

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

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

Key Audit Matters

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

Key Audit Matters	Key Audit Procedures
<p>Reserve for long-term insurance contracts</p> <p>As at December 31, 2020, the Group had reserves for long-term insurance contracts of Baht 282,407 million, representing 96.16% of its total liabilities, which are accumulated for policies in force, from the inception of insurance policies to the end of the reporting period. They are calculated based on the Net Premium Valuation (NPV) method, which is an actuarial method using locked-in assumptions, plus Provision for Adverse Deviation to buffer the risk of actual assumptions being different from actual circumstances of 5%.</p> <p>In addition, the Group conducts a liability adequacy test (LAT) on the reserve at the end of the reporting period. If the liability reserve is not sufficient, the Company will recognize the shortfall as an additional expense in the statements of profit or loss and other comprehensive income. The liability adequacy test (LAT) on the reserve is calculated based on the Gross Premium Valuation (GPV) method, using the current best estimate assumption of the contractual obligations.</p> <p>Changes in actuarial model using in the measurement of the reserve for long-term insurance contracts according to the above actuarial methods could significantly affect the reserves for long-term insurance contracts. Therefore, key audit matter is whether the recognition of the reserve for long-term insurance contracts is in accordance with the Thai Financial Reporting Standards.</p> <p>The Group disclosed accounting policies of the reserve for long-term insurance contract, detail of the reserve for long-term insurance contract and key assumptions used in the valuation of reserve for long-term insurance contract in Notes 4.14.1, 21.1 and 21.5.1 to the financial statements, respectively.</p>	<p>Our key audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understanding the reserve for long-term insurance contract process and related internal control procedures. • Performing the design and implementation of internal control procedures related to recognition of reserve for long-term insurance contracts. • Performing the substantive testing as follows: <ul style="list-style-type: none"> - The auditor’s actuary expert assessed data, key assumptions and financial models using the Net Premium Valuation (NPV) method and using the Gross Premium Valuation (GPV) method, which the Group’s management applies for the liability adequacy test. - Testing the data used in estimating the reserve for long-term insurance contracts against its sources, evaluating appropriateness of the underlying assumptions, actuarial model and benchmarking of the management’s assumptions to the data on the life insurance industry overall. For financial assumptions, performing analytical procedures on the assumptions with the financial data. - The auditor’s actuary expert tested the selected actuarial models by calculating and assessing whether the method used in the reserve for long-term insurance contracts calculation was consistent with an actuarial approach and in accordance with the notification of the Office of Insurance Commission. - Analyzing and reviewing the reserve for long-term insurance contracts movements. - Performing analytical procedures on financial information relating to reserve for long-term insurance contracts.

Other Information

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

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

BANGKOK
February 24, 2021

Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No.4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

(UNIT : THOUSAND BAHT)

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

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

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

1. GENERAL INFORMATION AND THE COMPANY'S OPERATIONS

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

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2020 onward and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission ("OIC"), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies dated March 4, 2016, which has been effective since January 1, 2016 and No.2 B.E. 2562 (2019) dated April 4, 2019, which has been effective since January 1, 2019.
- 2.3 The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.
- 2.4 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

- 2.5 The consolidated financial statements include the financial statements of Bangkok Life Assurance Public Company Limited and the following subsidiaries:

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

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

The Group is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the significant amount of its returns.

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

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

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

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

- 2.6 Separate financial statements

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

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

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

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

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

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

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

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

The accounting guidelines for financial instruments and disclosures on insurance business

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

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

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

Definition of Business

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

Definition of Materiality

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

The Interest Rate Reform

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Product classification

The Group and the Company classified insurance contracts and reinsurance contracts based on the nature of the insurance contract. Insurance contracts are those contracts where the insurer has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. To determine whether a significant insurance risk has been accepted, the insurer compares the benefits payable after an insured event with the benefits payable if the insured event did not occur. If the criteria are not met, the Group and the Company classifies the insurance contract as an investment contract. Investment contracts have the legal form of insurance contracts and transfer financial risk to the insurer, but not significant insurance risk. Financial risks are specified as interest rate risk, exchange rate risk, or price risk.

The Group and the Company classifies contracts based on assessment of the significance of the insurance risk at inception of contract, for each contract. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime. A contract classified as an investment contract at inception can be reclassified as an insurance contract after inception if the insurance risk becomes significant.

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

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

4.2 Revenue recognition

(1) Premium income

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

(2) Ceded premium

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

(3) Commission and brokerage fee income

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

(4) Net investment income

Interest and dividend income on investments

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

Investment expense are recognised on an accrual basis.

(5) Interest income on loans

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

(6) Gains (losses) on investments

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

(7) Other income

Other income is recognized on an accrual basis.

4.3 Expenses recognition

(1) Benefit payments under life policies and claims

Benefit payments under life policies

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

Claims and losses adjustment expenses

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

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

(2) Commissions and brokerages fees

Commission and brokerage fees are recognized on accrual basis.

(3) Other underwriting and operating expenses

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

4.4 Cash and cash equivalents

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

4.5 Premium receivables and allowance for doubtful accounts

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

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

4.6 Reinsurance assets

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

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

4.7 Reinsurance receivables and payables

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

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

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

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

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

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

4.8 Derivatives assets / liabilities

a) Adopted before January 1, 2020

Forward exchange contracts

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

Cross currency swap contracts

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

b) Adopted after January 1, 2020

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

Hedge accounting

The Group designates certain derivatives as following

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

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

4.9 Investments assets

4.9.1 Investments in securities

a) Adopted before January 1, 2020

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

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

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

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

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

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

b) Adopted after January 1, 2020

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

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

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

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

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

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

4.9.2 Loans and accrued interest receivables

a) Adopted before January 1, 2020

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

b) Adopted after January 1, 2020

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

4.9.3 Expected credit loss and impairment loss

a) Adopted before January 1, 2020

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

b) Adopted after January 1, 2020

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

4.9.4 Investment property

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

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

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

4.10 Premises and equipment and depreciation

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

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

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

Depreciation is included in profit or loss.

No depreciation is provided for land and construction in progress.

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

4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

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

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

4.12 Intangible assets and amortisation

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

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

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

4.13 Impairment of assets

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

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased. The Group and the Company estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Insurance contract liabilities

4.14.1 Reserves for long-term insurance contracts

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

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

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

4.14.2 Loss reserves and outstanding claims

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

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

4.14.3 Premium reserves

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

(a) Unearned premium reserves

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

(b) Unexpired risk reserves

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

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

4.14.4 Unpaid policy benefits

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

4.15 Employee benefits

Short-term employee benefits

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

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

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

4.16 Provisions

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

4.17 Long-term leases

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

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

4.18 Foreign currencies

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

Foreign currency transactions

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

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

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

Foreign operations

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

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

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

4.19 Income tax

Income tax expenses

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

Current income taxes

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

Deferred income taxes

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

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

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

The Group and the Company record deferred income taxes directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

4.20 Fair value measurement

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

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

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

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

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

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

4.21 Related party transactions

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

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

5.1 Allowance for doubtful accounts on receivables/premium receivables

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

5.2 Fair value of financial instruments

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

5.3 Expected credit loss and impairment

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

5.4 Premises and equipment and depreciation

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

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

5.5 Deferred tax assets

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

5.6 Reserves for long-term insurance contracts

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

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

5.7 Loss reserves and outstanding claims

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

5.8 Unexpired risk reserves

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

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

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

6. CASH AND CASH EQUIVALENTS

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

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash on hand	5,978	7,169	5,977	7,168
Deposits at banks with no fixed maturity date	4,340,655	2,152,644	4,329,886	2,078,128
Short-term investments in promissory notes	3,725,588	11,282,070	3,725,588	11,282,070
Cash and cash equivalents	<u>8,072,221</u>	<u>13,441,883</u>	<u>8,061,451</u>	<u>13,367,366</u>

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

7. PREMIUM RECEIVABLES

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

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

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

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

8. REINSURANCE ASSETS

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

	(Unit : Thousand Baht) Consolidated and separate financial statements	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Reserves recordable from reinsurances		
Claim reserves	141,559	76,315
Unearned premium reserves	475,248	473,386
Total reinsurance assets	<u>616,807</u>	<u>549,701</u>

