

AXA INSURANCE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2021



Independent Auditor's Report

To the Shareholders of AXA Insurance Public Company Limited

My opinion

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

What I have audited

The Company's financial statements comprise:

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

Basis for opinion

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

Responsibilities of the directors for the financial statements

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

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

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



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

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Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
Bangkok
24 March 2022

AXA Insurance Public Company Limited
Statement of Financial Position
As at 31 December 2021

		2021	2020
	Notes	Baht	Baht
Assets			
Cash and cash equivalents	9	365,704,209	290,406,401
Premium receivable, net	10	493,736,638	363,887,800
Accrued investment income, net		15,472,913	16,890,055
Reinsurance assets, net	11, 33	1,275,548,246	805,708,575
Amounts due from reinsurance, net	12, 33	23,293,442	29,470,293
Investment assets			
Investment in securities, net	13	4,473,666,428	3,940,422,500
Property and equipment, net	14	28,795,946	28,485,688
Right-of-use assets	15	43,030,563	46,049,194
Intangible assets, net	16	16,687,072	4,980,234
Deferred acquisition cost	17	229,599,228	185,800,276
Deferred tax assets, net	18	379,699,035	375,298,296
Other assets	19, 33	99,506,086	116,380,639
Total assets		7,444,739,806	6,203,779,951

Director _____

Date _____

The accompanying notes form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2021

		2021	2020
	Notes	Baht	Baht
Liabilities and equity			
Liabilities			
Insurance liabilities	20	4,463,721,519	3,465,128,245
Due to reinsurers	21, 33	219,449,594	242,864,869
Employee benefit obligations	22	165,286,881	141,103,709
Accrued expenses		136,941,235	79,863,903
Commission payable		72,915,830	59,858,304
Lease liabilities	23	45,304,139	47,168,006
Other liabilities	24, 33	185,266,753	93,085,476
Total liabilities		5,288,885,951	4,129,072,512
Equity			
Share capital	28		
Registered			
36,726,421 ordinary shares			
of par Baht 100 each		<u>3,672,642,100</u>	<u>3,672,642,100</u>
Issued and paid-up			
36,726,421 ordinary shares			
of par Baht 100 each		3,672,642,100	3,672,642,100
Discount on paid-up capital		(1,068,106,516)	(1,068,106,516)
Retained (Deficits) earnings			
Appropriated			
Legal reserve	27	30,670,999	30,670,999
Unappropriated		(489,967,880)	(618,464,081)
Other components of equity		<u>10,615,152</u>	<u>57,964,937</u>
Total equity		2,155,853,855	2,074,707,439
Total liabilities and equity		7,444,739,806	6,203,779,951

The accompanying notes form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2021

	Notes	2021 Baht	2020 Baht
Revenues			
Gross written premium	7, 33	4,195,667,385	3,489,337,294
<u>Less</u> Reinsurance premium ceded	7, 33	(553,357,042)	(579,309,535)
Net written premium		3,642,310,343	2,910,027,759
<u>Less</u> Change in unearned premium reserve		(427,911,365)	(215,050,991)
Net earned premium		3,214,398,978	2,694,976,768
Commission and brokerage fees	33	95,774,057	88,958,856
Net investment income		57,101,001	64,783,666
Gains on investments		174,115	91,951
Other income		2,127,881	12,605,005
Total revenues		3,369,576,032	2,861,416,246
Expenses			
Losses and loss adjustment expenses	33	2,599,680,953	1,699,385,920
<u>Less</u> Claim recovered from reinsurers	33	(798,789,132)	(291,058,037)
Commissions and brokerages expenses	33	499,145,030	430,987,878
Other underwriting expenses		523,915,503	537,936,687
Operating expenses	29, 33	406,998,896	357,075,961
Other expenses		2,691,874	3,206,907
Total expenses		3,233,643,124	2,737,535,316
Profit before income taxes		135,932,908	123,880,930
Income tax expense	18, 31	(7,436,707)	(27,667,133)
Profit for the year		128,496,201	96,213,797
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	26	8,307,438	761,052
Income tax relating to items that will not be reclassified	26	(1,661,488)	(152,210)
Total items that will not be reclassified subsequently to profit or loss		6,645,950	608,842
Items that will be reclassified subsequently to profit or loss			
Change in value of investments measured at fair value through other comprehensive income	26	(57,206,387)	10,675,757
Realised gain from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss	26	(174,115)	(91,951)
Income tax relating to items that will be reclassified	26	11,476,100	(2,116,762)
Total items that will be reclassified subsequently to profit or loss		(45,904,402)	8,467,044
Other comprehensive (expense) income for the year, net of tax		(39,258,452)	9,075,886
Total comprehensive income for the year		89,237,749	105,289,683
Loss per share			
Basic profit per share (Baht)		3.50	2.62

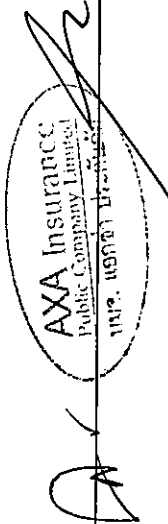
The accompanying notes form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2021

	2021									
	Other components of equity					Other components of equity				
	Other comprehensive income					Other comprehensive income				
	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings (Deficits)	Remeasurements of post-employment benefit obligations	Unrealised gain (loss) on the change in value of investment	Total other component of equity	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings (Deficits)	Total other component of equity
	Baht	Baht	Legal reserve Baht	Unappropriated Baht	Baht	Baht	Baht	Baht	Legal reserve Baht	Baht
Beginning balance as at 1 January 2021	3,672,642,100	(1,068,106,516)	30,670,999	(618,464,081)	71,150,486	2,074,707,439	3,672,642,100	(1,068,106,516)	30,670,999	2,074,707,439
Profit for the year	-	-	-	128,496,201	-	128,496,201	-	-	-	128,496,201
Equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-
Share-based payment reclassified to liabilities	-	-	-	-	-	6,535,426	-	-	-	6,535,426
Remeasurements of post-employment benefit obligations	-	-	-	-	-	(14,626,759)	-	-	-	(14,626,759)
Unrealised loss on changes in value of investments	-	-	-	-	-	6,645,950	-	-	-	6,645,950
Unrealised gain on changes in value of investments measured at fair value through other comprehensive income	-	-	-	-	(45,765,110)	-	-	-	-	(45,765,110)
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss transferred to profit or loss	-	-	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2021	3,672,642,100	(1,068,106,516)	30,670,999	(489,967,880)	25,246,084	2,155,853,855	3,672,642,100	(1,068,106,516)	30,670,999	2,155,853,855

	2020									
	Other components of equity					Other components of equity				
	Other comprehensive income					Other comprehensive income				
	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings (Deficits)	Remeasurements of post-employment benefit obligations	Unrealised gain (loss) on the change in value of investment	Total other component of equity	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings (Deficits)	Total other component of equity
	Baht	Baht	Legal reserve Baht	Unappropriated Baht	Baht	Baht	Baht	Baht	Legal reserve Baht	Baht
Beginning balance as at 1 January 2020	3,672,642,100	(1,068,106,516)	30,670,999	(714,677,878)	62,693,442	1,967,559,673	3,672,642,100	(1,068,106,516)	30,670,999	1,967,559,673
Profit for the year	-	-	-	96,213,797	-	96,213,797	-	-	-	96,213,797
Equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-
Share-based payment reclassified to liabilities	-	-	-	-	-	4,403,362	-	-	-	4,403,362
Remeasurements of post-employment benefit obligations	-	-	-	-	-	(2,545,279)	-	-	-	(2,545,279)
Unrealised gain on changes in value of investments	-	-	-	-	-	608,842	-	-	-	608,842
Unrealised gain from sale of investments measured at fair value through other comprehensive income	-	-	-	-	8,540,607	-	-	-	-	8,540,607
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss transferred to profit or loss	-	-	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2020	3,672,642,100	(1,068,106,516)	30,670,999	(618,464,081)	71,150,486	2,074,707,439	3,672,642,100	(1,068,106,516)	30,670,999	2,074,707,439

The accompanying notes form part of this financial statements.



