327,719	4.02
5. SRI BROTHERS CO.,LTD.	918,648	2.78
6. OTHERS	2,518,494	7.63
<b>TOTAL</b>	<b>33,000,000</b>	<b>100.00</b>

# GENERAL INFORMATION

Krungthai Panich Insurance Public Company Limited was established on 1st September 1953 by the leadership of Brigadier General Praman Adireksarn (his rank at that time) under the name of E.T.O. Insurance Company Limited (The Express Transportation Organization of Thailand), conducting car insurance business with a registered capital of 3 million baht.

## 1954

In 1954, it was the year of the Company’s significant history when it was honoured by the government of Field Marshal Plaek Phibunsongkhram. It has announced that the company would be under the care of the state. It is considered the first and only insurance company in the country, which has the qualifications and has a policy to conduct business with transparency, honesty and integrity, with progressively growing management to create values and benefits for the country.

## 1971

In 1971, it was the year of increasing business potential to the growth of comprehensive non-life insurance in accordance with the Insurance Act 2510 B.E. in order to support the country’s the economic expansion by focusing on the development of non-life insurance business and promoting Thailand’s progress on a par with the international level.

## 1995

In 1995, it was the year of opportunity expansion and business strength. On 1st August 1995, the Company made the joint venture with Krungthai Bank Public Company Limited, with the Bank holding of 40 percent of the total registered capital of 100 million baht. Therefore the name was changed to Krungthai Panich Insurance Company Limited and was operated with continuous growth. In 2007, the company increased its registered capital to 110 million baht by Krungthai Bank Plc., with the increased shareholding of 45 percent of registered capital.

## 2012

The Company was converted to a public company limited on 1st June 2012. A new company was registered in the name of Krungthai Panich Insurance Public Company Limited in accordance with the resolution of the general meeting of shareholders of The Company No. 59 and in accordance with the Non-Life Insurance Act (Version 2) 2551 B.E., Section 56, Paragraph 2, that indicates the insurance company which is a limited company converted into a public limited company from the date the Act came into force on 5th February 2008.

## 2019

The Annual General Meeting of Shareholders on 10th April 2019 agreed and approved the Company’s increase in the registered capital by issuing 22 million new ordinary shares with a par value of 10 baht per share, totaling 220 million baht, paid as stock dividends to shareholders in the ratio of 1 existing share to 2 stock dividends, giving the Company more registered capital up to 330 million baht.

Throughout the period of business operations, the Company has given importance to stability and financial strength. The Company has a high capital adequacy ratio and a liquidity ratio. Currently, the Company has a capital adequacy ratio of 301.27 percent and a liquid asset ratio of 703.58 percent (as of 31st December 2021 Unaudited), which is considered higher than the standard as prescribed by the Office of Insurance Commission (OIC), that must not be less than 120 percent and 100 percent respectively.

Krungthai Panich Insurance Public Company Limited operates the business by adhering to the principles of corporate governance, focusing on fairness, transparency and verifiability. The Company takes into account all groups of stakeholders and combines with the implementation of the “For Sustainable Development” policy. It focuses on international standard practices and have eventually and continuously received several awards from various institutions. This is a testament to the standard of management with stability, advancement and sincere service development for customers.

# AWARD RECOGNITION



## 2021

### OUTSTANDING ETHICS AWARD, THE THAI CHAMBER OF COMMERCE FOR THE YEAR 2021

Krungthai Panich Insurance Public Company Limited or KPI received an award for outstanding ethics from the Thai Chamber of Commerce for the year 2021 at the 19th “TCC Best Awards 2021: Seizing Opportunity, Overcoming Crisis with Ethics” event (TCC Best Award 2020). Professor Emeritus Dr. Kasem Watanachai, a Privy Councillor, presided over the ceremony. This award demonstrates the Company’s vision and management that aims to conduct business with ethical principles, according to the principles of good governance and good corporate governance by upholding transparency, honesty and responsibility for customers and consumers as well as sharing the benefits back to the society.



## 2020

### INSURANCE COMPANY AWARD WITH OUTSTANDING MANAGEMENT, 3RD PLACE FOR 2020

Dr. Pongpanu Damrongsiri, President of Krungthai Panich Insurance Public Company Limited received “The 3rd Best Non-Life Insurance Company Award for 2020” from Mr. Arkhom Termpittayapaisith, Minister of Finance in the award ceremony for insurance companies with outstanding management (Prime Minister’s Insurance Awards) for 2020, organized by the Office of Insurance Commission (OIC). The award is a confirmation of quality of the company’s operations with professional management, a stable financial status and a service standard that is acceptable to the public on 4th November 2021.



## KEY ACHIEVEMENTS

Krungthai Panich Insurance is determined in creating sustainable growth by focusing on the development of the organization together with building social and environmental responsibility in three important areas:

- 1. PROSPERITY:** Strengthening the organization and conducting business with good governance and managing stakeholders integrally.
- 2. PEOPLE:** Developing human resource, youth, community and society with participation to create quality life for people in the society which will affect the development of Thai society.
- 3. PLANET:** Taking care of natural resources and the environment in all dimensions including responsibility in the work process. Commitment to the adoption of digital technology for the improvement of our work system and for keeping in line with current and future situations and challenges.

### KPI PROJECT, READY STEPS FOR THE FUTURE OF THAI CHILDREN, YEAR 8, 2020

Ban Khao Phra School, Rattaphum District, Songkhla Province, valued at 400,000 baht, with the total of 120 scholarships for students, worth 360,000 baht.

The Company has kept continuing the School Library Development Project from 2013 to 2021. All nine school libraries have been renovated across the country with the realization of the importance of providing educational opportunities for students in rural areas to have equal access to the source of knowledge. Thus "KPI Project, the Ready Steps for the Future of Thai Children" has the objective to develop school libraries to be a source of good quality learning. Good quality books, modern learning tools and equipment help promote effective knowledge discovery, including creating a good conscience for employees to know how to participate, to sacrifice and to help people in the society.

The library improvements at Ban Khao Phra School, Rattaphum District, Songkhla Province on 3rd December 2021.

The project details are as follows:

- Fund to improve the school library with a total budget of 400,000 baht
- Executives and employees Donate sports equipment and more than 500 books
- Executives and employees offer scholarships to students at 3,000 baht per scholarship, the total of 120 scholarships worth 360,000 baht.

กรุงไทยพานิชประกันภัย  
ช่วยเหลือลูกค้าที่ได้รับ  
ผลกระทบจากเหตุ  
โรงงานระเบิด  
เป็นกรณีพิเศษ



**KPI releases the measures to help and to heal customers by providing a special credit line to take care of customers affected by the fire at King Kaew Plastic Factory**

Krungthai Panich Insurance Public Company Limited has released the measures to help and heal for customers with residential fire insurance policy holders, who were affected by the fire at the plastic factory in King Kaew area in full force. The Company is also ready to open channels to provide services for receiving claims and considering urgent claims by considering the amount of special assistance for customers with a total amount of not more than 5,000 baht as temporary accommodation and/or residential cleaning fee at buildings damaged by the explosion from dust and toxic fumes in addition to the coverage under the insurance policy.





### Donation of a Covid-19 Insurance Policy to Protect Medical Personnel

Krungthai Panich Insurance, together with the Office of Insurance Commission (OIC) and the Thai General Insurance Association donated a covid-19 insurance policy to provide protection for medical personnel for government and officials who work close to patients infected with COVID-19, at the total value of 1,000,000 baht



### "KPI GIVES WITH HEARTS TO FIGHT COVID-19" PROJECT

Donating medical tools and equipment to help COVID-19 patients worth more than 1 million baht.

On 29th April 2021, the Company donated items and funds to Chulalongkorn Hospital, the Thai Red Cross Society, consisting of the medical equipment for vital signs, PPE kits, N95 masks, mobile phones, biodegradable food containers, drinking water and a donation to help support COVID-19 patients, at the total value of 1,050,000 baht.



### Blood Donation Campaign: KPI "Give Blood Give Life" for the Thai Red Cross Society

Due to the situation of the COVID-19 outbreak, the Thai Red Cross Society has a shortage of blood supply. Therefore, the Company has campaigned for employees to donate blood to help patients by educating the benefits of blood donation and encouraging employees to donate continuously.

### Service Manuals, Policy Conditions and Audio Files for Serving Customers and the Public.

The Company provides new service for customers' convenience about the knowledge on the terms of the insurance policy in audio files which are distributed to customers to be informed and to access information easily, conveniently and quickly. This can be listened on the Company's social media channels, both Facebook and YouTube.



### Mask Distribution Activity to Deal with the Situation of COVID-19 and PM 2.5 Dust

The Company is concerned about its employees' health by handing out face masks and N.95 masks during PM 2.5 dust and during the Covid-19 epidemic. This has helped employees' expenses in purchasing masks for daily use along with creating campaigns for employees to wear masks regularly.



### KPI "Fight Together" Project

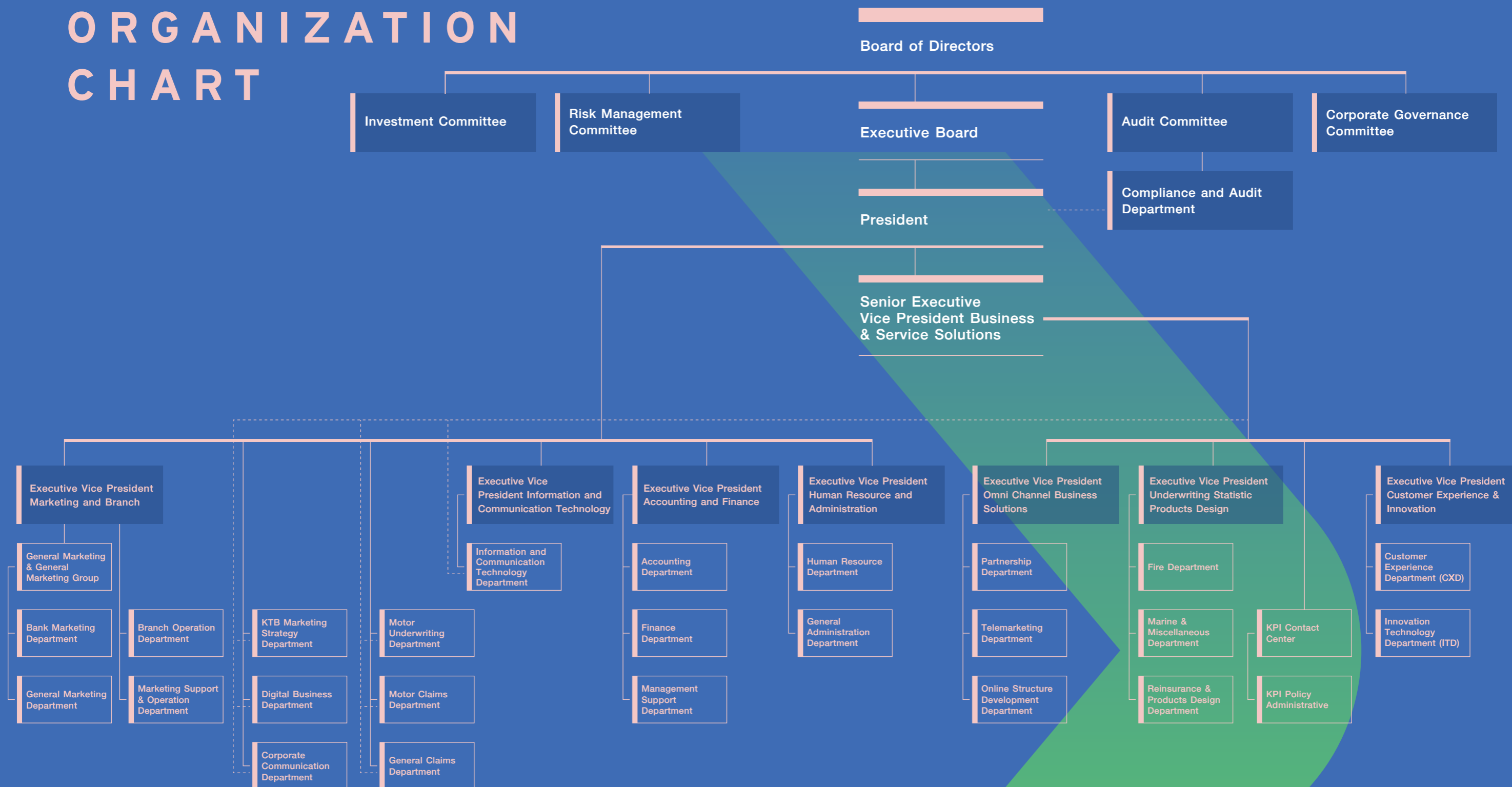
To boost morale and encouragement among the employees in being careful, protecting themselves, adapting and dealing with the situation of the COVID-19 epidemic, the Company has therefore organized the "KPI Fighting Together" project to provide information and knowledge about behaviour and updated information in various situations continually.

### "KPI Fight Together Home Isolation Box"

Krungthai Panich Insurance has created a "KPI Fight Together Home Isolation Box" to give to business partners, agents, employees and family who were infected by COVID-19. The patients in the green group who were treated at home or in home isolation received 260 boxes, at the total value over 263,000 baht. These were to show care and encouragement to the patients. It also plays a part in alleviating the burden of the agency and medical personnel and frontline staff in primary care.