9. AMOUNT DUE FROM REINSURANCE

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

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

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

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

10. DERIVATIVE ASSETS AND LIABILITIES

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

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

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

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2019	
	Fair value	
	Assets	Liabilities
Derivatives for hedging risks		
Cash flow hedge	1,598,446	8,827
Hedge of net investment in foreign currencies	145,718	-
Total derivatives	<u>1,744,164</u>	<u>8,827</u>

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

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

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

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

11. INVESTMENTS IN SECURITIES

11.1 Investments in securities

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

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

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

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

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

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

11.2 Allowance for expected credit loss

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

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

11.3 Remaining periods to maturity of debt securities

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

(Unit : Thousand Baht)

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

11.4 Investments in structured notes

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

- (a) As at December 31, 2019, the Company has investments of Baht 600 million in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, having remaining lives of 1 - 9 years and contain conditions whereby the issuer has call option or has rights to call for additional deposits and bearing interest rate referring to the yield rate on government bond (CMT Index) (As at December 31, 2020: Nil).
- (b) As at December 31, 2019, the Company has investments of Baht 600 million in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 year and bearing interest rate referring to the yield rate government bond (CMT Index) (As at December 31, 2020: Nil).
- (c) As at December 31, 2020 and 2019, the Company has investments of Baht 1,476 million and Baht 3,614 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 - 6 years and 1 - 9 years, respectively, and the notes and the bills contain conditions whereby the notes redemption of the notes and the bills is based on the credit event of the notes and the reference assets.

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

11.5 Investments subject to restriction

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

11.6 Gains on investments

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

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

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

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

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

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

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

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

(Unit : Thousand Baht)

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

12. INVESTMENTS IN SUBSIDIARIES

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

(Unit : Thousand Baht)

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

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

13. DISCONTINUED OPERATION

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

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

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

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

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

14. LOANS AND ACCRUED INTEREST RECEIVABLES

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

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

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

(Unit : Thousand Baht)

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

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

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

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

15. INVESTMENT PROPERTY

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

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

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

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

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

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Office building for rent	<u>36,506</u>	<u>22,646</u>

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

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

16. PROPERTY, PLANT AND EQUIPMENT

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

(Unit : Thousand Baht)

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

Depreciation for the years ended December 31,

2019	Thousand Baht	<u>85,047</u>
2020	Thousand Baht	<u>98,688</u>

(Unit : Thousand Baht)

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

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

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

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

17. GOODWILL

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

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

18. INTANGIBLE ASSETS

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

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

(Unit : Thousand Baht)

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

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

19. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSES

19.1 Deferred tax assets/liabilities

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

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

19.2 Income tax expenses

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

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

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

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

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

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

20. OTHER ASSETS

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

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

21. INSURANCE CONTRACT LIABILITIES

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

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

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

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

From January 1, 2020, the Company revised assumption for reserves for long-term insurance contracts for Provision Adverse Deviation (PAD) from 4% to 5% of Net Premium Valuation (NPV) reserve in order to support the fluctuation of interest rate longevity. The Company recorded the cumulative effect from the change in PAD reserves for long-term insurance contracts as at December 31, 2019 which changed from 4% to 5% in the amount of Baht 2,668 million in the statements of profit or loss and other comprehensive income for the year ended December 31, 2020.

21.1 Reserves for long-term insurance contracts

As at December 31, 2020 and 2019, reserves for long-term insurance contracts consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Balances - beginning of the year	277,488,536	273,908,194	277,488,525	273,908,102
Reserved increased for new businesses and inforce policies	32,614,960	29,754,084	32,614,971	29,754,165
Reserve decreased for death, maturities, benefits, claims, lapses and surrender	(27,696,191)	(26,173,742)	(27,696,191)	(26,173,742)
Balances - end of the year	<u>282,407,305</u>	<u>277,488,536</u>	<u>282,407,305</u>	<u>277,488,525</u>

21.2 Claim reserves

As at December 31, 2020 and 2019, claim reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Balances - beginning of the year	234,462	265,652
Claims incurred in the current year	2,179,313	2,244,800
Claims paid during the year	(2,151,224)	(2,275,990)
Balances - end of the year	<u>262,551</u>	<u>234,462</u>

21.3 Unearned premium reserves

As at December 31, 2020 and 2019, unearned premium reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Balances - beginning of the year	1,451,634	1,322,760
Premium written for the year	4,086,611	3,834,755
Premium earned for the year	(4,055,405)	(3,705,881)
Balances - end of the year	<u>1,482,840</u>	<u>1,451,634</u>

21.4 Claims development table

21.4.1 Claims development table - gross of reinsurance

As at December 31, 2020

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2015	2015	2016	2017	2018	2019	2020	
Estimate of Claims incurred:								
- At end of accident year	1,609,003	1,662,384	1,786,229	1,787,495	2,071,149	2,131,302	1,989,968	-
- One year later	1,659,839	1,737,766	1,853,351	1,870,827	2,124,857	2,204,536	-	-
- Two year later	1,662,355	1,738,525	1,857,916	1,872,409	2,126,051	-	-	-
- Three year later	1,662,355	1,738,525	1,857,916	1,872,409	-	-	-	-
- Four year later	1,662,355	1,738,525	1,857,916	-	-	-	-	-
- Five year later	1,662,355	1,738,527	-	-	-	-	-	-
Estimate of cumulative claims								
incurred	1,662,355	1,738,527	1,857,916	1,872,409	2,126,051	2,205,775	2,058,346	13,521,379
Cumulative payments to date	(1,659,382)	(1,738,026)	(1,856,350)	(1,872,363)	(2,125,862)	(2,194,382)	(1,812,463)	(13,258,828)
Total claims provision								
- gross of reinsurance	2,973	501	1,566	46	189	11,393	245,883	262,551

As at December 31, 2019

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2014	2014	2015	2016	2017	2018	2019	
Estimate of Claims incurred:								
- At end of accident year	1,550,013	1,609,003	1,662,369	1,786,230	1,787,490	2,071,233	2,069,141	-
- One year later	1,647,789	1,659,839	1,737,751	1,853,353	1,870,819	2,141,194	-	-
- Two year later	1,651,663	1,662,355	1,738,510	1,857,917	1,872,145	-	-	-
- Three year later	1,651,663	1,662,355	1,738,510	1,857,917	-	-	-	-
- Four year later	1,651,663	1,662,355	1,738,510	-	-	-	-	-
- Five year later	1,651,663	1,662,355	-	-	-	-	-	-
Estimate of cumulative claims								
incurred	1,651,663	1,662,355	1,738,510	1,857,917	1,872,145	2,143,935	2,149,283	13,075,808
Cumulative payments to date	(1,649,319)	(1,661,350)	(1,737,009)	(1,857,197)	(1,872,070)	(2,140,585)	(1,923,816)	(12,841,346)
Total claims provision								
- gross of reinsurance	2,344	1,005	1,501	720	75	3,350	225,467	234,462

21.4.2 Claims development table - net of reinsurance

As at December 31, 2020

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2015	2015	2016	2017	2018	2019	2020	
Estimate of Claims incurred:								
- At end of accident year	1,609,003	1,662,384	1,786,229	1,787,495	2,071,149	2,131,302	1,989,968	-
- One year later	1,659,839	1,737,766	1,853,351	1,870,827	2,124,857	-	-	-
- Two year later	1,662,355	1,738,526	1,857,916	1,872,409	-	-	-	-
- Three year later	1,662,355	1,738,526	1,857,916	-	-	-	-	-
- Four year later	1,662,355	1,738,526	-	-	-	-	-	-
- Five year later	1,662,355	-	-	-	-	-	-	-
Estimate of cumulative claims								
incurred	1,662,355	1,738,526	1,857,916	1,872,409	2,126,051	2,205,775	2,058,346	13,521,378
Cumulative payments to date	(1,659,482)	(1,738,332)	(1,856,991)	(1,873,200)	(2,128,529)	(2,197,586)	(1,946,266)	(13,400,386)
Total claims provision - gross								
of reinsurance	2,873	194	925	(791)	(2,478)	8,189	112,080	120,992

