

**Thai Group Holdings Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Thai Group Holdings Public Company Limited

Qualified Opinion

I have audited the consolidated and separate financial statements of Thai Group Holdings Public Company Limited and its subsidiaries (the "Group") and of Thai Group Holdings Public Company Limited (the "Company" or "TGH"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Qualified Opinion

COVID-19 infection of policy beneficiaries underwritten by Southeast Insurance Public Company Limited and The Thai Insurance Public Company Limited

During January - June 2021, insurance policies were underwritten by Southeast Insurance Public Company Limited ("SEIC") and The Thai Insurance Public Company Limited ("TIC") which provide benefits in the event of COVID-19 infection of policy beneficiaries (the "COVID-19 policies"). The amount included in "benefits payments and insurance claim expenses" incurred in respect of these policies is dependent on the estimation of unexpired risk reserve on those policies.

Thailand's COVID-19 infection rate has fluctuated significantly since April 2021 and in particular due to the Omicron variant, the future infection rate is uncertain, which gives rise to a range of possible scenarios for the amount of claims that will be incurred during the remaining coverage period. The coverage periods of the majority (86% of SEIC's policies) of these policies are due to expire during April-June 2022.

As mentioned in Note 2 of the consolidated financial statements, on 22 January 2022, the Board of Directors of SEIC, resolved to discontinue the insurance business, transfer in-force policies to other insurers approved by Office of Insurance Commission ("OIC"), a regulator, and return the insurance license to OIC due to continued losses and uncertainty as to future losses in relation to the COVID-19 policies.

As a consequence;

- a. As at 31 December 2021, SEIC recorded unexpired risk liabilities on COVID-19 policies of Baht 3,412 million, as disclosed in note 22 - insurance contract liabilities, which includes certain details of the assumptions and sensitivities with respect to the unexpired risk on COVID-19 policies including data and assumptions that management applied and the sensitivity analysis.
- b. As disclosed in note 16, on 27 September 2021, the Group ceased to control TIC and has deconsolidated it with effect from that date. The Group recognized a gain on sale of investment of Baht 7,099 million in the consolidated statement of comprehensive income, which resulted mainly from the deconsolidation of accumulated losses booked in connection with claims and unexpired risks of COVID-19 policies estimated on TIC's disposal date.

Due to the material uncertainty regarding the future infection rate of policy beneficiaries, I was not able to obtain sufficient audit evidence to satisfy myself that the settlement amount of unexpired risks of COVID-19 policies would not differ materially from the recorded reserve and the amount of unexpired risks of COVID-19 policies estimated on TIC's disposal date. Accordingly, I was not able to determine whether any adjustments might be necessary to the amounts recorded in the consolidated financial statements for unexpired risk reserves of SEIC of Baht 3,412 million and "benefits payments and insurance claim expenses" in respect of the COVID-19 policies and the "gain on sale of investment in subsidiary" of Baht 7,099 million as at and for the year ended 31 December 2021.