# ORGANIZATION CHART



# BUSINESS CHARACTERISTICS

The Company's main business is to insure all classes of Non-Life insurance which can be classified as follows :

<b>1</b> <b>FIRE INSURANCE</b> <ul style="list-style-type: none"> <li>Residential Fire Insurance</li> <li>Commercial Fire Insurance</li> <li>Residential "Saving" Fire Insurance</li> </ul>	
<b>2</b> <b>MARINE AND TRANSPORTATION INSURANCE</b> <ul style="list-style-type: none"> <li>Cargo Insurance (Sea &amp; Air)</li> <li>Hull Insurance</li> <li>Inland Transit Insurance</li> <li>Carrier's Liability Insurance</li> </ul>	
<b>3</b> <b>MISCELLANEOUS INSURANCE</b> <div> <div> <b>3.1 ACCIDENTAL AND HEALTH INSURANCE</b> <ul style="list-style-type: none"> <li>Individual and Group Personal Accident Insurance</li> <li>Individual and Group Travel Accident Insurance</li> <li>Hospital Income Insurance</li> <li>Cancer Insurance</li> <li>Critical Illness Insurance</li> </ul> </div> <div> <b>3.2 COMMERCIAL AND INDUSTRIAL INSURANCE</b> <ul style="list-style-type: none"> <li>Industrial All Risks Insurance</li> <li>Public Liability Insurance</li> <li>Business Interruption Insurance</li> <li>Leasehold Insurance</li> <li>SMEs Package Insurance</li> </ul> </div> <div> <b>3.3 CONTRACTOR'S INSURANCE</b> <ul style="list-style-type: none"> <li>Contractor's All Risks Insurance</li> <li>Erection All Risks Insurance</li> <li>Contractor's Plant and Machinery Insurance</li> </ul> </div> <div> <b>3.4 OTHERS</b> <ul style="list-style-type: none"> <li>Burglary Insurance</li> <li>Golfer's Indemnity Insurance</li> </ul> </div> </div>	
<b>4</b> <b>MOTOR INSURANCE</b> <ul style="list-style-type: none"> <li>Compulsory Motor Insurance</li> <li>Voluntary Motor Insurance Type 1 Special Roonyai Jai Kao</li> <li>Voluntary Motor Insurance Type 2+</li> <li>Voluntary Motor Insurance Type 3+</li> <li>Voluntary Motor Insurance Type 1</li> <li>Voluntary Motor Insurance Type 2</li> <li>Voluntary Motor Insurance Type 3</li> </ul>	

# NETWORK SERVICES

BRANCH OFFICES	TEL.
<b>HEAD OFFICE</b> 1122 KPI Tower, New Petchaburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2624 1111
<b>KHON KAEN</b> Talad Jompon Project 555 / 32 - 33 M. 13, T.Naimuang, A.Muang, Khon Kaen 40000	0 4334 8848 , 0 4334 8850
<b>CHONBURI</b> 110/171 M. 2, T.Samet, A.Muang, Chonburi 20000	0 3838 1503
<b>CHIANG MAI</b> 9 / 17 - 18 M. 3 Super Hiway Road, T.Changpuak, A.Muang, Chiang Mai 50300	0 5340 9503 - 4
<b>NAKHON PATHOM</b> 366 Tesa Road, T.Phra Prathon, A.Muang, Nakhon Pathom 73000	0 3421 2125 - 6
<b>NAKHON RATCHASIMA</b> 2112 / 12 - 13 Mittraphap Road, T.Naimuang, A.Muang, Nakhon Ratchasima 30000	0 4435 1273 - 4
<b>NAKHON SI THAMMARAT</b> 50, 52 Wandeekositkulporn Road, T.Naimuang, A.Muang, Nakhon Si Thannarat 80000	0 7543 2150 - 1
<b>NAKHON SAWAN</b> 605 / 390 - 2 M. 10 Sai Nakhon Sawan Phitsanulok Road, T.Nakhon Sawan Tuk, A.Muang, Nakhon Sawan 60000	0 5623 1771 - 2
<b>BURI RAM</b> 341/14 - 15 M. 9 Banyang, T.Isan, A.Muang, Buri Ram 31000	0 4466 6773 - 4

# NETWORK SERVICES

BRANCH OFFICES	TEL.
<b>PHITSANULOK</b> 338 M. 2 Singhawat Road, T.Braklong, A.Muang, Phisanulok 65000	0 5523 1421
<b>PHUKET</b> 22 / 3 - 4 Luongpovatchalong Road, T.Taladyai, A.Muang, Phuket 83000	0 7623 2965 - 6
<b>RAYONG</b> 300 / 41 - 42 M. 5 T.Chengnean, A.Muang, Rayong 21000	0 3891 5795
<b>LAMPANG</b> 589 Super Highway Lampang Ngao Road, T.Hua Wiang, A.Muang, Lampang 52000	0 5422 8261, 0 5422 8264
<b>SAKON NAKHON</b> 59 / 24 I.T.U. Road, T.Thatcherngchoom, A.Muang, Sakon Nakhon 47000	0 4271 5682 - 3
<b>SARABURI</b> 95 / 1 Phahon Yothin Road, T.Pak Phriao, A.Muang, Saraburi 18000	0 3621 1803, 0 3622 1975
<b>SUPHANBURI</b> 292 - 292 / 1 M. 4 T.Sanamchai, A.Muang, Suphanburi 72000	0 3550 1462 - 3
<b>SURAT THANI</b> 238/119 - 120 Conkasem (Sri Kasem) Road, M.1, T.Makham Tia, A.Muang, Surat Thani 84000	0 7726 4204 - 5

BRANCH OFFICES	TEL.
<b>HUA HIN</b> 14 / 16 Petch Kasem Road, T.Hua Hin, A.Hau Hin, Prachuab Khiri Khan 77110	0 3254 7393, 0 3254 7399
<b>HADYAI</b> 17, 19 Soi 10 Petch Kasem Road, T.Hadyai, A.Hadyai, Songkhla 90110	0 7434 5313, 0 7434 5315
<b>UDON THANI</b> 140/2, 140/3 Railway Station Road, T.Mak Khaeng, A.Muang, Udon Thani 41000	0 4221 2661 - 2
<b>UBON RATCHATHANI</b> 233 Satidnimankan Road, T.Warinchamrap, A.Warinchamrap, Ubon Ratchathani 34190	0 4526 9281 - 2

# AUDIT COMMITTEE'S REPORT

The Audit Committee of Krungthai Panich Insurance Public Company Limited consists of three directors. In 2021, the list of audit committees has been changed as detailed below. Names are as follows:

1. **MR. PAYUNGSACK CHARTSUTIPHON**,  
Chairman of the Audit Committee
2. **ASST. PROF. KULAYA CHANTADEJ**,  
Member of the Audit Committee
3. **MS. SARANYA VEJAKUL**,  
Member of the Audit Committee  
(Appointed on 27 May 2021)
4. **MR. WARAWUT SITTHIYOS**,  
Member of the Audit Committee  
(End of terms on 8 April 2021).

The Audit Committee has performed its work within the scope. The powers, duties and responsibilities are stated in the Audit Committee Charter assigned by the Board of Directors, which is in line with the requirements of the Office of Insurance Commission (OIC).

In 2021, the Audit Committee held a total of seven meetings to consider various matters in accordance with their duties and responsibilities, including other missions as assigned by the Board of Directors by discussing with the management, auditors and internal auditors according to the relevant agenda. The operating results are reported to the Board of Directors. The key points can be summarized as follows:

## FINANCIAL REPORT REVIEW

Review the Company's quarterly and annual financial statements 2021 with auditors from EY Office Company Limited and the Company's accounting executives on the accuracy of the financial statements in the adjustment of accounting transactions that affect the financial statements to ensure that the accounting system and financial reports are prepared according to generally accepted accounting principles. The disclosure of information is sufficient, complete and reliable. In addition, one meeting with the auditor without the management attending was held to discuss the independence in the performance of duties and the opinions of the auditors. This also includes the auditor has reported the issues found from the audit to the Audit Committee for consideration in every issue.

In addition, the Company is aware of the importance of preparing for the change in Financial Reporting Standard No. 17 on Insurance Contracts (IFRS 17) which will be effective in 2024. These standards are complicated and have accounting practices that are different from the present, such as valuation of liabilities and recognizing insurance contract income, etc. Therefore, the Company pays great attention to the selection of consultants in the preparation of projects for the new financial reporting standards, from expertise and experience in the non-life insurance business, the promptness of the consultant team, both the Thai team and the foreign team. The Company hired PricewaterhouseCoopers ABAS Co., Ltd. as a consultant in the project preparation starting from December 2021, totaling the project implementation period of two years. It also assigns the management to arrange manpower and make plans in other areas to be ready for the IFRS 17 project that will come into effect in Thailand in 2024.

## CONNECTED TRANSACTIONS OR TRANSACTIONS THAT MAY HAVE CONFLICTS OF INTEREST

Review and give opinions on connected transactions or items that may have conflicts of interest as well as considering the disclosure of information accurately and completely, under the principles of transparency and adequate disclosure of information in accordance with the principles of good corporate governance.

## RISK MANAGEMENT REVIEW

Risk Management Policy and the 2021 risk management guidelines of the Company were approved by the Board of Directors Meeting No. 1/2021 on 28 January 2021, as well as monitoring the risk management results, by meeting with the Director of Audit and Supervision which serves as the head of the risk management unit on a quarterly basis to ensure that the company's risk management in various fields be appropriate effective and the risk is at an acceptable level.

## AUDITOR SELECTION

Consider and propose to the Board of Directors for approval from the shareholders' meeting to consider appointing an auditor from EY Office Company Limited who is independent, knowledgeable, capable, reliable and experienced at the forefront of auditing practice to be the auditor for 2021 of the Company.

## REVIEWING THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM

For reviewing the Internal Control Assessment Report for 2021, the Company has hired Deloitte Touche Tohmatsu Jaiyos Consultant Co., Ltd. to review the internal control system both in terms of working systems and in the field of information systems. The results of the examination of the control of information technology in accordance with the risk-based supervision guidelines of the Office of Insurance Commission. The Company was rated at the Gold level, which is the best level of information technology control, according to the assessment criteria prescribed by the Office of Insurance Commission. This also includes monitoring improvements in the internal control system to ensure that the Company's internal control system is sufficiently appropriate.

## COMPLIANCE REVIEW

For reviewing compliance with laws related to the Company's business, the Company assigns the Audit and Supervision Department Serves to verify compliance with the law and held a meeting with the Director of Audit and Supervision to ensure that the Company complies with the laws related to the Company's business.

## SUPERVISION OF INTERNAL AUDIT WORK

The Company has selected and hired an internal auditor from Deloitte Touche Tohmatsu Jaiyos Consulting Company Limited to perform internal auditing and to audit and review the Company's internal control system for 2021 as well as to follow up on the progress of the work to be in accordance with the approved audit plan. This is also for giving advice on how to perform tasks for greater efficiency by coordinating with the Company's Audit and Supervision Department.

## MAINTAINING THE QUALITY OF THE AUDIT COMMITTEE

The Audit Committee Charter was reviewed. This includes having an individual self-assessment and evaluating the performance of the whole faculty, according to the audit committee evaluation form of the Thai Institute of Directors Association (IOD) to ensure that the performance of the audit committee is efficient. This is to achieve the objectives as stipulated in the Audit Committee Charter.

The Audit Committee has made use of their knowledge, abilities and experience, and performed their duties with prudence, independence and honest opinions. It is transparent and can be audited according to good corporate governance. The Audit Committee believes that the Company's financial statements and connected transactions or transactions may have conflicts of interest. The disclosure of information is accurate, complete and reliable, in accordance with financial reporting standards and generally accepted accounting principles. Risk management and internal control systems are effective and appropriate enough. Internal audits are independent. It covers high-risk operational processes. The audit process is consistent with audit work standards as well as to supervise the operation to be in accordance with the laws related to the Company's business and properly in line with the current business environment. This also ensures that the company has prepared to support Thai Financial Reporting Standard No. 17, Insurance Contracts (IFRS 17), which are subject to change before they come into effect in 2024.



(MR. PAYUNGSACK CHARTSUTIPOL)  
Chairman of the Audit Committee

# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF KRUNGTHAI PANICH INSURANCE PUBLIC COMPANY LIMITED

## OPINION

I have audited the accompanying financial statements of Krungthai Panich Insurance Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

## BASIS FOR OPINION

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

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



**NARISSARA CHAISUWAN**  
Certified Public Accountant (Thailand) No. 4812

**EY OFFICE LIMITED**  
BANGKOK: 24 MARCH 2022

# STATEMENT OF FINANCIAL POSITION

KRUNGTHAI PANICH INSURANCE PUBLIC COMPANY LIMITED

As at 31 December 2021

(Unit: Baht)

	NOTE	2021	2020
<b>Assets</b>			
Cash and cash equivalent	6	181,795,304	378,461,849
Premium receivables	7	578,533,784	474,669,494
Accrued investment income		26,729,387	18,563,891
Reinsurance assets	8	2,119,475,750	1,668,554,899
Reinsurance receivables	9	128,259,940	101,387,398
Derivative assets		4,195,126	-
Investment assets			
Investments in securities	10	11,887,408,422	7,830,416,461
Loans and interest receivables	11	-	176,117
Investment properties	12	193,880,473	200,467,681
Properties foreclosed		5,784,186	5,784,186
Property, buildings and equipment	13	574,462,949	595,529,776
Right-of-use assets	14.1	15,279,456	15,145,623
Intangible assets	15	107,296,826	95,898,470
Deposits on rice field insurance scheme		144,340,726	197,839,906
Other assets	17	332,278,475	238,818,908
<b>Total assets</b>		<b>16,299,720,804</b>	<b>11,821,714,659</b>

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

(Unit: Baht)

	NOTE	2021	2020
<b>Liabilities and owners' equity</b>			
<b>Liabilities</b>			
Insurance contract liabilities	18	3,854,912,918	3,152,318,013
Due to reinsurers	19	599,592,423	517,833,743
Income tax payable		94,672,535	69,223,521
Lease liabilities	14.2	15,236,329	15,336,559
Employee benefit obligations	20	64,378,250	57,544,509
Deferred tax liabilities	16	713,561,860	137,827,764
Premiums received in advance		1,222,951,519	814,990,361
Dividend payable		180,786	174,072
Other liabilities	21	419,715,522	361,209,062
<b>Total liabilities</b>		<b>6,985,202,142</b>	<b>5,126,457,604</b>
<b>Owner's equity</b>			
Share capital			
Registered			
33,000,000 ordinary shares of Baht 10 each		330,000,000	330,000,000
Issued and paid up			
33,000,000 ordinary shares of Baht 10 each		330,000,000	330,000,000
Premium on share capital		934,570,000	934,570,000
Retained earnings			
Appropriated			
Legal reserve	22	33,000,000	33,000,000
General reserve		249,120,176	249,120,176
Unappropriated		4,219,576,987	4,003,033,833
Other components of equity	10.5	3,548,251,499	1,145,533,046
<b>Total owners' equity</b>		<b>9,314,518,662</b>	<b>6,695,257,055</b>
<b>Total liabilities and owners' equity</b>		<b>16,299,720,804</b>	<b>11,821,714,659</b>

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

# STATEMENT OF COMPREHENSIVE INCOME

KRUNGTHAI PANICH INSURANCE PUBLIC COMPANY LIMITED  
For the year ended 31 December 2021

			(Unit: Baht)
	NOTE	2021	2020
<b>Profit or loss</b>			
<b>Income</b>			
Gross premium written		4,540,029,646	3,932,915,043
Less: Premiums ceded to reinsurers		(1,934,463,680)	(1,653,113,247)
Net premium written		2,605,565,966	2,279,801,796
Less: Unearned premium reserves increase from prior year		(171,294,886)	(71,782,323)
Net earned premium		2,434,271,080	2,208,019,473
Fee and commission income from reinsurers		417,547,229	372,555,108
Net investment incomes	23	277,312,374	247,491,758
Gain on investments	10.7	55,158,802	30,408,199
Fair value gain (loss)		4,195,126	(914,842)
Other income		46,285,363	68,203,756
<b>Total income</b>		<b>3,234,769,974</b>	<b>2,925,763,452</b>
<b>Expenses</b>			
Gross claims		2,051,897,891	1,771,062,767
Less: Claim recovery from reinsurers		(1,104,808,541)	(984,378,968)
Commission and brokerage expenses		539,995,094	458,948,344
Other underwriting expenses		582,343,235	539,904,857
Operating expenses	24	282,758,831	262,701,381
Finance cost		425,166	531,500
Expected credit loss	26	2,990,833	3,746,118
<b>Total expenses</b>	25	<b>2,355,602,509</b>	<b>2,052,515,999</b>
<b>Profit before income tax expenses</b>		<b>879,167,465</b>	<b>873,247,453</b>
Income tax expenses	16	(167,645,497)	(156,766,538)
<b>Profit for the year</b>		<b>711,521,968</b>	<b>716,480,915</b>

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

			(Unit: Baht)
	NOTE	2021	2020
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be classified to profit or loss in subsequent period</i>			
Gain (loss) on revaluation of available-for-sale investments measured at fair value through other comprehensive income		3,003,398,066	(255,745,163)
Add (less): Income taxes		(600,679,613)	51,149,033
Other comprehensive income to be classified to profit or loss in subsequent period - net of income tax (loss)		2,402,718,453	(204,596,130)
<i>Other comprehensive income not to be classified to profit or loss in subsequent period</i>			
Actuarial loss		-	(4,285,833)
Add: Income taxes		-	857,167
Other comprehensive income not to be classified to profit or loss in subsequent period - net of income tax (loss)		-	(3,428,666)
<b>Other comprehensive income for the year - net of income tax (loss)</b>		<b>2,402,718,453</b>	<b>(208,024,796)</b>
<b>Total comprehensive income for the year</b>		<b>3,114,240,421</b>	<b>508,456,119</b>
<b>Earnings per share</b>	28		
Basic earnings per share			
Profit for the year		21.56	21.71