As at December 31, 2019

(Unit : Thousand Baht)

Accident year	Consolidated and separate financial statements							Total
	Before 2014	2014	2015	2016	2017	2018	2019	
Estimate of Claims incurred:								
- At end of accident year	1,550,013	1,609,003	1,662,369	1,786,230	1,787,490	2,071,233	2,069,141	-
- One year later	1,647,789	1,659,839	1,737,751	1,853,353	1,870,819	-	-	-
- Two year later	1,651,663	1,662,355	1,738,510	1,857,917	-	-	-	-
- Three year later	1,651,663	1,662,355	1,738,510	-	-	-	-	-
- Four year later	1,651,663	1,662,355	-	-	-	-	-	-
- Five year later	1,651,663	-	-	-	-	-	-	-
Estimate of cumulative claims								
incurred	1,651,563	1,662,355	1,738,510	1,857,917	1,872,145	2,141,970	2,075,034	12,999,494
Cumulative payments to date	(1,649,319)	(1,661,350)	(1,737,009)	(1,857,197)	(1,872,070)	(2,140,585)	(1,923,816)	(12,841,346)
Total claims provision - gross								
of reinsurance	2,244	1,005	1,501	720	75	1,385	151,218	158,148

21.5 Key assumptions

21.5.1 Assumptions used in the measurement of insurance reserves for long-term insurance contracts.

The Group and the Company measures insurance contract with Net Premium Valuation method by using cash flows estimation from premiums and benefits payment. The Company estimates premiums by actuarial methods and use assumptions such as discount rate, mortality rate, and disability rate by plus margin for administration expenses. This method excludes persistency rate.

The key assumptions in the actuarial method was summarised as follows:

(A) Mortality rates, morbidity rates and longevity rates

According to Thailand mortality tables on industry type and Thailand pensions table that were announced by the OIC.

(B) Discount rate

The discount rate in calculating the reserve was not higher than the interest rate that determine premium rates and not more than 6 percent per year.

21.5.2 Assumptions used in claims incurred but not reported

The Group and the Company estimated claims for short-term contracts by considering their claims incurred but not reported. The assumptions used in the calculation as at the date of the latest report, which estimated from data collected in the past and judgment actuary.

21.6 Unpaid policy benefits

As at December 31, 2020 and 2019, unpaid policy benefits consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Death benefit	66,820	64,284
Maturity payment	139,688	103,384
Benefit payment	29,105	21,735
Surrender	1,282	1,771
Total unpaid policy benefits	<u>236,895</u>	<u>191,174</u>

21.7 Other insurance liabilities

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

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Deposit from insurance contracts	6,613,326	6,903,089
Premiums received in advance	240,624	293,294
Payable to policyholders on exempted premiums	85,038	79,639
Total other insurance liabilities	<u>6,938,988</u>	<u>7,276,022</u>

22. AMOUNT DUE TO REINSURANCE

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

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	December 31, 2020	December 31, 2019
Amount due to reinsurances	798,906	1,128,743
Total amount due to reinsurance	<u>798,906</u>	<u>1,128,743</u>

23. EMPLOYEE BENEFIT OBLIGATIONS

As at December 31, 2020 and 2019, employee benefit obligations consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Post-employment benefit obligations for severance pay (see Note 23.1)	145,012	185,863	144,530	183,925
Other employment benefit obligation for long service awards (see Note 23.2)	25,737	27,997	25,690	27,952
Total employee benefit obligations	<u>170,749</u>	<u>213,860</u>	<u>170,220</u>	<u>211,877</u>

23.1 Post-employment benefit obligations for severance pay

Movement in post-employment benefit obligations for severance pay during the years ended December 31, consist of the following:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Beginning balance as at January 1,	185,863	155,259	183,925	153,803
Increases (decreases) during the year	(40,851)	30,604	(39,395)	30,122
Ending balance as at December 31,	<u>145,012</u>	<u>185,863</u>	<u>144,530</u>	<u>183,925</u>

Under the Labor Protection Act and the Company's employment policy, all employees are entitled to receive the severance pay in accordance with the terms of labor laws, in the event that the employee reaches the retirement age of 60.

23.2 Other employment benefit obligations for long service awards

Movement in other employment benefit obligations for long service awards during the years ended December 31, consist of the following:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Beginning balance as at January 1,	27,997	23,378	27,952	23,309
Increases (decreases) during the year	(2,260)	4,619	(2,262)	4,643
Ending balance as at December 31,	<u>25,737</u>	<u>27,997</u>	<u>25,690</u>	<u>27,952</u>

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, and other long-term benefits for the years ended December 31, 2020 and 2019 were as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of years	213,860	178,637	211,877	177,112
Included in profit or loss:				
Current service cost	31,010	26,031	31,943	25,714
Interest cost	4,555	6,288	4,513	6,234
Actuarial (gain) loss arising from				
Demographic assumptions changes	(2,833)	-	(2,824)	-
Financial assumptions changes	(143)	3,672	(148)	3,664
Experience adjustments	(612)	(1,599)	(604)	(1,566)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(35,027)	-	(34,924)	-
Financial assumptions changes	(13,144)	26,019	(13,107)	25,887
Experience adjustments	(6,606)	(11,293)	(7,350)	(11,281)
Benefits paid during the year	(20,311)	(13,895)	(19,156)	(13,887)
Provision for long-term employee benefits at end of years	170,749	213,860	170,220	211,877

As at December 31, 2020, the Group and the Company expect to pay Baht 5 million of long-term employee benefits during the next year (As at December 31, 2019: Baht 7 million).

As at December 31, 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefit of the Group and the Company are 21 years and 21 years, respectively.

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate for defined benefit plans	1.82	2.13	1.82	2.13
Discount rate for other long-term employee benefits	1.82	2.13	1.82	2.13
Inflation rate for gold price	3.00	3.00	3.00	3.00
Salary increase rate	5.00	6.00	5.00	6.00
Turnover rate (depending on age of employee)	7.30, 9.70	5.40, 10.70	7.30, 9.70	5.40, 10.70
Gold per weight of Baht 1 (Baht)	22,050	22,050	22,050	22,050

* The mortality rate is based on the mortality table of 2017 which has not been included in the allowance.

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

	Assumptions increase (decrease) (% per annum)	Consolidated financial statements Amount increase (decrease) (Thousand Baht)	Separate financial statements Amount increase (decrease) (Thousand Baht)
Discount rate	0.25%	(3,528)	(3,517)
Discount rate	(0.25%)	3,656	3,646
Inflation rate of gold price	1.00%	1,720	1,716
Inflation rate of gold price	(1.00%)	(1,574)	(1,567)
Salary increase rate	0.25%	3,144	3,135
Salary increase rate	(0.25%)	(3,052)	(3,042)
Turnover rate	10.00%	(11,064)	(11,030)
Turnover rate	(10.00%)	12,203	12,167
Gold per weight of 1 Baht	10.00%	2,574	2,569
Gold per weight of 1 Baht	(10.00%)	(2,574)	(2,569)

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

24. OTHER LIABILITIES

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

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Accrued commission expenses	528,616	515,501	527,864	514,031
Accrued expenses	209,500	284,318	209,414	283,912
Premium received for policies not yet approved	33,098	46,867	33,098	46,867
Amounts received awaiting transfer	92,936	68,047	92,936	68,047
Specific Business Tax payable	150,737	148,716	150,737	148,716
Payable from purchases of investments	110,886	32,721	110,886	32,721
Withholding tax payable	53,846	38,557	53,809	38,472
Short-term employee benefit payables	-	25,231	-	25,231
Collateral under derivatives agreements	-	35,500	-	35,500
Others	126,055	30,636	122,699	21,860
Total other liabilities	<u>1,305,674</u>	<u>1,226,094</u>	<u>1,301,443</u>	<u>1,215,357</u>

25. STATUTORY RESERVE

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

26. OPERATING SEGMENT

The Group and the Company presented operating segment information in the same manner as that reported to the Office of Insurance Commission (“OIC”) on the report of underwriting information reported by insurance categories since the management considered that The Group and the Company is operating its core business in a single segment (i.e. life insurance business) and in a single geographic area that is Thailand with Operation in Cambodia which is insignificants. Hence, all items as presented in this segment information are consistent to The Group and the Company internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about allocation of resources to the segment and evaluate its performance. The chief operating decision maker has been identified as the Chief Executive Officer.