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

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

If, based on the work I will perform, I conclude that there is a material misstatement of this other information, I am required to report that fact. However, as described in the *Basis for Qualified Opinion* section above, I was unable to obtain sufficient appropriate evidence about SEIC's settlement amount of the URR on the COVID-19 policies of Baht 3,412 million and "benefits payments and insurance claim expenses" in respect of the COVID-19 policies and the "gain on sale of investment in subsidiary" of Baht 7,099 million. Accordingly, if management prepares the other information based on these financial statements, I will be unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Valuation of premiums due and uncollected	
Refer to notes 3(g) and 7 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, premiums due and uncollected under insurance contracts before allowance for doubtful accounts recorded in the consolidated financial statements amounted to Baht 1,450 million, of which of Baht 45 million was overdue for more than 90 days and less than 1 year and Baht 64 million was overdue for more than 1 year. Premiums due and uncollected net of allowance for doubtful accounts represented 1.50% of total assets. These overdue premiums due and uncollected have been considered and an allowance for doubtful accounts was recorded of Baht 74 million or 5.13% of these premiums due and uncollected. There is uncertainty as to the collection of these receivables.</p> <p>Allowance for doubtful accounts is assessed primarily on an analysis of payment histories and management's assumptions regarding future expectation of customer payments, this involves significant judgement. This allowance could materially affect the amount of the recorded assets and expense. I have determined this to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Performing the risk assessment procedures on the underwriting and collection processes, testing the operating effectiveness of relevant internal controls on a sample basis; • Considering the reasonableness of allowance for doubtful accounts on the basis of historical recovery of collection of premiums due and uncollected; • Testing on a sample basis post period end collection of premiums due and uncollected with related documentation; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Valuation of hire-purchase and finance lease receivables	
Refer to notes 3(i) and 10 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, hire-purchase and finance lease receivables before allowance for expected credit losses recorded in the consolidated financial statements amounted to Baht 968 million, of which Baht 549 million was due within 1 year, Baht 359 million was due over 1 year but within 2 years, and Baht 60 million was due over 2 years or more. The Group sets up the allowance for expected credit losses of hire-purchase and finance lease receivables based on the aging of payments due, applicable loss factors and collateral valuation. Expected credit losses amounting to Baht 84 million was booked against hire-purchase and finance lease receivables. Hire-purchase and finance lease receivables net of allowance for expected credit losses represented 0.96% of total assets.</p> <p>The Group has applied TFRS 9 <i>Financial Instruments</i> which requires the Group to consider allowance for expected credit losses (“ECL”). Management has estimated the allowance for expected credit losses based on credit models which are complex and dependent on significant management judgements and estimates including establishment of the criteria for determining whether credit risk has increased significantly since initial recognition, development of models used to measure ECL, including determination of reference rate in case data is insufficient for credit model.</p> <p>Due to the significant management judgment involved, I consider this to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Considering factors which could significantly affect the valuation, including understanding the Group’s assumptions and methodology, and the appropriateness of the Group’s accounting policy for allowance for expected credit losses. • Evaluating the design and implementation of controls of collection, aging and allowances for expected credit losses process; • Evaluating accuracy of data and reasonableness of assumptions used by management to assess relevance and reliability of information used in calculation of accounting estimate; • Considering the reliability of the collateral valuation by comparing samples with the market price and the historical selling price of similar collateral; • Evaluating the reasonableness of the Group’s assumptions and allowance for expected credit losses policy by considering historical information and information after the year-end including sample testing the subsequent receipts of debtors after the year-end with related documents; • Testing the mathematical accuracy of the expected credit losses of hire-purchase and finance lease receivables; • Considering the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Valuation of inventories and assets held for operating lease	
Refer to notes 3(k), 3(p), 14 and 19 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, inventories and assets held for operating lease with net book values of Baht 154 million and Baht 11,770 million, respectively, are recorded in the consolidated financial statements.</p> <p>Due to fluctuations in the used car market and other factors, the actual sales value of inventories and assets held for operating lease at the end of lease term may differ from these estimates. The estimates involve subjective judgements and accordingly I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding assumptions, methodology and the appropriateness of accounting policy; • Considering the net realisable value of inventories by sample testing sales subsequent to the year-end with related documents, the disposal plan as well as comparing with external prices and estimated costs to sell; • Considering the residual value and disposal plan of assets held for operating lease by comparing to historical selling price and/or external prices derived from the market; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.
Valuation of loss reserves and outstanding claims - short-term technical reserves	
Refer to notes 3(g) and 22 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, loss reserves and outstanding claims recorded in the consolidated financial statements amounted to Baht 5,054 million, representing 6.20% of total liabilities.</p> <p>Valuation of loss reserves regarding the ultimate estimated losses for claims reported and claims incurred but not reported (IBNR) as at the statement of financial position date are estimated based on actuarial models, the results of which may depend on the quality and consistency of underlying data and significant subjective judgements on assumptions made by management. This could materially affect the amount of the recorded liabilities and expense. Accordingly I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Performing the risk assessment procedures on the claims process and testing the operating effectiveness of relevant controls on a sample basis; • Using our actuarial specialist employed by KPMG to evaluate the reasonableness of key assumptions and methodology used in the calculation of claims incurred but not reported (IBNR) used by the Group; • Re-performing the reconciliations between the claims data recorded in the policy administration systems and the data used in the actuarial reserving calculations; • Comparing the samples of claims case reserves to relevant documentation; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Valuation of liabilities under insurance contracts - long-term technical reserves	
Refer to notes 3(g) and 22 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, long-term technical reserves recorded in the consolidated financial statements amounted to Baht 42,464 million, representing 52.28% of total liabilities.</p> <p>The valuation of long-term technical reserves is based on actuarial models, the results of which may depend on the quality and consistency of underlying data and significant subjective judgements on assumptions made by management. This could materially affect the amount of the recorded liabilities and expense. Accordingly I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Performing the risk assessment procedures on the underwriting and benefits and claims process and testing the operating effectiveness of relevant controls on a sample basis; • Using actuarial specialists employed by KPMG to assess the methodology and assumptions used in calculating the reserves based on Net level Premium Reserve method (NPV), including assessing the reasonableness of the mortality table, estimated future contractual cash flows, discount rate, that were established at the time when the insurance product was designed and were approved by the Office of Insurance Commission; • Comparing liability calculated using Gross Premium Valuation method (GPV), of policies in force at the reporting date based on the best estimate adjusted current risk-free interest rate with the gross carrying amount of liability calculated on Net level Premium valuation method; • Re-performing the reconciliations between the data recorded in the systems and the data used in the actuarial reserving calculations; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Emphasis of Matters