AXA Insurance Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2021

	2021	2020
	Baht	Baht
Cash flows from operating activities		
Written premium received from direct insurance	4,036,242,366	3,407,942,290
Cash paid for reinsurance	(159,615,236)	(202,402,361)
Interest income received	9,846,949	6,126,235
Investment income received	60,691,600	67,859,706
Other income received	2,107,997	12,513,584
Losses paid from direct insurance	(1,940,326,961)	(1,393,655,948)
Commission and brokerage paid from direct insurance	(524,531,500)	(448,376,424)
Other underwriting expenses	(476,783,746)	(540,658,891)
Operating expenses paid	(292,818,491)	(413,585,989)
Other expenses paid	(1,136,305)	(1,412,707)
Income tax paid	(353,954)	(892,045)
Cash received from investment in securities	899,833,437	868,274,383
Cash paid for investment in securities	(1,407,079,734)	(417,104,918)
Cash received from investment in deposits		
at financial Institutions	485,078,831	651,015,717
Cash paid for investment in deposits		
at financial Institutions	(580,333,765)	(1,616,095,721)
Net cash provided from (used in) operating activities	110,821,488	(20,453,089)
Cash flows from investing activities		
<u>Cash provided from</u>		
Equipment	62,659	130,697
Cash provided from investing activities	62,659	130,697
<u>Cash used in</u>		
Equipment and computer software	(20,571,450)	(8,540,404)
Cash used in investing activities	(20,571,450)	(8,540,404)
Net cash used in investing activities	(20,508,791)	(8,409,707)
Cash flows from financing activities		
Payments on lease liabilities	(15,014,889)	(14,094,133)
Net cash used in financing activities	(15,014,889)	(14,094,133)
Net increase (decrease) in cash and cash equivalents	75,297,808	(42,956,929)
Cash and cash equivalents at beginning of the year	290,406,401	333,363,330
Cash and cash equivalents at end of the year	365,704,209	290,406,401

The accompanying notes form part of this financial statements

AXA Insurance
Public Company Limited

1 General information

AXA Insurance Public Company Limited ("the Company") is a public limited company incorporated and domiciled in Thailand. The address of its registered office is as follows:

23rd Floor, Lumpini Tower, 1168/67 Rama 4 Road, Sathorn, Bangkok.

The principal business operation of the Company is general insurance. The Company operates only in Thailand.

These financial statements have been approved by the Board of Directors on 24 March 2022.

2 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and based on the formats prescribed in the Notification of the Office of Insurance Commission entitled "Standards, methods, rules and deadlines for the preparation and submission of the financial statements and regulatory returns of non-life insurers (No.2) B.E.2562" dated on 4 April 2019 ("OIC Notification").

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

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

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

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3 New and amended financial reporting standards

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

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

a) **Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:**

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

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

b) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

c) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

The above standards have no significant impact to the Company.



A handwritten signature is written over a circular stamp. The stamp contains the text "AXA Insurance Public Company Limited" and Thai text "บริษัท อก้าประกันภัย จำกัด (มหาชน)".

3 New and amended financial reporting standards

3.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have impacts to the Company

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

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

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

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

TFRS 7 requires additional disclosure about:

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

The Company's management is currently assessing the impacts from these standards.



AXA Insurance
Public Company Limited
บมจ. แอกซ่า ประกันชีวิต

4 Accounting policies

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call at financial institutions and short-term highly liquid investment with maturity of three months or less from the acquisition date.

4.2 Premium receivable

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

The Company makes allowance for doubtful accounts based on past experiences of uncollectable and long past due accounts.

4.3 Reinsurance assets

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

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium, loss reserve and outstanding claims in accordance with the law regarding insurance reserve calculation.

The allowance for reinsurance asset impairment is recognised when the objective evidences in related to credit risks of reinsurer incurred before closing date.

4.4 Amount due from reinsurance and amount due to reinsurance

Outward reinsurance premiums are accounted for in the same manner as the related gross premium written.

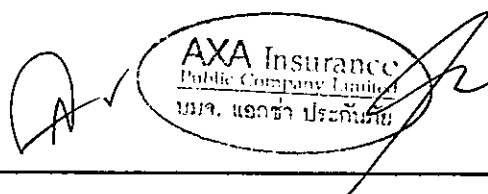
- (a) Amount due from reinsurance is stated at the outstanding balance of amount due from reinsurers and amount of deposit on reinsurance.

Amount due from reinsurers consist of reinsurance commission receivables, reinsurance outstanding claim and other items receivable from reinsurers. The Company recognises an allowance for doubtful accounts which may incur from uncollection being based on consideration of historical collection experience and current status of due from reinsurers at the end of reporting period.

- (b) Amounts due to reinsurance is stated at the outstanding balance of amount due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims reserve.

The reinsurance transactions in statements of financial position shall be presented net when these contracts meet setoff requirements in contractual clauses.

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4 Accounting policies (Cont'd)

4.5 Investment in securities

(a) Classification

From 1 January 2020, the Company classifies its investments in securities as follows:

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

(b) Recognition and derecognition

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

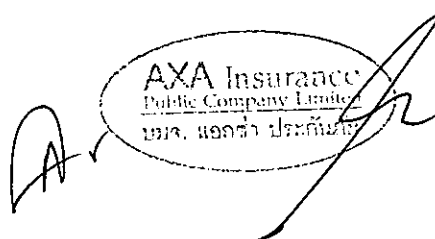
(c) Measurement

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

(d) Debt instruments

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

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



AXA Insurance
Public Company Limited
1974, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021

4 Accounting policies (Cont'd)

4.5 Investment in securities (Cont'd)

(e) Equity instruments

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

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

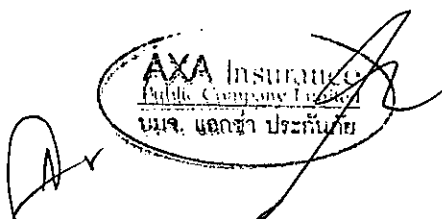
(f) Impairment

From 1 January 2020, the Company assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

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

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

For impairment of equity instruments and unit trust which classified as available-for-sale securities will be recognised in profit and loss and allowance of losses in other comprehensive income immediately when there is evidence supports the impairment of the securities. The Company will recognise allowance of losses in other comprehensive income and the carrying amount of financial assets which classified as equity instruments in the statement of financial position will not be decreased.



AXA Insurance
Public Company Limited
บริษัท อก้า ประกันภัย

4 Accounting policies (Cont'd)

4.6 Premises and equipment

All premises and equipment are initially recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. All assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over the estimated useful life as follows:

Building	20 years
Office furniture and equipment	3 - 5 years
Motor vehicles	5 years

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

Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

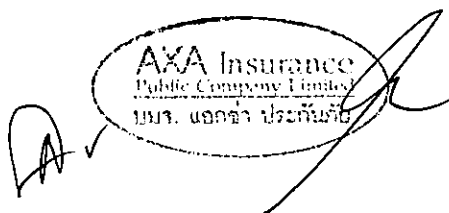
Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income/expenses, net in statement of comprehensive income.

4.7 Intangible assets

Intangible assets are software cost which is stated at cost less accumulated amortisation and is amortised using the straight-line method over the estimated useful life of 3 - 4 years.

4.8 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



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4 Accounting policies (Cont'd)

4.9 Leases

Leases - where the Company is the lessee

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

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

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

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

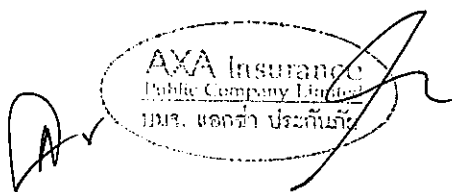
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

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

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

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



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4 Accounting policies (Cont'd)

4.10 Current and deferred income tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The temporary differences arise from allowance for doubtful accounts, unearned premium reserve, loss reserve and outstanding claims, provision for impairment of investments, depreciation on computers, provision for retirement benefits, accrued expenses, deferred acquisition cost and unrealised gains (losses) on investments.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

4.11 Insurance liabilities

Loss reserve and outstanding claims

The purpose of loss reserve and outstanding claims is to cover the ultimate cost of settling an insurance claim. Claims reserves are not discounted.

The loss reserve and outstanding claims include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs and unallocated loss adjustment expenses (ULAE). IBNR are based on historical claims data, current trends, and actual payment patterns for all insurance business lines or anything else that could impact amounts to be paid in accordance with actuarial technique.

Unearned premium reserve

Unearned premium reserve (UPR) represents the prorated portion of written premiums less reinsurance ceded that relates to unexpired risks. It is calculated on the following basis:

Fire, marine, motor, miscellaneous and travel accident (coverage period more than 6 months)	- Daily pro-rata basis (1/365th basis)
Marine cargo - single trip	- Net premium written for the coverage period
Travel accident (coverage period less than 6 months)	- Net premium written for the coverage period

4 Accounting policies (Cont'd)

4.11 Insurance liabilities (Cont'd)

Unexpired risk reserve and premium deficiency reserve

Unexpired risk reserve (URR) represents future insurance cost after reinsurance transaction of the related unexpired risks. The Company recognises premium deficiency reserve when the URR is higher than UPR.

4.12 Product classification

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

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

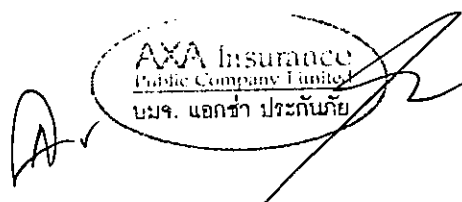
4.13 Liabilities adequacy testing

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

4.14 Employee benefits

Defined contribution plans

The Company has established a provident fund which is a defined contribution plan, and the assets of the provident fund are held separately from those of the Company in funds independently administered by a fund manager who is authorised by the Securities and Exchange Commission. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statements of comprehensive income in the year to which they relate.