Underwriting information classified by insurance categories for the years ended December 31, 2020 and 2019 is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	For the year ended December 31, 2020					
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income						
Premium written	31,483,608	2,558,081	658,006	44,767	-	34,744,462
<u>Less Premium ceded</u>	<u>(1,318,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,318,974)</u>
Net premium written	30,164,634	2,558,081	658,006	44,767	-	33,425,488
<u>Add (Less) Unearned premium</u> reserve (increased) decreased from prior year	<u>(29,678)</u>	<u>-</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>(29,344)</u>
Net earned premium	30,134,956	2,558,081	658,006	45,101	-	33,396,144
Fee and commission income	431,928	-	-	-	-	431,928
Total underwriting income	<u>30,566,884</u>	<u>2,558,081</u>	<u>658,006</u>	<u>45,101</u>	<u>-</u>	<u>33,828,072</u>
Underwriting expenses						
Life policy reserves increased from prior years	2,066,628	659,498	2,192,654	-	-	4,918,780
Benefit payments under life policies and claims net refundable from reinsurance	35,350,881	4,271	96,741	9,473	-	35,461,366
Commissions and brokerage expenses	2,543,107	181,326	30,742	988	8,914	2,765,077
Other underwriting expenses	516,217	32,465	8,352	563	-	557,597
Total underwriting expenses	<u>40,476,833</u>	<u>877,560</u>	<u>2,328,489</u>	<u>11,024</u>	<u>8,914</u>	<u>43,702,820</u>

(Unit : Thousand Baht)

	Consolidated financial statements				
	For the year ended December 31, 2019				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	34,815,759	831,480	45,085	-	35,692,324
<u>Less</u> Premium ceded	(1,343,318)	-	-	-	(1,343,318)
Net premium written	33,472,441	831,480	45,085	-	34,349,006
<u>Less</u> Unearned premium reserve increased from prior year	(39,515)	-	(1,731)	-	(41,246)
Net earned premium	33,432,926	831,480	43,354	-	34,307,760
Fee and commission income	351,358	-	-	-	351,358
Total underwriting income	<u>33,784,284</u>	<u>831,480</u>	<u>43,354</u>	<u>-</u>	<u>34,659,118</u>
Underwriting expenses					
Life policy reserves increased from prior years	2,898,905	681,517	-	-	3,580,422
Benefit payments under life policies and claims net refundable from reinsurance	34,686,638	72,641	5,215	-	34,764,494
Commissions and brokerage expenses	2,927,672	64,650	1,389	10,768	3,004,479
Other underwriting expenses	597,855	11,732	612	108	610,307
Total underwriting expenses	<u>41,111,070</u>	<u>830,540</u>	<u>7,216</u>	<u>10,876</u>	<u>41,959,702</u>

27. OPERATING EXPENSES

For the years ended December 31, 2020 and 2019, operating expenses consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Personnel expenses	845,280	820,241	841,350	814,267
Premises and equipment expenses	179,131	169,085	178,711	168,664
Taxes and duties	2,777	4,958	2,777	4,958
Other operating expenses	506,641	642,145	506,818	642,105
Total operating expenses	<u>1,533,829</u>	<u>1,636,429</u>	<u>1,529,656</u>	<u>1,629,994</u>

28. EXPENSES BY NATURE

For the years ended December 31, 2020 and 2019, expenses by nature consisted of the following:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	For the years ended December 31,		financial statements	
	2020	2019	For the years ended December 31,	2020
			2020	2019
Employee related expenses				
Included in benefit payments under life policies and claims	36,509	34,403	36,509	34,403
Included in other underwriting expenses	23,647	22,296	23,647	22,296
Included in operating expenses	845,280	820,241	814,350	814,267
Total	<u>905,436</u>	<u>876,940</u>	<u>874,506</u>	<u>870,966</u>
Premises and equipment expenses				
Included in operating expenses	179,131	169,085	178,711	168,664
Total	<u>179,131</u>	<u>169,085</u>	<u>178,711</u>	<u>168,664</u>

29. PROVIDENT FUND

The Group and the Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 5 percent to 15 percent of basic salary. The fund, which is managed by a license fund manager, will be paid to employees upon termination in accordance with the fund rules. During the years 2020 and 2019, the Group and the Company contributed to the fund by Baht 39 million and Baht 37 million, respectively.

30. GAINS ON REVALUATION

For the years ended December 31, 2020 and 2019, gains on revaluation consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate	
	financial statements	
	For the years ended December 31,	
	2020	2019
Unrealised losses from investment at fair value through profit or loss	(3,995)	(12,493)
Unrealised gains (losses) on foreign exchange contracts	(164,299)	401,993
Gains (losses) on exchange rate	449,148	(42,306)
Loss on revaluation fair value of forward exchange contracts	(151,191)	-
Total fair value gains	<u>129,663</u>	<u>347,194</u>

31. EFFECTED TAX OF OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019, effected tax of other comprehensive income consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements					
	For the years ended December 31,					
	2020			2019		
	Amount before taxes	Taxes income (expense)	Amount after taxes	Amount before taxes	Taxes income (expense)	Amount after taxes
Gains on remeasuring investment at fair value through other comprehensive income	1,008,033	(174,974)	833,059	3,643,438	(728,687)	2,914,751
Reversal of gain realised on the disposal of investment at fair value through other comprehensive income	(555,462)	111,092	(444,370)	(426,294)	85,258	(341,036)
Losses on remeasuring cash flow hedge derivatives fair value	(479,852)	95,971	(383,881)	-	-	-
Foreign exchange differences on translation of financial statements in foreign currency	-	-	-	(155)	-	(155)
Actuarial gain (loss)	54,777	(11,076)	43,701	(14,726)	2,921	(11,805)
Total	27,496	21,013	48,509	3,202,263	(640,508)	2,561,755

(Unit : Thousand Baht)

	Separate financial statements					
	For the years ended December 31,					
	2020			2019		
	Amount before taxes	Taxes income (expense)	Amount after taxes	Amount before taxes	Taxes income (expense)	Amount after taxes
Gains on remeasuring investment at fair value through other comprehensive income	1,008,033	(174,974)	833,059	3,643,438	(728,687)	2,914,751
Reversal of gain realised on the disposal of investment at fair value through other comprehensive income	(555,462)	111,092	(444,370)	(426,294)	85,258	(341,036)
Losses on remeasuring cash flow hedge derivatives fair value	(479,852)	95,971	(383,881)	-	-	-
Actuarial gain (loss)	55,381	(11,076)	44,305	(14,606)	2,921	(11,685)
Total	28,100	21,013	49,113	3,202,538	(640,508)	2,562,030

32. RELATED PARTY TRANSACTIONS

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

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

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Related by way of common shareholders
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common shareholders
Thaire Life Assurance Pcl.	Life assurance	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common shareholders
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Shareholding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common shareholders
Tris Corporation Ltd.	Services	Related by way of common directors
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Indorama Ventures Public Company Limited	Petrochemical	Related by way of common directors
Asia Warehouse Co., Ltd.	Rental of assets	Shareholding by the major shareholder of the Company
Ek-Chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd.	Asset management	Shareholding and related by way of common directors
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
BLA Insurance Broker Co., Ltd	Insurance broker	Subsidiary
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common shareholders
I-Direct Insurance Broker Co., Ltd.	Life Insurance broker	Related by way of common shareholders
Bangkok Life Assurance (Cambodia) Public Limited Company ⁽¹⁾	Life insurance	Subsidiary
Charoong Thai Wire&Cable Pcl.	Industry	Related by way of common directors
Fine Metal Technologies Public Co., Ltd.	Industry	Related by way of common directors
Thai Reinsurance Public Co., Ltd.	Insurance	Related by way of common directors

(1) It had been considered as related party until December 9, 2020 because the Company sold investment in Bangkok Life Assurance (Cambodia) Public Limited Company since then.