1. I draw attention to Note 2 of the consolidated financial statements, regarding the basis of preparation of the financial statements for SEIC in the consolidated financial statements. As disclosed in note 2, on 22 January 2022, the Board of Directors of SEIC resolved to discontinue the insurance business, transfer in-force policies to other insurers approved by Office of Insurance Commission (“OIC”), a regulator, and return the insurance license to OIC due to continued losses and uncertainty as to future losses and the reinsurance recoveries in relation to a portfolio of COVID-19 policies. The Board of Directors of SEIC has determined that the continued use of the going concern basis of accounting by SEIC is inappropriate and accordingly the results of SEIC in the consolidated financial statements include certain adjustments to reflect the manner in which the assets of SEIC are expected to be realized and the liabilities settled.
2. I draw attention to Note 45 – event after the reporting period of the consolidated financial statements. On 23 February 2022, SEIC has transferred all in-force policies, except for the COVID-19 policies, to Indara Insurance Public Company Limited (a subsidiary of TGH) and 3 non-related insurance companies. The transfer includes related assets and liabilities.
3. I draw attention to note 4 which describes the effect of the business combination under common control; The corresponding figures presented are based on the audited consolidated financial statements as at and for the year ended 31 December 2020 after making the adjustments described in note 4.

My opinion is not modified in respect of these matters.

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

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

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

Those charged with governance are responsible for overseeing the Group’s and the Company’s financial reporting process.

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

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

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

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

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

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

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



(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2022

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
			(Restated)		
			(in Baht)		
Cash and cash equivalents	6	2,657,493,355	3,770,915,281	54,284,917	28,644,714
Investment receivables		296,904,393	-	-	-
Premiums due and uncollected	7	1,375,981,237	1,475,699,688	-	-
Reinsurance assets	22	5,615,201,725	4,737,907,311	-	-
Reinsurance receivables	8	465,764,940	881,153,752	-	-
Operating lease receivables	9	461,588,478	444,452,466	-	-
Hire-purchase and finance lease receivables	10	883,387,320	1,014,674,821	-	-
Financial assets - Debt securities	5, 11, 38	43,989,627,871	45,646,700,266	-	-
Financial assets - Equity securities	5, 12, 38	13,494,853,126	12,207,576,217	234,000,000	234,000,000
Derivative assets	5, 13, 38	23,803,912	69,954,942	-	-
Inventories	14	154,237,707	254,261,186	-	-
Loans	15	1,410,639,140	1,045,938,719	8,140,367,868	8,485,379,633
Investments in associate and joint venture	5, 16	-	-	-	-
Investments in subsidiaries	16	-	-	2,094,553,198	3,283,376,567
Investment properties	17	480,313,598	529,113,527	-	-
Leasehold rights	18	1,311,772,530	1,334,520,030	-	-
Property, plant and equipment	19	15,442,905,302	15,733,885,592	1,781,329	695,151
Right-of-use assets		12,161,688	46,521,577	25,371,554	31,328,194
Intangible assets		316,171,799	408,701,062	18,754,469	19,724,913
Deferred tax assets	35	1,059,669,484	701,187,498	126,031,882	3,072,324
Goodwill	16	-	84,140,909	-	-
Other assets	20	2,109,143,433	2,240,001,129	237,874,180	118,726,870
Total assets		91,561,621,038	92,627,305,973	10,933,019,397	12,204,948,366

