

CHUBB LIFE ASSURANCE PUBLIC COMPANY LIMITED

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2021



Independent Auditor's Report

To the Shareholders of Chubb Life Assurance Public Company Limited

My opinion

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

What I have audited

The Company's financial statements comprise:

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

Basis for opinion

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, 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.

The audit committee assists management in discharging their responsibilities 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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism 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 the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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



PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Paiboon Tunkoon', written over a horizontal line.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
19 April 2022

Chubb Life Assurance Public Company Limited
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Baht	2020 Baht
Assets			
Cash and cash equivalents	9	853,220,570	1,118,641,635
Premium receivable	10	512,404,050	540,998,839
Accrued investment income		105,547,198	97,101,724
Amounts due from reinsurance	11	12,239,177	11,730,852
Invested assets			
Investments in securities	12, 32, 33	15,832,752,470	15,043,357,884
Loans and accrued interest receivables	13	397,698,045	372,180,521
Leasehold improvements and equipment	14	59,842,413	34,889,519
Intangible assets	15	224,667,107	145,239,828
Other assets	16, 30	588,261,911	98,286,395
Total assets		18,586,632,941	17,462,427,197

..... Directors
Mrs. Angela Julie Hunter Mr. Adrian Clive O'Brian

CHUBB

Chubb Life Assurance Public Company Limited
บริษัท ชับบ์ โลฟ แอชัวรันซ์ จำกัด (มหาชน)

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2021

	Notes	2021 Baht	2020 Baht
Liabilities and equity			
Liabilities			
Insurance liabilities	17	14,197,912,673	12,616,196,867
Amounts due to reinsurance	18, 30	97,150,396	54,793,274
Income tax payable		-	5,908,378
Employee benefit obligations	19, 30	156,945,540	150,338,536
Deferred tax liabilities	20	231,603,045	475,625,261
Other liabilities	22, 30	338,606,259	79,928,087
Other creditors	30	187,786,308	173,815,239
Accrued commission expenses	30	215,220,514	228,747,491
Accrued expenses	30	381,987,474	329,204,464
Total liabilities		15,807,212,209	14,114,557,597
Equity			
Share capital	28		
Registered			
187,625,000 ordinary shares of Baht 10 per share		1,876,250,000	1,390,250,000
Issued and fully paid-up			
187,625,000 ordinary shares of Baht 10 per share		1,876,250,000	1,390,250,000
Deficits		(105,352,321)	(92,720,669)
Other components of equity			
Remeasurements of investments measured at fair value through other comprehensive income - net of tax		975,400,014	2,036,346,773
Remeasurements of employment benefit obligations - net of tax		(4,760,954)	(2,479,539)
Other reserve	30	37,883,993	16,473,035
Total equity		2,779,420,732	3,347,869,600
Total liabilities and equity		18,586,632,941	17,462,427,197

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
Revenues			
Gross written premiums		6,606,124,709	6,167,910,844
<u>Less</u> premiums ceded to reinsurers	30	<u>(139,029,595)</u>	<u>(114,784,963)</u>
Net written premiums		6,467,095,114	6,053,125,881
<u>Less</u> net change in unearned premium reserve		<u>(222,944,585)</u>	<u>(36,301,445)</u>
Net earned premiums		6,244,150,529	6,016,824,436
Fee and commission income		19,252,079	14,760,822
Investment income		514,229,959	458,013,182
Gain on investment		17,381	-
Other income		487,638	-
Total revenues		<u>6,778,137,586</u>	<u>6,489,598,440</u>
Expenses			
Change in long-term technical reserve		1,333,095,619	1,191,823,145
Gross benefits and claim paid		1,831,818,136	1,869,692,870
<u>Less</u> benefits and claim paid recovered from reinsurers		<u>(61,006,440)</u>	<u>(65,805,020)</u>
Commissions and brokerages	30	2,886,550,230	2,654,838,613
Other underwriting expenses		75,987,106	74,892,110
Operating expenses	23, 30	698,003,137	644,077,312
Other expenses		-	479,875
Finance cost	22.1	637,868	1,778,270
Expected credit loss	25	<u>5,088,993</u>	<u>8,556,069</u>
Total expenses		<u>6,770,174,649</u>	<u>6,380,333,244</u>
Profit before income tax		7,962,937	109,265,196
Income tax expenses	26	<u>20,594,589</u>	<u>24,288,408</u>
Net profit (loss)		<u>(12,631,652)</u>	<u>84,976,788</u>

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
Other comprehensive income (loss)			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Loss on remeasurement of post-employment benefit obligations	19	(1,661,530)	(3,178,649)
Income tax relating to items that will not be reclassified subsequently to profit or loss	20	(619,885)	635,730
Total items that will not be reclassified subsequently to profit or loss		(2,281,415)	(2,542,919)
<u>Items that will be reclassified subsequently to profit or loss</u>			
Loss on remeasuring investments measured at fair value through other comprehensive income	12.2	(1,326,166,068)	(168,278,311)
Realised gain on investments measured at fair value through other comprehensive income transferred to profit or loss	12.2	(17,381)	-
Income tax relating to items that will be reclassified subsequently to profit or loss	20	265,236,690	33,391,834
Total items that will be reclassified subsequently to profit or loss		(1,060,946,759)	(134,886,477)
Other comprehensive loss for the year, net of tax		(1,063,228,174)	(137,429,396)
Total comprehensive loss for the year		(1,075,859,826)	(52,452,608)
Earnings (loss) per share	29		
Basic earnings (loss) per share		(0.07)	0.61

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2021

	Notes	Other components of equity										
		Other comprehensive income (loss)					Total other components of equity					
		Issued and paid-up share capital	Deficits	Remeasurements of investments measured at fair value through other comprehensive income, net of tax	Remeasurement of post-employment benefit obligations - net of tax	Other reserve	Issued and paid-up share capital	Deficits	Remeasurements of investments measured at fair value through other comprehensive income, net of tax	Remeasurement of post-employment benefit obligations - net of tax	Other reserve	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2021		1,390,250,000	(92,720,669)	2,036,346,773	(2,479,539)	16,473,035	2,050,340,269				3,347,869,600	
Net loss for the year		-	(12,631,652)	-	-	-	-				(12,631,652)	
Proceeds from shares issued	28	486,000,000	-	-	-	-	-				486,000,000	
Equity-settled share-based payment	30	-	-	-	-	21,410,958	21,410,958				21,410,958	
Loss on remeasurement of post-employment benefit obligations		-	-	-	(2,281,415)	-	(2,281,415)				(2,281,415)	
Loss on remeasuring investments measured at fair value through other comprehensive income		-	-	(1,060,932,854)	-	-	(1,060,932,854)				(1,060,932,854)	
Realised gain from investments measured at fair value through other comprehensive income transferred to profit or loss		-	-	(13,905)	-	-	(13,905)				(13,905)	
Ending balance as at 31 December 2021		1,876,250,000	(105,352,321)	975,400,014	(4,760,954)	37,883,993	1,008,523,053				2,779,420,732	
Beginning balance as at 1 January 2020		1,390,250,000	(177,697,457)	2,171,233,250	63,380	5,223,374	2,176,520,004				3,389,072,547	
Net profit for the year		-	84,976,788	-	-	-	-				84,976,788	
Equity-settled share-based payment		-	-	-	-	11,249,661	11,249,661				11,249,661	
Remeasurement of post-employment benefit obligations		-	-	-	(2,542,919)	-	(2,542,919)				(2,542,919)	
Loss on remeasuring investments measured at fair value through other comprehensive income		-	-	(134,886,477)	-	-	(134,886,477)				(134,886,477)	
Ending balance as at 31 December 2020		1,390,250,000	(92,720,669)	2,036,346,773	(2,479,539)	16,473,035	2,050,340,269				3,347,869,600	

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021	2020
		Baht	Baht
Cash flows provided by (used in) operating activities			
Written premium received from direct insurance		6,519,792,086	5,964,307,608
Cash paid to reinsurance		(16,922,279)	(36,672,405)
Investment income		526,266,814	473,011,842
Other income (expense)		487,639	(461,809)
Gross benefits and claim paid from direct insurance		(1,807,381,981)	(1,867,951,147)
Commissions and brokerages from direct insurance		(2,850,071,404)	(2,680,108,568)
Other underwriting expenses		(75,173,751)	(74,763,530)
Operating expenses		(783,775,028)	(342,909,525)
Income tax expense		(11,478,797)	(49,562,052)
Cash received in relation to investment in securities		960,812,391	60,000,000
Cash paid in relation to investment in securities		(3,109,606,353)	(1,030,085,386)
Cash received in relation to loan repayments		232,197,572	254,135,951
Cash paid in relation to loan drawdowns		(133,454,096)	(111,223,656)
Net cash provided by (used in) operating activities		(548,307,187)	557,717,323
Cash flows provided by (used in) investing activities			
Cash received in relation to equipment		-	15,000
Cash paid in relation to equipment		(44,165,683)	(12,865,973)
Cash paid in relation to computer software		(117,802,737)	(56,376,675)
Net cash used in investing activities		(161,968,420)	(69,227,648)
Cash flows provided by (used in) financing activities			
Cash paid for lease liabilities		(41,145,458)	(39,314,209)
Cash received from issuance of ordinary shares	28	486,000,000	-
Net cash provided by (used in) financing activities		444,854,542	(39,314,209)
Net increase (decrease) in cash and cash equivalents		(265,421,065)	449,175,466
Cash and cash equivalents at beginning of the year		1,118,641,635	669,466,169
Cash and cash equivalents at the end of the year		853,220,570	1,118,641,635

Non-cash transaction

The Company had the significant non-cash transactions as follows:

Payable from purchasing equipment	250,380	2,996,000
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The accompanying notes are an integral part of this financial statement.