During the years ended December 31, 2020 and 2019, the Group and the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Group and the Company and those parties are as follows:

(Unit : Thousand Baht)

	Consolidated		Pricing policy
	financial statements		
	For the years ended		
	December 31,		
	2020	2019	
Related parties			
Premium written	10,347	9,473	Normal commercial terms for underwriting
Premium ceded to reinsurers	517,993	530,236	Normal commercial terms for underwriting
Fee and commission income	161,738	138,695	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	403,874	415,381	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	8,089	4,782	Same rates as the Group and the Company charged to general borrowers who mortgage assets as collateral
Dividend income	424,562	413,655	The declared amount
Rental and service income	11,160	13,603	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	65,071	73,021	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	1,767	288,352	Normal commercial terms on contracts
Commission and brokerage	954,221	1,251,458	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	331,607	297,248	Normal commercial terms for underwriting
Claim payment and diagnose charge	23,847	19,669	Normal commercial terms for underwriting
Bank charges	184,582	175,382	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	3,138	4,217	Normal commercial terms for underwriting
Building space rental and services	63,581	72,422	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	6,391	9,252	Normal commercial terms for services

(Unit : Thousand Baht)

	Separate financial statements		Pricing policy
	For the years ended		
	December 31,		
	2020	2019	
Transactions with related companies			
Subsidiaries			
Written Premium	180	106	Normal commercial terms for underwriting
Rental and service income	496	569	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties			
Written Premium	10,347	9,473	Normal commercial terms for underwriting
Premium ceded to reinsurers	517,993	530,236	Normal commercial terms for underwriting
Fee and commission income	161,738	138,695	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	403,866	415,359	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	8,089	4,782	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	424,562	413,655	The declared amount
Brokerage income from securities trading	65,071	73,021	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	1,767	288,352	Normal commercial terms on contracts
Commission and brokerage	954,221	1,251,458	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	331,607	297,248	Normal commercial terms for underwriting
Claim payment and diagnose charge	23,847	19,669	Normal commercial terms for underwriting
Bank charges	184,507	175,297	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	3,131	4,209	Normal commercial terms for underwriting
Building space rental and services	63,581	72,422	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	320	1,252	Normal commercial terms for services

For the years ended December 31, 2020 and 2019, premium written from the Bancassurance distribution channel represented approximately 54.88% and 55.97% of total net premium written, respectively.

As at December 31, 2020 and 2019, the balance of the accounts between the Group and the Company and those related companies are as follows:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Subsidiaries				
Other liabilities				
Deposits	-	-	66	66
Total other liabilities	-	-	66	66
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	3,585,042	1,187,103	3,574,885	1,175,978
Investment assets				
Investment in securities	16,717,195	17,306,708	16,717,195	17,306,708
Loans	151,185	72,996	151,185	72,996
Total investments assets	16,868,380	17,379,704	16,868,380	17,379,704
Amount due from reinsurance	209,920	305,912	209,920	305,912
Forward and swap foreign exchange contract receivables	6,642,438	7,399,499	6,642,438	7,399,499
Other assets	15,023	27,161	9,909	20,502
Amount due to reinsurance	150,843	326,522	150,843	326,522
Outstanding claims	5,542	1,386	5,542	1,386
Forward and swap foreign exchange contract payables	6,546,170	7,341,284	6,546,170	7,341,284
Other liabilities	176,534	166,555	173,169	157,815

Directors and key management's benefits

During the years ended December 31, 2020 and 2019, the Group and the Company had employee benefit expenses payable to their directors and key management as below:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	For the years ended		financial statements	
	December 31,		For the years ended	
	2020	2019	2020	2019
Short-term employee benefits	87,684	82,183	87,684	82,183
Long-term employee benefits	2,952	3,270	2,952	3,270
Total directors and management's benefits	90,636	85,453	90,636	85,453

33. ASSETS PLACED WITH THE REGISTRAR

As at December 31, 2020 and 2019, the following assets have been placed as securities with the Registrar in accordance with the Life Insurance Act.

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	December 31, 2020		December 31, 2019	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	22,973	30,090	23,051	30,319

34. ASSETS RESERVED WITH THE REGISTRAR

As at December 31, 2020 and 2019, the following securities have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	December 31, 2020		December 31, 2019	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	58,286,270	76,622,708	59,503,696	79,720,334
State enterprise bonds	3,199,448	3,622,938	4,599,986	5,097,301
Total	61,485,718	80,245,646	64,103,682	84,817,635

35. CONTRIBUTION TO LIFE INSURANCE FUND

For the years ended December 31, 2020 and 2019, contribution to life insurance fund consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended December 31,	
	2020	2019
Life insurance fund at the beginning of the years	420,412	384,720
Contribution during the years	34,745	35,692
Life insurance fund at the end of the years	455,157	420,412

36. EARNINGS (LOSSES) PER SHARE

Basic earnings (losses) per share for the years ended December 31, 2020 and 2019 are as follows:

	Consolidated financial statement					
	For the years ended December 31,					
	Continuing operations		Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
Net profits (losses) (Thousand Baht)	1,608,448	4,387,856	(180)	(1,870)	1,608,268	4,385,986
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Baht per share)	0.942	2.570	(0.001)	(0.001)	0.941	2.569

	Separate financial statement	
	For the years ended December 31,	
	2020	2019
Net profits (Thousand Baht)	1,620,614	4,383,926
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht per share)	0.949	2.567

37. DIVIDENDS PAID

Dividends declared during the years ended December 31, 2020 and 2019 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht per share)
Annual dividend for 2019	Annual General Meeting of the Shareholders on July 10, 2020 and the OIC on July 2, 2020	547	0.32
Total dividend for the year 2020		547	0.32
Annual dividend for 2018	Annual General Meeting of the Shareholders on April 26, 2019 and the OIC on April 18, 2019	682	0.40
Interim dividend from operations for six-month period ended June 30, 2019	Meeting of Board of Directors on August 13, 2019 and the OIC on September 10, 2019	545	0.32
Total dividend for the year 2019		1,227	0.72

38. COMMITMENTS

- 38.1 As at December 31, 2020 and 2019, the Company entered into construction building agreement with local companies totaling of Baht 979.70 million and Baht 458.20 million, respectively. The Company had commitment according to the agreements amounting to Baht 175.12 million and Baht 336.32 million, respectively.
- 38.2 The Group and the Company have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable.

As at December 31, 2020 and 2019, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit : Million Baht)		
	Consolidated and separate financial statement		
	December 31, 2020		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	3.07	1.83	4.90
Operating lease agreements			
- Other parties	17.82	17.05	34.87
Service agreements	7.79	5.85	13.64
Total	28.68	24.73	53.41

	(Unit : Million Baht)		
	Consolidated financial statement		
	December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	10.63	1.24	11.87
Operating lease agreements			
- Other parties	15.59	11.10	26.69
Service agreements	7.65	-	7.65
Total	33.87	12.34	46.21

	(Unit : Million Baht)		
	Separate financial statement		
	December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	10.63	1.24	11.87
Operating lease agreements			
- Other parties	15.53	11.10	26.63
Service agreements	7.65	-	7.65
Total	33.81	12.34	46.15

The Group and the Company recognized rental expense derived from the operating leases for the years ended December 31, 2020 and 2019 amounting to Baht 38.95 million and Baht 40.70 million, respectively.

38.3 As at December 31, 2020 and 2019, the Group and the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 11.4 (1) to the interim financial statements, as summarised below.

	(Unit : Thousand Baht)	
	<u>Consolidated and separate financial statements</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Payable within 1 year	-	900,000

38.4 As at December 31, 2020 and 2019, the Company had bank guarantee issued by banks Baht 1.6 million and Baht 2.0 million, respectively.

39. LITIGATION

As at December 31, 2020 and 2019, the Group and the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 5 million and Baht 8 million, respectively, for being the insurer and the cases have yet been finalised. The Company has yet provided for any provision for loss on such cases since there are still uncertainty with respect to the outcome of the cases.