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

# STATEMENT OF CHANGES IN OWNERS' EQUITY

KRUNGTHAI PANICH INSURANCE PUBLIC COMPANY LIMITED  
For the year ended 31 December 2021

(Unit: Baht)

(Unit: Baht)								
	NOTE	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	RETAINED EARNINGS			OTHER COMPONENT OF OWNERS' EQUITY	TOTAL
				APPROPRIATED		UNAPPROPRIATED	OTHER COMPREHENSIVE INCOME	
				LEGAL RESERVE	GENERAL RESERVE		REVALUATION SURPLUS ON AVAILABLE-FOR-SALE INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NET OF INCOME TAXES	
Balance as at 1 January 2020		330,000,000	934,570,000	33,000,000	249,120,176	3,751,981,584	1,350,129,176	6,648,800,936
Profit for the year		-	-	-	-	716,480,915	-	716,480,915
Other comprehensive income for the year (loss)		-	-	-	-	(3,428,666)	(204,596,130)	(208,024,796)
Total comprehensive income for the year (loss)		-	-	-	-	713,052,249	(204,596,130)	508,456,119
Dividend paid	29	-	-	-	-	(462,000,000)	-	(462,000,000)
Balance as at 31 December 2020		330,000,000	934,570,000	33,000,000	249,120,176	4,003,033,833	1,145,533,046	6,695,257,055
Balance as at 1 January 2021		330,000,000	934,570,000	33,000,000	249,120,176	4,003,033,833	1,145,533,046	6,695,257,055
Profit for the year		-	-	-	-	711,521,968	-	711,521,968
Other comprehensive income for the year		-	-	-	-	-	2,402,718,453	2,402,718,453
Total comprehensive income for the year		-	-	-	-	711,521,968	2,402,718,453	3,114,240,421
Dividend paid	29	-	-	-	-	(495,000,000)	-	(495,000,000)
Reversal of expired dividend payable		-	-	-	-	21,186	-	21,186
Balance as at 31 December 2021		330,000,000	934,570,000	33,000,000	249,120,176	4,219,576,987	3,548,251,499	9,314,518,662

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

# STATEMENT OF CASH FLOWS

KRUNGTHAI PANICH INSURANCE PUBLIC COMPANY LIMITED  
For the year ended 31 December 2021

	(Unit: Baht)	
	2021	2020
<b>Cash flows from (used in) operating activities</b>		
Direct premium written	4,773,499,943	4,171,043,919
Cash paid for reinsurance	(680,177,723)	(479,761,844)
Interest income	73,286,794	80,516,513
Dividend income	195,778,647	167,943,865
Other income	46,163,950	52,400,091
Gross claims on direct insurance	(1,436,836,371)	(1,388,493,453)
Commissions and brokerages on direct insurance	(584,631,517)	(518,582,584)
Other underwriting expenses	(582,608,591)	(536,036,514)
Operating expenses	(273,995,381)	(384,323,296)
Corporate income tax	(167,141,999)	(150,911,667)
Cash received on investments in securities	5,290,837,385	3,162,254,205
Cash paid for investment in securities	(6,292,175,590)	(3,513,432,685)
Cash received on loans and interest receivables	43,574	268,001
Cash paid for loans and interest receivables	-	(100,000)
<b>Net cash from operating activities</b>	<b>362,043,121</b>	<b>662,784,551</b>
<b>Cash flows from (used in) investing activities</b>		
Purchase of property and equipment	(21,353,385)	(26,054,081)
Disposals of equipment	121,495	4,865,365
Purchase of Intangible assets	(31,155,251)	(18,278,500)
<b>Net cash used in investing activities</b>	<b>(52,387,141)</b>	<b>(39,467,216)</b>
<b>Cash flows used in financing activities</b>		
Repayment of lease liabilities	(11,428,951)	(10,195,127)
Cash dividend paid	(494,972,100)	(461,973,960)
<b>Net cash used in financing activities</b>	<b>(506,401,051)</b>	<b>(472,169,087)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(196,745,071)</b>	<b>151,148,248</b>
Decrease (increase) in allowance for expected credit losses	78,526	(128,910)
Cash and cash equivalents at beginning of year	378,461,849	227,442,511
<b>Cash and cash equivalents at end of year (Note 6)</b>	<b>181,795,304</b>	<b>378,461,849</b>

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

# NOTES TO FINANCIAL STATEMENTS

KRUNGTHAI PANICH INSURANCE PUBLIC COMPANY LIMITED  
For the year ended 31 December 2021

## 1. > GENERAL INFORMATION

### 1.1 Corporate information

Krungthai Panich Insurance Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is Krung Thai Bank Public Company Limited, existing under Thai laws. The Company is principally engaged in the provision of non-life insurance. The registered office of the Company is at 1122, KPI Tower, New Petchaburi Road, Makkasan, Ratchathewi, Bangkok.

### 1.2 Coronavirus 2019 pandemic

The Coronavirus 2019 pandemic is resulting in an economic slowdown and impacting most businesses and industries. This situation may uncertainties and have an impact on the environment in which the Company operates and the decrease in fair value of investment in securities. The Company's management has continuously monitored the ongoing developments, assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and updated the business plan and management to minimise the impact of the situation. In this regard, the management has exercised estimates and judgments on various matters in assessing the impact which requires continuity if the situation changes.

## 2. > BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

### 3. > NEW FINANCIAL REPORTING STANDARDS

#### 3.1 Financial reporting standards that became effective in the current year

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

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

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

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

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

### 4. > SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Revenue recognition

##### (a) Premium income

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

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than one year, related premium is recorded as "premiums received in advance", and recognised as income over the coverage period each year.

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

##### (b) Fee and commission income from reinsurers

Fee and commission income from reinsurers are recognised as income when services have been rendered.

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

##### (c) Net investment incomes

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

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

##### (d) Gain (loss) on investments

Gain (loss) on investments consist of gain (loss) on disposal of investments and impairment of investment.

Gain (loss) on investments is recognised as income or expense on the transaction date.

##### (e) Fair value gain (loss)

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

#### 4.2 Expenses recognition

##### (a) Premium ceded to reinsurers

Premium ceded to reinsurers is recognised as expense when the insurance risk is transferred to reinsurer as amounts specified in policies.

##### (b) Claims and loss adjustment expenses

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

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

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

Claims recovery from reinsurers are recognised when claims and loss adjustment expenses are recorded as the condition in the relevant reinsurance contracts.

(c) Commission and brokerage fees expenses

Commissions and brokerage fees are recognised as expense when incurred.

Commission and brokerage fees paid for policies with coverage periods of longer than one year are recorded as prepayment items and recognised as expense over the coverage period.

(d) Other underwriting expenses

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

(e) Operating expenses

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

(f) Finance cost

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

#### 4.3 Classification of insurance contracts

The Company classifies the insurance contract and reinsurance contract based on the nature of the contract. An insurance contract is one under which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the Company classifies it as an investment contract. Investment contract is insurance contract in legal form that transfer significant financial risk but not significant insurance risk. Financial risk is the risk of a possible future change in interest rate, foreign exchange rate and index of price.

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

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

#### 4.4 Cash and cash equivalents

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

#### 4.5 Premium receivables and allowance for doubtful accounts

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

Increase (decrease) in allowance for doubtful accounts is recognised as expense during the year.

#### 4.6 Reinsurance assets

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

The Company records impairment loss whenever there are object evidences as a result of events that occurred after initial recognition of the reinsurance assets, and the Company may not receive whole of reinsurance assets and the effect of such amount can be measured with reliability.

Increase (decrease) in allowance for impairments is recognised as expense during the year.

#### 4.7 Reinsurance receivables and due to reinsurers

- (a) Receivables from reinsurance contracts consist of amounts due from reinsurers and amounts deposits on reinsurance.

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

- (b) Amounts due to reinsurers consist of reinsurance payable and amounts withheld on reinsurance.

Reinsurance payable consist of reinsurance premiums and other items payable to reinsurers, excluding loss reserves from reinsurance contracts.

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

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

#### 4.8 Derivatives

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

The fair value of derivatives is based on their market price at the end of financial reporting period, if available. If a market price is not available, the fair value is estimated by counterparty.

#### 4.9 Investments in securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income.

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium or discount on debt securities is amortised or accreted by the effective rate method with the amortised or accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity instruments (non-listed company) are stated at fair value and are classified as investments in available-for-sale securities measured through other comprehensive income. Gain or loss arising from changes in the fair value are separately presented in other comprehensive income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value. The fair value of non-marketable equity instruments is determined using the general accepted fair value techniques or approximated to their net book values if the fair value cannot be reliably estimated.

On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised in profit or loss. The weighted average method is used for computation of the cost of investment.

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

At end of reporting period, available-for-sale investments measured at fair value through other comprehensive income and investments in debt instrument measured at amortised cost are stated at fair value net of allowance for impairment or allowance for expected credit loss (if any).

#### 4.10 Impairment of financial assets

##### Expected credit loss of investment in debt instruments

The Company recognises expected credit loss on its financial assets that debt instruments measured at amortised cost, and financial assets that are debt instruments measured at fair value through comprehensive income by applying the general approach are as follow:

### Measurement of expected credit loss

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Estimates of expected cash shortfalls are determined by multiplying the probability of default (PD) with the loss given default (LGD) and the expected exposure at the time of default (EAD). The estimates calculate the probability of default and potential loss when a counterparty defaults, based on information from the Thai Bond Market Association (in case of debt securities investment), historical data, adjusted for current observable data and forecasts of future events that are supportable and reasonable. The Company reviews and revises of the methods, assumptions and forecasts of future events on a regular basis.

For expected credit loss recognition, financial assets are classified in any of the below 3 stages. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

#### Stage 1 Financial assets without a significant increase in credit risk

Financial assets that have not had a significant increase in credit risk since initial recognition (i.e. no stage 2 or 3 triggers apply) or debt instrument that considered to have low credit risk at each reporting date. An allowance for expected credit losses are recognised at the amount equivalent to the expected credit losses in the next 12 months.

The Company identifies government and state enterprise securities and private debt instruments with a credit rating not lower than BBB- as low credit risk and classified them as investment grade. Debt instruments with a credit rating lower than BBB- and/or subject to any event which negatively affects their credit quality are classified as non-investment grade, and investment officer is to closely monitor and review the quality of these assets to determine whether the credit risk has increased significantly.

#### Stage 2 Financial assets with a significant increase in credit risk

When financial assets have a significant increase in credit risk since initial recognition but not credit-impaired, expected credit losses are recognised for possible default events over the lifetime of the financial assets. A significant increase in credit risk is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk.

Quantitative factors include an assessment of whether there has been a significant increase in the probability of default (PD) since origination, such as downgrade of counterparty credit rating. If the changes exceed the thresholds, the financial assets are considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the counterparties' or debt instrument issuers' ability to repay. Qualitative indicators include operating results, financial liquidity and other reliable indicators.

Financial assets can be transferred to stage 1 in case they have proven that their ability to repay are back to normal.

#### Stage 3 Credit impairment financial assets

Financial assets are also considered to be credit-impaired where the counterparties or debt instrument issuers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets. Evidence that a financial asset is credit-impaired include observable information such as significant financial difficulty of counterparties or debt instrument issuers, a breach of contract or past due event and probability that the borrower will enter bankruptcy or other financial reorganisation and so on.

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

Increase (decrease) in allowance for expected credit loss is recognised as expenses during the year in profit or loss in statement of comprehensive income. The Company has a policy to write off any financial assets when it is believed that they will not be collected from the counterparties.

#### **Allowance for impairment of equity instruments**

Loss from impairment of equity instruments classified as investments in available-for-sale securities is immediately recognised through profit or loss when there is an objective evidence supporting impairment of the instruments, which indicate that the cost of the investment in an equity instrument may not be recovered, and there is a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss and loss on impairment (if any) are recorded as expenses in profit or loss.

#### 4.11 Classification and measurement of financial liabilities

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

#### 4.12 Derecognition of financial instruments

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

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

#### 4.13 Offsetting of financial instruments

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

#### 4.14 Loans and interest receivables

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

#### 4.15 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 40 years. Depreciation of the investment properties is included in determining income.

#### 4.16 Property, buildings and equipment and depreciation

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

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

Buildings	20 - 40	years
Building improvement	5 - 20	years
Office furniture, fixture and equipment	3 - 5	years
Motor vehicles	5	years

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress.

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

#### 4.17 Intangible assets

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

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

No amortisation is provided for computer software under installation.

#### 4.18 Leases

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

## The Company as a lessee

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

### (a) Right-of-use assets

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

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

Buildings	1 - 3 years
Equipment	1 - 2 years
Motor vehicles	1 - 5 years

### (b) Lease liabilities

At the commencement date, the Company recognised lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments only fixed payments.

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

### (c) Short-term leases and leases of low-value assets

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

## The Company as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss 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 assets and recognised as an expense over the lease term on the same basis as the lease income.

## 4.19 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

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

## 4.20 Related party transactions

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

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

#### 4.21 Insurance contract liabilities

Insurance contract liabilities consist of claim reserves and unearned premium reserves.

##### (a) Claim reserves

Claim reserves consist of outstanding claims which are recorded at the amount to be actually paid and claim reserves which are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimate shall not exceed the sum-insured of the related insurance policies.

Claims reserves were calculated by using an actuarial method based on a best estimate of the claims, that are expected to be paid in respect of loss that occurred before or as at the reporting date, covering both reported and not reported loss, and including claim handling expenses, after deducting salvage values and other recoverable values. Differences between the calculated claims reserves and the claims already recognised are recorded as incurred but not reported claims (IBNR).

##### (b) Premium reserves

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

##### (1) Unearned premium reserve

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

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

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as direct insurance, that transfer insurance risk to reinsurer throughout the coverage period of insurance contract.

However, the increase or decrease in unearned premium reserves from prior year is to be recognised in profit or loss.

##### (2) Unexpired risk reserve

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

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

#### 4.22 Employee benefits

##### Short-term employee benefits

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

##### Post-employment benefits

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

#### 4.23 Income tax

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

##### Current tax

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

##### Deferred tax

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

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

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

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

#### 4.24 Provisions

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

#### 4.25 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

### 5. > SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

#### 5.1 Recognition and derecognition of assets and liabilities

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

#### 5.2 Allowance for doubtful accounts

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

#### 5.3 Impairment on reinsurance assets

In determining impairment on reinsurance assets, the management needs to make judgement and estimates loss on impairment of each reinsurers based on conditions in contract and events occurred that the Company may not receive entire amount under the term of contract.

#### **5.4 Allowance for impairment of equity instruments**

The Company treats equity instruments and unit trusts classified as investments in available-for-sale securities measured at fair value through other comprehensive income as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

#### **5.5 Allowances for expected credit loss of financial assets**

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

#### **5.6 Deferred tax assets**

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

#### **5.7 Property, buildings and equipment and depreciation**

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

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

#### **5.8 Intangible assets**

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset and to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### **5.9 Insurance contracts classification**

In determining whether insurance contracts meet the definition of insurance contracts under Thai Financial Reporting Standard, the Company is required to test whether the contracts accept significant insurance risk from the reinsurers, using actuarial technique based on assumptions regarding historical claim data and other assumptions. The management is required to exercise judgement in determining these assumptions.