1 General information

Chubb Life Assurance Public Company Limited ("the Company") was registered as a limited company under the law of Thailand on 23 June 1997. The Company was converted to a public company limited and registered with the Ministry of Commerce on 16 October 2012.

The address of its registered office is as follow:

11th - 12th floor, 130 - 132 Sindhorn Tower 1, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

The principal business operation of the Company is to provide life insurance.

The major shareholder of the Company is Eksupsiri Company Limited, a local Thai affiliate of Chubb Limited, which is incorporated in Switzerland.

The financial statements were authorised by the Board of Directors on 19 April 2022.

2 Basis of preparation

The financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards (TFRSs) issued under the Accounting Profession Act B.E. 2547. In addition, the financial statements presentation have been prepared based on the format of life insurance financial statements attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for life insurance company (No.2) B.E. 2562" dated on 4 April 2019 ("OIC Notification").

The financial statements have been prepared under the historical cost convention except certain investments which are presented at fair value as disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management's judgement in applying the Company's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

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

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and are relevant to the Company

- a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

- b) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- c) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended the definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.
- d) Amendment to TFRS 16, Leases amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce the lease payments due by 30 June 2022.

3 New and amended financial reporting standards (Cont'd)

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and are relevant to the Company

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Company.

- a) Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. Insurers applying the temporary exemption from TFRS 9 by using accounting guidance, financial instruments and disclosures for insurance business are also required to apply the same practical expedient. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

4 Accounting policies

4.1 Recognition of revenues and expenses

Ordinary premium income is recognised as revenue when premium is received and on the effective date of the insurance policies for the first year premium. For the renewal year premium, premium income is recognised as revenue when premium is due. Premium receivable is additionally recognised as revenue when the policy is still in force and in the process of collection.

Group premium income is recognised as revenue when the policies are effective and issued.

Benefits payments to life policy and insurance claims are recorded when notices of claims have been received or the policyholders request to surrender the policy. Other benefits are recognised when due or on maturity.

Expenses relating to the sale of life insurance policies i.e. commissions and brokerages are recognised when incurred.

Interest income is recognised on an accrual basis. Dividends on securities are recognised on the dividend declaration date.

Other income and expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

4.3 Premium receivable

Premium receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amount at the year end. Bad debts are written-off during the year in which they are identified.

4.4 Reinsurance transactions

Reinsurance transactions are recorded based on estimates of amounts to be received or paid from reinsurers in accordance with term and condition in agreements. Premiums ceded and claims reimbursed are presented on a gross basis in profit or loss and net basis by reinsurer in statement of financial position. The Company presents net of reinsurance to the same entity when the following criteria for offsetting are met.

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

Amount due from reinsurance are subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss.

4 Accounting policies (Cont'd)

4.5 Investments in securities

a) Classification

The Company classifies its financial assets as investments measured at fair value through other comprehensive income (FVOCI).

TAS 32 and the Accounting Guidance require the Company to classify financial instruments as equity instruments or debt instruments.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

d) Debt instruments

Subsequent measurement of debt instruments is classified into four measurement categories:

- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss from subsequent measurement is recognised in profit or loss in the period in which it arises.
- FVOCI: Financial assets that are held for collection of contractual cash flows; and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment losses, interest income using the effective interest method, and foreign exchange gains/losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gains (losses) on investment. Interest income is included in finance income. Impairment expenses are presented separately in the statement of comprehensive income.

4 Accounting policies (Cont'd)

4.5 Investments in securities (Cont'd)

d) Debt instruments (Cont'd)

Subsequent measurement of debt instruments is classified into four measurement categories: (Cont'd)

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVO:** Financial assets irrevocably designated at fair value through profit or loss in order to eliminate or significantly reduce a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains or losses on them on different bases. A gain or loss on these investments is recognised in profit or loss and presented net within fair value gains (losses) in the period in which it arises.

The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investment at the time of the purchase and re-evaluates such designation on a regular basis.

e) Equity instruments

The Company measures all equity investments at fair value where the Company has elected to present fair value gains and losses on equity instruments in OCI. Dividends from such investments continue to be recognised in profit or loss as investment income when the right to receive payments is established.

f) Impairment

Debt instruments

The Company assesses expected credit loss on a forward-looking basis for its financial assets which are debt securities carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk from initial recognition. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

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

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

4 Accounting policies (Cont'd)

4.5 Investments in securities (Cont'd)

f) Impairment (Cont'd)

Equity instruments

A test for impairment of equity instruments is carried out quarterly or when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

4.6 Leasehold improvements and equipment

Leasehold improvements and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Leasehold improvements and equipment are presented in the statement of financial position at cost less any accumulated depreciation and any allowance for the decrease in value (if any).

The Company includes in cost of leasehold improvements, an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located, when the Company has obligation to do. The Company calculates depreciation expense on the straight-line basis over the remaining contractual period. The estimated useful life, residual value and method of depreciation are revised at least at each financial year-end.

Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Leasehold improvements	3 - 9 years
Office equipment	5 years
Furniture and fixtures	5 - 9 years
Computers	3 - 7 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

When long-term asset is disposed, the Company will write off both the asset account and its related accumulated depreciation, and recognised any gain or loss from disposal of the asset in profit or loss.

The cost of leasehold improvements under operating lease is capitalised and depreciated using straight-line method over the remaining life of the lease or the useful life of the improvement, whichever is shorter.

4.7 Computer software

Computer software is stated at cost less accumulated amortisation and is amortised using straight-line method over the estimated useful life of 5 - 7 years.

4 Accounting policies (Cont'd)

4.8 Policy loan

Policy loan is stated at the principal amount.

Policy loan has cash surrender value as collateral. In case of cash surrender value less than the policy loan amount, the Company has a right to offset loan balance with cash surrender value automatically.

4.9 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Company recognised right-of-use assets as a part of other assets in the statement of financial position.

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

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

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

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

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

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

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise the underlying asset value equal or less than USD 5,000.

4 Accounting policies (Cont'd)

4.10 Employee benefits

4.10.1 Provident fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 13 January 1997.

Under the plan, the provident fund is funded by payments from employees and by contribution from the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions as prescribed in the Ministerial Regulations under Provident Fund Act B.E. 2530.

The Company's contributions to the provident fund are charged to profit or loss in the year to which they relate.

4.10.2 Retirement benefit

A defined benefit plan is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Under Labour Laws applicable in Thailand and the Company's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of final salary.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Gains or losses on remeasurement of employee benefit obligation are charged or credited to other components of equity through other comprehensive income (loss) in the period which they arise.

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

4.10.3 Share-based payment

The Company's parent company operates equity-settled share-based compensation plans. The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied and is determined by reference to the fair value on the date of the grant. The Company presents it under other components of equity and recognises the recharge from parent company as employee benefit obligations.

4 Accounting policies (Cont'd)

4.11 Insurance liabilities

4.11.1 Product classification

The Company classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Company classified all its policies as insurance contracts, owing to the significant insurance risk present in all of the contracts.

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the Company to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. Once a contract has been classified as an insurance or investment contract, no reclassification is subsequently performed unless the terms of the agreement are later amended.

Some insurance contracts have discretionary participation features, "DPF", which may entitle the customer to receive, as a supplement to guaranteed benefits, additional non-guaranteed policyholder bonus. The DPF benefits in question are not significant portion of the total contractual benefits and cannot be unbundled from the underlying insurance contracts. As such the Company continues its existing accounting policies for the recognition and measurement of for these insurance contracts and does not report the DPF benefits separately, as permitted by TFRS 4.

4.11.2 Liability adequacy test

The purpose of LAT is to verify the adequacy of life insurance liabilities provisions. The test consists of comparing the insurance contract provisions with the gross premium valuation of the insurance liabilities without a provision for the risk of adverse deviation, calculated from the future expected contractual and other cash flows on a best estimate basis as at the valuation date. The LAT test is performed on the company level. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

4.11.3 Long-term and short-term insurance contracts

Long-term insurance contracts are insurance contracts which the term of contract is more than 1 year or the contract which have automatic approve of renewal which the Company cannot terminate and cannot increase or decrease premium including the change in other benefit throughout the contract term.

Short term insurance contracts are insurance contracts which do not have terms and conditions as long-term insurance contracts.

The mentioned classification of long-term and short-term insurance contracts is in accordance with approach for Risk-based Capital.

4.11.4 Life policy reserves

Life policy reserves represent the accumulated total net premium valuation reserves under actuarial principle for future insurance claims and benefits paid for life policies in force as at the statement of financial position date. This method uses assumptions approved by OIC without a provision for adverse deviation. These assumptions are set at the policy inception date remained locked-in thereafter.

4 Accounting policies (Cont'd)

4.11 Insurance liabilities (Cont'd)

4.11.5 Loss reserve and outstanding claims

The loss reserve and outstanding claims include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs.

Outstanding claims are recorded at the amount to be actually paid. Loss reserve is 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 does not exceed the sum-insured under the relevant policy.

IBNR is calculated using actuarial techniques and based on a best estimate of claims which are expected to be paid in respect of losses occurring prior to the reporting date.

4.11.6 Unearned premium reserves

Unearned premium reserves for group insurance and short-term riders are calculated on a proportionate of underwriting period basis.

4.11.7 Unpaid policy benefit

Provisions are made for the benefits unpaid at the date of the statement of financial position, recorded when due or on maturity.