The image shows a handwritten signature in black ink over a circular stamp. The stamp contains the text "AXA Insurance Public Company Limited" and "บมจ. แอกซ่า ประกันภัย" in Thai. The signature is written in a cursive style.

4 Accounting policies (Cont'd)

4.14 Employee benefits (Cont'd)

Defined benefit plans

The Company provides for post employment benefits called severance benefit, payable to employees under the Thai Labour Law. The amounts payable in the future depend on the salary and years of service of the respective employees.

The liability in respect of employee benefits is measured, using the projected unit credit method which is calculated in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated contingent future cash flows using the yield on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in statement of comprehensive income.

Short-term employee benefits

Short-term employee benefits are recognized on an accrual basis.

4.15 Sharebase payment

The Company is a subsidiary company of AXA SA whose domiciled and listed in stock exchange in France. The Company has a stock plan to eligible key employees. The key employees have the right to receive at the settlement date, a certain number of AXA shares based on criteria defined by AXA. Those shares vest over 3 and 4 years from the grant dates and any unvested shares are cancelled on termination of the employment. The annual expense is based on an amortisation calculated over the vesting period of the current year's expense portion of all restricted stock grants issued in the prior to current year. Expenses under this plan will be charged out by AXA after the settlement of the shares. The Company presents obligation under employee benefit obligation.

4.16 Provisions

Provisions except for insurance transactions and defined employee benefits are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The block contains a handwritten signature and a circular stamp. The stamp is from AXA Insurance Public Company Limited and includes Thai text. The signature is written over the stamp.

4 Accounting policies (Cont'd)

4.17 Recognition of revenues and expenses

(a) Premium

Premium income is recognised as revenue on the effective date net of reinsurance ceded and change in unearned premium reserve.

(b) Ceded premium

Ceded premium is recognised from the effective date of the related insurance policy.

(c) Acquisition costs, such as commissions and brokerage

Acquisition costs, such as commissions and brokerage, are deferred in recognition that they represent a future benefit. Deferred acquisition cost is calculated on the same basis as unearned premium reserve

(d) Interest and dividends

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive the dividends is established.

(e) Losses and other expenses

Losses are recognised upon receipt of claims advice from the insured. All other expenses are recognised on an accrual basis.

(f) Other incomes

Other incomes are recognised as income when a performance obligation is satisfied. The amount of revenue recognised may be satisfied at a point in time or over time. For performance obligations satisfied over time, the Company recognises revenue by selecting an appropriate method for measuring the progress towards complete satisfaction of that performance obligation.

4.18 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

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

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

5 Critical accounting estimates, assumptions and judgment

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

5.1 Impairment of premium receivable

The Company maintains an allowance for doubtful accounts to reflect impairment of premium due and uncollected relating to estimated losses that may be incurred in collection of the premium due. The allowance for doubtful accounts is based on collection experience and a review of current status of the premium due as at the statement of financial position date.

5.2 Impairment on reinsurance assets

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

5.3 Premises and equipment and intangible assets

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

5.4 Deferred tax

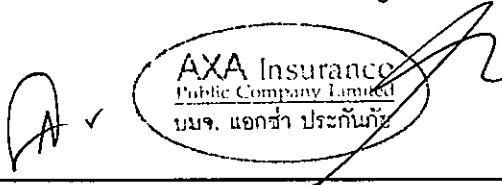
Deferred taxes are provided in full on all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Company considers future taxable income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

5.5 Unexpired risk reserve

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

5.6 Loss reserves and outstanding claims

Throughout the course of the financial year, management regularly re-assesses claims and related provisions both on an individual and class basis, based on independent surveyor advice and reports, other available information and management's own assessment.

 A handwritten signature is present to the left of a circular stamp. The stamp contains the text "AXA Insurance Public Company Limited" and Thai text "นาย. เอกชัย ประจักษ์" (Mr. Ekachai Prachak).

5 Critical accounting estimates, assumptions and judgment (Cont'd)

5.7 Employee benefit

The Company has a commitment on post-retirement benefits to employees. Employee benefit liabilities recognised in the statement of financial position is determined on an estimation basis utilising various assumptions. The assumptions used in determining the cost for employee benefits include the rate of salary inflation and employee turnover. Any changes in these assumptions will impact the cost recorded for employee benefits. On an annual basis the Company determines the appropriate assumptions, which represents the provision expected to be required to settle the employee benefits.

Additional information of other key assumptions for retirement benefit obligations is disclosed in note 22.

5.8 Liabilities adequacy testing

At the end of each reporting period, the company assesses the adequacy of insurance liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. If the assessment shows that the carrying amount of insurance liabilities less related deferred acquisition cost is inadequate when compared to the estimated future cash flows. The liabilities is increased by the deficiency and it is charged to profit or loss.

5.9 Determination of lease terms

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

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

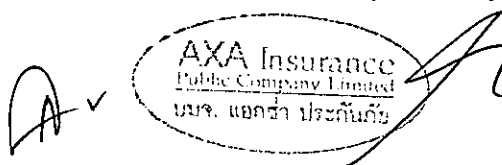
Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

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

5.10 Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

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

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5 Critical accounting estimates, assumptions and judgment (Cont'd)

5.11 Fair value of financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in note 8.

5.12 Impairment of financial assets

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

6 Financial risk management

6.1 Financial risk

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

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

6.1.1 Market risk

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

a) Foreign exchange risk

The Company's business is primarily conducted in Thai Baht and relates to risks located in Thailand so there is limited foreign currency exposure.

b) Cash flow and fair value interest rate risk

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



6 Financial risk management (Cont'd)

6.1 Financial risk (Cont'd)

6.1.1 Market risk (Cont'd)

b) Cash flow and fair value interest rate risk (Cont'd)

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

As at 31 December 2021									
	Fixed interest rates			Fixed interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets									
Cash and cash equivalents	104,113	-	-	187,689,614	-	-	177,692,396	365,486,123	0.00-2.00
Accrued investment income	-	-	-	-	-	-	15,472,913	15,472,913	-
Investment in securities, net	2,683,531,512	1,707,582,341	63,418,435	-	-	-	-	4,454,532,288	0.25-3.20
	2,683,635,625	1,707,582,341	63,418,435	187,689,614	-	-	193,165,309	4,835,491,324	
Financial liabilities									
Lease liabilities	13,928,772	29,945,859	1,429,508	-	-	-	-	45,304,139	5.42-6.18
	13,928,772	29,945,859	1,429,508	-	-	-	-	45,304,139	
As at 31 December 2020									
	Fixed interest rates			Fixed interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets									
Cash and cash equivalents	-	-	-	254,998,964	-	-	34,926,524	289,925,488	0.00-2.00
Accrued investment income	-	-	-	-	-	-	16,890,055	16,890,055	-
Investment in securities, net	2,039,122,322	1,810,098,077	54,839,930	-	-	-	-	3,904,060,329	0.25-3.20
	2,039,122,322	1,810,098,077	54,839,930	254,998,964	-	-	51,816,579	4,210,875,872	
Financial liabilities									
Lease liabilities	13,635,391	32,654,926	877,689	-	-	-	-	47,168,006	4.88-6.18
	13,635,391	32,654,926	877,689	-	-	-	-	47,168,006	

Interest rate sensitivity

Profit or loss is sensitive to higher or lower interest income from cash and cash at bank as a result of changes in interest rates.

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

	31 December 2021		31 December 2020	
	Interest rate		Interest rate	
	Increase	Decrease	Increase	Decrease
	1%*	1%*	1%*	1%*
Impact to other components of equity	(55,684,489)	55,684,489	(42,199,121)	42,199,121

* Holding all other variables constant

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6 Financial risk management (Cont'd)

6.1 Financial risk (Cont'd)

6.1.1 Market risk (Cont'd)

c) Price risk

Equity price risk refers to the loss affecting income and/or equity from a movement in equity price.

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

Equity price risk sensitivity analysis

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

	31 December 2021		31 December 2020	
	Equity price		Equity price	
	Increase 1%*	Decrease 1%*	Increase 1%*	Decrease 1%*
Impact to other components of equity	191,341	(191,341)	363,622	(363,622)

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

Other components of equity would increase or decrease as a result of gains/losses on equity securities classified at FVOCI.

6.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

a) Risk management

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

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

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6 Financial risk management (Cont'd)

6.1 Financial risk (Cont'd)

6.1.2 Credit risk

b) Impairment of financial assets

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

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

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

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

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

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

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

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

Debt investments

The Company considers that all debt investments measured at amortised cost and FVOCI has low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

Investment in debt instruments measured at FVOCI

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6 Financial risk management (Cont'd)

6.1 Financial risk (Cont'd)

6.1.2 Credit risk (Cont'd)

b) Impairment of financial assets (Cont'd)

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

	2021		
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht
Investment in debt instruments measured at FVOCI			
Beginning balance 1 January 2021	673,235	-	-
New financial assets purchased or originated	207,370	-	-
Derecognised financial assets	(176,861)	-	-
Ending balance 31 December 2021	703,744	-	-
	2020		
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht
Investment in debt instruments measured at FVOCI			
Beginning balance 1 January 2020	645,836	-	-
New financial assets purchased or originated	90,532	-	-
Derecognised financial assets	(63,133)	-	-
Ending balance 31 December 2020	673,235	-	-

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6 Financial risk management (Cont'd)

6.1 Financial risk (Cont'd)

6.1.3 Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 365,704,209 (2020: Baht 290,406,401) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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

a) Financing arrangements

The company's policy is to ensure that sufficient financial assets are available to meet financial commitments by performing cash flow analysis regularly to ensure that cash flows generated are sufficient so that financial commitments are met.