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2021	2020	2021	2020
			(Restated)		
		(in Baht)			
Liabilities					
Investment payables		266,784,869	17,011,718	-	-
Borrowings	5, 21	15,370,054,518	16,602,544,538	8,249,000,000	8,189,000,000
Insurance contract liabilities	5, 22	57,947,558,268	54,655,741,294	-	-
Reinsurance payables	23	3,884,418,211	3,599,669,526	-	-
Derivative liabilities	13, 38	241,075,514	209,170,122	-	-
Current income tax payable		81,819,268	55,230,556	-	-
Lease liabilities	21	651,127,960	430,635,618	26,194,132	32,037,237
Provision for employee benefits		564,279,408	360,830,045	21,551,460	15,361,621
Deferred tax liabilities	35	155,762,696	498,321,227	-	-
Other liabilities	24	2,381,962,108	2,427,313,264	41,255,868	64,353,785
Total liabilities		81,544,842,820	78,856,467,908	8,338,001,460	8,300,752,643
Equity					
Share capital	25				
Authorised share capital (1,203,356,530 ordinary shares, par value at Baht 10 per share)		12,033,565,300	12,033,565,300	12,033,565,300	12,033,565,300
Issued and paid-up share capital (752,097,582 ordinary shares, par value at Baht 10 per share)		7,520,978,320	7,520,978,320	7,520,978,320	7,520,978,320
Acquiree's equity held before business combination		-	(111,959,475)	-	-
Share premium on ordinary shares		18,224,269,226	18,224,269,226	18,224,269,226	18,224,269,226
Retained earnings					
Appropriated					
Legal reserve	26	365,299,777	388,799,777	37,850,816	37,850,816
Other reserve		7,714,962	27,714,962	-	-
Unappropriated		3,763,256,462	6,893,602,677	(584,967,770)	724,210,016
Other components of equity	26	(19,901,966,485)	(19,349,960,203)	(22,603,112,655)	(22,603,112,655)
Equity attributable to owners of the parent		9,979,552,262	13,593,445,284	2,595,017,937	3,904,195,723
Non-controlling interests		37,225,956	177,392,781	-	-
Total equity		10,016,778,218	13,770,838,065	2,595,017,937	3,904,195,723
Total liabilities and equity		91,561,621,038	92,627,305,973	10,933,019,397	12,204,948,366

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
			(Restated)		
			(in Baht)		
Revenue					
Gross premium written	5	23,836,294,623	20,208,591,242	-	-
Less Premium ceded		(5,483,204,658)	(5,624,803,763)	-	-
Net premiums written		18,353,089,965	14,583,787,479	-	-
Add (Less) Decrease (increase) in unearned premium reserve					
from previous year		(607,141,865)	138,253,260	-	-
Net premium earned		17,745,948,100	14,722,040,739	-	-
Commission and brokerage income		1,833,268,698	1,949,135,415	-	-
Income from operating lease contracts	5	3,079,935,108	3,184,789,554	-	-
Income from hire-purchase and finance lease contracts	5	171,396,821	63,862,726	-	-
Income from sales of operating lease assets		1,453,256,260	893,425,949	-	-
Investment income	5, 28	1,701,032,559	1,859,489,993	205,724,036	882,070,789
Gain on financial instruments	29	258,328,731	169,035,677	-	-
Gain on fair value change of financial instruments	30	136,144,150	252,855,651	-	-
Gain on sale of investment in subsidiary	16	7,099,763,845	-	-	-
Gain on foreign exchange		1,839,194	-	1,651,858	-
Cumulative gain from reclassification of cash flow hedges					
previously recognised in other comprehensive income		5,180,924	128,294,087	-	62,862,331
Advisory fee income	5	-	-	153,000,000	4,800,000
Other income	5	153,306,964	143,278,787	7,679,639	25,357
Total revenue		33,639,401,354	23,366,208,578	368,055,533	949,758,477
Expenses					
Long-term technical reserve increase from previous year		3,829,835,490	2,731,345,029	-	-
Benefits payments and insurance claims expenses	5	27,974,949,737	11,101,634,664	-	-
Less Benefits payments and insurance claims expenses					
recovered from reinsurers		(6,459,602,622)	(2,631,232,022)	-	-
Net benefits payment and insurance claims expenses		21,515,347,115	8,470,402,642	-	-
Commissions and brokerage expenses		3,153,345,321	2,895,499,682	-	-
Other underwriting expenses		2,071,938,848	2,083,867,283	-	-
Direct rental costs		2,191,858,424	2,136,206,196	-	-
Cost of sales of operating lease assets		1,423,919,567	1,088,284,578	-	-
Operating expenses	5, 31	2,345,024,715	2,450,931,955	156,610,943	136,097,523
Loss on foreign exchange		-	93,174,915	-	65,226,695
Loss on sale of investment in subsidiary	16	-	-	532,253,339	-
Impairment loss on investment in subsidiary	16	-	-	437,993,550	-
Loss from adjusting to non-going concern basis	2	230,078,801	-	-	-
Finance costs	5	435,476,541	453,343,678	173,644,618	92,945,708
Hedging loss for hedge of group of items with offsetting risk positions		13,790,708	58,047,312	-	-
Expected credit loss	34	10,351,438	6,364,714	49,000,000	-
Total expenses		37,220,966,968	22,467,467,984	1,349,502,450	294,269,926
Profit (loss) before income tax expense		(3,581,565,614)	898,740,594	(981,446,917)	655,488,551
Tax (expense) income	35	221,774,624	(192,537,196)	122,959,557	36,074,992
Profit (loss) for the year		(3,359,790,990)	706,203,398	(858,487,360)	691,563,543