4.12 Provisions

Provisions, excluding provisions for employee benefits, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

4.13 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4 Accounting policies (Cont'd)

4.14 Current and deferred income taxes

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

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

5 Risk management

As an insurer, the Company's activities expose it to a variety of insurance risks and financial risks. The Company applies a consistent risk management policy that is embedded in management processes and controls such that both existing and emerging risks are considered and addressed. In addition, the Company has established the enterprise risk management function for managing and monitoring the enterprise wide risks.

The Company has no policy to speculate or trade in any derivative financial instruments.

The following section summarises the Company's risk management.

5.1 Insurance risk management

Insurance risk is risks undertaken by life insurance companies through contracts they underwrite. The risks within this category are associated with the perils covered (e.g. death, accident, illnesses) and with the specific processes associated with the conduct of life insurance business.

The Company prepared product pricing guidelines following actuarial principle, underwriting guidelines, underwriting authorities and claims approval and settlement authorities to mitigate the insurance risks that are associated with product design, pricing and underwriting and claims management.

5 Risk management (Cont'd)

5.1 Insurance risk management (Cont'd)

Concentration

The management considers the concentration risk of insurance products from various perspectives to avoid a concentration risk when the event of loss occurs. The Company has maintained a broad range and well-mixes of insurance products such as whole life, saving, protection, accident and health, and credit life to various group of customers in order to ensure portfolio diversification. The Company considered proportion of various products and monitored the concentration risk by the management.

The following table presents the concentration of insurance liabilities separated by product for the years ended 31 December 2021 and 2020.

	2021			
	Ordinary individual life and riders Baht	Personal accident Baht	Group Baht	Total Baht
Long-term technical reserves	11,433,385,182	-	1,580,848,543	13,014,233,725
Loss reserve and outstanding claims	67,511,334	5,252,711	171,055,739	243,819,784
Total	11,500,896,516	5,252,711	1,751,904,282	13,258,053,509
	2020			
	Ordinary individual life and riders Baht	Personal accident Baht	Group Baht	Total Baht
Long-term technical reserves	10,250,703,887	-	1,430,434,219	11,681,138,106
Loss reserve and outstanding claims	63,639,569	5,548,433	193,285,543	262,473,545
Total	10,314,343,456	5,548,433	1,623,719,762	11,943,611,651

Lapse

Experience study on lapse is carried out on an annual basis using statistical method. Lapse assumptions vary by product type and policy duration. The lapse rates for riders are assumed to follow the same lapse rates as the attached base products. For new products that still do not have credible lapse experience, best estimates from experience of comparable products will be used. The lapse assumption is reviewed annually.

Expenses

The expense assumptions were set in line with actual expenses. The Company derived unit costs assumptions from actual expenses varied by product type and expenses assumption is inflated annually to reflect higher cost of underwriting, issuing and maintaining the policies. The expense assumption is reviewed annually.

Mortality and Morbidity

The deviation of actual claims experience and mortality and morbidity assumption used can significantly impact the operating result. The experience is volatile at the individual product level, particularly for smaller products such as basic term assurances. Experience study on mortality and morbidity rates is carried out on an annual basis. The mortality and morbidity rates are in line with actual experience and are compared with other life insurers. The Company's mortality and morbidity assumptions vary by product type and considered to be adequate. The mortality and morbidity assumptions are reviewed annually.

5 Risk management (Cont'd)

5.2 Financial risk management

5.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk consists of three types of risks: foreign exchange risk, interest rate risk and price risk.

Foreign exchange risk

As of 31 December 2021 and 2020, the Company had no significant foreign currency financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk relates primarily to investments in debt securities and deposit at financial institutions. The majority of the Company's financial assets bear fixed interest rate and are long term and, therefore, their value may fluctuate due to changes in market interest rate.

The outstanding balances of significant financial assets, including the interest rate as of 31 December 2021 and 2020 are summarised as follows:

	2021							Rate %
	Fixed interest rate				Floating interest rate Baht	No interest rate Baht	Total Baht	
	At call Baht	< 1 year Baht	1 - 5 years Baht	> 5 years Baht				
Financial assets								
Cash and cash equivalents	-	-	-	-	477,590,523	375,660,047	853,220,570	0.05 - 0.30
Investments in debt securities	-	154,262,316	2,082,427,894	13,577,792,260	-	-	15,814,502,470	2.50 - 7.99
Other assets	-	-	-	-	-	22,679,106	22,679,106	-
	-	154,262,316	2,082,427,894	13,577,792,260	477,560,523	398,339,153	16,690,402,146	
	2020							Rate %
	Fixed interest rate				Floating interest rate Baht	No interest rate Baht	Total Baht	
	At call Baht	< 1 year Baht	1 - 5 years Baht	> 5 years Baht				
Financial assets								
Cash and cash equivalents	-	-	-	-	448,398,870	670,242,765	1,118,641,635	0.05 - 0.38
Investments in debt securities	-	152,131,833	1,412,742,831	13,478,483,620	-	-	15,043,357,884	2.50 - 7.99
Other assets	-	-	-	-	-	20,713,543	20,713,543	-
	-	152,131,633	1,412,742,831	13,478,483,620	448,398,870	690,956,308	16,182,713,062	

Sensitivity

Profit or loss may be sensitive to higher or lower interest income from investments in debt securities as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of investment in securities measured at fair value through other comprehensive income.

Interest income from investments are immaterially sensitive to the changes in interest rate. The table below shows the interest rate sensitivity for the financial assets held as at reporting date.

	Impact to other components of equity increase (decrease)	
	2021 Baht	2020 Baht
Interest rate - increase 0.5%*	(923,785,614)	(890,489,451)
Interest rate - decrease 0.5%*	1,031,309,707	1,008,093,479

* Holding all other variables constant

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.1 Market risk (Cont'd)

Equity price risk

Equity price risk refers to the loss affecting income and/or equity from a movement in equity price. The Company's exposure to equity securities price risk arises from investments held by the Company which are classified either as at fair value through other comprehensive income (FVOCI).

To manage its price risk arising from investments in equity securities, the Company invested in equity investments which are publicly traded and are included in SET100 Index.

Sensitivity

The table below summarises the impact of increase/decrease of the equity index on the Company's other components of equity for the year. The analysis is based on the assumption that the equity price had increased by 0.5% or decreased by 0.5%, respectively.

	Impact to other components of equity increase (decrease)	
	2021 Baht	2020 Baht
Thailand Stock Exchange		
Equity prices increase 0.5%*	91,250	-
Equity prices decrease 0.5%*	(91,250)	-

* Holding all other variables constant

As of 31 December 2021, entire equity portfolio of the Company is classified as investment measured at FVOCI, equity price risk does not impact post-tax profit. Other components of equity would increase or decrease as a result of gains/losses on equity securities.

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.2 Credit risk

The Company has no significant concentrations of credit risk. The Company chooses to provide services to the customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

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

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

a) Impairment of financial assets

The Company has cash and cash equivalents, investment in debt securities measured at FVOCI and other assets as financial assets that are subject to the expected credit loss model.

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

Debt investments measured at fair value through other comprehensive income

The Company considers that debt investments measured at FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected credit losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency.

In some case, certain debt investments measured at FVOCI that have significant increase in credit risk relative to the initial recognition, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.

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

The reconciliation of allowances of expected credit loss for debt investments measured at FVOCI for the year ended 31 December 2021 are disclosed in Note 12.3.

5.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's financial assets mainly comprised of cash and deposits with bank and investments in securities which are highly liquid and able to be sold quickly at close to their fair value when the Company wishes to raise fund.

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.3 Liquidity risk (Cont'd)

a) Maturity of financial liabilities

The table below analyses the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 month Baht	1 - 3 months Baht	3 months - 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2021						
Lease liabilities	3,001,831	5,933,044	27,641,118	143,459,856	157,747,338	337,783,187
Other liabilities	45,362,545	-	-	-	-	45,362,545
Other creditors	-	187,786,308	-	-	-	187,786,308
Total financial liabilities	48,364,376	193,719,352	27,641,118	143,459,856	157,747,338	570,932,040

	Within 1 month Baht	1 - 3 months Baht	3 months - 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2020						
Lease liabilities	-	-	40,907,573	1,301,367	-	42,208,940
Other liabilities	-	37,719,147	-	-	-	37,719,147
Other creditors	-	173,815,239	-	-	-	173,815,239
Total financial liabilities	-	211,534,386	40,907,573	1,301,367	-	253,743,326

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Notes to the Financial Statements
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6 Fair value

6.1 Fair value estimation

The following table shows fair values and carrying amounts of financial assets and liabilities by category at 31 December 2021 and 2020.

	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
As at 31 December 2021					
<i>Financial assets measured at fair value</i>					
Investments measured at FVOCI	-	15,832,752,470	-	15,832,752,470	15,832,752,470
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	853,220,570	853,220,570	853,220,570
Accrued investment income	-	-	105,547,198	105,547,198	105,547,198
Other assets	-	-	22,679,106	22,679,106	22,679,106
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	293,243,714	293,243,714	293,243,714
Other liabilities	-	-	19,418,648	19,418,648	19,418,648
Other creditors	-	-	187,786,308	187,786,308	187,786,308
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
As at 31 December 2020					
<i>Financial assets measured at fair value</i>					
Investments measured at FVOCI	-	15,043,357,884	-	15,043,357,884	15,043,357,884
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	1,118,641,635	1,118,641,635	1,118,641,635
Accrued investment income	-	-	97,101,724	97,101,724	97,101,724
Other assets	-	-	20,713,543	20,713,543	20,713,543
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	42,208,940	42,208,940	42,208,940
Other liabilities	-	-	16,709,560	16,709,560	16,709,560
Other creditors	-	-	173,815,239	173,815,239	173,815,239

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

	2021 %	2020 %
Financial institutions	71	75
Other parties	29	25
Total	100	100

6 Fair value (Cont'd)

6.1 Fair value estimation (Cont'd)

The following table presents the Company's financial assets that are measured at fair value by their fair value hierarchy as at 31 December 2021 and 2020.