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group and the Company use the market approach to measure their assets that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible.

TFRS 13 “Fair Value Measurement” establishes a fair value hierarchy categorising such inputs into three levels as follows:

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

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

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

As at December 31, 2020 and 2019, the Group and the Company had the following assets that were measured at fair value and assets which fair value were disclosed using different levels of inputs as follows:

	(Unit : Thousand Baht)			
	Consolidated and separated financial statements			
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative assets				
Cross currency swap contracts	-	1,224,550	-	1,224,550
Forward exchange contracts	-	72,270	-	72,270
Forward contracts	-	7,463	-	7,463
Investment at fair value through profit or loss				
Equity instruments	14,040	-	-	14,040
Investment at fair value through other comprehensive income				
Equity instruments	32,963,937	-	1,089,260	34,053,197
Debt instruments	3,437,911	76,793,296	2,951,247	83,182,454
Assets for which fair value are disclosed				
Investment at amortised cost				
Debt instruments	-	222,284,646	3,662,733	225,947,379
Investment property	-	-	36,506	36,506
Loans and accrued interest receivables				
Policy loans	-	-	11,299,308	11,299,308
Mortgage loans	-	-	1,781,135	1,781,135
Financial liabilities measured at fair value				
Derivative liabilities				
Cross currency swap contracts	-	2,033	-	2,033
Forward exchange contracts	-	73,940	-	73,940

	(Unit : Thousand Baht)			
	Consolidated and separated financial statements			
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held-for-trading investments				
Equity instruments	20,856	-	-	20,856
Available-for-sale investments				
Equity instruments	44,026,206	6,061,380	-	50,087,586
Debt instruments	-	30,016,803	-	30,016,803
Assets for which fair value are disclosed				
Held-to-maturity investments				
Debt instruments	-	247,775,543	12,518,322	260,293,865
Investment property	-	-	22,646	22,646
Derivatives				
Cross currency swap contracts	-	1,598,446	-	1,598,446
Forward exchange contracts	-	145,718	-	145,718
Loans and accrued interest receivables				
Policy loans	-	-	11,014,242	11,014,242
Mortgage loans	-	-	1,750,064	1,750,064
Liabilities for which fair value are disclosed				
Derivatives				
Cross currency swap contracts	-	8,827	-	8,827

Valuation techniques and inputs to Level 2 valuations

- a) The fair value of investments in debt instruments, not including unit trusts at fair value through other comprehensive income and at amortised cost, has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- b) The fair value of investments in unit trusts at fair value through other comprehensive income has been determined by using the net asset value per unit as announced by the fund managers.
- c) The fair value of derivative assets and derivative liabilities at fair value through profit or loss and other comprehensive income has been determined by using exchange rates and discounted cash flow method based on interest rate as a discount rate.

Valuation techniques and inputs to Level 3 valuations

- a) The fair value of investments in equity instruments at fair value through other comprehensive income has been determined by using price to book value ratio from comparing with industry prices and dividend discount model.
- b) The fair value of investments in debt instruments at fair value through other comprehensive income and at amortised cost are determined by using discounted cash flow method based on the reference interest rate as a discount rate.
- c) The fair value of investment property has been determined based on valuation performed by an independent appraiser. The fair value of the office building held for rent has been determined using the cost approach. The approach was estimated current replacement cost less accumulated depreciation and add with fair value of land.
- d) The fair value of policy loans are estimated by discounting expected future cash flow by the interest-free bonds.
- e) The fair value of mortgage loans are estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. Thus, carrying value presented in the financial statements is closely to fair value.

During the current period, there was no transfer within the fair value hierarchy.

Fair value of the following assets resemble carrying value

- Cash and cash equivalents
- Premium receivables

41. EXPECTED CREDIT LOSS AND IMPAIRMENT LOSS

	(Unit : Thousand Baht)
	Consolidated and separate financial statements
	For the year ended December 31, 2020
Expected Credit Loss	
Investments in securities	186,950
Loans and accrued interest receivables	23,437
	<hr/> 210,387
Impairment loss	
Investments in securities	128,610
Total	<hr/> <hr/> 338,997

42. LIFE INSURANCE COMPANY RISK

The Group and the Company recognises the importance of risk management across the entity. To comply with the Group and the Company risk management policy, which requires the Group and the Company to manage risks by using Enterprise Risk Management (ERM) in order to minimise the impact this may have happened in terms of the financial position and the Group and the Company reputation.

42.1 Insurance risk

Insurance risk may cause from mortality risk, mobility rate, persistency rate or actual expenses ratio which may differ from estimated expenses ratio which may cause negative impact to the Group and the Company operating results. The Group and the Company risk management policy consist of

(a) Product development and pricing risk

Product development and premium rates risk is the risk from error in product development process and the risk that premium rates may not be enough to cover the contractual obligations.

The company manages these risks by set up product development team to create idea and develop product to meet target customer needs, and set appropriate premium rates that correspond with the Company operating strategy under the Company risk management policy. Also, the company usually reviews the product pricing, new product design, including assumptions used in product testing before getting approvals from product development team.

(b) Underwriting risk

Underwriting risk may arise from an inaccurate assessment of risks in underwriting process.

The Company set up clear underwriting policy standard for each product plan, age, sex, and risk levels. Underwriting process considers health factors and other factors, as well as premium payment ability, resulting in different coverage and insurance premiums of each policyowner.

Moreover, to avoid the risk from paying unexpectedly large claims and increase the potentiality of insurance, the Company considers transferring an insurance risk to financially stable reinsurers.

(c) Insurance reserve risk

Insurance reserve risk is the risk that the reserves, that the Company recognized in financial statements, may not be sufficient to cover contractual obligations to policyowners. The Company evaluates the adequacy of insurance reserves at the end of each reporting period, including the sensitivity analysis of the important assumptions especially the interest rates.

In addition, the Company focuses on the quality control process of the insurance policies that are still in force by reviewing the assumptions used in insurance reserves calculations to ensure that the insurance reserve is sufficient to meet its contractual obligations.

(d) Concentration risk

Concentration risk is the risk that the Company may be affected significantly by any single event. The Company manages concentration risk by distributing its life insurance products among a wide range of customer groups throughout region. Events that may affect the Company due to concentration of its products including:

- Changes in the mortality rate trend of the population as modern medical technology increases the lifespan of the population, resulting in higher benefit payments for pension products.
- Changes in interest rates are the risks caused by a significant change in interest rates which affect the change in the company's assets and liabilities, and negatively affect products that offer guaranteed benefits. The risk depends on the offered guaranteed benefits with the current interest rate

The following table shows the concentration of insurance contract liabilities by types of contracts.

(Unit : Thousand Baht)

		Consolidated financial statements								
		Insurance contract liabilities - Gross of reinsurance								
		December 31, 2020				December 31, 2019				
		Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total
Reserves for long-term insurance contracts		275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,090	4,202,446	-	277,488,536
Claim reserves		-	-	-	262,551	262,551	-	-	234,462	234,462
Total		275,184,609	2,192,654	5,030,042	262,551	282,669,856	273,286,090	4,202,446	234,462	277,722,998

(Unit : Thousand Baht)

		Consolidated financial statements								
		Insurance contract liabilities - Net of reinsurance								
		December 31, 2020				December 31, 2019				
		Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total
Reserves for long-term insurance contracts		275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,090	4,202,446	-	277,488,536
Claim reserves		-	-	-	120,992	120,992	-	-	158,147	158,147
Total		275,184,609	2,192,654	5,030,042	120,992	282,528,297	273,286,090	4,202,446	158,147	277,646,683

(Unit : Thousand Baht)

Separate financial statements									
Insurance contract liabilities - Gross of reinsurance									
December 31, 2020					December 31, 2019				
Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	
Reserves for long-term insurance contracts	275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,079	4,202,446	-	277,488,525
Claim reserves	-	-	-	262,551	262,551	-	-	234,462	234,462
Total	275,184,609	2,192,654	5,030,042	262,551	282,669,856	273,286,079	4,202,446	234,462	277,722,987

(Unit : Thousand Baht)

Separate financial statements									
Insurance contract liabilities - Net of reinsurance									
December 31, 2020					December 31, 2019				
Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	Traditional products - no participating dividend	Life annuity products - no participating dividend	Group insurance and riders	Total	
Reserves for long-term insurance contracts	275,184,609	2,192,654	5,030,042	-	282,407,305	273,286,079	4,202,446	-	277,488,525
Claim reserves	-	-	-	120,992	120,992	-	-	158,147	158,147
Total	275,184,609	2,192,654	5,030,042	120,992	282,528,297	273,286,079	4,202,446	158,147	277,646,672

42.2 Interest rate risk

The low interest rates affect the profitability and the insurance product development. Interest rates is one of the main assumption in setting the premium rates, evaluating insurance reserves and capital adequacy ratio. These will affect the ability to pay its obligations as stated in an insurance contract and to maintain profitability, the return on investment, and risk-based capital, as well as a correlation of an asset and a liability from insurance contracts management.