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
			(Restated)		
			(in Baht)		
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		146,475,279	(27,530,782)	-	-
Loss on remeasurement of investments measured at fair value through other comprehensive income		(935,483,026)	(4,733,570,762)	-	-
Gain (loss) on cash flow hedges		(7,255,643)	18,719,016	-	-
Gain on deferred cost of hedging reclassified subsequently to profit or loss		4,689,853	43,767,099	-	-
Income tax relating to items that will be reclassified		158,314,707	934,216,929	-	-
Total items that will be reclassified subsequently to profit or loss		(633,258,830)	(3,764,398,500)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income		323,847,282	2,069,739,736	-	-
Gain (loss) on revaluation of assets		17,125,343	36,104,154	-	-
Gain on remeasurements of defined benefit plans		(47,553,890)	7,163,639	710,342	6,548,426
Income tax relating to items that will not be reclassified		(58,683,747)	(422,601,506)	(142,069)	(1,309,685)
Total items that will not be reclassified to profit or loss		234,734,988	1,690,406,023	568,273	5,238,741
Other comprehensive income (expense) for the period, net of tax		(398,523,842)	(2,073,992,477)	568,273	5,238,741
Total comprehensive income (expense) for the year		(3,758,314,832)	(1,367,789,079)	(857,919,087)	696,802,284
Profit (loss) attributable to:					
Owners of the parent		(3,260,470,236)	728,446,070	(858,487,360)	691,563,543
Acquiree's equity before business combination		(11,304,763)	(33,150,641)	-	-
Non-controlling interests		(88,015,991)	10,907,969	-	-
Profit (loss) for the year		(3,359,790,990)	706,203,398	(858,487,360)	691,563,543
Total comprehensive income (expense) attributable to:					
Owners of the parent		(3,652,818,735)	(1,334,063,091)	(857,919,087)	696,802,284
Acquiree's equity before business combination		(11,304,763)	(33,150,641)	-	-
Non-controlling interests		(94,191,334)	(575,347)	-	-
Total comprehensive income (expense) for the year		(3,758,314,832)	(1,367,789,079)	(857,919,087)	696,802,284
Basic earnings (loss) per share (in Baht)	36	(4.34)	0.97	(1.14)	0.92