	2021			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Assets				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	10,752,562,122	-	10,752,562,122
- Private enterprise securities	18,250,000	5,061,940,348	-	5,080,190,348
Total assets	18,250,000	15,814,502,470	-	15,832,752,470
	2020			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Assets				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	10,704,150,041	-	10,704,150,041
- Private enterprise securities	-	4,339,207,843	-	4,339,207,843
Total assets	-	15,043,357,884	-	15,043,357,884

There were no transfers between levels during the year.

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

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

6 Fair value (Cont'd)

6.2 Valuation techniques used to derive Level 1 fair values

The fair value of financial instruments in level one is based on the closing price at the statement of financial position date. The closing price used for financial assets held by the Company is obtained from the Stock Exchange of Thailand.

6.3 Valuation techniques used to derive Level 2 fair values

Level 2 debt investments of marketable securities are fair valued based on the yield curve of the Thai Bond Market Association at the close of business on the statements of financial position date.

6.4 Fair value estimation of assets and liabilities not carried at fair value but for which the fair value is disclosed.

Other financial instruments not carried at fair value are typically short-term. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, accrued investment income, receivable from sale of investments, other assets, lease liabilities, other liabilities, other creditors and payable for purchase of investments.

7 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

7.1 Product classification

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Company exercises significant judgment to determine whether there is a scenario (other than those lacking commercial substance) in which an insured event would require the Company to pay significant additional benefits to its customers.

In the event the Company has to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. The accounting policy on product classification is described in Note 4.12.1.

7 Critical accounting estimates, assumptions and judgments (Cont'd)

7.2 Insurance liabilities

The Company calculates the insurance contract liabilities for traditional life insurance using a net premium valuation method, whereby the liability represents the present value of estimated future policy benefits to be paid, less the present value of estimated future net premiums to be collected from policyholders. This method uses assumptions prescribed by OIC without a provision for the risk of adverse deviation. These assumptions are set at the policy inception date and remained locked in thereafter, unless a deficiency arises on liability adequacy testing. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

7.3 Loss reserve and outstanding claims

At the end of each reporting date, the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, based on the claims notified by the insured, other available information and management's own assessment and the claims incurred but not reported (IBNR). The ultimate cost of outstanding claims is established using a range of standard actuarial claims projection techniques, the Company is using the Chain Ladder method (Bornhuetter-Ferguson Technique) for short-term insurance. IBNR reserve for long-term insurance is calculated using actuarial techniques and based on best estimate of claims which are expected to be paid in respect of losses occurring prior to the reporting date.

The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred losses, average costs per claim and claim numbers. To perform the calculation, it is necessary to perform analysis based on the type of insurance and to use the services of an actuary with expertise, experience, and an understanding of the insurance business and the Company's products.

Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

7.4 Liability adequacy testing

The Company evaluates the adequacy of its insurance contract liabilities quarterly. Significant judgment is exercised in determining the level of aggregation at which liability adequacy testing is performed and in selecting best estimate assumptions. Under liability adequacy testing, the insurance contract liabilities were calculated using a gross premium valuation method without a provision for the risk of adverse deviation. The discounting interest is the risk-free rate based on the yield curve of the Thai Bond Market Association, adjusted by illiquidity premium. Liability adequacy is assessed in accordance with the Company's manner of acquiring, servicing and measuring the profitability of its insurance contracts. The Company performs liability adequacy testing by considering all insurance contracts.

7 Critical accounting estimates, assumptions and judgments (Cont'd)

7.5 Employee benefits

The Company has legal commitment on post-retirement benefits to employee on reaching retirement age. The present value of employee benefit liabilities recognised in statements of financial position is determined on present value of defined benefit obligation which depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including discounting assumption. Any changes in these assumptions will have an impact on the carrying amount of defined benefit obligation. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future year and interest rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

On a yearly basis, the Company revises the appropriate discount rate, which represents the discount rate that should be used to determine the present value of future cash flows to settle the nearly reach retired employee benefits. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are nominated in the currency in which the benefits will be paid and that have terms to maturity approximately the terms of the related pension liabilities.

Chubb Limited (Parent Company) has a Long-term Incentive Plan. The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied and is determined by reference to the fair value on the date of the grant. The weighted average fair value of options granted during the period are determined using the Black-Scholes option-pricing valuation model. The significant inputs into the model were exercise price at the grant date, volatility, dividend yield and an annual risk-free interest rate.

7.6 Deferred tax

Deferred tax liabilities are provided in full on all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Company considers future taxable income and tax loss carried forward in assessing whether to recognise deferred tax assets.

7.7 Determination of lease terms

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

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

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

7 Critical accounting estimates, assumptions and judgments (Cont'd)

7.8 Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

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

7.9 Impairment of financial assets

The loss allowances for financial assets are based on expected credit loss. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the existing market conditions at the end of each reporting period.

8 Capital risk management

The objectives when managing capital are to safeguard the ability to continue as a going concern in order to meet policyholder liabilities whilst provide returns for shareholders and benefits for other stakeholders.

The Company monitors solvency capital in compliance with the requirement of the Office of Insurance Commission under the Risk-Based Capital framework under Life Insurance Act B.E 2535 and amended by Life Insurance Act No.2 B.E 2551, No.3 B.E 2558 and No.4 B.E 2562 for the purpose of assessing the solvency capital requirement.

9 Cash and cash equivalents

	2021 Baht	2020 Baht
Cash	195,100	114,400
Deposits held at call with bank	853,025,470	1,118,527,235
Total cash and cash equivalents	<u>853,220,570</u>	<u>1,118,641,635</u>

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10 Premium receivable

The balances of premium receivable are aged as follows:

	From direct insurance	
	2021	2020
	Baht	Baht
Current	512,404,050	540,998,839
Overdue not over 30 days	-	-
Overdue 31 - 60 days	-	-
Overdue 61 - 90 days	-	-
Overdue 91 days - 1 year	-	63,900
Overdue over 1 year	394,064	330,164
Total	512,798,114	541,392,903
<u>Less</u> Allowance for doubtful accounts	<u>(394,064)</u>	<u>(394,064)</u>
Total premium receivable	512,404,050	540,998,839

11 Amounts due from reinsurance

	2021	2020
	Baht	Baht
Due from reinsurers	12,239,177	11,730,852
Total amounts due from reinsurance	12,239,177	11,730,852

The amounts due from reinsurance are aged as follows:

	2021	2020
	Baht	Baht
Current	-	6,033,008
Overdue not over 12 months	6,541,333	4,433,139
Overdue 1 - 2 years	4,433,139	1,264,705
Overdue over 2 years	1,264,705	-
Total amounts due from reinsurance	12,239,177	11,730,852

12 Investments in securities

12.1 Investments measured at fair value through other comprehensive income

The details of investments in securities are as follows:

	2021		
	Cost Baht	Unrealised gain Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>			
Government and state enterprise securities			
- Government bonds	9,572,704,266	1,131,042,638	10,703,746,904
- Debentures	30,000,000	18,815,218	48,815,218
Private enterprise debt securities			
- Debentures	5,007,684,694	54,255,654	5,061,940,348
Equity securities	18,250,000	-	18,250,000
Total investments measured at fair value through other comprehensive income	14,628,638,960	1,204,113,510	15,832,752,470
	2020		
	Cost Baht	Unrealised gain Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>			
Government and state enterprise securities			
- Government bonds	8,265,221,912	2,391,153,009	10,656,374,921
- Debentures	30,000,000	17,775,120	47,775,120
Private enterprise debt securities			
- Debentures	4,212,750,020	126,457,823	4,339,207,843
Total investments measured at fair value through other comprehensive income	12,507,971,932	2,535,385,952	15,043,357,884

The Company disclosed information regarding the restricted amount of investments in Notes 32 and 33.

During the year 2021, the Company had sales of investments amounted to Baht 300,000,000 and gain from selling such investment amounted to Baht 7,879 (2020: Nil).

During the year 2021, the Company had early redemption of investments amounted to Baht 60,000,000 and gain from such redeemable investment amounted to Baht 9,502 (2020: Nil).