#### **5.10 Claim reserves and outstanding claims**

At the end of each reporting period, the Company has to estimate claim reserves and outstanding claims taking into account two parts. These are the claims incurred and reported, and the claims incurred but not reported (IBNR). Such estimates are calculated using an actuarial method and the main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, claims paid, average costs per claim and claim numbers, etc. These claim reserves are determined by an independent actuary as insurance product types. Nevertheless, the estimation requires the management’s judgements reflecting the best estimates available at that time. Such estimates are forecasts of future outcomes, and actual results could differ.

#### **5.11 Unexpired risk reserve**

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

#### **5.12 Post-employment benefits under defined benefit plans**

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

### 5.13 Leases

#### The Company as a lessee

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar environment.

#### The Company as lessor

Lease classification

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### 5.14 Litigation

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

### 5.15 Fair value of financial instruments

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

## 6. > CASH AND CASH EQUIVALENTS

	(Unit: Baht)	
	2021	2020
Cash on hand	-	-
Deposits at banks with no fixed maturity date	181,845,688	378,590,759
Total	181,845,688	378,590,759
Less: Allowance for expected credit loss	(50,384)	(128,910)
Total cash and cash equivalents - net	181,795,304	378,461,849

As at 31 December 2021, saving account carried interest rate between 0.05 and 0.25 percent per annum (2020: 0.05 and 0.30 percent per annum).

## 7. > PREMIUM RECEIVABLES

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

	(Unit: Baht)	
	2021	2020
Not yet due	358,716,576	415,818,194
Not over 30 days	134,887,801	29,238,435
Over due 30 days to 60 days	73,737,267	12,046,891
Over due 60 days to 90 days	4,357,641	5,375,377
Overdue longer than 90 days	13,804,083	26,125,460
Total premium receivables	585,503,368	488,604,357
Less: Allowance for double account	(6,969,584)	(13,934,863)
Premium receivables - net	578,533,784	474,669,494

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company has the legal process with such agents and brokers.

## 8. > REINSURANCE ASSETS

	2021	2020
(Unit: Baht)		
Insurance reserve refundable from reinsurers		
Loss reserves	1,205,040,860	873,689,485
Unearned premium reserves	914,434,890	794,865,414
Total reinsurance assets	2,119,475,750	1,668,554,899

## 9. > REINSURANCE RECEIVABLES

	2021	2020
(Unit: Baht)		
Amount deposit on reinsurance	1,964,556	2,515,610
Amounts due from reinsurers	126,295,384	98,871,788
Total reinsurance receivables	128,259,940	101,387,398

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

	2021	2020
(Unit: Baht)		
Not yet due	120,225,436	21,938,384
Not over 12 months	5,175,774	76,820,283
Over 1 year to 2 years	798,266	57,302
Over 2 years	95,908	55,819
Total amounts due from reinsurers	126,295,384	98,871,788

## 10. > INVESTMENTS IN SECURITIES

### 10.1 Classified by type of investments

	2021		2020	
	COST/ AMORTISED COST	FAIR VALUE	COST/ AMORTISED COST	FAIR VALUE
(Unit: Baht)				
<b>Trading investments measured at fair value through profit or loss</b>				
Equity instruments	-	-	16,000,708	15,444,090
Total	-	-	16,000,708	15,444,090
Less: Unrealised loss	-	-	(556,618)	-
<b>Total</b>	-	-	15,444,090	15,444,090
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Government and state enterprise instruments	150,954,478	151,142,102	57,909,854	59,030,657
Private enterprises debt instruments	2,659,656,291	2,669,150,985	2,631,409,328	2,652,297,273
Foreign debt instruments	-	-	30,000,000	30,125,889
Equity instruments	648,257,356	5,241,550,382	536,161,394	2,111,051,907
Unit trusts	3,727,962,565	3,500,638,848	2,847,174,206	2,637,088,590
Total	7,186,830,690	11,562,482,317	6,102,654,782	7,489,594,316
Add: Unrealised gains	4,435,314,374	-	1,431,916,308	-
Less: Allowance for expected credit loss	(11,566,010)	-	(8,880,037)	-
Less: Allowance for impairment	(48,096,737)	-	(36,096,737)	-
<b>Total</b>	11,562,482,317	11,562,482,317	7,489,594,316	7,489,594,316
<b>Held-to-maturity investments measured at amortised cost</b>				
Government and state enterprise instruments	30,000,000		30,150,000	
Deposits at financial institutions matured over 3 months	295,800,000		295,800,000	
Total	325,800,000		325,950,000	
Less: Allowance for expected credit loss	(873,895)		(571,945)	
<b>Total</b>	324,926,105		325,378,055	
<b>Total investments in securities</b>	11,887,408,422		7,830,416,461	

## 10.2 Classified by stage of credit risk

(Unit: Baht)

	2021		2020	
	FAIR VALUE	ALLOWANCE FOR EXPECTED CREDIT LOSS	FAIR VALUE	ALLOWANCE FOR EXPECTED CREDIT LOSS
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Stage 1 - Debt instruments without a significant increase of credit risk	2,794,480,140	(8,441,195)	2,709,445,524	(5,683,416)
Stage 2 - Debt instruments with a significant increase of credit risk	23,483,248	(504,815)	29,643,295	(561,621)
Stage 3 - Credit impaired	2,329,699	(2,620,000)	2,365,000	(2,635,000)
<b>Total</b>	<b>2,820,293,087</b>	<b>(11,566,010)</b>	<b>2,741,453,819</b>	<b>(8,880,037)</b>

(Unit: Baht)

	2021		
	GROSS CARRYING AMOUNT	ALLOWANCE FOR EXPECTED CREDIT LOSS	CARRYING AMOUNT
<b>Held-to-maturity investments measured at amortised cost</b>			
Stage 1 - Debt instruments without a significant increase of credit risk	325,800,000	(873,895)	324,926,105
<b>Total</b>	<b>325,800,000</b>	<b>(873,895)</b>	<b>324,926,105</b>

(Unit: Baht)

	2020		
	GROSS CARRYING AMOUNT	ALLOWANCE FOR EXPECTED CREDIT LOSS	CARRYING AMOUNT
<b>Held-to-maturity investments measured at amortised cost</b>			
Stage 1 - Debt instruments without a significant increase of credit risk	325,950,000	(571,945)	325,378,055
<b>Total</b>	<b>325,950,000</b>	<b>(571,945)</b>	<b>325,378,055</b>

## 10.3 Remaining periods of debt securities

Investments in debt securities and deposit at financial institutions as at 31 December 2021 and 2020 has remaining period to maturity as from the ending period as follows:

(Unit: Baht)

	2021			
	PERIOD TO MATURITY			TOTAL
	1 YEAR	1 - 5 YEARS	OVER 5 YEARS	
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Government and state enterprise instruments	56,193,934	65,107,630	29,652,914	150,954,478
Private enterprises debt instruments	675,783,433	1,978,872,858	5,000,000	2,659,656,291
<b>Total</b>	<b>731,977,367</b>	<b>2,043,980,488</b>	<b>34,652,914</b>	<b>2,810,610,769</b>
Add (less): Unrealised gain (loss)	1,725,669	10,601,878	(2,645,229)	9,682,318
<b>Total</b>	<b>733,703,036</b>	<b>2,054,582,366</b>	<b>32,007,685</b>	<b>2,820,293,087</b>
<b>Held-to-maturity investments measured at amortised cost</b>				
Government and state enterprise instruments	-	30,000,000	-	30,000,000
Deposits with financial institutions matured over than 3 months	295,800,000	-	-	295,800,000
<b>Total</b>	<b>295,800,000</b>	<b>30,000,000</b>	<b>-</b>	<b>325,800,000</b>
Less: Allowance for expected credit loss	(873,895)	-	-	(873,895)
<b>Total</b>	<b>294,926,105</b>	<b>30,000,000</b>	<b>-</b>	<b>324,926,105</b>

(Unit: Baht)

	2020			
	PERIOD TO MATURITY			TOTAL
	1 YEAR	1 - 5 YEARS	OVER 5 YEARS	
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Government and state enterprise instruments	40,310,811	17,599,043	-	57,909,854
Private enterprises debt instruments	942,051,670	1,689,357,658	-	2,631,409,328
Foreign debt instruments	30,000,000	-	-	30,000,000
<b>Total</b>	<b>1,012,362,481</b>	<b>1,706,956,701</b>	<b>-</b>	<b>2,719,319,182</b>
Add: Unrealised gain	1,631,359	20,503,278	-	22,134,637
<b>Total</b>	<b>1,013,993,840</b>	<b>1,727,459,979</b>	<b>-</b>	<b>2,741,453,819</b>
<b>Held-to-maturity investments measured at amortised cost</b>				
Government and state enterprise securities	150,000	30,000,000	-	30,150,000
Deposits with financial institutions matured over than 3 months	5,000,000	290,800,000	-	295,800,000
<b>Total</b>	<b>5,150,000</b>	<b>320,800,000</b>	<b>-</b>	<b>325,950,000</b>
Less: Allowance for expected credit loss	(1,111)	(570,834)	-	(571,945)
<b>Total</b>	<b>5,148,889</b>	<b>320,229,166</b>	<b>-</b>	<b>325,378,055</b>

## 10.4 Fair values of investments in debt securities

(Unit: Baht)

In classification and measurement of financial assets under the Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business, the Company are not required to take into consideration its business model and the characteristics of the contractual cash flows, however, if the financial assets has been classified and measured in accordance with TFRS 9, the effects would have been as follows:

2021					(Unit: Baht)				
	THE CONTRACTUAL TERMS OF FINANCIAL ASSETS GIVE RISE ON SPECIFIED DATES TO CASH FLOWS THAT ARE NOT SOLELY PAYMENTS OF PRINCIPAL AND INTEREST ON THE ONLY OUTSTANDING PRINCIPAL AMOUNT		THE CONTRACTUAL TERMS OF FINANCIAL ASSETS GIVE RISE ON SPECIFIED DATES TO CASH FLOWS THAT ARE SOLELY PAYMENTS OF PRINCIPAL AND INTEREST ON THE ONLY OUTSTANDING PRINCIPAL AMOUNT			CHANGES IN UNREALISED GAIN OR LOSS DURING THE YEAR		CHANGES IN UNREALISED GAIN OR LOSS DURING THE YEAR	
	FAIR VALUE		FAIR VALUE						
<b>Available-for-sale investments</b>									
<b>measured at fair value through other comprehensive income</b>									
Government and state enterprise instruments	-	-	151,142,102	(933,179)					
Private enterprises debt instruments	19,442,498	(557,502)	2,649,657,449	(10,886,787)					
Foreign debt instruments	-	-	-	(125,889)					
Unit trusts	2,918,390,593	(9,635,404)	-	-					
<b>Held-to-maturity investments</b>									
<b>measured at amortised cost</b>									
Government and state enterprise instruments	-	-	30,000,000	(150,000)					
Deposits with financial institutions matured over than 3 months	-	-	295,800,000	-					
<b>Total</b>	<b>2,937,833,091</b>	<b>(10,192,906)</b>	<b>3,126,599,551</b>	<b>(12,095,855)</b>					

2020				
	THE CONTRACTUAL TERMS OF FINANCIAL ASSETS GIVE RISE ON SPECIFIED DATES TO CASH FLOWS THAT ARE NOT SOLELY PAYMENTS OF PRINCIPAL AND INTEREST ON THE ONLY OUTSTANDING PRINCIPAL AMOUNT		THE CONTRACTUAL TERMS OF FINANCIAL ASSETS GIVE RISE ON SPECIFIED DATES TO CASH FLOWS THAT ARE SOLELY PAYMENTS OF PRINCIPAL AND INTEREST ON THE ONLY OUTSTANDING PRINCIPAL AMOUNT	
	FAIR VALUE	CHANGES IN UNREALISED GAIN OR LOSS DURING THE YEAR	FAIR VALUE	CHANGES IN UNREALISED GAIN OR LOSS DURING THE YEAR
<b>Available-for-sale investments</b>				
<b>measured at fair value through other comprehensive income</b>				
Government and state enterprise instruments	-	-	59,030,657	91,236
Private enterprises debt instruments	-	-	2,652,297,273	(2,294,756)
Foreign debt instruments	-	-	30,125,889	(154,177)
Unit trusts	2,164,070,397	(134,310,334)	-	-
<b>Held-to-maturity investments</b>				
<b>measured at amortised cost</b>				
Government and state enterprise instruments	-	-	30,150,000	(5,676)
Deposits with financial institutions matured over than 3 months	-	-	295,800,000	-
<b>Total</b>	<b>2,164,070,397</b>	<b>(134,310,334)</b>	<b>3,067,403,819</b>	<b>(2,363,373)</b>

## 10.5 Other components of equity - revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income

(Unit: Baht)

	FOR THE YEARS ENDED 31 DECEMBER	
	2021	2020
Balance - beginning of the year	1,145,533,046	1,350,129,176
Changes during the year		
Unrealised gain (loss) during the year	3,058,829,669	(223,773,039)
Realised gain in profit or loss	(55,431,603)	(31,972,124)
Relating income tax	3,003,398,066	(255,745,163)
Net comprehensive income for the year (loss)	(600,679,613)	51,149,033
Balance - end of the year	2,402,718,453	(204,596,130)
	3,548,251,499	1,145,533,046

## 10.6. Investment with restrictions and commitments

### Asset placed as guarantee securities and placed as insurance reserves

As at 31 December 2021 and 2020, the following assets have been placed as securities and reserved as insurance reserves with the Registrar in accordance with the Non-Life Insurance Act.

(Unit: Baht)

	2021		2020	
	AMORTISED COST	FAIR VALUE	COST	FAIR VALUE
<b>Assets placed as securities</b>				
Government securities	14,260,963	14,476,368	14,398,338	14,801,608
<b>Assets reserved as insurance reserves</b>				
Fixed deposit	289,127,610	290,000,000	289,429,344	290,000,000
Government securities	-	-	30,316,118	30,961,689
<b>Total assets placed and reserved</b>	<b>303,388,573</b>	<b>304,476,368</b>	<b>334,143,800</b>	<b>335,763,297</b>

### Investments subject to restriction

As at 31 December 2021 and 2020, the Company has placed the following securities as collateral.

(Unit: Baht)

	2021	2020
Fixed deposits - pledged with the court and bank	5,798,495	5,828,704
Saving lottery - pledged with the court	1,550,000	1,050,000
Bonds - pledged as a security in the electricity usage	3,202,781	3,252,707
<b>Total</b>	<b>10,551,276</b>	<b>10,131,411</b>

## 10.7 Gain on investments

(Unit: Baht)

	2021	2020
Gain form disposal on investment	67,158,802	42,408,199
Impairment of investment	(12,000,000)	(12,000,000)
<b>Total</b>	<b>55,158,802</b>	<b>30,408,199</b>

## 11. > LOANS AND INTEREST RECEIVABLES

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

(Unit: Baht)

	2021		
CLASSIFICATION	PRINCIPAL	INTEREST RECEIVABLES	TOTAL
Stage 1 - Loans without a significant increase of credit risk	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Unit: Baht)

	2020		
OUTSTANDING PERIOD	PRINCIPAL	INTEREST RECEIVABLES	TOTAL
Stage 1 - Loans without a significant increase of credit risk	176,117	-	176,117
<b>Total</b>	<b>176,117</b>	<b>-</b>	<b>176,117</b>

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. The interest rates for the loans charge at the rates of 6.50 - 8.50 percent per annum. At the end of reporting period, the loan balances have no accrued interest.

## 12. > INVESTMENT PROPERTIES

The balances of investment properties, which are offices for rent, as at 31 December 2021 and 2020 are presented below.