The Company's financial assets mainly comprises of cash and deposits at financial institutions and investment in securities. The management believes that such financial assets will be able to be sold quickly at close to their fair value.

b) Maturity period of financial liabilities

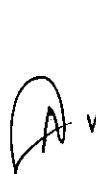

The maturity analysis of financial liabilities is disclosed in Note 23.

6.2 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital
- in order to maintain solvency capital as required by the Office of Insurance Commission, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

7 Insurance risk

Underwriting risk

Underwriting risk is the risk that the total costs of claims, claim adjustment expenses and premium acquisition expenses will exceed premiums received, and the risk that actual claims and other expenses can differ adversely from the assumptions included in setting of reserves which might affect the adequacy of premium and loss reserves. Underwriting standards and underwriting guidelines are developed in order to manage the risk and to ensure that premiums received will be sufficient considering the total risks that may arise. Loss reserve and unexpired risk reserve are reviewed by an actuary and regional risk team. Underwriting principles are individually developed for each group of risk based on each type of insurance. The principles also limit insurance proportion for each risk group to control the concentration of risks.

Reinsurance risk

Reinsurance risk is the risk that in-force reinsurance contracts are inadequate for risk transfers according to the Company's risk appetite level, and also the risk that reinsurers cannot fulfil their obligations according to reinsurance contracts. Reinsurance risk management guideline was developed in order to manage the risks including reinsurance guidelines and reinsurance plan selection. Overall risk monitoring has been conducted in order to ensure that retained risks are according to risk management policy. In addition, reinsurer selection principles were developed for both domestic and foreign reinsurers to ensure that they will be able to fulfil their obligations.

Concentration risk

Concentration risk will increase the possibility of load of claims to incur at the same time and may result in actual claim losses deviated from expectation. Concentration risk also includes the risk from natural catastrophes or man-made events that could result in significant underwriting losses. The Company mitigates the risks by diversifying business portfolio across all lines of business and through reinsurance including proportional treaties, non-proportional treaties and facultative reinsurance which cover such events.

Net earned premium and net claim reserve concentration.

	2021					
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
Gross written premium	91,128,246	198,934,035	2,414,731,537	525,462,872	965,410,695	4,195,667,385
Less Reinsurance premium ceded	(43,207,224)	(35,905,653)	(32,995,377)	(9,127,982)	(432,120,806)	(553,357,042)
Net written premium	47,921,022	163,028,382	2,381,736,160	516,334,890	533,289,889	3,642,310,343
Add (Less) Change in unearned premium reserve	901,753	(20,294,409)	(212,280,194)	(199,043,247)	2,804,732	(427,911,365)
Net earned premium	48,822,775	142,733,973	2,169,455,966	317,291,643	536,094,621	3,214,398,978
Claim reserve	25,837,774	189,092,510	672,833,449	106,656,416	1,427,984,134	2,422,404,283
Claim reserve recovered from reinsurance	(2,493,750)	(68,936,892)	(3,965,236)	(16,310,773)	(1,023,376,372)	(1,115,083,023)
Net claim reserve	23,344,024	120,155,618	668,868,213	90,345,643	404,607,762	1,307,321,260

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7 Insurance risk (Cont'd)

Concentration risk (Cont'd)

Net earned premium and net claim reserve concentration. (Cont'd)

	2020					
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
Gross written premium	87,029,173	162,241,122	2,077,273,972	139,975,514	1,022,817,513	3,489,337,294
Less Reinsurance premium ceded	(41,613,281)	(29,851,968)	(28,780,378)	(5,882,558)	(473,181,350)	(579,309,535)
Net written premium	45,415,892	132,389,154	2,048,493,594	134,092,956	549,636,163	2,910,027,759
Add (Less) Change in unearned premium reserve	12,171,747	15,967	(222,856,713)	(22,315,009)	17,933,017	(215,050,991)
Net earned premium	57,587,639	132,405,121	1,825,636,881	111,777,947	567,569,180	2,694,976,768
Claim reserve	48,177,458	215,228,553	546,435,264	65,103,547	969,458,070	1,844,402,892
Claim reserve recovered from reinsurance	(5,366,279)	(93,321,722)	(19,399,001)	(11,039,923)	(508,796,945)	(637,923,870)
Net claim reserve	42,811,179	121,906,831	527,036,263	54,063,624	460,661,125	1,208,479,022

8 Fair value

8.1 Fair value estimation

The following table shows fair values and carrying amounts of financial assets by category.

	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensi ve income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2021					
Financial assets measured at fair value					
Financial assets at FVOCI	-	3,121,021,716	-	3,121,021,716	3,121,021,716
	-	3,121,021,716	-	3,121,021,716	3,121,021,716
Financial assets not measured at fair value					
Financial assets at amortised cost	-	-	1,352,644,712	1,352,644,712	1,352,644,712
	-	-	1,352,644,712	1,352,644,712	1,352,644,712

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8 Fair value (Cont'd)

8.1 Fair value estimation (Cont'd)

The following table shows fair values and carrying amounts of financial assets by category, excluding those with the carrying amount approximates fair value. (Cont'd)

	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2020					
<i>Financial assets measured at fair value</i>					
Financial assets at FVOCI	-	2,682,928,609	-	2,682,928,609	2,682,928,609
	-	2,682,928,609	-	2,682,928,609	2,682,928,609
<i>Financial assets not measured at fair value</i>					
Financial assets at amortised cost	-	-	1,257,493,891	1,257,493,891	1,257,493,891
	-	-	1,257,493,891	1,257,493,891	1,257,493,891

The following table presents the financial assets that are measured at fair value at 31 December 2021 and 2020.

	2021			Total
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Baht
Financial assets at fair value through other comprehensive income				
<u>Investment in securities</u>				
Government and state enterprise securities	-	2,334,426,893	-	2,334,426,893
Private enterprise debt securities	-	767,460,683	-	767,460,683
Equity securities	-	-	19,134,140	19,134,140
Total	-	3,101,887,576	19,134,140	3,121,021,716
	2020			Total
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Baht
Financial assets at fair value through other comprehensive income				
<u>Investment in securities</u>				
Government and state enterprise securities	-	1,927,692,256	-	1,927,692,256
Private enterprise debt securities	-	718,874,182	-	718,874,182
Equity securities	-	-	36,362,171	36,362,171
Total	-	2,646,566,438	36,362,171	2,682,928,609

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers between Levels during the year.

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8 Fair value (Cont'd)

8.2 Valuation techniques

8.2.1 Valuation techniques used to measure fair value level 2

Level 2 debt investments of marketable securities are fair valued using discounted cash flow model based on individual debt instrument's yield curve published by the Thai Bond Market Association at the end of reporting period.

8.2.2 Valuation techniques used to measure fair value level 3

Changes in level 3 financial instruments for the year ended 31 December 2021 and 2020 is as follows:

	31 December 2021 Baht	31 December 2020 Baht
Beginning balance of the year	36,362,171	36,362,171
Unrealised gain	(17,228,031)	-
Closing balance of the year	19,134,140	36,362,171

Valuation process

Management has put a process of performing the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. Appropriate valuation techniques and unobservable inputs are selectively used based on the characteristic of financial assets. The valuation of Level 3 fair value is reviewed and approved by management for financial reporting purposes.