12 Investments in securities

12.2 Amounts recognised in profit or loss and other comprehensive income

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

	2021 Baht	2020 Baht
Gains (losses) recognised in other comprehensive income	(1,326,166,068)	(168,278,311)
Gains (losses) reclassified from other comprehensive income to profit or loss on the sale of investments measured at FVOCI	17,381	
Interest income from debt instruments at FVOCI recognised in profit or loss	522,285,012	466,837,167
Expected credit losses for debt investments measured at FVOCI recognised in profit or loss	5,088,993	8,728,375

12.3 Expected credit loss

	31 December 2021		31 December 2020	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities credit risk has not significantly increased (Stage 1)	14,967,560,153	3,267,322	14,366,621,326	1,869,179
Investment in debt securities which credit risk has significantly increased (Stage 2)	846,942,317	11,869,186	676,736,558	8,178,336
Credit-impaired investments in debt securities (Stage 3)	-	-	-	-
Total	15,814,502,470	15,136,508	15,043,357,884	10,047,515

12 Investments in securities (Cont'd)

12.3 Expected credit loss (Cont'd)

The reconciliations of expected credit loss for debt securities that are measured at fair value through other comprehensive income for the years are as follows:

	Expected credit loss measured at amount equal to			Total Baht
	12 months expected credit losses Baht	Lifetime Expected credit losses Baht	Lifetime expected credit losses (credit- impaired investments) Baht	
Opening loss allowance as at 1 January 2021 - calculated under the Accounting Guidance	1,869,179	8,178,336	-	10,047,515
Increase in loss allowance recognised in profit or loss during the year	1,398,143	3,690,850	-	5,088,993
As of 31 December 2021	<u>3,267,322</u>	<u>11,869,186</u>	<u>-</u>	<u>15,136,508</u>
Opening loss allowance as at 1 January 2020 - calculated under the Accounting Guidance	1,319,140	-	-	1,319,140
Increase in loss allowance recognised in profit or loss during the year	550,039	8,178,336	-	8,728,375
As of 31 December 2020	<u>1,869,179</u>	<u>8,178,336</u>	<u>-</u>	<u>10,047,515</u>

12 Investments in securities (Cont'd)

12.4 Maturity of debt securities

Investments in debt securities will be due as follows:

	2021			Total Baht
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities				
Government bonds	-	1,181,877,216	8,390,827,050	9,572,704,266
Debentures	-	30,000,000	-	30,000,000
<u>Add Unrealised gains on changes in fair value of investments</u>	-	132,300,195	1,017,557,661	1,149,857,856
Total government and state enterprise securities	-	1,344,177,411	9,408,384,711	10,752,562,122
Private enterprise securities Debentures	151,584,559	706,496,344	4,149,603,791	5,007,684,694
<u>Add Unrealised gains on changes in fair value of investments</u>	2,697,757	31,754,139	19,803,758	54,255,654
Total private enterprise securities	154,282,316	738,250,483	4,169,407,549	5,061,940,348
Total investments measured at fair value through other comprehensive income	154,282,316	2,082,427,894	13,577,792,260	15,814,502,470

12 Investments in securities (Cont'd)

12.4 Maturity of debt securities (Cont'd)

Investments in debt securities will be due as follows: (Cont'd)

	2020			Total Baht
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities				
Government bonds	140,653,667	523,800,289	7,600,767,956	8,265,221,912
Debentures	-	30,000,000	-	30,000,000
<u>Add Unrealised gains on changes in fair value of investments</u>	<u>1,367,624</u>	<u>68,089,422</u>	<u>2,339,471,083</u>	<u>2,408,928,129</u>
Total government and state enterprise securities	<u>142,021,291</u>	<u>621,889,711</u>	<u>9,940,239,039</u>	<u>10,704,150,041</u>
Private enterprise securities Debentures	10,024,510	748,193,178	3,454,532,332	4,212,750,020
<u>Add Unrealised gains on changes in fair value of investments</u>	<u>85,832</u>	<u>42,659,742</u>	<u>83,712,249</u>	<u>126,457,823</u>
Total private enterprise securities	<u>10,110,342</u>	<u>790,852,920</u>	<u>3,538,244,581</u>	<u>4,339,207,843</u>
Total investments measured at fair value through other comprehensive income	<u>152,131,633</u>	<u>1,412,742,631</u>	<u>13,478,483,620</u>	<u>15,043,357,884</u>

12.5 Additional information on investment in securities in relation to SPPI

	Fair value as at 31 December 2021		Change in fair value for the year ended 31 December 2021			
	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis	Total	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis	Total		
				Others	Total	
Debt securities	15,814,502,470	-	15,814,502,470	771,144,586	-	771,144,586
Total	<u>15,814,502,470</u>	<u>-</u>	<u>15,814,502,470</u>	<u>771,144,586</u>	<u>-</u>	<u>771,144,586</u>
	Fair value as at 31 December 2020		Change in fair value for the year ended 31 December 2020			
	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis	Total	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis	Total		
				Others	Total	
Debt securities	15,043,357,884	-	15,043,357,884	764,581,134	-	764,581,134
Total	<u>15,043,357,884</u>	<u>-</u>	<u>15,043,357,884</u>	<u>764,581,134</u>	<u>-</u>	<u>764,581,134</u>

13 Loans and accrued interest receivables

The balances of loans and accrued interest receivables are as follows:

	2021			2020		
	Principal Baht	Accrued interest income Baht	Total Baht	Principal Baht	Accrued interest income Baht	Total Baht
<u>Policy loans</u>						
Current	340,286,308	57,411,737	397,698,045	322,787,930	49,392,591	372,180,521
Overdue	-	-	-	-	-	-
Total	340,286,308	57,411,737	397,698,045	322,787,930	49,392,591	372,180,521
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-
Policy loans - net	<u>340,286,308</u>	<u>57,411,737</u>	<u>397,698,045</u>	<u>322,787,930</u>	<u>49,392,591</u>	<u>372,180,521</u>

Cash values of insurance policies were used as collateral of the policy loans.

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14 Leasehold improvements and equipment

	2021										2020											
	Cost					Accumulated depreciation					Cost					Accumulated depreciation						
	Beginning balance 1 January 2021	Additions	Write-off	Transfer	Ending balance 31 December 2021	Beginning balance 1 January 2021	Additions	Write-off	Disposals	Ending balance 31 December 2021	Beginning balance 1 January 2020	Additions	Write-off	Disposals	Ending balance 31 December 2020	Beginning balance 1 January 2020	Additions	Write-off	Disposals	Ending balance 31 December 2020	Net balance	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Leasehold improvements	41,725,889	144,450	(4,677,517)	-	37,192,822	35,558,168	5,649,937	(4,677,517)	-	36,530,588	35,558,168	5,649,937	(4,677,517)	-	36,530,588	35,558,168	5,649,937	(4,677,517)	-	36,530,588	662,234	
Leasehold in progress	-	35,935,031	-	-	35,935,031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,935,031	
Office equipment	18,329,085	205,177	-	-	18,534,262	17,250,774	596,132	-	-	17,846,906	17,250,774	596,132	-	-	17,846,906	17,250,774	596,132	-	-	17,846,906	687,356	
Furniture & fixtures	6,381,111	154,070	-	-	6,535,181	4,880,122	721,000	-	-	5,601,122	4,880,122	721,000	-	-	5,601,122	4,880,122	721,000	-	-	5,601,122	934,059	
Computers	55,743,970	4,102,158	-	5,318,430	65,164,558	35,440,940	9,500,100	-	-	44,941,040	35,440,940	9,500,100	-	-	44,941,040	35,440,940	9,500,100	-	-	44,941,040	20,223,518	
Hardware in progress	5,839,468	879,177	-	(5,318,430)	1,400,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,400,215	
Total	128,019,523	41,420,063	(4,677,517)	-	164,762,069	93,130,004	16,467,169	(4,677,517)	-	104,919,656	93,130,004	16,467,169	(4,677,517)	-	104,919,656	93,130,004	16,467,169	(4,677,517)	-	104,919,656	59,842,413	
	2020																					
	Cost					Accumulated depreciation					Cost					Accumulated depreciation						
	Beginning balance 1 January 2020	Additions	Disposals	Write-off	Ending balance 31 December 2020	Beginning balance 1 January 2020	Additions	Disposals	Write-off	Ending balance 31 December 2020	Beginning balance 1 January 2020	Additions	Disposals	Write-off	Ending balance 31 December 2020	Beginning balance 1 January 2020	Additions	Disposals	Write-off	Ending balance 31 December 2020	Net balance	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Leasehold improvements	41,567,172	158,717	-	-	41,725,889	29,316,657	6,241,511	-	-	35,558,168	29,316,657	6,241,511	-	-	35,558,168	29,316,657	6,241,511	-	-	35,558,168	6,167,721	
Office equipment	19,506,386	283,456	(251,150)	(1,209,607)	18,329,085	18,274,555	436,846	(251,149)	-	17,250,774	18,274,555	436,846	(251,149)	-	17,250,774	18,274,555	436,846	(251,149)	-	17,250,774	1,078,311	
Furniture & fixtures	6,232,871	148,240	-	-	6,381,111	4,378,098	502,024	-	-	4,880,122	4,378,098	502,024	-	-	4,880,122	4,378,098	502,024	-	-	4,880,122	1,500,989	
Computers	56,647,786	4,224,223	-	(9,022,839)	55,743,970	35,132,340	9,319,791	(9,022,839)	-	44,941,040	35,132,340	9,319,791	(9,022,839)	-	35,440,940	35,132,340	9,319,791	(9,022,839)	-	35,440,940	20,303,030	
Hardware in progress	417,300	9,316,968	-	(3,894,800)	5,839,468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,839,468	
Total	124,371,515	14,131,604	(251,150)	(10,232,446)	128,019,523	87,101,650	16,500,172	(10,232,446)	-	93,130,004	87,101,650	16,500,172	(10,232,446)	-	93,130,004	87,101,650	16,500,172	(10,232,446)	-	93,130,004	34,889,519	

15 Intangible assets

Intangible assets comprises:

	2021	2020
	Baht	Baht
Computer software beginning balance	113,668,864	116,529,477
Additions	4,102,841	1,019,575
Disposal	-	(5,361,780)
Transfer in	29,462,028	29,912,983
Amortization charges	(38,375,458)	(28,431,391)
Computer software ending balance	<u>108,858,275</u>	<u>113,668,864</u>
Computer software in progress beginning balance	31,570,964	6,126,847
Additions	113,699,896	55,357,100
Transfer out	(29,462,028)	(29,912,983)
Computer software in progress ending balance	<u>115,808,832</u>	<u>31,570,964</u>
Total intangible assets	<u>224,667,107</u>	<u>145,239,828</u>