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

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of changes in equity

Note	Consolidated financial statements (Restated)														Equity attributable to owners of the parent	Non-controlling interests	Total equity	
	Retained earnings						Other components of equity											
	Issued and paid-up share capital	Acquiree's equity held before business combination	Share premium on ordinary shares	Legal reserve	Other reserves	Unappropriated	Gain (loss) on cash flow hedges	Gain (loss) on investments in equity instruments designated at fair value through comprehensive income	Gain (loss) on deferred cost of hedging subsequently to profit or loss	Gain (loss) on remeasurement of investments measured at fair value through other comprehensive income	Excess of cost over book value of acquired subsidiaries	Difference from business combination under common control	Other items of other comprehensive income	Total other components of equity				
	(in Baht)																	
Year ended 31 December 2020																		
Balance at 1 January 2020	7,520,978,320	105,914,318	18,224,269,226	344,221,600	27,714,962	6,229,378,463	110,087,231	(2,062,388,888)	(15,722,497)	5,253,499,813	(68,789,288)	(22,562,115,381)	2,225,194,865	(17,120,234,145)	15,331,342,744	111,763,312	15,443,106,056	
Transactions with owners, recorded directly in equity																		
<i>Changes in interests from business combination</i>																		
Impact of business combination under common control	4	-	(183,823,152)	-	10,000,000	-	11,975,758	-	-	(9,859,885)	-	(70,682,362)	-	(80,542,247)	(242,389,641)	63,808,710	(178,580,931)	
Total changes in interests from business combination		-	(183,823,152)	-	10,000,000	-	11,975,758	-	-	(9,859,885)	-	(70,682,362)	-	(80,542,247)	(242,389,641)	63,808,710	(178,580,931)	
<i>Changes in ownership interests in subsidiaries</i>																		
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,396,106	2,396,106	
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,396,106	2,396,106	
Total transactions with owners, recorded directly in equity		-	(183,823,152)	-	10,000,000	-	11,975,758	-	-	(9,859,885)	-	(70,682,362)	-	(80,542,247)	(242,389,641)	66,204,816	(176,184,825)	
Comprehensive income (expense) for the year																		
Profit (loss)		-	(33,150,641)	-	-	-	728,446,070	-	-	-	-	-	-	-	-	695,295,429	10,907,969	706,203,398
Other comprehensive income (expense)		-	-	-	-	-	6,217,040	14,990,910	1,657,046,199	35,002,824	(3,776,905,379)	-	-	1,139,245	(2,068,726,201)	(2,062,509,161)	(11,483,316)	(2,073,892,477)
Total comprehensive income (expense) for the year		-	(33,150,641)	-	-	-	734,663,110	14,990,910	1,667,046,199	35,002,824	(3,776,905,379)	-	-	1,139,245	(2,068,726,201)	(1,367,213,732)	(575,347)	(1,367,789,079)
Transfer to legal reserve		-	-	-	34,578,177	-	(34,578,177)	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	-	-	(47,836,477)	-	64,787,108	-	-	-	-	(16,950,631)	47,836,477	-	-	-
Transfer to profit or loss		-	-	-	-	-	(127,908,555)	-	(385,532)	-	-	-	-	(128,294,087)	(128,294,087)	-	(128,294,087)	
Balance at 31 December 2020		7,520,978,320	(111,959,475)	18,224,269,226	388,799,777	27,714,962	6,899,602,677	(2,830,414)	18,894,795	1,466,734,549	(68,789,288)	(22,632,797,743)	2,209,383,479	(19,349,960,203)	13,593,445,284	177,392,781	13,770,838,064	

The accompanying notes form an integral part of the interim financial statements.

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of changes in equity

Note	Consolidated financial statements																
	Retained earnings						Other components of equity										
	Issued and paid-up share capital	Acquiree's equity held before business combination	Share premium on ordinary shares	Legal reserve	Other reserves	Unappropriated	Gain (loss) on cash flow hedges	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	Gain (loss) on hedging reclassified subsequently to profit or loss	Gain (loss) on remeasurement of investments measured at fair value through other comprehensive income	Excess of cost over book value of acquired subsidiaries	Difference from business combination under common control	Other items of other comprehensive income	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>(in Baht)</i>																	
Year ended 31 December 2021																	
Balance at 1 January 2021	7,520,978,320	(111,959,475)	18,224,269,226	388,799,777	27,714,962	6,893,602,677	(2,830,414)	(340,555,581)	18,894,795	1,466,734,549	(68,789,288)	(22,632,797,743)	2,209,383,479	(19,349,960,203)	13,593,445,284	177,392,781	13,770,838,065
Transactions with owners, recorded directly in equity																	
<i>Distributions to owners of the parent</i>																	
Dividends	37	-	-	-	-	(451,258,699)	-	-	-	-	-	-	-	-	(451,258,699)	-	(451,258,699)
Total distributions to owners of the parent		-	-	-	-	(451,258,699)	-	-	-	-	-	-	-	-	(451,258,699)	-	(451,258,699)
<i>Changes in interests from business combination</i>																	
Acquiree's issued share capital before business combination	16	-	57,016,580	-	-	-	-	-	-	-	-	-	-	-	57,016,580	-	57,016,580
Impact of business combination under common control	4	-	66,247,658	-	-	34,140,996	-	-	-	-	-	1,321,669	-	1,321,669	101,710,323	-	101,710,323
Total changes in interests from business combination		-	123,264,238	-	-	34,140,996	-	-	-	-	-	1,321,669	-	1,321,669	158,726,903	-	158,726,903
<i>Changes in ownership interests in subsidiaries</i>																	
Sale of interests in subsidiary with a change in control	16	-	-	(23,500,000)	(20,000,000)	-	-	-	-	-	68,789,288	(29,230,071)	-	39,559,217	(3,940,783)	(45,975,491)	(49,916,274)
Total changes in ownership interests in subsidiaries		-	-	(23,500,000)	(20,000,000)	-	-	-	-	-	68,789,288	(29,230,071)	-	39,559,217	(3,940,783)	(45,975,491)	(49,916,274)
Total transactions with owners, recorded directly in equity		-	123,264,238	(23,500,000)	(20,000,000)	(417,117,703)	-	-	-	-	68,789,288	(27,908,402)	-	40,880,886	(296,472,579)	(45,975,491)	(342,448,070)
Comprehensive income (expense) for the year																	
Loss		-	(11,304,763)	-	-	(3,260,470,236)	-	-	-	-	-	-	-	-	(3,271,774,999)	(88,015,991)	(3,359,790,990)
Other comprehensive income (expense)		-	-	-	-	-	(5,801,450)	276,788,637	3,753,060	(746,297,377)	-	-	79,208,631	(392,348,499)	(392,348,499)	(6,175,343)	(308,523,842)
Total comprehensive income (expense) for the year		-	(11,304,763)	-	-	(3,260,470,236)	(5,801,450)	276,788,637	3,753,060	(746,297,377)	-	-	79,208,631	(392,348,499)	(3,664,123,498)	(94,191,334)	(3,758,314,832)
Transfer to retained earnings		-	-	-	-	547,241,724	15,575,200	(211,321,886)	-	47,683,431	-	-	(52,475,414)	(200,538,669)	346,703,055	-	346,703,055
Balance at 31 December 2021		7,520,978,320	-	18,224,269,226	365,299,777	7,714,962	3,763,256,462	6,943,336	(275,888,830)	22,647,855	768,120,603	(22,660,706,145)	2,236,116,696	(19,901,966,485)	9,979,552,262	37,225,956	10,016,778,218