(Unit: Baht)

	2021		2020	
NAME OF PROJECT	COST	FAIR VALUE	COST	FAIR VALUE
KPI Tower	193,880,473	322,860,894	200,467,681	325,187,332
<b>Total</b>	<b>193,880,473</b>	<b>322,860,894</b>	<b>200,467,681</b>	<b>325,187,332</b>

The fair values of the above investment properties, office building for rent, have been determined based on valuations performed by independent valuer. The fair value of the office building for rent has been determined using the income approach. The main assumptions used in the valuation are yield rate and discount rate.

A reconciliation of the net book value of investment properties for the years ended 31 December 2021 and 2020 is presented below.

	(Unit: Baht)	
	2021	2020
Cost	263,668,781	263,668,781
Less: Accumulated depreciation	(69,788,308)	(63,201,100)
Net book value	193,880,473	200,467,681

	(Unit: Baht)	
	2021	2020
Net book value at beginning of the year	200,467,681	207,072,936
Depreciation charged	(6,587,208)	(6,605,255)
Net book value at end of the year	193,880,473	200,467,681

Revenue and expense related to investment properties are recognised in profit or loss as below:

	(Unit: Baht)	
	2021	2020
Rental income	44,664,559	47,124,777
Direct operating expenses which related to rental income	16,700,010	16,572,931

### 13. > PROPERTY, BUILDINGS AND EQUIPMENT

	(Unit: Baht)					
	LAND	BUILDINGS AND BUILDINGS IMPROVEMENT	FURNITURE, FIXTURES AND OFFICE EQUIPMENT	MOTOR VEHICLES	CONSTRUCTION IN PROGRESS	TOTAL
<b>Cost</b>						
1 January 2020	248,377,914	554,298,982	244,971,129	22,009,000	-	1,069,657,025
Additions	-	44,666	11,144,917	8,799,000	6,418,625	26,407,208
Transfers in (out)	-	2,030,800	-	-	(2,030,800)	-
Disposals / write-off	-	(2,001,122)	(3,507,004)	(15,027,700)	-	(20,535,826)
31 December 2020	248,377,914	554,373,326	252,609,042	15,780,300	4,387,825	1,075,528,407
Additions	-	3,004,668	10,137,294	-	9,139,533	22,281,495
Transfers in (out)	-	10,185,989	1,252,724	-	(11,438,713)	-
Disposals / write-off	-	-	(54,549)	(881,000)	-	(935,549)
31 December 2021	248,377,914	567,563,983	263,944,511	14,899,300	2,088,645	1,096,874,353
<b>Accumulated depreciation</b>						
1 January 2020	-	244,134,383	191,928,295	17,345,724	-	453,408,402
Depreciation for the year	-	24,115,843	17,384,097	2,600,077	-	44,100,017
Depreciation on disposals/write-off	-	(735,355)	(3,485,540)	(13,288,893)	-	(17,509,788)
31 December 2020	-	267,514,871	205,826,852	6,656,908	-	479,998,631
Depreciation for the year	-	21,458,510	19,332,220	2,557,509	-	43,348,239
Depreciation on disposals/write-off	-	-	(54,467)	(880,999)	-	(935,466)
31 December 2021	-	288,973,381	225,104,605	8,333,418	-	522,411,404
<b>Net book value</b>						
31 December 2020	248,377,914	286,858,455	46,782,190	9,123,392	4,387,825	595,529,776
31 December 2021	248,377,914	278,590,602	38,839,906	6,565,882	2,088,645	574,462,949
<b>Depreciation for the year</b>						
2020						44,100,017
2021						43,348,239

As at 31 December 2021, certain buildings and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 286.3 million (2020: Baht 228.0 million).

### 14. > LEASES

#### The Company as a lessee

The Company has lease contracts for buildings, office equipment and motor vehicles used in its operations. Lease buildings have lease terms of 1 - 3 years, office equipment have lease terms of 1 - 2 years, and motor vehicles have a lease term of 1 - 5 years.

## 14.1 Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Baht)

	LEASE BUILDINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Net book value as at 1 January 2020	3,508,058	4,032,912	10,252,635	17,793,605
Addition during the year	4,246,505	475,609	2,819,399	7,541,513
Depreciation for the year	(2,633,214)	(2,239,546)	(5,316,735)	(10,189,495)
Net book value as at 31 December 2020	5,121,349	2,268,975	7,755,299	15,145,623
Addition during the year	3,089,910	477,219	7,463,509	11,030,638
Adjustment during the year	-	-	(129,023)	(129,023)
Depreciation for the year	(3,563,198)	(2,241,182)	(4,963,402)	(10,767,782)
Net book value as at 31 December 2021	4,648,061	505,012	10,126,383	15,279,456

## 14.2 Lease liabilities

(Unit: Baht)

	LEASE BUILDINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Lease liabilities as at 1 January	5,169,583	2,298,799	7,868,177	15,336,559
Add: Financial cost for the year	111,120	37,991	280,796	429,907
Add: Increased lease liabilities	3,089,910	477,219	7,463,509	11,030,638
Less: Lease payments during the year	(3,678,009)	(2,304,000)	(5,446,942)	(11,428,951)
Less: Adjustments during the year	-	-	(131,824)	(131,824)
Lease liabilities as at 31 December	4,692,604	510,009	10,033,716	15,236,329

(Unit: Baht)

	LEASE BUILDINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Lease liabilities as at 1 January	3,508,058	4,032,912	10,252,635	17,793,605
Add: Financial cost for the year	137,244	94,278	318,640	550,162
Add: Increased lease liabilities	4,246,505	475,609	2,819,399	7,541,513
Less: Lease payments during the year	(2,722,224)	(2,304,000)	(5,522,497)	(10,548,721)
Lease liabilities as at 31 December	5,169,583	2,298,799	7,868,177	15,336,559

2021

	LEASE BUILDINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Lease payments	4,797,562	512,000	10,741,730	16,051,292
Less: Deferred interest expenses	(104,958)	(1,991)	(460,844)	(567,793)
Less: Adjustment during the year	-	-	(247,170)	(247,170)
Total	4,692,604	510,009	10,033,716	15,236,329
Less: Portion due within one year	(2,447,689)	(510,009)	(3,575,073)	(6,532,771)
Lease liabilities - net of current portion	2,244,915	-	6,458,643	8,703,558

2020

	LEASE BUILDINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Lease payments	5,295,382	2,336,000	8,163,886	15,795,268
Less: Deferred interest expenses	(125,799)	(37,201)	(295,709)	(458,709)
Total	5,169,583	2,298,799	7,868,177	15,336,559
Less: Portion due within one year	(3,037,310)	(1,947,184)	(4,167,915)	(9,152,409)
Lease liabilities - net of current portion	2,132,273	351,615	3,700,262	6,184,150

A maturity analysis of lease payments is disclosed in Note 33.4 under the liquidity risk.

## 14.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Baht)

	2021	2020
Depreciation of right-of-use assets	10,525,848	9,853,908
Finance cost on lease liabilities	425,166	531,500
Expenses relating to lease of low-value assets	3,150,981	3,534,895
Total expenses	14,101,995	13,920,303

## 14.4 Other

The Company had total cash outflows for leases for the years ended 31 December 2021 and 2020 of Baht 14.6 million (2020: Baht 13.7 million), including the cash outflow related to lease of low-value assets.

## 14.5 The Company as a lessor

The Company has entered into operating leases for its investment property, building (Note 12) of the lease terms are between 3 and 6 years.

The Company has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2021 and 2020 as follows:

	(Unit: Baht)	
	2021	2020
Over 1 and up to 5 years	12,829,002	9,751,115
Total	28,183,574	44,030,180

## 15. > INTANGIBLE ASSETS

	(Unit: Baht)		
	COMPUTER SOFTWARE	COMPUTER SOFTWARE UNDER INSTALLATION	TOTAL
<b>Cost</b>			
1 January 2020	143,323,310	55,343,729	198,667,039
Additions	16,031,354	5,650,945	21,682,299
Transfers in (out)	16,935,040	(16,935,040)	-
31 December 2020	176,289,704	44,059,634	220,349,338
Additions	12,596,231	14,428,183	27,024,414
Transfer in (out)	8,734,253	(8,734,253)	-
Write-off	-	(35,850,729)	(35,850,729)
31 December 2021	197,620,188	13,902,835	211,523,023
<b>Amortisation</b>			
1 January 2020	75,031,230	-	75,031,230
Amortisation for the year	13,568,909	-	13,568,909
31 December 2020	88,600,139	-	88,600,139
Amortisation for the year	15,626,058	-	15,626,058
31 December 2021	104,226,197	-	104,226,197
<b>Allowance for impairment loss</b>			
31 December 2020	-	35,850,729	35,850,729
31 December 2021	-	-	-
<b>Net book value</b>			
31 December 2020	87,689,565	8,208,905	95,898,470
31 December 2021	93,393,991	13,902,835	107,296,826
<b>Amortisation for the year</b>			
2020			13,568,909
2021			15,626,058

As at 31 December 2021, the Company has computer software which has been fully amortised but are still in use, with the gross carrying amount before deducting accumulated amortisation, amounting to approximately Baht 31.0 million (2020: Baht 25.2 million).

## 16. > DEFERRED TAX LIABILITIES/INCOME TAX EXPENSES

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

(Unit: Baht)				
			CHANGE IN DEFERRED TAX ASSETS OR LIABILITIES	
			FOR THE YEARS ENDED 31 DECEMBER	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for doubtful accounts	2,888,213	2,786,973	101,240	(81,286)
Allowance for expected credit loss	2,540,572	1,942,405	598,167	749,224
Allowance for loss on impairment of investments	9,619,347	7,219,347	2,400,000	2,400,000
Allowance for loss on impairment of assets	-	7,170,146	(7,170,146)	-
Premium reserves	35,218,086	27,020,242	8,197,844	3,154,883
Provision for losses incurred but not yet reported	34,131,381	33,649,830	481,551	7,564,148
Loss reserves	65,167,357	48,751,711	16,415,646	(11,646,646)
Employee benefit obligations	12,875,650	11,508,902	1,366,748	1,043,423
Difference between accounting and taxation relating to depreciation expenses	8,788,150	8,356,431	431,719	946,182
Loss on changes in values of trading investments measured at fair value through profit or loss	-	111,323	(111,323)	111,323
Right-of-use assets and lease liabilities	-	38,187	(38,187)	38,187
Loss on investment which is in the process of liquidation	3,119,909	-	3,119,909	-
Total	174,348,665	148,555,497		

(Unit: Baht)

CHANGE IN DEFERRED TAX  
ASSETS OR LIABILITIES

FOR THE YEARS ENDED 31 DECEMBER

	2021	2020	2021	2020
<b>Deferred tax liabilities</b>				
Right-of-use asset and lease liabilities	(8,626)	-	(8,626)	-
Gains on changes in values of trading investments measured at fair value through profit or loss	-	-	-	71,834
Gain on changes in value of derivatives measured at fair value through profit or loss	(839,025)	-	(839,025)	-
Gains on changes in values of available-for-sale investments measured at fair value through other comprehensive income	(887,062,874)	(286,383,261)	(600,679,613)	51,149,033
Total	(887,910,525)	(286,383,261)		
<b>Deferred tax liabilities - net</b>	<b>(713,561,860)</b>	<b>(137,827,764)</b>		
<b>Total changes</b>			<b>(575,734,096)</b>	<b>55,500,305</b>
Changes were recognised in:				
- Profit or loss			24,945,517	3,494,105
- Other comprehensive income			(600,679,613)	52,006,200
			<b>(575,734,096)</b>	<b>55,500,305</b>

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

(Unit: Baht)

	2021	2020
<b>Current income tax:</b>		
Current corporate income tax charge	190,657,087	160,367,544
Adjustment of prior year's corporate income tax	1,933,927	(106,901)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(24,945,517)	(3,494,105)
<b>Income tax expense reported in profit or loss</b>	<b>167,645,497</b>	<b>156,766,538</b>

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

(Unit: Baht)

	2021	2020
Accounting profits before income tax expenses	879,167,465	873,247,453
Applicable corporate income tax rates	20%	20%
Income taxes at the applicable tax rates	175,833,493	174,649,491
Adjustment of prior year's corporate income tax	1,933,927	(106,901)
Tax effect of:		
Non-taxable revenues	(16,751,843)	(15,614,027)
Non-tax deductible expense	85,907	167,099
Additional expenses deductions allowed	(626,133)	(2,329,124)
Tax effect on reversal of deferred tax assets which are not to be able to utilise	7,170,146	-
<b>Income tax expenses reported in profit or loss</b>	<b>167,645,497</b>	<b>156,766,538</b>

## 17. &gt; OTHER ASSETS

(Unit: Baht)

	2021	2020
Input tax refundable	12,572,887	15,891,740
Prepaid commission expenses	209,678,488	140,311,177
Deposits and guarantee	2,637,674	1,761,379
Prepaid expenses	11,330,615	9,252,647
Advance payments and other receivable	4,946,305	8,299,564
Advance payment of ceded premium	85,931,440	58,795,869
Receivable from the sale of securities	-	3,306
Others	5,181,066	4,503,226
<b>Total other assets</b>	<b>332,278,475</b>	<b>238,818,908</b>

## 18. > INSURANCE CONTRACT LIABILITIES

(Unit: Baht)

		2021		
	NOTE	INSURANCE CONTRACT LIABILITIES	REINSURANCE ON LIABILITIES	NET
Loss reserves				
Claims incurred and reported		1,158,119,378	(811,655,929)	346,463,449
Claims incurred but not reported		564,041,836	(393,384,931)	170,656,905
Total loss reserves	18.1	1,722,161,214	(1,205,040,860)	517,120,354
Premium reserves				
Unearned premium reserves	18.4	2,132,751,704	(914,434,890)	1,218,316,814
Total		3,854,912,918	(2,119,475,750)	1,735,437,168

(Unit: Baht)

		2020		
	NOTE	INSURANCE CONTRACT LIABILITIES	REINSURANCE ON LIABILITIES	NET
Loss reserves				
Claims incurred and reported		839,127,752	(570,635,712)	268,492,040
Claims incurred but not reported		471,302,919	(303,053,773)	168,249,146
Total loss reserves	18.1	1,310,430,671	(873,689,485)	436,741,186
Premium reserves				
Unearned premium reserves	18.4	1,841,887,342	(794,865,414)	1,047,021,928
Total		3,152,318,013	(1,668,554,899)	1,483,763,114

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

## 18.1 Loss reserves

(Unit: Baht)

FOR THE YEARS ENDED 31 DECEMBER

	2021	2020
Balances - beginning of the year	1,310,430,671	983,060,786
Claims incurred in the current accident year	2,002,663,195	1,670,202,657
Change in estimating claim reserves	(43,504,220)	(54,693,164)
Change in assumption for calculating claim reserves	92,738,917	155,553,274
Claims paid during the year	(1,640,167,349)	(1,443,692,882)
Balance - end of the year	1,722,161,214	1,310,430,671

As at 31 December 2021 and 2020, the Company, which is a reinsurer under the reinsurance contracts, has loss reserve under such contracts of Baht 24.0 million and Baht 24.7 million, respectively.