The Company manages this risk by establishing Risk Committee to monitor, evaluate and report risk factors and report Key Risk Indicators (KRI) closely and also to perform Asset and Liability Management (ALM), together with reviewing and adjusting the investment plan according to the situation which are performing asset allocation and duration gap management. The Company also regularly reviews the product pricing to reflect the current costs, and monitors the risks by using early warning system, sensitivity test and stress test.

42.3 Liquidity risk

Liquidity risk is the risk of loss as a result of the Company inability to maintain the cash level or liquidate financial assets and/or procure sufficient funds to discharge its obligations in a timely manner. The Company manage liquidity risk by maintaining sufficient levels of cash and cash equivalents to fund their operations and performing the cash flow management plan and investment management plan to avoid the effects caused by the fluctuations in cash flow.

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2020				
	0 - 5 years	5 - 10 years	Over 10 years	Total
Assets				
Reinsurance assets	616,807	-	-	616,807
Investment in securities ⁽¹⁾	140,416,821	90,951,428	150,568,253	381,936,502
Total assets	<u>141,033,628</u>	<u>90,951,428</u>	<u>150,568,253</u>	<u>382,553,309</u>
Liabilities				
Reserves for long-term insurance contracts ⁽²⁾	128,023,778	75,905,632	174,959,332	378,888,742
Claim reserves	262,551	-	-	262,551
Total liabilities	<u>128,286,329</u>	<u>75,905,632</u>	<u>174,959,332</u>	<u>379,151,293</u>

(1) Total principal amount and interest

(2) Amount before discount

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2019				
	0 - 5 years	5 - 10 years	Over 10 years	Total
Assets				
Reinsurance assets	549,701	-	-	549,701
Investment in securities ⁽¹⁾	156,349,284	90,148,697	134,554,930	381,052,911
Total assets	<u>156,898,985</u>	<u>90,148,697</u>	<u>134,554,930</u>	<u>381,602,612</u>
Liabilities				
Reserves for long-term insurance contracts ⁽²⁾	115,193,227	98,643,657	194,726,222	408,563,106
Claim reserves	234,462	-	-	234,462
Total liabilities	<u>115,427,689</u>	<u>98,643,657</u>	<u>194,726,222</u>	<u>408,797,568</u>

(1) Total principal amount and interest

(2) Amount before discount

42.4 The sensitivity of insurance risk

Reserves for long-term insurance contracts

The Company calculates reserves for long-term insurance contracts using a net level premium valuation (“NPV”) method with lock-in assumptions, meaning that reserves for long-term insurance contracts are not affected by changes in mortality rates, lapse rates and discount rates. However, liabilities adequacy tests are performed at the end of each reporting period by comparing the NPV reserve with the reserve calculated using the gross premiums valuation (“GPV”) method, using current assumptions and since most of the Company products are benefit guaranteed products, the factor that has the greatest impact on the calculation of reserves for long-term insurance contracts under GPV method is the discount rate, which is the risk-free rate plus an illiquidity premium. An increase in the risk-free rate will therefore cause the GPV reserve to decrease and to be lower than the NPV reserve, and the Company does not need to recognize the additional expense in the statement of profit and loss. On the contrary, a decrease in the risk-free rate will cause the GPV reserve to increase and in the event that the GPV reserve exceeds the NPV reserve, the Company has to recognize the difference as an additional expense in profit and loss due to liabilities adequacy test.

As at December 31, 2020 and 2019, the Company has no additional LAT reserve because the Company reserves for long-term insurance contracts prepared under the NPV method are adequate, and in the event of a 0.25% decrease in the interest rate in relation to long-term insurance contracts reserve, as at December 31, 2020, the Company would have no additional obligations, and as at December 31, 2019, the Company would have an additional LAT reserve of Baht 418 million.

Loss reserves

Loss reserve is set aside for the costs of claims incurred but not reported (IBNR) as at end of the reporting period, based on an actuarial method. The key assumption affecting this reserve is the expected inflation rate of future healthcare services, which may cause estimated losses to be lower than the estimated loss in the future. However, comparison of the loss reserve to the life policy reserve shows its proportion lower than 1%. Changes in the loss reserve assumptions will not materially affect profit or loss. Therefore, the Company did not perform sensitivity testing for the risk associated with the loss reserve.

43. FINANCIAL INSTRUMENTS

43.1 Financial risk management

The Company financial instruments, as defined under Thai Accounting Standard No. 32 “Financial Instruments: Presentations”, principally comprise cash and cash equivalents, premiums receivable, reinsurance assets/ liabilities, loans, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Concentrations of the credit risk with respect to loans and premium receivables are expected to be low due to the large number of customers and borrowers and their dispersion across different industries and geographic regions in Thailand. The maximum exposure to credit risk is the carrying value of such assets as presented in statement of financial position.

There is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than cash value of their policies with the Company. The maximum value of the risk arising from mortgage loans is the amount of the loan less the value which the Company is able to derive from the assets placed as collateral.

Market risk

Market risk is the risk that change in interest rates, foreign exchange rates and securities prices may have an effect on the Company financial position.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

The Company exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in securities and loans.

As at December 31, 2020 and 2019, financial assets classified by type of interest rate are summarised in the table below:

	(Unit : Thousand Baht)		
	Consolidated financial statements		
	December 31, 2020		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,023,761	3,322,872	3,725,588
Investments in securities			
Government and state enterprise securities	-	-	165,773,978
Private enterprise debt securities	440,490	-	94,449,310
Foreign debt securities	8,947,778	-	7,410,234
Loans			
Policy loans	-	-	8,420,410
Mortgage loans	-	-	1,852,578
Other loans	-	-	107
Total	10,412,029	3,322,872	281,632,205

(Unit : Thousand Baht)

Consolidated financial statements

December 31, 2019

	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,007,820	1,151,993	11,282,070
Investments in securities			
Government and state enterprise securities	-	-	140,913,117
Private enterprise debt securities	-	600,000	100,721,528
Foreign debt securities	-	-	7,762,320
Loans			
Policy loans	-	-	8,477,915
Mortgage loans	-	-	1,747,933
Other loans	-	-	206
Total	1,007,820	1,751,993	270,905,089

(Unit : Thousand Baht)

Separate financial statements

December 31, 2020

	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	1,017,415	3,318,448	3,725,588
Investments in securities			
Government and state enterprise securities	-	-	165,773,978
Private enterprise debt securities	440,490	-	94,449,310
Foreign debt securities	8,947,778	-	7,410,234
Loans			
Policy loans	-	-	8,420,410
Mortgage loans	-	-	1,852,578
Other loans	-	-	107
Total	10,405,683	3,318,448	281,632,205

(Unit : Thousand Baht)

Separate financial statements

December 31, 2019

	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	937,510	1,147,786	11,282,070
Investments in securities			
Government and state enterprise securities	-	-	140,913,117
Private enterprise debt securities	-	600,000	100,721,528
Foreign debt securities	-	-	7,762,320
Loans			
Policy loans	-	-	8,477,915
Mortgage loans	-	-	1,747,933
Other loans	-	-	206
Total	937,510	1,747,786	270,905,089

As at December 31, 2020 and 2019, the financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date (if this occurs before the maturity date) as follows:

(Unit : Thousand Baht)