The accompanying notes form an integral part of the interim financial statements.

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements							
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity		Total other components of equity	Total equity
			Legal reserve	Unappropriated	Gain (loss) on cash flow hedges <i>(in Baht)</i>	Difference from business combination under common control		
Year ended 31 December 2020								
Balance at 1 January 2020	7,520,978,320	18,224,269,226	3,272,639	61,985,909	62,862,331	(22,603,112,655)	(22,540,250,324)	3,270,255,770
Comprehensive income (expense) for the year								
Profit	-	-	-	691,563,543	-	-	-	691,563,543
Other comprehensive income	-	-	-	5,238,741	-	-	-	5,238,741
Total comprehensive income (expense) for the year	-	-	-	696,802,284	-	-	-	696,802,284
Transfer to legal reserve	-	-	34,578,177	(34,578,177)	-	-	-	-
Transfer to profit or loss	-	-	-	-	(62,862,331)	-	(62,862,331)	(62,862,331)
Balance at 31 December 2020	7,520,978,320	18,224,269,226	37,850,816	724,210,016	-	(22,603,112,655)	(22,603,112,655)	3,904,195,723

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

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated (in Baht)	Difference from business combination under common control	Total other components of equity	
Year ended 31 December 2021								
Balance at 1 January 2021		7,520,978,320	18,224,269,226	37,850,816	724,210,016	(22,603,112,655)	(22,603,112,655)	3,904,195,723
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the parent</i>								
Dividends	37	-	-	-	(451,258,699)	-	-	(451,258,699)
Total distributions to owners of the parent		-	-	-	(451,258,699)	-	-	(451,258,699)
Comprehensive income (expense) for the year								
Loss		-	-	-	(858,487,360)	-	-	(858,487,360)
Other comprehensive income		-	-	-	568,273	-	-	568,273
Total comprehensive income (expense) for the year		-	-	-	(857,919,087)	-	-	(857,919,087)
Balance at 31 December 2021		7,520,978,320	18,224,269,226	37,850,816	(584,967,770)	(22,603,112,655)	(22,603,112,655)	2,595,017,937