16 Other assets

Other assets as at 31 December 2021 and 2020 comprises:

	2021	2020
	Baht	Baht
Security and deposits	13,467,158	13,467,158
Prepaid tax	5,571,956	1,537
Prepaid expenses	266,467,185	36,386,065
Right-of-use assets	293,543,664	41,185,250
Others	9,211,948	7,246,385
Total other assets	<u>588,261,911</u>	<u>98,286,395</u>

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16 Other assets (Cont'd)

16.1 Right-of-use assets

	Cost				Accumulated amortisation				Right-of-use assets Baht
	Beginning balance 1 January 2021 Baht	Addition Baht	Change in contract Baht	Ending balance 31 December 2021 Baht	Beginning balance 1 January 2021 Baht	Amortisation charge Baht	Change in contract Baht	Ending balance 31 December 2021 Baht	
Buildings and improvements	79,210,851	292,161,965	-	371,372,816	38,980,712	38,389,210	595,674	77,965,596	293,407,220
Vehicle	1,773,778	-	-	1,773,778	818,667	818,667	-	1,637,334	136,444
Total	80,984,629	292,161,965	-	373,146,594	39,799,379	39,207,877	595,674	79,602,930	293,543,664

Related lease liabilities are disclosed in Note 22.1.

For the year ended 31 December 2021, the Company had low value leases from lease and service contracts which are not capitalised amounted to Baht 473,832 (2020 : Baht 670,632).

For the year ended 31 December 2021, the Company had short-term leases from lease and service contracts which are not capitalised amounted to Baht 115,200 (2020 : Baht 67,200).

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16 Other assets (Cont'd)

16.1 Right-of-use assets (Cont'd)

	2020		Accumulated amortisation				Right-of-use assets	
	Cost		Beginning balance 1 January 2020	Amortisation charge	Ending balance 31 December 2020	Beginning balance 1 January 2020	Ending balance 31 December 2020	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Buildings and improvements	77,522,434	1,688,417	-	79,210,851	38,980,712	-	38,980,712	40,230,139
Vehicle	1,773,778	-	-	1,773,778	818,667	-	818,667	955,111
Total	79,296,212	1,688,417	-	80,984,629	39,799,379	-	39,799,379	41,185,250

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17 Insurance liabilities

	2021		2020	
	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht
Long-term technical reserves	13,014,233,725	-	11,681,138,106	-
Claim liability				
- Reported claim	151,348,395	(33,615,985)	151,178,324	(19,788,239)
- Claims incurred but not reported	92,471,389	-	111,295,221	-
Premium liability				
- Unearned premium reserve	605,569,962	-	382,625,377	-
Unpaid policy benefits	283,284,841	(84,060,369)	249,446,263	(57,359,683)
Due to insured	51,004,361	-	40,513,576	-
Total	<u>14,197,912,673</u>	<u>(117,676,354)</u>	<u>12,616,196,867</u>	<u>(77,147,922)</u>
				<u>12,539,048,945</u>

The Company's unexpired risk reserve (URR) is lower than unearned premium reserve (UPR), so no disclosure for unexpired risk reserve required.

17 Insurance liabilities (Cont'd)

17.1 Long-term technical reserves

The movement of long-term technical reserves during the years are as follows:

	<u>2021</u> <u>Baht</u>	<u>2020</u> <u>Baht</u>
Beginning balance for the year	11,681,138,106	10,489,314,960
Policy reserve increase for new policies and inforce policies during the year	2,049,636,063	1,947,698,355
Policy reserve decrease from benefits payable to life policyholders for death, maturity, surrenders, other policyholders benefits and claims	<u>(716,540,444)</u>	<u>(755,875,209)</u>
Closing balance at the end of year	<u>13,014,233,725</u>	<u>11,681,138,106</u>

The assumptions used in actuarial estimation are as follows:

	<u>2021</u> <u>%</u>	<u>2020</u> <u>%</u>
Morbidity, mortality, and survival rate	15 - 130 of TMO	15 - 130 of TMO
Discount rate	2 - 6	2 - 6
Benefit paid to insured	1 - 800 of SA	1 - 800 of SA

Aging of undiscounted insurance contract liabilities' repayment is as follows:

	<u>2021</u> <u>Baht</u>	<u>2020</u> <u>Baht</u>
Repayment within 1 year	1,598,918,446	1,247,129,474
Repayment after 1 year but within 5 years	4,504,426,995	4,654,315,322
Repayment over 5 years	<u>88,017,848,409</u>	<u>81,345,959,236</u>
Total	<u>94,121,193,850</u>	<u>87,247,404,032</u>

17 Insurance liabilities (Cont'd)

17.2 Short-term technical reserves

17.2.1 Claim liability

The movement of claim liability during the years are as follows:

	<u>2021</u> <u>Baht</u>	<u>2020</u> <u>Baht</u>
Beginning balance for the year	262,473,545	281,327,703
Insurance claims and loss adjustment expenses incurred during the year	743,613,365	771,086,217
Change in claim reserve and assumptions	(18,823,833)	(13,795,398)
Insurance claims and loss adjustment expenses paid during the year	<u>(743,443,293)</u>	<u>(776,144,977)</u>
Closing balance for the year	<u>243,819,784</u>	<u>262,473,545</u>

The assumptions used in actuarial estimation are as follows:

	<u>2021</u> <u>%</u>	<u>2020</u> <u>%</u>
Weighted average loss ratio	25.7	24.7

Aging of undiscounted insurance contract liabilities' repayment based on current estimate is as follows:

	<u>2021</u> <u>Baht</u>	<u>2020</u> <u>Baht</u>
Repayment within 1 year	233,652,631	254,362,525
Repayment after 1 year but within 5 years	-	-
Repayment over 5 years	-	-
Total	<u>233,652,631</u>	<u>254,362,525</u>

17.2.2 Unearned premium reserve

The movement of unearned premium reserve during the years are as follows:

	<u>2021</u> <u>Baht</u>	<u>2020</u> <u>Baht</u>
Beginning balance for the year	382,625,377	346,323,931
Premium written for the year	2,884,731,775	2,628,850,581
Premium earned in the year	<u>(2,661,787,190)</u>	<u>(2,592,549,135)</u>
Closing balance for the year	<u>605,569,962</u>	<u>382,625,377</u>

17 Insurance liabilities (Cont'd)

17.3 Claim Development Table

17.3.1 Claim development table before reinsurance

Reported Year	2021						Total Baht	
	Incident Year							
	2015 Baht	2016 Baht	2017 Baht	2018 Baht	2019 Baht	2020 Baht		2021 Baht
Estimated claim:								
- At the end of the year	399,075,723	490,646,831	524,182,050	654,753,018	722,418,852	654,064,319	606,835,577	4,051,976,370
- After 1 year	449,364,843	552,172,557	596,333,209	741,963,365	804,198,522	724,216,199	-	3,868,248,695
- After 2 year	452,853,494	556,163,596	600,847,196	743,793,899	808,868,958	-	-	3,162,527,143
- After 3 year	453,094,797	556,279,261	602,293,265	746,271,416	-	-	-	2,367,938,739
- After 4 year	453,218,802	558,385,268	602,293,265	-	-	-	-	1,613,897,335
- After 5 year	453,538,197	558,560,723	-	-	-	-	-	1,012,098,920
- After 6 year	453,538,197	-	-	-	-	-	-	453,538,197
Absolute estimated claim	469,593,576	569,711,699	642,595,267	767,569,549	837,908,363	743,813,496	616,218,080	4,647,410,030
Cumulative claim paid	448,161,165	553,574,755	582,157,079	731,298,012	785,353,951	711,117,881	602,094,556	4,413,757,399
Total claim liability	21,432,411	16,136,944	60,438,188	36,271,537	52,554,412	32,695,615	14,123,524	233,652,631
Expired cheque								10,167,153
Total claim liability								243,819,784

17 Insurance liabilities (Cont'd)

17.3 Claim Development Table (Cont'd)

17.3.2 Claim development table - net

Reported Year	2021						Total Baht
	Incident Year						
	2015 Baht	2016 Baht	2017 Baht	2018 Baht	2019 Baht	2020 Baht	
Estimated claim:							
- At the end of the year	387,176,678	476,017,454	508,552,770	635,230,568	700,878,842	634,562,402	3,931,160,571
- After 1 year	435,966,351	535,708,698	578,552,633	719,840,606	780,220,128	702,622,598	3,752,911,014
- After 2 year	439,350,983	539,580,738	582,932,029	721,616,560	784,751,307	-	3,068,231,617
- After 3 year	439,585,091	539,692,954	584,334,981	724,020,206	-	-	2,287,633,232
- After 4 year	439,705,399	541,736,167	584,334,981	-	-	-	1,565,776,547
- After 5 year	440,015,270	541,906,391	-	-	-	-	981,921,661
- After 6 year	440,015,271	-	-	-	-	-	440,015,271
Absolute estimated claim	455,591,934	552,724,884	623,435,318	744,683,303	812,924,859	721,635,573	4,508,840,477
Cumulative claim paid	434,798,563	537,069,087	564,799,186	709,493,256	761,937,436	689,914,827	4,282,154,552
Total claim liability	20,793,371	15,655,797	58,636,132	35,190,047	50,987,423	31,720,746	226,685,925
Recovered claim liability receivable from reinsurer							(26,649,279)
Expired cheque							10,167,153
Total claim liability							210,203,799