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

9 Cash and cash equivalents

	2021 Baht	2020 Baht
Cash on hand	218,086	228,085
Cheque on hand	-	252,828
Bank deposits held at call	215,523,953	289,925,488
Short-term investment	149,962,170	-
Total cash and cash equivalents	365,704,209	290,406,401

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10 Premium receivable, net

The balances of premium receivable were aged as follows:

	From direct channel	
	2021 Baht	2020 Baht
Undue	376,302,401	242,757,527
Less than 30 days	38,104,531	40,189,164
30 - 60 days	22,643,966	18,647,406
60 - 90 days	12,810,162	8,652,715
90 days - 1 year	42,730,682	51,808,801
More than 1 year	8,665,617	8,538,799
Total premium receivable	501,257,359	370,594,412
<u>Less</u> Allowance for doubtful accounts	(7,520,721)	(6,706,612)
Premium receivable, net	493,736,638	363,887,800

11 Reinsurance assets, net

	2021 Baht	2020 Baht
Reserve of recovery from reinsurers		
Loss reserve	1,115,083,023	637,923,870
Premium reserve		
- Unearned premium reserve (UPR)	160,465,223	167,784,705
Reinsurance assets, net	1,275,548,246	805,708,575

The movement in loss reserve recovery is as follows:

	2021 Baht	2020 Baht
Balance as at 1 January	637,923,870	524,962,564
Claim insured recovered during the year	873,334,056	177,780,187
Change in claim reserve and assumptions	(74,544,923)	113,277,850
Reserve recovered during the year	(321,629,980)	(178,096,731)
Balance as at 31 December	1,115,083,023	637,923,870

The movement in reinsurance premium reserve is as follows:

	2021 Baht	2020 Baht
Balance as at 1 January	167,784,705	131,392,782
Reinsurance premium ceded during the year	553,357,042	579,309,535
Premium ceded recognised during the year	(560,676,524)	(542,917,612)
Balance as at 31 December	160,465,223	167,784,705

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12 Amounts due from reinsurance, net

	2021 Baht	2020 Baht
Reinsurance premium receivable	23,477,406	29,593,416
<u>Less</u> Allowance for doubtful account	(183,964)	(123,123)
Amounts due from reinsurance, net	23,293,442	29,470,293

Reinsurance premium receivable aged based on due date is as follows:

	2021 Baht	2020 Baht
Undue Overdue	11,779,594	4,485,366
Less than 12 months	5,138,284	9,687,536
1 - 2 years	3,973,038	17,211,504
More than 2 years	2,586,490	2,623,166
Total reinsurance premium receivable	23,477,406	34,007,572
<u>Less</u> Due to reinsurer with setoff arrangement	-	(4,414,156)
<u>Less</u> Allowance for doubtful account	(183,964)	(123,123)
Due from reinsurers, net	23,293,442	29,470,293

13 Investments in securities

Investments in securities as at 31 December 2021 and 2020 are as follows:

Debt instrument financial assets

	2021 Cost/ Amortised cost Baht	Fair value Baht
<u>Debt instrument measured at fair value through other comprehensive income</u>		
Government and state enterprise securities	2,328,251,092	2,334,426,893
Private enterprise debt securities	761,017,609	767,460,683
Total	3,089,268,701	3,101,887,576
<u>Add</u> Unrealised gain	12,618,875	-
Total debt instrument measured at fair value through other comprehensive income	3,101,887,576	3,101,887,576
<u>Debt instrument measured at amortised cost</u>		
Promissory notes	17,519,400	
Deposit with financial institutions with maturity over 3 months	1,352,644,712	
Total	1,370,164,112	
<u>Less</u> Expected credit loss	(17,519,400)	
Total debt instrument measured at amortised cost	1,352,644,712	
Total debt instrument financial assets	4,454,532,288	

13 Investments in securities (Cont'd)

Investments in securities as at 31 December 2021 and 2020 are as follows: (Cont'd)

	2020	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Debt instrument measured at fair value through other comprehensive income</u>		
Government and state enterprise securities	1,890,173,888	1,927,644,235
Private enterprise debt securities	703,598,756	718,922,203
Total	2,593,772,644	2,646,566,438
<u>Add</u> Unrealised gain	52,793,794	-
Total debt instrument measured at fair value through other comprehensive income	2,646,566,438	2,646,566,438
<u>Debt instrument measured at amortised cost</u>		
Promissory notes	17,519,400	
Deposit with financial institutions with maturity over 3 months	1,257,493,891	
Total	1,275,013,291	
<u>Less</u> Expected credit loss	(17,519,400)	
Total debt instrument measured at amortised cost	1,257,493,891	
Total debt instrument financial assets	3,904,060,329	
<u>Equity instrument financial assets</u>		
	2021	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Equity instrument measured at fair value through other comprehensive income</u>		
Local equity securities	891,070	19,134,140
<u>Add</u> Unrealised gain	18,243,070	-
Total equity instrument measured at fair value through other comprehensive income	19,134,140	19,134,140
Total equity instrument financial assets	19,134,140	19,134,140
Total investment in securities	4,473,666,428	

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13 Investment in securities (Cont'd)

	2020	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Equity instrument measured at fair value through other comprehensive income</u>		
Local equity securities	891,069	36,362,171
Add Unrealised gain	35,471,102	-
Total equity instrument measured at fair value through other comprehensive income	36,362,171	36,362,171
Total equity instrument financial assets	36,362,171	36,362,171
Total investment in securities	3,940,422,500	

13.1 Investment measured at amortised cost

a) Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

	2021			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Debt securities that are measured at amortised cost				
Promissory notes	17,519,400	-	-	17,519,400
Deposits at banks and other institutions with maturity over 3 months from issuance	1,352,644,712	-	-	1,352,644,712
Total	1,370,164,112	-	-	1,370,164,112
Less Expected credit loss	(17,519,400)	-	-	(17,519,400)
Total	1,352,644,712	-	-	1,352,644,712

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13 Investment in securities (Cont'd)

13.1 Investment measured at amortised cost (Cont'd)

	2020			
	Period to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Held-to-maturity securities				
Promissory notes	17,519,400	-	-	17,519,400
Deposits at banks and other institutions with maturity over 3 months from issuance	1,157,493,891	100,000,000	-	1,257,493,891
Total	1,175,013,291	100,000,000	-	1,275,013,291
Less Expected credit loss	(17,519,400)	-	-	(17,519,400)
Total	1,157,493,891	100,000,000	-	1,257,493,891

c) Fair values of investment measured at amortised cost

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

d) Expected credit loss

The Company's debt investments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

The reconciliations of loss allowance for investment at amortised cost for the year ended 31 December 2021 and 2020 are as follows:

	Promissory notes Baht	Deposit at banks and other institutions with maturity over 3 months from issuance Baht	Total Baht
Opening loss allowance as at 1 January 2020 - calculated under The Accounting Guidance	17,519,400	-	17,519,400
Increase in loss allowance recognised in profit or loss during the year	-	-	-
As at 31 December 2020 -	17,519,400	-	17,519,400
As at 1 January 2021	17,519,400	-	17,519,400
Increase in loss allowance recognised in profit or loss during the year	-	-	-
As at 31 December 2021	17,519,400	-	17,519,400

13 Investment in securities (Cont'd)

13.1 Investment measured at amortised cost (Cont'd)

d) Loss allowance (Cont'd)

	2021		
	Gross carrying value Baht	Expected credit loss Baht	Carrying value Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	1,352,644,712	-	1,352,644,712
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	17,519,400	(17,519,400)	-
Total	1,370,164,112	(17,519,400)	1,352,644,712
	2020		
	Gross carrying value Baht	Expected credit loss Baht	Carrying value Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	1,257,493,891	-	1,257,493,891
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	17,519,400	(17,519,400)	-
Total	1,275,013,291	(17,519,400)	1,257,493,891

13.2 Investment measured at fair value through other comprehensive income

a) Classification of financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.
- debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at FVOCI comprise the following investments

	2021 Fair value Baht	2020 Fair value Baht
Investments in equity securities		
Unlisted securities	19,134,140	36,362,171
Investments in debt securities		
Government, state enterprise, and private enterprise debt securities	3,101,887,576	2,646,566,438
Total	3,121,021,716	2,682,928,609

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13 Investment in securities (Cont'd)

13.2 Investment measured at fair value through other comprehensive income (Cont'd)

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

	2021			
	Period to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Debt securities that are measured at fair value through other comprehensive income				
Government and state enterprise securities	1,074,945,848	1,211,668,012	47,813,033	2,334,426,893
Private enterprise debt securities	255,940,952	495,914,329	15,605,402	767,460,683
Total	1,330,886,800	1,707,582,341	63,418,435	3,101,887,576
	2020			
	Period to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Debt securities that are measured at fair value through other comprehensive income				
Government and state enterprise securities	550,652,967	1,337,823,981	39,167,287	1,927,644,235
Private enterprise debt securities	230,975,464	472,274,096	15,672,643	718,922,203
Total	781,628,431	1,810,098,077	54,839,930	2,646,566,438

- c) Amounts recognised in profit or loss and other comprehensive income

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

	2021 Baht	2020 Baht
(Losses)/gains recognised in other comprehensive income	(57,206,387)	10,675,757
Gains reclassified from other comprehensive income to profit or loss on the sale of investments	(174,115)	(91,951)

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13 Investment in securities (Cont'd)

13.2 Investment measured at fair value through other comprehensive income

d) Loss allowance

The Company's debt investments at FVOCI are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

The reconciliations of loss allowance for investment at FVOCI for the year ended 31 December 2021 and 2020 are as follows:

	Debt securities Baht	Equity securities Baht	Total Baht
Opening loss allowance as at 1 January 2020 - calculated under The Accounting Guidance	645,836	-	645,836
Increase in loss allowance recognised in profit or loss during the year	27,399	-	27,399
As at 31 December 2020	673,235	-	673,235
As at 1 January 2021	673,235	-	673,235
Increase in loss allowance recognised in profit or loss during the year	30,509	-	30,509
As of 31 December 2021	703,744	-	703,744
	2021		
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht	
Investments in debt securities which credit risk has not significantly increased (Stage 1)	3,101,887,576	(703,744)	
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	
Credit-impaired investments in debt securities (Stage 3)	-	-	
Total	3,101,887,576	(703,744)	

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13 Investment in securities (Cont'd)

13.2 Investment measured at fair value through other comprehensive income (Cont'd)

d) Loss allowance (Cont'd)

	2020	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	2,646,566,438	(673,235)
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	2,646,566,438	(673,235)

As at 31 December 2021, the government bonds and deposits at financial institutions with maturity over 3 months from issuance at par value amounting to Baht 1,101,332 were placed as bail bonds (2020: Baht 1,091,871).