## 18.2 Claims development table

### (a) Gross claims table

ACCIDENT YEAR / REPORTING YEAR	PRIOR YEAR 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	(Unit: Baht) TOTAL
Claims estimates:											
- As at accident year	4,324,105,046	1,351,491,271	1,189,977,226	1,247,299,384	1,376,473,480	1,540,832,131	1,777,579,530	1,758,040,578	2,005,986,572	2,542,157,378	19,113,942,596
- Next one year	4,290,182,276	1,374,129,756	1,185,185,376	1,276,215,842	1,285,574,999	1,496,732,321	1,643,242,094	1,629,511,642	1,602,390,254		15,783,164,560
- Next two years	4,260,400,721	1,348,257,836	1,159,529,873	1,250,080,650	1,270,240,079	1,495,996,497	1,534,074,875	1,574,656,798			13,893,237,329
- Next three years	4,266,491,404	1,352,012,680	1,161,178,754	1,246,137,057	1,269,593,373	1,498,711,734	1,536,642,985				12,330,767,987
- Next four years	4,272,261,421	1,350,007,135	1,157,426,449	1,246,489,398	1,268,730,278	1,499,870,466					10,794,785,147
- Next five years	4,272,044,776	1,344,938,136	1,157,605,903	1,246,620,620	1,268,618,539						9,289,827,974
- Next six years	4,274,002,124	1,344,891,904	1,159,107,251	1,246,650,856							8,024,652,135
- Next seven years	4,269,970,187	1,344,955,597	1,159,154,185								6,774,079,969
- Next eight years	4,273,833,459	1,344,170,807									5,618,004,266
- Next nine years	4,274,707,296										4,274,707,296
Ultimate claims reserves	4,274,707,296	1,344,170,807	1,159,154,185	1,246,650,856	1,268,618,539	1,499,870,466	1,536,642,985	1,574,656,798	1,602,390,254	2,542,157,378	18,049,019,564
Cumulative claims payment											
to date	4,271,249,740	1,343,747,206	1,159,140,142	1,246,636,901	1,268,607,549	1,436,295,524	1,501,070,635	1,554,808,180	1,391,978,344	1,201,285,026	16,374,819,247
Total	3,457,556	423,601	14,043	13,955	10,990	63,574,942	35,572,350	19,848,618	210,411,910	1,340,872,352	1,674,200,317
Unallocated loss adjustment expenses											34,134,988
Claim reserves for inward treaty contracts											9,211,494
Other claim reserves											4,614,415
Total claim reserves and outstanding claims before reinsurance											1,722,161,214

(b) Net claims table

ACCIDENT YEAR / REPORTING YEAR	PRIOR YEAR 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	(Unit: Baht) TOTAL
Claims estimates:											
- As at accident year	2,988,168,632	1,155,312,917	1,127,980,157	1,128,821,373	1,272,886,588	1,174,697,319	1,156,948,157	949,275,828	810,372,996	966,314,966	12,730,778,933
- Next one year	3,005,328,134	1,192,527,613	1,122,411,439	1,163,575,187	1,193,984,673	1,171,861,756	1,101,898,144	911,499,245	725,306,006		11,588,392,197
- Next two years	2,983,690,945	1,167,361,853	1,096,003,277	1,136,544,939	1,179,243,325	1,113,886,703	1,040,077,058	886,236,589			10,603,044,689
- Next three years	2,991,216,793	1,173,202,738	1,097,667,966	1,132,555,289	1,179,420,820	1,116,398,911	1,040,417,892				9,730,880,409
- Next four years	2,996,806,550	1,171,176,392	1,094,165,114	1,132,853,227	1,180,315,416	1,117,552,427					8,692,869,126
- Next five years	2,993,779,328	1,166,393,400	1,094,309,661	1,132,935,605	1,180,770,218						7,568,188,212
- Next six years	2,995,893,869	1,166,404,598	1,095,810,883	1,133,037,675							6,391,147,025
- Next seven years	2,995,880,369	1,166,464,300	1,095,873,094								5,258,217,763
- Next eight years	2,997,487,485	1,166,877,346									4,164,364,831
- Next nine years	2,998,361,321										2,998,361,321
Ultimate claims reserves	2,998,361,321	1,166,877,346	1,095,873,094	1,133,037,675	1,180,770,218	1,117,552,427	1,040,417,892	886,236,589	725,306,006	966,314,966	12,310,747,534
Cumulative claims payment											
to date	2,996,930,955	1,166,485,745	1,095,859,050	1,133,028,242	1,180,767,580	1,115,101,186	1,035,038,046	871,457,912	681,482,305	565,437,056	11,841,588,077
Total	1,430,366	391,601	14,044	9,433	2,638	2,451,241	5,379,846	14,778,677	43,823,701	400,877,910	469,159,457
Unallocated loss adjustment expense											34,134,988
Claim reserves for inward treaty cessions											9,211,494
Other claim reserves											4,614,415
Total claim reserves and outstanding claims after reinsurance											517,120,354

### 18.3 Assumptions

Assumptions for insurance contract liabilities are as follows:

#### (a) Assumptions regarding incurred claims and paid claim development

The incurred claim development method assumes that the relative change in a given accident quarter's cumulative incurred claim estimates from one development quarter to the next is constant, which can imply that the relative adequacy of the Company's outstanding reserves has been consistent over time, and that there have been no material changes in the rate at which claims have been reported and paid. The appropriate loss development factors are selected to project the actual cumulative incurred claims for any accident quarter and to estimate the ultimate loss.

The paid claim development method assumes that the relative change in a given accident quarter's cumulative paid claims from one development quarter to the next is constant, which can imply that there are no material changes in the rate at which claims have been paid. However, the paid claim development method could lead to erratic and unreliable projections if the coverage payment is delayed because the movement in claim payments during the initial period is too small. The appropriate loss development factors are selected to project the actual cumulative incurred claims for any accident quarter, and to estimate the ultimate loss. This method differs from the incurred claim development method in that the Company's case reserves are excluded from the analysis. As a result, this method has the advantage of avoiding the distortions which might be reflected in the incurred claim development method from abnormal reserve increases or decreases due to either changes to reserve policy or errors in determination of claim reserve.

The appropriate development factors are selected by referring to the historical development pattern, observed trends in historical claim development, changes in claim management personnel or policy, changes in underwriting control, and reinsurance arrangements. However, the calculation does not reflect the time value of money. For inward treaty reinsurance, the IBNR reserve is calculated by assuming the IBNR reserve and case reserve of treaty business share a similar relationship with the direct business.

#### (b) Assumptions regarding expenses

The ratio of unallocated loss adjustment expenses (ULAE) to the total gross claims paid is based on the historical information for the period from 2019 - 2021, and selected to broadly reflect the Company's actual experience in the past few years, taking into consideration any observed trends. The assumption that half of the unallocated claims expenses are incurred when the claims file is opened and the remaining half are incurred when the claims are settled is used to derive the ULAE liability.

### 18.4 Unearned premium reserves

(Unit: Baht)		
FOR THE YEARS ENDED 31 DECEMBER		
	2021	2020
Beginning balance	1,841,887,342	1,413,774,919
Premium written for the year	4,540,029,646	3,932,915,043
Premium earned for the current year	(4,249,165,284)	(3,504,802,620)
Ending balance	2,132,751,704	1,841,887,342

### 19. > DUE TO REINSURERS

(Unit: Baht)		
	2021	2020
Amounts withheld on reinsurance	336,428,925	379,624,217
Other reinsurance payables	263,163,498	138,209,526
Total due to reinsurers	599,592,423	517,833,743

## 20. > EMPLOYEE BENEFIT OBLIGATIONS

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Baht)

	FOR THE YEARS ENDED 31 DECEMBER	
	2021	2020
Provision for long-term employee benefits at beginning of year	57,544,509	52,327,396
Recognised in profit or loss		
Current service cost	7,934,157	5,740,745
Interest cost	747,084	1,149,513
Past service cost	-	(3,339,771)
Recognised in other comprehensive income		
Actuaial (gain) loss arising from		
Demographic assumption changes	-	5,838
Financial assumption changes	-	4,692,606
Experience adjustments	-	(412,611)
Benefits paid during the year	(1,847,500)	(2,619,207)
Provision for long-term employee benefits at end of year	64,378,250	57,544,509

The Company expects to pay Baht 4.4 million of long-term employee benefits during the next year (2020: Baht 2.0 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2020: 13 years).

Principal actuarial assumptions at the valuation date were as follows:

	2021	2020
	(% PER ANNUM)	(% PER ANNUM)
Discount rate	1.56	1.56
Future salary increase rate	6.00 - 7.00	6.00 - 7.00
Turnover rate	0.00 - 23.00	0.00 - 23.00

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

(Unit: Baht)

	2021			
	CHANGE	INCREASE AMOUNT (DECREASE)	CHANGE	INCREASE AMOUNT (DECREASE)
Discount rate	Increase 1%	(5,870,700)	Decrease 1%	6,612,189
Future salary increase rate	Increase 1%	6,938,970	Decrease 1%	(6,146,793)
Turnover rate	Increase 20%	(7,580,874)	Decrease 20%	9,521,798

(Unit: Baht)

	2020			
	CHANGE	INCREASE AMOUNT (DECREASE)	CHANGE	INCREASE AMOUNT (DECREASE)
Discount rate	Increase 1%	(5,519,010)	Decrease 1%	6,191,718
Future salary increase rate	Increase 1%	5,934,360	Decrease 1%	(5,267,244)
Turnover rate	Increase 20%	(6,440,043)	Decrease 20%	8,049,748

## 21. > OTHER LIABILITIES

(Unit: Baht)

	2021	2020
Accrued commission expenses	112,559,299	102,325,819
Accounts payable - others	45,114,470	39,748,740
Payable from the purchase of securities	107,004	25,500
Accounts payable - Revenue Department	29,032,079	14,719,884
Undue output tax	6,988,749	12,398,742
Accrued expenses	113,337,704	76,740,304
Endorsement payable	2,276,425	18,341,077
Accrued bonus	38,249,721	45,000,000
Premium in advance	26,146,866	24,858,568
Suspense accounts - premium written	13,026,907	11,928,604
Advance deposit	8,815,942	8,786,041
Others	24,060,356	6,335,783
Total other liabilities	419,715,522	361,209,062

## 22. > STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 23. > INVESTMENT INCOME

During the years ended 31 December 2021 and 2020, the Company has investment income as follows:

	(Unit: Baht)	
	2021	2020
Interest income from debt instruments	81,303,917	80,322,867
Interest income from loans	1,010	10,960
Dividend income from equity instruments	133,416,284	121,107,292
Dividend income from units trusts	62,362,363	45,681,539
Other investment income	228,800	369,100
Total	277,312,374	247,491,758

## 24. > OPERATING EXPENSES

	(Unit: Baht)	
	2021	2020
Personnel expenses	173,069,391	158,877,731
Premises and equipment expenses	84,387,044	83,520,510
Taxes and duties (reversal)	370,101	(1,287,160)
Bad debts and doubtful accounts	132,184	-
Other operating expenses	24,800,111	21,590,300
Total	282,758,831	262,701,381

## 25. > EXPENSES BY NATURE

Expenses by nature are comprised significant expense transactions as follows:

	(Unit: Baht)	
	2021	2020
Claims expenses	884,624,908	721,602,397
Personnel expenses	374,004,839	358,934,537
Commissions and brokerage expenses	539,995,094	458,948,344
Other underwriting expenses	102,545,999	127,587,996
Premises and equipment expenses	141,734,025	145,599,502
Promotion expenses	214,703,879	145,361,501
Finance cost	425,166	531,500
Expected credit loss	2,990,833	3,746,118
Other expenses	94,577,766	90,204,104
Total	2,355,602,509	2,052,515,999

## 26. > EXPECTED CREDIT LOSS

	(Unit: Baht)	
	2021	2020
<b>Expected credit loss expenses (reversal) from:</b>		
Cash and cash equivalents	(78,526)	77,949
Accrued investments income	81,436	64,948
Available-for-sale investments measured at fair value through other comprehensive income	2,685,973	4,024,701
Held-to-maturity investments measured at amortised cost	301,950	(421,480)
Total	2,990,833	3,746,118

## 27. > PROVIDENT FUND

The Company and its employees jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Company contribute to the fund monthly, at rates ranging from 3% to 7% of the employees' basic salaries, based on the length of employment. The fund which is managed by Krung Thai Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the Company contributed Baht 11.3 million (2020: Baht 11.5 million) to the fund.

## 28. > EARNINGS PER SHARE

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

## 29. > DIVIDEND PAID

Dividend declared during the years 2021 and 2020 consist of the following:

	APPROVED BY	TOTAL DIVIDEND (BAHT)	DIVIDEND PER SHARE (BAHT)
Interim dividends for 2021	Meeting of Board of Directors on 23 September 2021	165,000,000	5
Final dividends for 2020	Annual General Meeting of the Shareholders on 8 April 2021	330,000,000	10
Total dividends for the year 2021		495,000,000	
Interim dividends for 2020	Meeting of Board of Directors on 27 August 2021	165,000,000	5
Final dividends for 2019	Annual General Meeting of the Shareholders on 31 March 2021	297,000,000	9
Total dividends for the year 2020		462,000,000	

## 30. > RELATED PARTY TRANSACTIONS

### 30.1 Nature of relationship

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

The relationship between the Company and its related parties are summarised below:

NAME OF RELATED PARTIES	RELATIONSHIP WITH THE COMPANY
Krung Thai Bank Plc.	Major shareholder and shareholding
Thai Reinsurance Plc.	Related by way of common directors
Dhipaya Group Holdings Plc. <sup>(1)</sup>	Related by way of shareholding
Dhipaya Insurance Plc. (a subsidiary of Dhipaya Group Holdings Plc.)	
Rabidham Co., Ltd	Related by way of shareholding
Krungthai Card Plc.	Related by way of common shareholders
Krungthai Zmico Securities Co., Ltd.	Related by way of common shareholders

<sup>(1)</sup> As of 7 September 2021, Dhipaya Insurance Plc. was delisted from the stock exchange of Thailand and Dhipaya Group Holding Plc. (TIPH) was established so that its shares will become listed securities on the Stock Exchange of Thailand in place of the shares of Dhipaya Insurance Plc.

TIPH is a holding company, which operates by investing in other companies, and has Dhipaya Insurance Plc., an insurance company, as a subsidiary.

### 30.2 Significant related party transactions

During the years, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit: Baht)			
	FOR THE YEARS ENDED 31 DECEMBER		PRICING POLICY
	2021	2020	
Premium written	52,885,309	51,546,449	According to terms of underwriting agreements
Premium ceded	36,987,770	30,597,997	According to terms of reinsurance agreement depending on type of reinsurance
Inward premium	10,350,162	9,474,696	According to terms of reinsurance agreement
Fee and commission income	5,851,267	5,305,335	According to terms of reinsurance agreement depending on type of reinsurance
Claim recoverable from reinsurers	3,559,607	7,230,167	According to terms of reinsurance agreement depending on type of reinsurance
Commissions and brokerages	156,258,471	132,436,399	According to terms of underwriting agreements and as stipulated in the agreement upon normal commercial terms
Claim payment	17,533,368	97,318,125	At actually incurred
Interest income - deposits at bank and debentures	2,302,567	4,823,880	Similar rates to the rates the financial institutions and related companies offer to their general customers
Dividend income	108,269,220	99,998,160	The declared amount
Dividend paid	222,750,000	207,900,000	The declared amount
Other fees	5,873,048	4,983,117	Similar rates to the rates the related companies offer to their general customers

### 30.3 Outstanding balances

The Company had the following significant balances of assets and liabilities with its related companies.