Consolidated and separate financial statements					
December 31, 2020					
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate (% p.a.)
Cash equivalents	3,725,588	-	-	3,725,588	0.39
Investments in securities					
Government and state enterprise securities	8,280,426	20,640,223	136,853,329	165,773,978	3.62
Private enterprises debt securities	6,002,445	44,950,880	43,495,985	94,449,310	3.92
Foreign debt securities	850,000	4,652,954	1,907,280	7,410,234	4.48
Loans					
Mortgage loans	280,486	1,322,175	249,917	1,852,578	6.26
Other loans	54	-	53	107	6.00
Total	19,138,999	71,566,232	182,506,564	273,211,795	

(Unit : Thousand Baht)

Consolidated and separate financial statements					
December 31, 2019					
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate (% p.a.)
Cash equivalents	11,282,070	-	-	11,282,070	1.19
Investments in securities					
Government and state enterprise securities	1,598,869	21,934,762	117,379,486	140,913,117	3.97
Private enterprises debt securities	5,576,758	40,055,385	55,089,385	100,721,528	3.84
Foreign debt securities	400,000	3,616,659	3,745,661	7,762,320	3.85
Loans					
Mortgage loans	374,242	1,231,595	142,096	1,747,933	6.29
Other loans	153	-	53	206	6.00
Total	19,232,092	66,838,401	176,356,681	262,427,174	

Foreign currency risk

The Company significant exposure to foreign currency risk is in respect of its investments in bonds and unit trusts which are denominated in foreign currencies. The Company utilises cross currency swap and forward exchange contracts to manage the risk.

As at December 31, 2020 and 2019, the balances of financial assets denominated in foreign currencies are summarised below:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at December 31,		as at December 31,		as at December 31,	
	2020	2019	2020	2019	2020	2019
	(Million units)		(Million units)		(Baht per 1 foreign currency unit)	
US dollar	626.5	678.3	604,170	587.8	31.29	31.05
Yen	300.0	300.0	355,775	1,327.9	0.29	0.28
Euro	45.9	48.7	36,710	43.0	35.68	34.75
LAK	40,824.0	40,824.0	-	-	0.0036	0.0036
Singapore dollar	60.6	91.7	66,223	112.9	22.69	22.77

As at December 31, 2020 and 2019 cross currency swap and forward exchange contracts outstanding are summarised below:

Foreign currency	Long position		Contractual exchange rates		Maturity date	
	as at December 31,					
	2020	2019	2020	2019	2020	2019
	(Million units)		(Baht per 1 foreign currency unit)			
US dollar	604.2	587.8	29.25 - 36.30	29.25 - 36.30	Jan. 2021 - Jun. 2021	Feb. 2020 - Oct. 2026
Yen	355.8	1,327.9	0.2804 - 0.2985	0.2811 - 0.2955	Jan. 2021 - Dec. 2021	Jan. 2020 - Dec. 2020
Euro	36.7	43.0	34.24 - 38.27	34.71 - 38.27	Feb. 2021 - Jun. 2028	Feb. 2020 - Jun. 2028
Singapore dollar	66.2	112.9	22.31 - 23.00	22.093 - 22.744	Jan. 2021 - Dec. 2021	Jan. 2020 - Aug 2020

43.2 Fair value of financial instruments

The estimated fair value of significant financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

	(Unit : Thousand Baht)	
	Consolidated financial statements	
	As at December 31, 2020	
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	8,072,221	8,072,221
Investments in securities		
Investment at fair value through profit or loss	14,040	14,040
Investment at fair value through other comprehensive income	117,235,651	117,235,651
Derivative		
Cross currency swap contracts	1,224,550	1,224,550
Forward exchange contracts	72,270	72,270
Forward contracts	7,463	7,463

	(Unit : Thousand Baht)	
	Consolidated financial statements	
	As at December 31, 2020	
	Carrying amount	Fair value
Assets for which fair value are disclosed		
Investments in securities		
Investment at amortised cost	193,561,775	225,947,379
Loans and accrued interest receivables		
Policy loans	9,523,824	11,299,308
Mortgage loans	1,789,645	1,781,135
Investment property	15,621	36,506
Liabilities measured at fair value		
Derivative		
Cross currency swap contracts	2,033	2,033
Forward exchange contracts	73,940	73,940
(Unit : Thousand Baht)		
Consolidated financial statements		
As at December 31, 2019		
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	13,441,883	13,441,883
Investments in securities		
Held-for-trading investments	20,856	20,856
Available-for-sale investments	80,104,389	80,104,389
Assets for which fair value are disclosed		
Investments in securities		
Held-to-maturity investments	219,980,163	260,293,865
Derivative		
Cross currency swap contracts	927,867	1,598,446
Forward exchange contracts	70,254	145,718
Loans and accrued interest receivables		
Policy loans	9,471,230	11,014,242
Mortgage loans	1,750,230	1,750,064
Investment property	16,686	22,646
Liabilities for which fair value are disclosed		
Derivative		
Cross currency swap contracts	78,799	8,827
Forward exchange contracts	39,474	-

(Unit : Thousand Baht)		
Separate financial statements		
As at December 31, 2020		
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	8,061,451	8,061,451
Investments in securities		
Investment at fair value through profit or loss	14,040	14,040
Investment at fair value through other comprehensive income	117,235,651	117,235,651
Derivative		
Cross currency swap contracts	1,224,550	1,224,550
Forward exchange contracts	72,270	72,270
Forward contracts	7,463	7,463
Assets for which fair value are disclosed		
Investments in securities		
Investment at amortised cost	193,561,775	225,947,379
Loans and accrued interest receivables		
Policy loans	9,523,824	11,299,308
Mortgage loans	1,789,645	1,781,135
Investment property	15,621	36,506
Liabilities measured at fair value		
Derivative		
Cross currency swap contracts	2,033	2,033
Forward exchange contracts	73,940	73,940

(Unit : Thousand Baht)		
Separate financial statements		
As at December 31, 2019		
	Carrying amount	Fair value
Financial assets at fair value		
Cash and cash equivalents	13,367,366	13,367,366
Investments in securities		
Held-for-trading investments	20,856	20,856
Available-for-sale investments	80,104,389	80,104,389
Assets for which fair value are disclosed		
Investments in securities		
Held-to-maturity investments	219,980,163	260,293,865
Derivative		
Cross currency swap contracts	927,867	1,598,446
Forward exchange contracts	70,254	145,718
Loans and accrued interest receivables		
Policy loans	9,471,230	11,014,242
Mortgage loans	1,750,230	1,750,064
Investment property	16,686	22,646
Liabilities for which fair value are disclosed		
Derivative		
Cross currency swap contracts	78,799	8,827
Forward exchange contracts	39,474	-

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- 1) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, their carrying amounts in the statement of financial position approximate their fair value.
- 2) For debts securities, their fair values are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- 3) For equity securities, their fair values are generally derived from quoted market prices.
- 4) For policy loans, their fair values are estimated by discounting expected future cash flow by the interest-free bonds.
- 5) For mortgage loans, their fair values are estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. Thus, carrying value presented in the financial statements is closely to fair value.
- 6) For derivatives, their fair values have been determined by using fair values obtained from its counterparties, who are banks.

44. CAPITAL MANAGEMENT

The primary objective of the Company's capital management are to ensure that it has an appropriate financial structure, to preserves the Company's ability to continue its business as a going concern and to maintain risk-based capital in accordance with Declarations of the OIC.

45. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2019, to conform to the classification used in current year's financial statements. Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follow:

Items	Previous presentation	Current presentation	(Unit : Thousand Baht)	
			Consolidated Financial Statements	Separate Financial Statements
Accrued interest receivables from loans	Accrued investment income	Loans and accrued interest receivables	995,614	995,614

46. EVENT AFTER THE REPORTING PERIOD

At the Company's Board of Directors' meeting held on February 24, 2021, the Board of Directors passed a resolution to approve a dividend payment of Baht 0.23 per share. However, the payment of dividend must be approved by the resolution of the Annual General Meeting of shareholders of the Company and the Office of Insurance Commission.

47. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on February 24, 2021.