During the year 2021 and 2020, the Company has revenues relating to investment as follows:

- Interest income from investments with amounting to Baht 59.4 million (2020: Baht 67 million).
- Amount received from selling investments with totaling amounting to Baht 899.8 million (2020: Baht 868.3 million) and gain from selling investments with totaling amounting to Baht 0.2 million (2020: Baht 0.1 million).

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13 Investment in securities (Cont'd)

13.3 Disclosure on fair value of investment in debt instruments

The fair value measurement of investment in debt instruments were as follows.

	2021	
	Ending Fair value Baht	Changes in Fair value Baht
Financial assets		
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	4,835,709,410	(40,182,980)
Cash flows arising that are not solely payments of principal and interest on the outstanding principal	-	-
Financial assets defined as held-for-sell	-	-
Financial assets which the performance is evaluated based on fair value.	-	-
	2020	
	Ending Fair value Baht	Changes in Fair value Baht
Financial assets		
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	4,211,356,785	47,384,328
Cash flows arising that are not solely payments of principal and interest on the outstanding principal	-	-
Financial assets defined as held-for-sell	-	-
Financial assets which the performance is evaluated based on fair value.	-	-

As at 31 December 2021, financial asset qualifying as SPPI includes debt securities, accrued investment income, cash and cash equivalents whereas the remaining includes equity securities.

Certain financial assets included within the financial statements, including premium receivables and amount due from reinsurance amounting to Baht 517.03 million (2020 : Baht 393.36 million) are not included above.




14 Property and equipment, net

	Cost			2020			Net property and equipment Baht
	Opening Baht	Addition/ Transfer Baht		Disposal/ Transfer out/ write off Baht	Accumulated depreciation		
		Ending Baht	Opening Baht		Depreciation Baht	Ending Baht	
Condo - office	54,347,560	-	-	54,347,560	(34,125,132)	-	20,222,428
Office furniture and equipment	215,254,648	5,401,404	(12,101,244)	208,554,808	(207,024,190)	11,996,759	7,108,664
Motor vehicles	5,441,299	-	-	5,441,299	(3,334,244)	(952,459)	1,154,596
Assets under installation	-	1,552,428	(1,552,428)	-	-	-	-
Total	275,043,507	6,953,832	(13,653,672)	268,343,667	(244,483,566)	11,996,760	28,485,688

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AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2021

15 Right-of-use assets

	2021									
	Cost/Revaluation				Accumulated amortisation					
	Beginning balance Baht	Addition Baht	Change in contract Baht	Gain on revaluation Baht	Ending balance Baht	Beginning balance Baht	Amortisation charge Baht	Revaluation adjustment Baht	Ending balance Baht	Right-of-use assets Baht
Buildings and Improvements	59,430,233	-	5,619,890	-	65,050,123	(13,381,039)	(13,477,780)	4,839,259	(22,019,560)	43,030,563
Total	59,430,233	-	5,619,890	-	65,050,123	(13,381,039)	(13,477,780)	4,839,259	(22,019,560)	43,030,563
	2020									
	Cost/Revaluation				Accumulated amortisation					
	Beginning balance Baht	Addition Baht	Change in contract Baht	Gain on revaluation Baht	Ending balance Baht	Beginning balance Baht	Amortisation charge Baht	Revaluation adjustment Baht	Ending balance Baht	Right-of-use assets Baht
Buildings and Improvements	62,443,578	-	(3,013,345)	-	59,430,233	-	(13,381,039)	-	(13,381,039)	46,049,194
Total	62,443,578	-	(3,013,345)	-	59,430,233	-	(13,381,039)	-	(13,381,039)	46,049,194

For the year ended 31 December 2021, the lease payments resulting from lease and service contracts which are not capitalised comprised of low-value leases amounting to Baht 3.07 million.(2020 : 3.23 million)

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16 Intangible assets, net

	2021				2020			
	Cost		Accumulated depreciation		Cost		Accumulated depreciation	
	Opening Baht	Addition/ Transfer Baht	Disposal/ Transfer out/ write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Disposal/ Transfer out/ write off Baht	Ending Baht
Computer software	121,843,500	8,321,367	-	130,164,867	(116,863,266)	(3,453,945)	-	(120,317,211)
Assets under installation	-	6,839,416	-	6,839,416	-	-	-	-
Total	121,843,500	15,160,783	-	137,004,283	(116,863,266)	(3,453,945)	-	(120,317,211)
						</		

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17 Deferred acquisition cost

Movements in deferred acquisition cost for the years ended 31 December 2021 and 2020 are as follows:

	2021 Baht	2020 Baht
Balance as at 1 January	185,800,276	159,388,331
Acquisition cost incurred during the year	447,169,925	368,440,967
Acquisition cost recognised during the year	(403,370,973)	(342,029,022)
Balance as at 31 December	229,599,228	185,800,276

18 Deferred income tax

The movements on the deferred income tax for the years ended 31 December 2021 and 2020 are as follows:

	2021 Baht	2020 Baht
Beginning balance	375,298,296	412,914,994
Reclassifications and adjustments	-	(7,216,071)
Credit to the statements of comprehensive income (Note 31)	(7,436,707)	(27,667,133)
Deferred income tax from unrealised (gains) losses on investments in equity (Note 26)	11,476,100	(2,268,972)
Deferred income tax from other reserve	361,346	(464,522)
Ending balance	379,699,035	375,298,296

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

	2021 Baht	2020 Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	244,295,110	234,017,986
Deferred tax asset to be recovered after 12 months	179,377,876	196,014,081
	423,672,986	430,032,067
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	38,583,050	38,267,944
Deferred tax liabilities to be settled after 12 months	5,390,901	16,465,827
	43,973,951	54,733,771
Deferred tax assets, net	379,699,035	375,298,296

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Notes to the Financial Statements
For the year ended 31 December 2021

18 Deferred income tax (Cont'd)

Deferred tax assets and liabilities presented in statements of financial position and changes in deferred tax for the year ended 31 December 2021 arises from the following items:

	31 December 2020 Baht	Transaction in profit or loss Baht	Transaction in other comprehensive income Baht	Transaction in other reserve Baht	31 December 2021 Baht
Deferred tax assets					
- Allowance for doubtful accounts	1,365,947	174,990	-	-	1,540,937
- Unearned premium reserve	57,785,909	26,999,666	-	-	84,785,575
- Loss reserve and outstanding claims	241,295,805	20,555,092	-	-	261,850,897
- Provision for impairment of investments	-	-	-	-	-
- Depreciation for computers	161,317	(161,317)	-	-	-
- Provision for retirement benefits	9,220,934	42,155	-	(1,661,487)	7,601,602
- Accrued expenses	3,984,782	1,633,857	-	2,022,833	7,641,472
- Loss carry forward	112,327,513	(56,241,386)	-	-	56,086,127
- Lease Liabilities	251,333	270,414	-	-	521,747
- Expected credit losses	3,638,527	6,102	-	-	3,644,629
	430,032,067	(6,720,427)	-	361,346	423,672,986
Deferred tax liabilities					
- Deferred acquisition cost	36,946,149	-	-	-	36,946,149
- Changes in value of Investment measured at fair value through other comprehensive income	17,652,975	-	(11,482,202)	-	6,170,773
- Depreciation for computer	-	716,280	-	-	716,280
- Expected credit losses	134,647	-	6,102	-	140,749
	54,733,771	716,280	(11,476,100)	-	43,973,951
Deferred income tax, net	375,298,296				379,699,035

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18 Deferred income tax (Cont'd)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2020, the Company did not recognise deferred income tax assets amounting Baht 19.6 million in respect of loss amounting to Baht 98.1 million that can be carried forward against future taxable income. Loss amounting to Baht 98.1 million expires in 2021.

19 Other assets

	2021 Baht	2020 Baht
Income tax receivable and undue valued added tax	43,612,020	45,425,622
Prepaid expenses and refundable deposits	19,673,730	15,032,224
Reserve withheld for claims	29,687,194	44,861,206
Amount due from related companies (Note 33)	482,669	904,155
Others	6,050,473	10,157,432
Total other assets	99,506,086	116,380,639

Reserve withheld for claims is cash withheld from premiums received on Thai Rice and Maize Insurance Scheme and which is the Government's Scheme co-operating with the Office of Insurance Commission and Thai General Insurance Association for payments for losses and other expenses which the Company will receive this cash when the coverage period in the insurance contracts is over.