	2021		2020	
	COST/ AMORTISED COST	FAIR VALUE	COST/ AMORTISED COST	FAIR VALUE
<b>Investments in securities</b>				
- available-for-sale investments measured at fair value through other comprehensive income				
<b>Investments in listed stocks</b>				
Dhipaya Insurance Plc.	-	-	203,393,196	1,587,890,600
Dhipaya Group Holdings Plc.	201,725,872	4,561,191,100	-	-
Krung Thai Bank Plc.	25,882,566	19,650,000	25,882,566	16,650,000
	227,608,438	4,580,841,100	229,275,762	1,604,540,600
<b>Investments in non-listed stocks</b>				
Rabidham Co., Ltd.	492,163	492,163	492,163	492,163
<b>Investments in debentures</b>				
Krungthai Card Plc.	20,000,000	20,274,884	55,000,000	55,661,813
Krungthai Zmico Securities Co., Ltd.	50,000,000	50,032,345	50,000,000	50,006,126
	70,000,000	70,307,229	105,000,000	105,667,939
<b>Investment in bill of exchange</b>				
Krungthai Zmico Securities Co., Ltd.	-	-	49,900,543	49,908,850
			2021	2020
<b>Deposits at financial institution</b>				
Krung Thai Bank Plc.			155,327,981	244,969,029
<b>Premium receivables</b>				
Krung Thai Bank Plc.			10,867,206	11,956,531
<b>Accrued investment income</b>				
Krung Thai Bank Plc.			7,909	7,911
Krungthai Card Plc.			99,748	415,636
Krungthai Zmico Securities Co., Ltd.			347,534	306,301
			455,191	729,848
<b>Reinsurance receivables - amounts due from reinsurers</b>				
Thai Reinsurance Plc.			775,472	3,436
Dhipaya Insurance Plc.			7,203,727	2,405,307
			7,979,199	2,408,743

	2021	2020
(Unit: Baht)		
<b>Insurance contract liabilities - claim reserves</b>		
Krung Thai Bank Plc.	171,025,819	170,915,330
Dhipaya Insurance Plc.	3,708,525	2,388,899
	<u>174,734,344</u>	<u>173,304,229</u>
<b>Reinsurance payables - outward premium payables</b>		
Thai Reinsurance Plc.	5,227,669	4,521,533
Dhipaya Insurance Plc.	13,650,415	6,063,589
	<u>18,878,084</u>	<u>10,585,122</u>
<b>Other liabilities - accrued commission</b>		
Krung Thai Bank Plc.	<u>37,370,186</u>	<u>29,513,942</u>

### 30.4 Directors and management's remuneration

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

	2021	2020
(Unit: Baht)		
Short-term employee benefits	114,455,419	102,092,106
Post employee benefits	3,615,948	1,967,946
Total	<u>118,071,367</u>	<u>104,060,052</u>

## 31. > CONTRIBUTION TO THE GENERAL INSURANCE FUND

	2020	2019
(Unit: Baht)		
FOR THE YEARS ENDED 31 DECEMBER		
Accumulated General Insurance fund at the beginning of the year	79,871,754	70,131,018
Contribution during the year	11,242,557	9,740,736
Accumulated General Insurance fund at the end of the year	<u>91,114,311</u>	<u>79,871,754</u>

## 32. > COMMITMENTS AND CONTINGENCIES

### 32.1 Capital commitments

As at 31 December 2021, the Company has capital commitments of approximately Baht 21.2 million relating to acquisition of computer systems (2020: Baht 21.5 million).

### 32.2 Lease commitments

As at 31 December 2021, The Company has entered into several lease agreements in respect of office equipment which related leases of low-value assets, leases term 2 - 5 year. The future minimum payments required under lease were as follows.

	2021
(Unit: Baht)	
Payable within:	
Less than 1 year	8,066,364
1 - 5 years	1,718,151

### 32.3 Litigations

As at 31 December 2021, the Company had been sued as insurer, with the total sum insured of relevant policies is Baht 31.5 million (2020: Baht 14.6 million). Judgement has yet to be handed down in these cases. The Company has recorded provisions for potential losses amounting to Baht 21.8 million (2020: Baht 5.5 million) in the financial statements. The Company's management believes that such provision is adequate.

## 33. > NON-LIFE INSURANCE COMPANY'S RISKS AND RISK MANAGEMENT POLICY

### 33.1 Underwriting risk

The Company determines the type of basic information required for the consideration of various types of insurance underwriting. The insurer must ensure that the insured person's information is accurate and that the actual condition of the property or the individual applying for insurance is correct. The insured must sign to confirm the accuracy of the information submitted to the Company. The assignment of the Company's staff is consistent with the basic knowledge and experience of personnel at each level. The development of the Company's database system must be sufficient for the decision making by the insurer, and the insurer must always arrange for allocation and / or reinsurance prior to underwriting.

Insurance contract liabilities segregated by insurance types as follows:

(Unit: Baht)

	2021			2020		
	GROSS PREMIUM RESERVES	OUTWARD PREMIUM RESERVES	NET	GROSS PREMIUM RESERVES	OUTWARD PREMIUM RESERVES	NET
Fire	249,983,354	(18,818,523)	231,164,831	240,626,730	(17,856,932)	222,769,798
Marine and transportation	5,035,059	(1,603,886)	3,431,173	5,222,158	(756,009)	4,466,149
Motor	922,061,952	(498,436,358)	423,625,594	757,031,963	(430,516,762)	326,515,201
Miscellaneous	955,671,339	(395,576,123)	560,095,216	839,006,491	(345,735,711)	493,270,780
Total	2,132,751,704	(914,434,890)	1,218,316,814	1,841,887,342	(794,865,414)	1,047,021,928

(Unit: Baht)

	2021			2020		
	GROSS LOSS RESERVES	OUTWARD LOSS RESERVES	NET	OUTWARD LOSS RESERVES	OUTWARD LOSS RESERVES	NET
Fire	77,068,885	(54,035,317)	23,033,568	39,064,587	(21,180,238)	17,884,349
Marine and transportation	34,012,507	(25,235,569)	8,776,938	26,570,980	(16,588,857)	9,982,123
Motor	738,750,732	(452,391,853)	286,358,879	661,169,791	(417,550,206)	243,619,585
Miscellaneous	872,329,090	(673,378,121)	198,950,969	583,625,313	(418,370,184)	165,255,129
Total	1,722,161,214	(1,205,040,860)	517,120,354	1,310,430,671	(873,689,485)	436,741,186

The sensitivity test is the risk analysis of insurance contract liabilities that may be increased or decreased as a result of change in assumptions used in calculation, which may impact on both gross and net loss reserves. The risks may be caused by the frequency of loss, value of loss and claims, or loss adjustment expenses that are not as expected.

The impact on the best estimate of insurance liabilities of changes in key variables as at 31 December 2021 and 2020 are summarised below.

(Unit: Baht)

	2021				
	ASSUMPTION CHANGE	INCREASE (DECREASE) IN GROSS CLAIM LIABILITIES	INCREASE (DECREASE) IN NET CLAIM LIABILITIES	INCREASE (DECREASE) IN PROFIT BEFORE TAX	INCREASE (DECREASE) IN EQUITY
Loss ratio	+10%	261,860,013	108,311,115	(108,311,115)	(86,648,892)
	-10%	(259,400,277)	(105,851,378)	105,851,378	84,681,102
Loss development factor	+1%	30,087,839	12,231,915	(12,231,915)	(9,785,532)
	-1%	(30,337,350)	(12,315,682)	12,315,682	9,852,546
ULAE ratio	+1%	9,045,187	9,045,187	(9,045,187)	(7,236,150)
	-1%	(9,045,187)	(9,045,187)	9,045,187	7,236,150

(Unit: Baht)

	2020				
	ASSUMPTION CHANGE	INCREASE (DECREASE) IN GROSS CLAIM LIABILITIES	INCREASE (DECREASE) IN NET CLAIM LIABILITIES	INCREASE (DECREASE) IN PROFIT BEFORE TAX	INCREASE (DECREASE) IN EQUITY
Loss ratio	+10%	245,487,878	93,471,323	(93,471,323)	(74,777,058)
	-10%	(243,636,002)	(91,619,449)	91,619,449	73,295,559
Loss development factor	+1%	22,784,387	11,136,160	(11,136,160)	(8,908,928)
	-1%	(22,778,049)	(11,129,855)	11,129,855	8,903,884
ULAE ratio	+1%	8,460,173	8,460,173	(8,460,173)	(6,768,138)
	-1%	(8,460,173)	(8,460,173)	8,460,173	6,768,138

### 33.2 Credit risk

Credit risk is the risk that the Company may suffer a financial loss as a result of a counterparty's inability to comply with the terms of a financial instrument. The Company is exposed to credit risk primarily with respect to premium receivables, investment in debt instruments, loans, reinsurance assets and reinsurance receivables. The Company's maximum exposure to credit risk is limited to the book value less allowance for doubtful debt as presented in the statement of financial position.

The guidelines on the credit risk management are as follows.

- Set criteria for credit approval and updated the criteria to reflect current circumstances and business environment. It has also performed an evaluation and assessment of past issues and limitations to ensure more appropriate operational practices. In addition, the Company ensures that the risk management performance is reported to its Risk Management Committee or Investment Committee on a monthly basis.
- Prepares reports on reinsurance statistics by treaty contract to review the performance of each contract on a quarterly basis. The Company also prepares reports on the credit rating of the insurance and reinsurance companies under the insurance contracts, together with the distribution of reinsurance by risk level on a monthly basis, security review of insurance and reinsurance companies in the form of an annual report or financial report before preparation and/or renewal of reinsurance contracts. In addition, the Company prepares and submits a report on the investment portfolio to the Board of Directors and the Investment Committee on a regular basis.

#### Maximum exposure to credit risk

The maximum exposure to credit risk of financial assets by credit rating of counterparty is carrying amount as at 31 December 2021 and 2020 as follow

(Unit: Baht)

	2021		
	INVESTMENT GRADE	NON-INVESTMENT GRADE	TOTAL
Cash and cash equivalents	181,795,304	-	181,795,304
Debt instruments, available-for-sale			
investments measured at fair value through			
other comprehensive income	2,794,480,140	25,812,947	2,820,293,087
Debt instruments, held-to-maturity			
investments measured at amortised cost	324,926,105	-	324,926,105
Accrued investment income	26,703,825	25,562	26,729,387

(Unit: Baht)

	2020		
	INVESTMENT GRADE	NON-INVESTMENT GRADE	TOTAL
Cash and cash equivalents	378,461,849	-	378,461,849
Debt instruments, available-for-sale			
investments measured at fair value through			
other comprehensive income	2,709,445,524	32,008,295	2,741,453,819
Debt instruments, held-to-maturity			
investments measured at amortised cost	325,378,055	-	325,378,055
Accrued investment income	18,551,714	12,177	18,563,891

If the credit rating is non-investment grade and lower than the investment criteria, the Company will consider qualitative and quantitative data of the counterparty and other external information, including the use of rating information from external credit rating agencies.

In addition, as at 31 December 2021, the Company has loans and other financial assets exposed to credit risk with no rating amounting to approximately Baht 4.9 million (2020: Baht 8.3 million).

#### Credit impairment assessment of financial assets

The Company's measurement and valuation method of the expected credit losses relating to financial assets are as follows:

#### *Financial assets with a significant increase in credit risk*

The Company continuously monitors and analyses the status of financial assets to assess whether there has been a significant increase in credit risk since initial recognition, taken into account in credit rating downgrade of counterparties. Moreover, financial assets are considered credit impaired when one or more events occur affecting the counterparty's future cashflow estimates. Evidence of a financial asset being credit impaired includes observable information such as default in payment of counterparties, the issuer of a financial instrument facing significant financial difficulties, a high probability that the counterparty will enter into bankruptcy or undergo financial restructuring. To manage risks, the Company monitors and reports on the status of credit rating to Investment Committee.

## Allowance for expected credit losses

The Company continuously monitors the estimate of expected credit losses to comply with relevant Thai financial reporting standards. The estimate is made based on credit rating of financial assets and observable data for asset classification.

The credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are carrying amount as of 31 December 2021 and 2020 as follow.

	2021			
	STAGE 1 FINANCIAL ASSETS WITHOUT A SIGNIFICANT INCREASE IN CREDIT RISK (12-MTH ECL)	STAGE 2 FINANCIAL ASSETS WITH A SIGNIFICANT INCREASE IN CREDIT RISK (LIFETIME ECL - NOT CREDIT IMPAIRED)	STAGE 3 FINANCIAL ASSETS THAT ARE CREDITIMPAIRED (LIFETIME ECL - CREDIT IMPAIRED)	TOTAL
<b>Cash and cash equivalents</b>				
Investment grade	181,845,688	-	-	181,845,688
Non-investment grade	-	-	-	-
Total	181,845,688	-	-	181,845,688
Less: Allowance for expected credit losses	(50,384)	-	-	(50,384)
Net book value	181,795,304	-	-	181,795,304
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Investment grade	2,794,480,140	-	-	2,794,480,140
Non-investment grade	-	23,483,248	2,329,699	25,812,947
Total fair value	2,794,480,140	23,483,248	2,329,699	2,820,293,087
Allowance for expected credit losses	8,441,195	504,815	2,620,000	11,566,010
<b>Held-to-maturity investments measured at amortised cost</b>				
Investment grade	325,800,000	-	-	325,800,000
Non-investment grade	-	-	-	-
Total	325,800,000	-	-	325,800,000
Less: Allowance for expected credit losses	(873,895)	-	-	(873,895)
Net book value	324,926,105	-	-	324,926,105
<b>Accrued investment income</b>				
Investment grade	26,865,026	-	-	26,865,026
Non-investment grade	-	26,631	50,301	76,932
Total	26,865,026	26,631	50,301	26,941,958
Less: Allowance for expected credit losses	(161,201)	(1,069)	(50,301)	(212,571)
Net book value	26,703,825	25,562	-	26,729,387

(Unit: Baht)

	2020			
	STAGE 1 FINANCIAL ASSETS WITHOUT A SIGNIFICANT INCREASE IN CREDIT RISK (12-MTH ECL)	STAGE 2 FINANCIAL ASSETS WITH A SIGNIFICANT INCREASE IN CREDIT RISK (LIFETIME ECL - NOT CREDIT IMPAIRED)	STAGE 3 FINANCIAL ASSETS THAT ARE CREDITIMPAIRED (LIFETIME ECL - CREDIT IMPAIRED)	TOTAL
<b>Cash and cash equivalents</b>				
Investment grade	378,590,759	-	-	378,590,759
Non-investment grade	-	-	-	-
Total	378,590,759	-	-	378,590,759
Less: Allowance for expected credit losses	(128,910)	-	-	(128,910)
Net book value	378,461,849	-	-	378,461,849
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Investment grade	2,709,445,524	-	-	2,709,445,524
Non-investment grade	-	29,643,295	2,365,000	32,008,295
Total fair value	2,709,445,524	29,643,295	2,365,000	2,741,453,819
Allowance for expected credit losses	5,683,416	561,621	2,635,000	8,880,037
<b>Held-to-maturity investments measured at amortised cost</b>				
Investment grade	325,950,000	-	-	325,950,000
Non-investment grade	-	-	-	-
Total	325,950,000	-	-	325,950,000
Less: Allowance for expected credit losses	(571,945)	-	-	(571,945)
Net book value	325,378,055	-	-	325,378,055
<b>Accrued investment income</b>				
Investment grade	18,632,098	-	-	18,632,098
Non-investment grade	-	12,625	50,301	62,926
Total	18,632,098	12,625	50,301	18,695,024
Less: Allowance for expected credit losses	(80,384)	(448)	(50,301)	(131,133)
Net book value	18,551,714	12,177	-	18,563,891

The movement in the allowance for expected credit losses for the years ended 31 December 2021 and 2020 are as below

(Unit: Baht)

	2021			
	STAGE 1 FINANCIAL ASSETS WITHOUT A SIGNIFICANT INCREASE IN CREDIT RISK (12-MTH ECL)	STAGE 2 FINANCIAL ASSETS WITH A SIGNIFICANT INCREASE IN CREDIT RISK (LIFETIME ECL - NOT CREDIT IMPAIRED)	STAGE 3 FINANCIAL ASSETS THAT ARE CREDITIMPAIRED (LIFETIME ECL - CREDIT IMPAIRED)	TOTAL
<b>Available-for-sale investment measured at fair value through other comprehensive income</b>				
Beginning balance	5,683,416	561,621	2,635,000	8,880,037
Change due to remeasurement of allowance for impairment	1,218,657	(56,806)	(15,000)	1,146,851
Newly purchased or acquired financial assets	4,046,909	-	-	4,046,909
Amounts written off	(2,507,787)	-	-	(2,507,787)
Ending balance	8,441,195	504,815	2,620,000	11,566,010

(Unit: Baht)

	2020			
	STAGE 1 FINANCIAL ASSETS WITHOUT A SIGNIFICANT INCREASE IN CREDIT RISK (12-MTH ECL)	STAGE 2 FINANCIAL ASSETS WITH A SIGNIFICANT INCREASE IN CREDIT RISK (LIFETIME ECL - NOT CREDIT IMPAIRED)	STAGE 3 FINANCIAL ASSETS THAT ARE CREDITIMPAIRED (LIFETIME ECL - CREDIT IMPAIRED)	TOTAL
<b>Available-for-sale investment measured at fair value through other comprehensive income</b>				
Beginning balance	4,855,336	-	-	4,855,336
Change due to hierarchy change	(63,231)	58,721	4,510	-
Change due to remeasurement of allowance for impairment	137,940	502,900	2,630,490	3,271,330
Newly purchased or acquired financial assets	2,025,870	-	-	2,025,870
Amounts written off	(1,272,499)	-	-	(1,272,499)
Ending balance	5,683,416	561,621	2,635,000	8,880,037

### 33.3 Market risk

Market risk is the risk that change in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position. The Company had no significant financial instruments denominated in foreign currencies; significant market risk is therefore confined only to interest rate risk and equity price risk.