17 Insurance liabilities (Cont'd)

17.4 Unpaid policy benefits

The details of unpaid policy benefits are as follows:

	<u>2021 Baht</u>	<u>2020 Baht</u>
Death benefits	57,019,945	51,723,831
Coupon	197,901,864	167,889,899
Expired cheque	28,363,032	29,832,533
Total	<u>283,284,841</u>	<u>249,446,263</u>

18 Amount due to reinsurance

	<u>2021 Baht</u>	<u>2020 Baht</u>
Outward premium payable	97,150,396	54,793,274
Total amount due to reinsurance	<u>97,150,396</u>	<u>54,793,274</u>

19 Employee benefit obligations

	<u>2021 Baht</u>	<u>2020 Baht</u>
Short-term employee benefits	33,759,196	37,049,479
Long-term employee benefits	69,572,418	69,252,354
Post-employment benefits	53,613,926	44,036,703
Total employee benefit obligations	<u>156,945,540</u>	<u>150,338,536</u>

Post-employment benefit obligations from defined benefit plan

The amounts recognised in the statements of financial position are as follows:

	<u>2021 Baht</u>	<u>2020 Baht</u>
Present value of post-employment benefit obligations	53,613,926	44,036,703
Total obligations	<u>53,613,926</u>	<u>44,036,703</u>

The amounts recognised in profit or loss are as follows:

	<u>2021 Baht</u>	<u>2020 Baht</u>
Current service costs	7,275,929	7,033,078
Past service costs	-	(5,449,936)
Interest costs	639,764	537,968
	<u>7,915,693</u>	<u>2,121,110</u>

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19 Employee benefit obligations (Cont'd)

Changes in the present value of post-employment benefit obligations are as follows:

	2021	2020
	Baht	Baht
Beginning balance at 1 January	44,036,703	39,013,230
Current service costs	7,275,929	7,033,078
Past service costs	-	(5,449,936)
Interest costs	639,764	537,968
Remeasurements:		
Loss (gain) from change in financial assumptions	(3,448,844)	3,326,920
Loss (gain) from experience	5,110,374	(148,271)
<u>Less</u> benefits paid during the year	-	(276,286)
Closing balance at 31 December	<u>53,613,926</u>	<u>44,036,703</u>

Significant assumptions used in the actuarial calculation are summarised as follows:

	2021	2020
Discount rate	2.08%	1.64%
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2017
Retirement age	60 years old	60 years old
Salary increase rate	4% - 10%	5% - 8%
Average turnover rate	0% - 20%	0% - 20%

Sensitivity analysis on key assumptions changes are as follows:

	Change in assumption		Impact on defined benefit obligations			
			Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	1.00%	1.00%	Decrease by 7.00%	Decrease by 7.00%	Increase by 8.00%	Increase by 8.00%
Salary increase rate	1.00%	1.00%	Increase by 8.00%	Increase by 9.00%	Decrease by 7.00%	Decrease by 8.00%
Average turnover rate	20.00%	20.00%	Decrease by 7.00%	Decrease by 9.00%	Increase by 9.00%	Increase by 12.00%

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

	2021	2020
	Years	Years
Weighted average duration of the defined benefit obligations	11.2	11.4

19 Employee benefit obligations (Cont'd)

Maturity analysis of undiscounted defined benefits:

	2021 Baht	2020 Baht
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 1 year	1,743,688	1,158,491
Benefits expected to be paid after 1 year but within 5 years	53,380,818	17,757,986
Benefits expected to be paid after 5 years	132,880,410	114,771,150

20 Deferred income taxes

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

	2021 Baht	2020 Baht
Deferred tax assets:		
Deferred tax asset to be settled within 12 months	15,356,401	32,535,995
Deferred tax asset to be settled after 12 months	48,890,557	7,592,104
	<u>64,246,958</u>	<u>40,128,099</u>
Deferred tax liabilities:		
Deferred tax liability to be settled within 12 months	(21,081,904)	(6,442,305)
Deferred tax liability to be settled after 12 months	(274,768,099)	(509,311,055)
	<u>(295,850,003)</u>	<u>(515,753,360)</u>
Deferred tax assets (liabilities) - net	<u>(231,603,045)</u>	<u>(475,625,261)</u>

The movement in deferred tax assets and deferred tax liabilities during the year is as follows:

	Employee benefit Baht	Accrued commission expenses Baht	IBNR Baht	Expected credit loss Baht	Lease liabilities Baht	Tax loss Baht	Total Baht
Deferred tax assets							
At 1 January 2021	8,774,764	5,396,177	25,308,584	373,836	274,738	-	40,128,099
Increase (decrease) to profit or loss	1,000,280	(5,396,177)	(9,952,183)	(373,836)	(274,738)	39,735,398	24,738,744
Decrease to other comprehensive income (loss)	(619,885)	-	-	-	-	-	(619,885)
At 31 December 2021	<u>9,155,159</u>	<u>-</u>	<u>15,356,401</u>	<u>-</u>	<u>-</u>	<u>39,735,398</u>	<u>64,246,958</u>
At 1 January 2020	7,776,874	2,375,149	28,121,711	-	-	-	38,273,734
Increase (decrease) to profit and loss	362,160	3,021,028	(2,813,127)	373,836	274,738	-	1,218,635
Increase to other comprehensive income (loss)	635,730	-	-	-	-	-	635,730
At 31 December 2020	<u>8,774,764</u>	<u>5,396,177</u>	<u>25,308,584</u>	<u>373,836</u>	<u>274,738</u>	<u>-</u>	<u>40,128,099</u>

20 Deferred income taxes (Cont'd)

	Unrealised gains on changes in fair value of investments Baht	Prepaid expense Baht	Total Baht
Deferred tax liabilities			
At 1 January 2021	509,086,693	6,666,667	515,753,360
Increase to profit or loss	-	45,333,333	45,333,333
Decrease to other comprehensive income (loss)	(265,236,690)	-	(265,236,690)
At 31 December 2021	<u>243,850,003</u>	<u>52,000,000</u>	<u>295,850,003</u>
At 1 January 2020	542,478,527	14,666,667	557,145,194
Decrease to profit or loss	-	(8,000,000)	(8,000,000)
Decrease to other comprehensive income (loss)	(33,391,834)	-	(33,391,834)
At 31 December 2020	<u>509,086,693</u>	<u>6,666,667</u>	<u>515,753,360</u>

The Company had unutilised deductible temporary tax difference that the Company did not recognise as deferred tax assets in the financial statements as follows:

	2021	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Employee benefit	11,089,252	34,131,137
Accrued commission expenses	30,439,656	-
IBNR	31,957,112	-
Expected credit loss	3,267,323	11,869,186
Lease liabilities	50,050	-
Allowance for doubtful accounts	-	394,064
	<u>76,803,393</u>	<u>46,394,387</u>
	2020	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Employee benefit	-	21,929,487
Leasehold demolishing cost	-	6,674,579
Expected credit loss	-	8,178,337
Allowance for doubtful accounts	-	394,064
	<u>-</u>	<u>37,176,467</u>

21 Share-based payment

Chubb Limited (Parent Company), which is listed on the New York Stock Exchange, has a stock option plan, a restricted stock plan and an employee share participation plan. As at 31 December 2021, total liabilities for share-based payment in the statement of financial position are amounted to Baht 69,252,354 (2020: Baht 69,252,354) presented in employee benefit obligations.

Stock Option Plan

Under Chubb Limited's long-term incentive plan, restrictive share options were granted to eligible employees of the Company. The exercisable price of these options is the fair market value at grant date. These options vest at various dates over a 3 year period from the grant date and any unvested options are cancelled on termination of employment. This plan is a group scheme with expenses incurred under the scheme charged out by Chubb Limited to the Company on an annual basis. Any option not exercised or cancelled pursuant to the terms of plan will be forfeited by the tenth anniversary from the date of grant. The total value of the options granted during the year 2021 was USD 451,632 (2020: USD 471,755).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2021		2020	
	Average exercise price per share (USD)	Options (Shares)	Average exercise price per share (USD)	Options (Shares)
At 1 January	135.34	8,591	129.73	8,878
Granted	164.89	2,739	150.10	3,143
Exercised	181.67	(439)	146.65	(806)
Forfeited	-	-	-	(2,624)
Expired	-	-	-	-
At 31 December	143.22	10,891	135.34	8,591

As at 31 December 2021, out of the 10,891 outstanding options (2020: 8,591 options), 5,724 options (2020: 4,360 options) were exercisable.

For exercised options during the year ended 31 December 2021, the weighted-average fair value of stock was USD 181.67 per share (2020: USD 146.65 per share).

21 Share-based payment (Cont'd)

Share options outstanding as at 31 December 2021 and 2020 have the following expiry date and exercise prices:

Expiry year	Exercise price per share (USD)	Options (Shares)	
		2021	2020
2021	62.64	-	-
2022	73.35	-	52
2023	85.39	79	79
2024	96.76	269	269
2025	114.78	611	661
2026	118.39	878	986
2027	139.01	959	1,154
2028	143.07	798	798
2029	133.90	1,870	1,870
2030	150.10	2,688	2,722
2031	164.89	2,739	
Outstanding balance		10,891	8,591

The weighted average fair value of options granted during the year, determined using the Black-Scholes option-pricing valuation model, was USD 33.05 per option (2020: USD 19.89). The significant inputs into the model were exercise price of USD 164.89 (2020: USD 150.10) at the grant date, the exercise price shown above, volatility of 25.99% (2020: 18.00%), dividend yield of 1.94% (2020: 2.08%), an expected option life of 10 years and an annual risk-free interest rate of 0.98% (2020: 1.15%).