20 Insurance liabilities

	2021			2020		
	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Claims reserve						
- Reported claim	1,870,852,450	(867,309,250)	1,003,543,200	965,356,981	(206,936,342)	758,420,619
- Claim incurred but not reported	551,551,833	(247,773,773)	303,778,060	879,045,931	(430,987,528)	448,058,403
Total claims reserve	2,422,404,283	(1,115,083,023)	1,307,321,260	1,844,402,892	(637,923,870)	1,206,479,022
Premium reserve						
- Unearned premium reserve (UPR)	2,041,317,236	(160,465,223)	1,880,852,013	1,620,725,353	(167,784,705)	1,452,940,648
Total	4,463,721,519	(1,275,548,246)	3,188,173,273	3,465,128,245	(805,708,575)	2,659,419,670

Insurance reserve for short-term insurance contract

20.1 Claims reserve

	2021 Baht	2020 Baht
Beginning balance	1,844,402,892	1,640,208,426
Claims incurred during the year	2,636,831,430	1,610,263,766
Changes in claims reserve and assumptions method on claims reserve	(88,678,051)	31,602,007
Claims paid during the year	(1,970,151,988)	(1,437,671,307)
Closing balance	2,422,404,283	1,844,402,892

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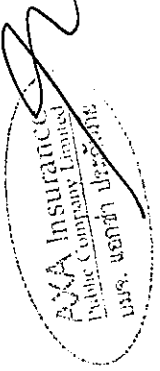
20 Insurance liabilities (Cont'd)

20.1 Claims reserve (Cont'd)

20.1.1 Claim development table

Claim Development Table Before Reinsurance

Incident Year	Before 2017	2017	2018	2019	2020	2021	Total
Estimated claim:							
- At the end of the year	27,082,684,407	2,519,201,352	2,329,454,224	1,875,935,051	1,825,523,622	2,847,595,530	
- After 1 year	28,336,825,259	2,439,269,237	2,296,952,672	1,915,531,452	1,898,250,790	-	
- After 2 years	27,743,208,789	2,417,822,934	2,154,584,941	1,819,571,308	-	-	
- After 3 years	28,598,172,958	2,347,523,293	1,967,324,890	-	-	-	
- After 4 years	28,385,559,058	2,275,677,863	-	-	-	-	
- After 5 years	26,207,545,341	-	-	-	-	-	
Absolute estimated claim	26,207,545,341	2,275,677,863	1,967,324,890	1,819,571,308	1,898,250,790	2,847,595,530	
Cumulative claim paid	26,134,385,687	2,252,484,928	1,894,198,310	1,611,414,914	1,508,897,538	1,353,589,446	
Total	73,159,654	23,192,935	73,126,580	208,156,394	389,353,252	1,494,006,084	2,260,994,899
Unallocated loss adjustment expense							87,896,535
Technical safety margin							73,512,849
Total claims reserve							<u>2,422,404,283</u>



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20 Insurance liabilities (Cont'd)

20.1 Claims reserve (Cont'd)

20.1.1 Claim development table (Cont'd)

Claim Development Table, Net

Incident Year	Before 2017	2017	2018	2019	2020	2021	Total
Estimated claim:							
- At the end of the year	16,657,640,651	1,916,389,007	1,786,132,736	1,368,114,963	1,496,586,539	1,812,711,435	
- After 1 year	17,495,247,861	1,943,080,805	1,740,668,784	1,410,417,678	1,617,019,157	-	
- After 2 years	16,959,768,488	1,899,973,512	1,611,008,703	1,364,909,658	-	-	
- After 3 years	16,529,979,824	1,845,937,175	1,538,687,542	-	-	-	
- After 4 years	16,352,079,463	1,793,173,171	-	-	-	-	
- After 5 years	15,216,164,558	-	-	-	-	-	
Absolute estimated claim	15,216,164,558	1,793,173,171	1,538,687,542	1,364,909,658	1,617,019,157	1,812,711,435	
Cumulative claim paid	15,163,156,210	1,780,781,107	1,501,470,359	1,252,101,165	1,365,588,218	1,133,656,586	
Total	53,008,348	12,392,064	37,217,183	112,808,493	251,430,939	679,054,849	1,145,911,876
Unallocated loss adjustment expense							87,896,535
Technical safety margin							73,512,849
Total claims reserve							1,307,321,260

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20 Insurance liabilities (Cont'd)

20.1 Claims reserve (Cont'd)

20.1.2 Aging analysis of loss reserve's repayment

	2021 Baht	2020 Baht
Repayment within 1 year	1,884,630,532	1,352,183,368
Repayment between 1 - 2 years	271,309,280	244,754,018
Repayment between 2 - 5 years	251,930,045	228,690,820
Repayment over 5 years	14,534,426	18,774,686
Total	2,422,404,283	1,844,402,892

20.1.3 Sensitivity analysis on change in main assumption

		2021			
		Change in assumption	Impact on reinsurance assets	Impact on loss reserve and unallocated loss adjustment expenses	Impact on profit and loss
Estimated loss ratio	Increase 2%	16,299,029	29,880,126	(12,892,403)	(12,892,403)
Estimated loss ratio	Decrease 2%	(16,299,029)	(29,880,126)	12,783,784	12,783,784
Technical safety margin	Increase 2%	-	1,470,257	(1,470,257)	(1,470,257)
Technical safety margin	Decrease 2%	-	(1,470,257)	1,470,257	1,470,257
		2020			
		Change in assumption	Impact on reinsurance assets	Impact on loss reserve and unallocated loss adjustment expenses	Impact on profit and loss
Estimated loss ratio	Increase 2%	5,001,697	17,099,096	(9,677,919)	(9,677,919)
Estimated loss ratio	Decrease 2%	(5,001,697)	(17,099,096)	9,677,919	9,677,919
Technical safety margin	Increase 2%	-	1,429,238	(1,429,238)	(1,429,238)
Technical safety margin	Decrease 2%	-	(1,429,238)	1,429,238	1,429,238

20.2 Unearned premium reserve

	2021 Baht	2020 Baht
Beginning balance	1,620,725,353	1,369,282,438
Premium written for the year	4,195,667,385	3,489,337,294
Premium earned for the year	(3,775,075,502)	(3,237,894,379)
Closing balance	2,041,317,236	1,620,725,353

As at 31 December 2021 and 2020, the Company's unearned premium reserve is higher than unexpired risk reserve.

21 Due to reinsurers

	2021 Baht	2020 Baht
Reinsurance premium payable	101,171,207	124,035,567
Fund withheld from reinsurance	42,173,288	40,372,563
Reinsurance payable - others	76,105,099	78,456,739
Total due to reinsurers	<u>219,449,594</u>	<u>242,864,869</u>

22 Employee benefit obligations

	2021 Baht	2020 Baht
Short-term employee benefits	98,700,794	83,184,225
Long-term employee benefits	28,578,077	13,584,217
Post-employee benefit	38,008,010	44,335,267
	<u>165,286,881</u>	<u>141,103,709</u>

As at 31 December 2021 and 2020, the Company has recognised long-term employee benefit obligations which is share-based payment of Baht 28.6 million and Baht 13.6 million respectively. Expenses of share-based payment for the year are as following:

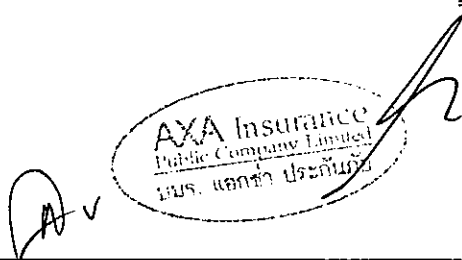
	2021 Baht	2020 Baht
Expense of share-based payment	8,169,283	5,504,202

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

	2021 Shares	2020 Shares
At 1 January	48,287	43,706
Granted	12,141	16,213
Exercised	(5,018)	(11,632)
At 31 December	<u>55,410</u>	<u>48,287</u>

Post-employment benefit expenses which are recognised in the statements of comprehensive income are as follows:

	2021 Baht	2020 Baht
Current service costs	2,835,830	3,758,188
Interest costs	799,818	711,373
Past service cost	-	-
Total	<u>3,635,648</u>	<u>4,469,561</u>



22 Employee benefit obligations (Cont'd)

Movements of the provision for employee benefits are as follows:

	2021 Baht	2020 Baht
Beginning balance	44,335,267	46,656,093
Current service costs	2,835,830	3,758,188
Remeasurements:		
Gain from change in financial assumptions	(8,307,438)	(761,052)
Experience losses	-	-
Interest costs	799,818	711,373
Past service cost	-	-
<u>Less</u> Benefits paid	<u>(1,655,467)</u>	<u>(6,029,335)</u>
Ending balance	<u>38,008,010</u>	<u>44,335,267</u>

The principal actuarial assumptions used are as follows:

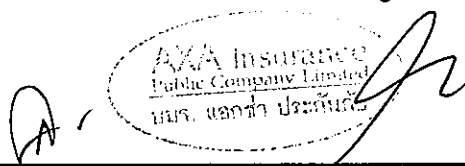
	2021	2020
Discount rate	2.22%	1.55%
Salary increase rate	5.00%	6.00%
Average turnover rate	11.00% - 30.00%	11.00% - 30.00%
Retirement age	55 or 60 years	55 or 60 years

The principal actuarial assumptions used are as follows:

2021			
Impact on employee benefit obligation			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease 2.06%	Increase 2.09%
Salary increase rate	0.50%	Increase 4.12%	Decrease 3.90%
Average turnover rate	0.50%	Decrease 4.58%	Increase 4.90%
2020			
Impact on employee benefit obligation			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease 3.33%	Increase 3.56%
Salary increase rate	0.50%	Increase 3.90%	Decrease 3.69%
Average turnover rate	0.50%	Decrease 2.29%	Increase 2.42%

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

The weighted average duration of the defined benefit obligation is 13 years.