The Company has set up an investment policy, investment objectives, criteria for consideration, types of investments, investment limits and conditions of each type of investment in accordance with the related notifications of the Office of Insurance Commission, and the Company's investment policy and other business policies which are approved by the Board of Directors after rigorous review on a yearly basis. It also monitors, appraise and reports on the performance of its investments to the Board of Directors on a monthly basis.

(1) Interest rate risk

Interest rate risk is the risk that the value of assets and liabilities will fluctuate due to changes in market interest rates.

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

(Unit: Baht)

2021							
	FIXED INTEREST RATES			FLOATING INTEREST RATE	NON-INTEREST BEARING	TOTAL	EFFECTIVE INTEREST RATE (% PER ANNUM)
	REMAINING PERIODS TO REPRICING RATE OR MATURITY DATE						
	WITHIN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS				
<b><u>Financial assets</u></b>							
Cash and cash equivalents	-	-	-	181,795,304	-	181,795,304	0.05 - 0.25
Accrued investment income	-	-	-	-	26,729,387	26,729,387	-
Derivative assets	-	-	-	-	4,195,126	4,195,126	-
Investments in securities							
Government and state enterprise instruments	56,218,732	95,245,384	29,677,986	-	-	181,142,102	0.43 - 2.20
Private enterprise debt instruments	677,484,304	1,989,336,982	2,329,699	-	-	2,669,150,985	1.41 - 6.75
Equity instruments	-	-	-	-	5,241,550,382	5,241,550,382	-
Unit trust	-	-	-	-	3,500,638,848	3,500,638,848	-
Deposits with financial institutions matured over than 3 months	294,926,105	-	-	-	-	294,926,105	0.38 - 1.45
Other asset - Advance payment and other receivable	-	-	-	-	4,946,305	4,946,305	-
<b><u>Assets under insurance contracts</u></b>							
Premium receivables	-	-	-	-	578,533,784	578,533,784	-
Claims reserves refundable from reinsurers	-	-	-	-	1,205,040,860	1,205,040,860	-
Reinsurance receivables	-	-	-	-	128,259,940	128,259,940	-
<b><u>Liabilities under insurance contracts</u></b>							
Claim reserves	-	-	-	-	1,722,161,214	1,722,161,214	-
Due to reinsurers	-	-	-	-	599,592,423	599,592,423	-
<b><u>Financial liabilities</u></b>							
Lease liabilities	6,532,771	8,703,558	-	-	-	15,236,329	1.07 - 2.37

(Unit: Baht)

2020							
	FIXED INTEREST RATES			FLOATING INTEREST RATE	NON-INTEREST BEARING	TOTAL	EFFECTIVE INTEREST RATE (% PER ANNUM)
	REMAINING PERIODS TO REPRICING RATE OR MATURITY DATE						
	WITHIN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	378,461,849	-	378,461,849	0.05 - 0.30
Accrued investment income	-	-	-	-	18,563,891	18,563,891	-
Investments in securities							
Government and state enterprise instruments	41,107,943	48,072,714	-	-	-	89,180,657	0.23 - 2.50
Private enterprise debt instruments	942,910,007	1,709,387,266	-	-	-	2,652,297,273	1.40 - 4.50
Foreign debt instruments	30,125,889	-	-	-	-	30,125,889	4.30
Equity instruments	-	-	-	-	2,111,051,907	2,111,051,907	-
Unit trust	-	-	-	-	2,637,088,590	2,637,088,590	-
Deposits with financial institutions matured over than 3 months	4,998,889	290,229,166	-	-	-	295,228,055	0.38 - 1.45
Loans and interest receivables	-	176,117	-	-	-	176,117	1.80 - 6.50
Other asset - Advance payment and other receivable	-	-	-	-	8,299,564	8,299,564	-
<b>Assets under insurance contracts</b>							
Premium receivables	-	-	-	-	474,669,494	474,669,494	-
Claims reserves refundable from reinsurers	-	-	-	-	873,689,485	873,689,485	-
Reinsurance receivables	-	-	-	-	101,387,398	101,387,398	-
<b>Liabilities under insurance contracts</b>							
Claim reserves	-	-	-	-	1,310,430,671	1,310,430,671	-
Due to reinsurers	-	-	-	-	517,833,743	517,833,743	-
<b>Financial liabilities</b>							
Lease liabilities	9,152,409	6,184,150	-	-	-	15,336,559	3.05

### Interest rates sensitivity analysis

This sensitivity shows the effect of the owners' equity of changes in interest rates of financial assets as of 31 December 2021 and 2020 in according with domestic and international economic conditions that are reasonably likely to occur within the next 12 months, with other variables fixed. There are as follow:

2021			
	INCREASE/ (DECREASE)	EFFECT ON OTHER COMPREHENSIVE INCOME	EFFECT ON EQUITY
	(%)	(BAHT)	(BAHT)
Change in value of Available-for-sale investments measured at fair value through other comprehensive income - debt instruments	1 %	(59,567,464)	(47,653,971)
	(1 %)	59,567,464	47,653,971

2020			
	INCREASE/ (DECREASE)	EFFECT ON OTHER COMPREHENSIVE INCOME	EFFECT ON EQUITY
	(%)	(BAHT)	(BAHT)
Change in value of Available-for-sale investments measured at fair value through other comprehensive income - debt instruments	1 %	(41,233,344)	(32,986,675)
	(1 %)	41,233,344	32,986,675

### (2) Equity price risk

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

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

### 33.4 Liquidity risk

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

The Company clearly establishes the rules, procedures and authority levels for approval of various transactions, including rigorous compliance with the requirements of the Office of Insurance Commission. The Company prepares monthly reports on cash flow estimates, which are then compared to the actual cash flows, so that the causes of transactional irregularities can be determined and reported to the management for quick resolution. A monthly liquidity report is also prepared to report any early warning signals detected. Moreover, the Company transfers certain risk to reinsurers, in order to pay claims to customers and mitigate financial liquidity risk, and has prepared a contingency plan in case of a financial crisis.

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

(Unit: Baht)

	2021					
	AT CALL	WITHIN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	UNSPECIFIED	TOTAL
<b>Financial assets</b>						
Cash and cash equivalents	181,795,304	-	-	-	-	181,795,304
Accrued investment income	-	26,729,387	-	-	-	26,729,387
Derivative assets	-	-	-	-	4,195,126	4,195,126
Investments in securities	8,628,136,359	1,028,629,141	2,084,582,366	32,007,685	114,052,871	11,887,408,422
Other asset - Advance payment and other receivable	-	4,946,305	-	-	-	4,946,305
<b>Assets under insurance contracts</b>						
Premium receivables	-	578,533,784	-	-	-	578,533,784
Claims reserves refundable from reinsurers	-	554,899,933	603,649,700	46,491,227	-	1,205,040,860
Reinsurance receivables	-	128,259,940	-	-	-	128,259,940
<b>Liabilities under insurance contracts</b>						
Claims reserves	-	928,342,441	700,170,223	93,648,550	-	1,722,161,214
Due to reinsurers	-	599,592,423	-	-	-	599,592,423
<b>Financial liabilities</b>						
Lease liabilities	-	6,820,543	8,983,579	-	-	15,804,122

(Unit: Baht)

2020

	AT CALL	WITHIN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	UNSPECIFIED	TOTAL
<b>Financial assets</b>						
Cash and cash equivalents	378,461,849	-	-	-	-	378,461,849
Accrued investment income	-	18,563,891	-	-	-	18,563,891
Investments in securities	4,692,357,109	1,019,142,728	2,047,689,146	-	71,227,478	7,830,416,461
Loans and interest receivables	-	-	176,117	-	-	176,117
Other asset - Advance payment and other receivable	-	8,299,564	-	-	-	8,299,564
<b>Assets under insurance contracts</b>						
Premium receivables	-	474,669,494	-	-	-	474,669,494
Claims reserves refundable from reinsurers	-	425,205,248	444,089,168	4,395,069	-	873,689,485
Reinsurance receivables	-	101,387,398	-	-	-	101,387,398
<b>Liabilities under insurance contracts</b>						
Claims reserves	-	767,604,751	535,257,808	7,568,112	-	1,310,430,671
Due to reinsurers	-	517,833,743	-	-	-	517,833,743
<b>Financial liabilities</b>						
Lease liabilities	-	9,456,315	6,338,953	-	-	15,795,268

### 33.5 Fair value of financial instruments

As of 31 December 2021 and 2020, the Company had financial assets measured at fair value, or measured at cost but have to disclose fair value, using different levels of inputs as follows:

(Unit: Baht)

2021

	FAIR VALUE				
	BOOK VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>Assets measured at fair value</b>					
Derivative assets	4,195,126	4,195,126	-	-	4,195,126
Available-for-sale investments measured at fair value through other comprehensive income					
Debt instruments	2,820,293,087	-	2,794,480,140	25,812,947	2,820,293,087
Equity instruments	5,241,550,382	5,130,197,511	-	111,352,871	5,241,550,382
Unit trusts	3,500,638,848	579,548,255	2,918,390,593	2,700,000	3,500,638,848
<b>Assets disclosed at fair value</b>					
Cash and cash equivalents	181,795,304	181,845,688	-	-	181,845,688
Accrued investment income	26,729,387	-	26,941,958	-	26,941,958
Held-to-maturity investments measured at amortised cost					
Debt instruments	30,000,000	-	30,000,000	-	30,000,000
Cash at banks	294,926,105	295,800,000	-	-	295,800,000
Investment properties	193,880,473	-	-	322,860,894	322,860,894
Other asset - Advance payment other receivable	4,946,305	-	-	4,946,305	4,946,305

(Unit: Baht)

2020

	BOOK VALUE	FAIR VALUE			
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b><u>Assets measured at fair value</u></b>					
Trading investments measured at fair value through profit or loss					
Equity instruments	15,444,090	15,444,090	-	-	15,444,090
Available-for-sale investments measured at fair value through other comprehensive income					
Debt instruments	2,741,453,819	-	2,739,088,819	2,365,000	2,741,453,819
Equity instruments	2,111,051,907	2,039,824,429	-	71,227,478	2,111,051,907
Unit trusts	2,637,088,590	473,018,193	2,164,070,397	-	2,637,088,590
<b><u>Assets disclosed at fair value</u></b>					
Cash and cash equivalents	378,461,849	378,590,759	-	-	378,590,759
Accrued investment income	18,563,891	-	18,695,024	-	18,695,024
Held-to-maturity investments measured at amortised cost					
Debt instruments	30,150,000	-	30,150,000	-	30,150,000
Cash at banks	295,228,055	295,800,000	-	-	295,800,000
Loans and interest receivables	176,117	-	-	176,117	176,117
Investment properties	200,467,681	-	-	325,187,332	325,187,332
Other asset - Advance payment other receivable	8,299,564	-	-	8,299,564	8,299,564

The fair value hierarchy of financial assets as at 31 December 2021 and 2020 presents according to Note 4.25 to the financial statements.

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

- Financial assets which have short-term maturity, which consist of cash and cash equivalents, deposits with financial institutions, accrued investment income and other asset, the fair values are estimated based on the carrying value presented in the statement of financial position.
- The fair value of derivatives are presented at fair value by using market price (if any) or estimated by counterparty.
- Investments in debt securities are presented at fair value by using the yield curve as announced by the Thai Bond Market Association.

- Investments in marketable equity instruments have been presented at fair value by using market price. Investments in non-listed equity instruments are determined using generally accepted pricing model or approximated to their net book values if the fair value cannot be reliably estimated.
- Investment in units trust has been presented at fair value by using market price and investments in units trust that are not trade on the Stock Exchange of Thailand is presented by using the net asset value per unit as announced by the asset management company.
- The fair value of loans and interest receivables is determined by discounting the expected future cash flows by the current market interest rate of similar loans.
- Investment properties are presented at fair values, which are appraised by an independent valuer using the income approach.

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

(Unit: Baht)

	AVAILABLE-FOR-SALE INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
	PRIVATE DEBT INSTRUMENT	EQUITY INSTRUMENTS	UNIT TRUST
Balance as of 1 January 2020	-	121,100,077	-
Net loss recognised in other comprehensive income	-	(49,872,599)	-
Transfers between hierarchies	2,365,000	-	-
Balance as of 31 December 2020	2,365,000	71,227,478	-
Gain (loss) revaluation during the year	(35,301)	40,125,393	-
Transfers between hierarchies	23,483,248	-	2,700,000
Balance as of 31 December 2021	25,812,947	111,352,871	2,700,000

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

FINANCIAL INSTRUMENTS	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RATES	SENSITIVITY OF THE INPUT TO FAIR VALUE
Investment in non-listed equity investments	Discounted future cash flows	Discount rate	10.5%	1% decrease in the discount rate would result in an increase in fair value by Baht 1.4 million.

### 34. > CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to ensure that it preserves ability to continue its business as a going concern, provide returns to the shareholders and relevant stakeholders and to balance the financial structure as well as maintain risk-based capital in accordance with notifications of the Office of Insurance Commission.

### 35. > EVENTS AFTER THE REPORTING PERIOD

On 24 March 2022, the Company's Board of Director's Meeting passed a resolution proposing the Annual General Meeting to approve dividend payment of Baht 15 per share, distributed from 2021 net profit. An interim dividend of Baht 5 per share was already paid to the shareholders, and therefore the remaining dividend of Baht 10 per share, or a total of Baht 330 million, is to be paid.

### 36. > APPROVAL OF FINANCIAL STATEMENTS

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