Restricted Stock Plan

Under Chubb Limited's long-term incentive plan, there were 2,054 restricted stock, with weighted average fair value at USD 164.89 per share, awarded to eligible employees during the year ended 31 December 2021 (2020: 2,356 restricted stock, with weighted average fair value at USD 150.10 per share). These shares vest at various dates over a 4-year period from the grant dates and any unvested shares are cancelled on termination of the employment of the eligible employees. This plan is a group scheme with expenses incurred under the scheme charged out by Chubb Limited to the Company. The annual expense is based on an amortised calculation that is reflective of the current year's expense portion of all restricted stock grants issued in the current and prior years and is consistent with the treatment required by TFRS 2: Share-based payment. There is liability to the Company for the unamortised portion of the restrictive stock grants issued. The amortised calculation incorporates the fair market value of Chubb Limited's common stock in determining the expense amount. Expected future dividend payments in relation to the restrictive stock grants issued are made directly by Chubb Limited to the eligible employees. The total expense for the year 2021 was Baht 9,172,073 (2020: Baht 8,507,966).

Employee Share Participation Plan

The Company collects money from local eligible employees and acquires ordinary shares in Chubb Limited on behalf of the employees on a bi-annual basis. Annual purchases by eligible employees are limited at USD 25,000. The price paid by the eligible employees is set at a discount of 15% to the fair value of the ordinary shares at the date of acquisition; this discount is incurred at the group level by Chubb Limited and not charged to the Company. During the year 2021, employees paid for purchase of ordinary shares of Chubb Limited was Baht 1,705,920 (2020: Baht 1,911,842).

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22 Other liabilities

	2021 Baht	2020 Baht
Tax payable	25,943,897	21,009,587
Lease liabilities	293,243,714	42,208,940
Others	19,418,648	16,709,560
Total	<u>338,606,259</u>	<u>79,928,087</u>

22.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

Maturing	2021 Baht	2020 Baht
Within 1 year	31,759,553	40,907,573
Between 1 to 2 years	28,551,507	712,075
Between 2 to 3 years	28,705,594	589,292
Between 3 to 4 years	28,493,607	-
Between 4 to 5 years	29,502,331	-
Later than 5 years	146,231,122	-
Total	<u>293,243,714</u>	<u>42,208,940</u>
<i>Including: - Principal</i>	<i>337,783,187</i>	<i>42,871,901</i>
<i>- Deferred interest expense</i>	<i>(44,539,473)</i>	<i>(662,961)</i>

For the year ended 31 December 2021, interest expense on lease liabilities amounted to Baht 637,868 is recorded as "Finance cost" in the statement of comprehensive income (2020 : Baht 1,778,270).

For the year ended 31 December 2021, the Company received discounts in the lease payments from lessor due to the COVID-19 situation. The Company has reduced the lease liabilities, reversed depreciation charge on the right-of-use assets and interest expenses on the lease liabilities and recognised the difference in profit or loss according to TFRS 16 Leases.

23 Operating expenses

	2021 Baht	2020 Baht
Employee expenses not relating to underwriting expenses and claim management expenses	326,993,313	289,770,593
Property and equipment expenses not relating to underwriting expenses	140,762,343	122,946,335
Tax expenses	815,271	743,149
Selling and administrative expenses	166,185,715	183,165,205
Other operating expenses	63,246,495	47,452,030
Total operating expenses	<u>698,003,137</u>	<u>644,077,312</u>

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24 Employee benefit expenses

	2021	2020
	Baht	Baht
Salary	240,237,452	210,041,007
Social security fund	1,241,735	1,024,306
Contribution to defined benefit plan	10,356,205	9,186,021
Bonus	67,231,105	65,593,360
Other employee benefit expenses	60,882,704	55,633,918
Total employee benefit expenses	379,949,201	341,478,612

25 Expected credit loss

	2021	2020
	Baht	Baht
Cash and cash equivalents	-	(172,306)
Investments in securities	5,088,993	8,728,375
Total expected credit loss	5,088,993	8,556,069

26 Income tax expenses

	2021	2020
	Baht	Baht
Current tax:		
Current income tax on taxable profits for the year	-	33,507,043
Total current tax	-	33,507,043
Deferred tax:		
Increase in deferred tax assets (Note 20)	(24,738,744)	(1,218,635)
Increase(decrease) in deferred tax liabilities (Note 20)	45,333,333	(8,000,000)
Total deferred tax	20,594,589	(9,218,635)
Total income tax expenses	20,594,589	24,288,408

Below is a reconciliation between effective tax rate and income tax rate used.

	2021	2020
	%	%
Income tax rate used	20	20
Temporary difference		
Commission and brokerages	9	3
Insurance claims	(45)	(3)
Other operating expenses	(519)	10
Permanent difference	36	-
Tax losses carried forward	499	-
Recognition of deferred tax	259	(8)
Effective tax rate	259	22

Income tax rate used for 2021 is 20% (2020: 20%).

27 Tax effects from other comprehensive income (loss)

	2021			2020		
	Before tax Baht	Tax benefit (expense) Baht	Net of tax Baht	Before tax Baht	Tax benefit (expense) Baht	Net of tax Baht
Remeasurement of post-employment benefit obligations	(1,661,530)	(619,885)	(2,281,415)	(3,178,649)	635,730	(2,542,919)
Remeasurements of investments measured at fair value through other comprehensive income	(1,326,183,449)	265,236,690	(1,060,946,759)	(168,278,311)	33,391,834	(134,886,477)
Total	(1,327,844,979)	264,616,805	(1,063,228,174)	(171,456,960)	34,027,564	(137,429,396)

28 Share capital

	Ordinary shares	
	Number of shares	Baht
At 31 December 2019	139,025,000	1,390,250,000
Issue of shares	-	-
At 31 December 2020	139,025,000	1,390,250,000
Issue of shares	48,600,000	486,000,000
At 31 December 2021	187,625,000	1,876,250,000

On 5 January 2021, the shareholders at the Annual General Meeting passed a resolution to approve the increase of registered share capital amounting to Baht 486,000,000 from Baht 1,390,250,000 to Baht 1,876,250,000 by issuing the ordinary share of 48,600,000 shares with par value of Baht 10 per share. On 13 January 2021, the issued shares were fully paid-up. The list of shareholders' name and share capital increase were registered on 19 January 2021.

29 Earnings per share

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

	2021	2020
Net profit (loss) for the year (Baht)	(12,631,652)	84,976,788
Weighted average number of ordinary shares in issue during the year (shares)	185,228,288	139,025,000
Basic earnings (loss) per share (Baht)	(0.07)	0.61

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

30 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The related party transactions are mainly transacted with the group companies of Chubb Limited as follows:

a) Statements of comprehensive income

	2021 Baht	2020 Baht
Affiliate Company		
Premiums ceded to reinsurers	4,225,929	2,454,352
Commissions and brokerages	657,248	702,696
Operating expenses	27,310,040	10,372,788

b) Statements of financial position

	2021 Baht	2020 Baht
Assets		
Affiliate Company		
Other assets	7,533,113	3,208,284
Liabilities		
Parent Company		
Employee benefit obligations	69,252,354	69,252,354
Affiliate Company		
Amount due to reinsurance	4,225,929	1,417,155
Other liabilities	19,063,159	9,670,334
Other creditors	73,044	73,044
Accrued commission expenses	583,412	597,160
Accrued expenses	12,520,817	7,189,891
Equity		
Parent Company		
Other reserve	37,883,993	16,473,035

31 Key management's compensation

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Company. Their compensations for the years are as follows:

	2021	2020
	Baht	Baht
Short-term employee benefits	113,669,694	92,150,966
Long-term employee benefits	965,628	777,493
Total	114,635,322	92,928,459

32 Assets deposited with Insurance Registrar

The Company deposited certain assets with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No. 2) Section 20 B.E. 2551 as follows:

	Carrying value	
	2021	2020
	Baht	Baht
Government bonds	32,460,973	37,612,283

33 Assets pledged as reserve with registrar

The following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No. 2) Section 24 B.E. 2551 as follows:

	Carrying value	
	2021	2020
	Baht	Baht
Government bonds	3,291,903,622	3,211,473,294

34 Contribution to Life Insurance Fund

In compliance with the Life Insurance Act B.E. 2535, for the year ended 31 December 2021, the Company had contribution to Life Insurance Fund amounting to Baht 6,606,125 (2020: Baht 6,167,911).

35 Commitments

The Company had future aggregate minimum lease payments under non-cancellable low-value assets leases and other general service agreements not within the scope of TFRS 16. Prior to the adoption of IFRS 16, the Company had future aggregate minimum lease payments under non-cancellable buildings and improvements as follows:

	2021		
	Operating lease Baht	Service fee and others Baht	Total Baht
Due within 1 year	502,632	6,890,453	7,393,085
Due more than 1 year but no later than 5 years	160,374	200,000	360,374
	<u>663,006</u>	<u>7,090,453</u>	<u>7,753,459</u>
	2020		
	Operating lease Baht	Service fee and others Baht	Total Baht
Due within 1 year	492,832	7,407,620	7,900,452
Due more than 1 year but no later than 5 years	574,206	1,200,000	1,774,206
	<u>1,067,038</u>	<u>8,607,620</u>	<u>9,674,658</u>