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22 Employee benefit obligations (Cont'd)

Expected maturity analysis of undiscounted retirement benefits.

	2021				Total Baht
	Less than a year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	
At 31 December 2021					
Retirement benefits	1,655,467	19,620,077	16,128,469	41,675,252	79,079,265
Total	1,655,467	19,620,077	16,128,469	41,675,252	79,079,265
	2020				Total Baht
	Less than a year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	
At 31 December 2020					
Retirement benefits	5,195,730	17,144,413	18,575,089	50,425,790	91,341,022
Total	5,195,730	17,144,413	18,575,089	50,425,790	91,341,022

23 Lease liabilities

Maturity of lease liabilities are as follows:

	2021 Baht	2020 Baht
Minimum lease liabilities payments		
Not later than one year	16,101,435	16,003,603
Later than 1 year but not later than 5 years	33,163,835	35,416,033
Later than 5 years	1,447,490	894,295
<u>Less</u> Future finance charges on leases	(5,408,621)	(5,145,925)
Present value of lease liabilities	45,304,139	47,168,006
Lease liabilities		
- Current portion	16,101,435	16,003,603
- Non-current portion	34,611,325	36,310,328
Present value of lease liabilities:		
Not later than one year	13,928,772	13,635,391
Later than 1 year but not later than 5 years	29,945,859	32,654,926
Later than 5 years	1,429,508	877,689
	45,304,139	47,168,006

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24 Other liabilities

	2021 Baht	2020 Baht
Revenue Department payable	26,702,054	21,250,058
Amount due from related companies (Note 33)	23,663,817	10,664,914
Premium suspense	134,223,948	57,999,585
Others	676,934	3,170,919
Total other liabilities	<u>185,266,753</u>	<u>93,085,476</u>

25 Unrealised gains (losses) on investments

Movements of unrealised gains (losses) on investments for the years ended 31 December 2021 and 2020 are as follows:

	2021 Baht	2020 Baht
Opening balance	71,150,486	62,683,442
<u>(Less)/Add</u> Changes in fair values of investments	(57,380,502)	10,583,806
Changes in deferred tax assets/liabilities (Note 18)	11,476,100	(2,116,762)
Closing balance	<u>25,246,084</u>	<u>71,150,486</u>

26 Effective tax relating to each component of other comprehensive income

	2021			2020		
	Amount before tax Baht	Income tax Baht	Amount after tax Baht	Amount before tax Baht	Income tax Baht	Amount after tax Baht
Remeasurement of post-employment benefit obligations	8,307,438	(1,661,488)	6,645,950	761,052	(152,210)	608,842
Gains (losses) in changes in value of investment	(57,380,502)	11,476,100	(45,904,402)	10,583,806	(2,116,762)	8,467,044
Total	<u>(49,073,064)</u>	<u>9,814,612</u>	<u>(39,258,452)</u>	<u>11,344,858</u>	<u>(2,268,972)</u>	<u>9,075,886</u>

27 Legal reserve

	2021 Baht	2020 Baht
Opening balance	30,670,999	30,670,999
Addition during the year	-	-
Closing balance	<u>30,670,999</u>	<u>30,670,999</u>

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The reserve is non-distributable.




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28 Share capital


	Number of ordinary shares Shares	Ordinary shares Baht	Share discount Baht	Total Baht
At 1 January 2020	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584
Issue of shares	-	-	-	-
At 31 December 2020	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584
Issue of shares	-	-	-	-
At 31 December 2021	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584

29 Operating expenses

	2021 Baht	2020 Baht
Employee expenses not relating to underwriting and claim expenses	232,944,197	198,788,489
Property and equipment expenses not relating to underwriting expenses	67,571,371	70,617,800
Tax expenses	935,162	1,561,466
Bad debt and doubtful accounts	820,006	871,642
Expected credit loss	30,509	27,399
Other operating expenses	104,697,651	85,209,165
Total operating expenses	406,998,896	357,075,961

30 Employee benefit expenses

	2021 Baht	2020 Baht
Salary	455,164,686	444,771,218
Social security fund	2,656,735	3,260,242
Contribution to employee benefit project	22,972,933	21,663,772
Other employee benefit expenses	22,232,380	31,063,046
Total employee benefit expenses	503,026,734	500,758,278



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31 Income tax

	2021 Baht	2020 Baht
Income tax for the year	-	-
Deferred tax (Note 18)	7,436,707	27,667,133
Income tax expense	7,759,341	27,667,133

Reconciliation of income tax credit and the results of the accounting loss multiplied by the income tax rate are as follows:

	2021 Baht	2020 Baht
Profit before income tax	135,932,910	123,880,930
Tax rate	20%	20%
The result of the accounting loss multiplied by income tax rate	27,186,582	24,776,186
Tax losses for which no deferred income tax asset was recognised	(19,127,320)	1,970,782
Effect of non - taxable income and non-deductible expenses	(622,555)	920,165
Income tax expense	7,436,707	27,667,133

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

32 Basic profit (loss) per share

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

	2021	2020
Net profit for the period attributable to ordinary shareholders (Baht)	128,496,201	96,213,797
Weighted average number of ordinary shares in issue during the period (Shares)	36,726,421	36,726,421
Basic profit per share (Baht)	3.50	2.62

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

The image shows a handwritten signature and a circular official stamp. The stamp contains the text "AXA Insurance Public Company Limited" and Thai text below it. The signature is written over the stamp.

33 Related parties transactions

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

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

The Company is a subsidiary company of AXA SA whose incorporated and domiciled in France.

The Company had the following significant transactions with related parties:

	2021 Baht	2020 Baht
Statement of comprehensive income		
Revenues		
Gross written premium	503,975,660	430,537,344
Reinsurance premium ceded	(393,654,875)	(390,240,165)
Commission and brokerage fees	52,505,296	48,804,219
Expenses		
Losses and loss adjustment expenses	13,986,540	16,630,400
Claim recovered from reinsurers	(945,569,393)	(90,950,161)
Commission and brokerage expenses	85,460,674	71,823,482
Other underwriting expenses	4,169,075	25,841,374
Operating expenses		
Other expenses recoveries	(9,953,608)	(10,701,301)
Management and service fees	83,167,408	59,706,830
	2021 Baht	2020 Baht
Statement of financial position		
Assets		
Reinsurance assets, net	847,390,820	161,163,720
Amount due from reinsurance, net	291,061	1,393,791
Other assets		
Amount due from related companies	482,669	904,155
Liabilities		
Due to reinsurers	89,999,282	72,024,554
Accrued expenses	-	2,521,916
Other liabilities	23,663,817	10,664,914

AXA Insurance
Public Company Limited
นาง. อรุณดา ประจักษ์

33 Related parties transactions (Cont'd)

The Company had the following significant transactions with related parties: (Cont'd)

Key management compensation

The compensation to key management for employee service for the years ended 31 December 2021 and 2020 are shown below:

	2021 Baht	2020 Baht
Short-term employee benefits	100,198,341	101,099,689
Post-employee benefits	1,286,253	1,109,065
Total	101,484,594	102,208,754

34 Deposits with Registrar

In compliance with Section 19 of the Non-Life Insurance Act B.E. 2535 and the Non-Life Insurance Act (No. 2) B.E. 2551, government bonds amounting to Baht 207,000,000 and state-owned enterprise bonds amounting to Baht 175,000,000 (31 December 2020: government bonds amounting to Baht 14,000,000 and state-owned enterprise bonds amounting to Baht 325,000,000) have been placed at the Office of Insurance Commission.

35 Contribution to Non-life guarantee fund

In compliance with the Non-Life Insurance Act (No. 2) B.E. 2551, during the year the Company contributes to Non-life guarantee fund amounting to Baht 10,419,203 (2020: Baht 8,632,393).

36 Operating lease commitments

The future minimum lease payments under operating leases are as follows:

	2021 Baht	2020 Baht
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
More than 5 years	-	-
Total operating lease commitments	-	-