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
		(Restated)		
		(in Baht)		
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(3,359,790,990)	706,203,398	(858,487,360)	691,563,543
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	221,774,624	192,537,196	(122,959,557)	(36,074,992)
Finance costs	435,476,541	453,343,678	173,644,618	91,853,897
Depreciation and amortisation	1,818,010,025	1,795,073,448	14,278,865	12,593,208
Impairment loss on investment in subsidiary	-	-	437,993,550	-
Impairment loss (reversal) on subrogation recoveries	33,062,164	29,088,918	-	-
(Reversal of) Provision for employee benefits	253,726,938	63,661,728	6,758,113	(1,052,437)
Reserve from insurance contracts	(127,249,379)	2,731,345,029	-	-
Loss incurred from loss reserve	4,525,481,042	4,745,336,461	-	-
Unearned premium reserve	(6,603,290,386)	(8,183,547,246)	-	-
Unrealised loss on exchange	(1,839,194)	93,174,915	-	-
Loss (gain) on sell of investment in subsidiary	(7,099,763,845)	-	532,253,339	-
Loss from adjusting to non-going concern basis	230,078,801	-	-	-
Loss on revaluation of derivative	40,845,643	45,723,361	-	-
(Reversal of) bad and doubtful debts expenses	24,025,307	3,460,782	-	-
(Reversal of) losses on decline in value of inventories and properties foreclosed	(51,928,659)	22,438,124	-	-
Gain on disposal of investments	78,056,423	(169,035,677)	-	-
Loss on disposal of properties foreclosed	-	451,598	-	-
Loss (gain) on disposal of property, plant and equipment	-	25,516	-	-
(Reversal of) Impairment loss on property, plant and equipment	-	(133,000)	-	-
Loss from written-off withholding tax	-	136,004	-	-
Dividend income	(479,192,021)	(618,082,950)	(2,850,000)	(679,988,431)
Interest income	(1,221,840,538)	(1,241,407,045)	(202,874,036)	(202,082,359)
	(11,284,357,504)	669,794,238	(22,242,468)	(123,187,571)
<i>Changes in operating assets and liabilities</i>				
Premiums due and uncollected	77,191,070	187,645,242	-	-
Reinsurance assets	5,788,857,586	(2,430,829,134)	-	-
Reinsurance receivables	415,388,812	(179,407,379)	-	-
Operating lease receivables	(17,379,318)	(97,283,617)	-	-
Hire-purchase and finance lease receivables	131,287,500	(724,083,100)	-	-
Investment in securities	1,232,431,281	(5,203,803,682)	-	-
Inventories	(834,992,133)	1,014,252,693	-	-
Right-of-use assets	34,359,889	(46,521,577)	-	-
Goodwill	84,140,909	-	-	-
Other assets	97,840,438	761,793,888	(123,218,609)	(16,149,344)
Insurance contract liabilities	(1,169,277,026)	5,747,494,103	-	-
Reinsurance payable	284,748,685	(135,111,162)	-	-
Other liabilities	(120,415,639)	52,952,741	(24,108,273)	(17,217,284)
Employee benefit paid	(12,234,463)	(27,578,734)	-	-
Net cash generated from (used in) operating activities	(5,292,409,913)	(410,685,480)	(169,569,350)	(156,554,199)
Interest received from insurance business	1,197,210,371	1,273,074,412	-	-
Dividends received from insurance business	476,306,617	646,514,345	-	-
Tax paid	(896,226,429)	(111,000,374)	(510,212)	(1,714,003)
Net cash from (used in) operating activities	(4,515,119,354)	1,397,902,903	(170,079,562)	(158,268,202)

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
		(Restated)		
		(in Baht)		
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	-	-	-	(56,699,960)
Proceeds from sell of investment in subsidiary	219,576,460	-	219,576,460	-
Acquisition of investment properties	21,414,372	(6,371,554)	-	-
Proceeds from sale of property, plant and equipment	16,988,747	59,308,657	85,150	-
Acquisition of property, plant and equipment	(2,413,887,247)	(2,885,720,027)	(1,661,735)	(394,394)
Acquisition of intangible assets	36,310,154	(34,805,556)	(1,088,750)	(7,575,100)
Proceeds from sell of intangible assets	-	5,359,053	-	-
Investment in subsidiaries	-	-	(999,980)	-
Loans	(637,827,368)	(376,794,438)	(7,330,387,220)	(5,283,294,120)
Proceeds from repayment of loans	402,527,789	956,230,303	7,675,398,985	2,432,182,355
Dividends received	2,885,404	5,455,511	2,850,000	679,988,431
Interest received	22,483,190	49,298,681	207,455,546	155,303,579
Net cash from (used in) investing activities	(2,329,528,499)	(2,228,039,370)	771,228,456	(2,080,489,209)
Cash flows from financing activities				
Proceeds from borrowings	17,064,367,346	11,326,442,138	22,288,000,000	19,106,431,949
Repayment of borrowings	(10,037,659,612)	(10,916,280,339)	(22,228,000,000)	(16,798,382,858)
Proceeds from issue of shares	-	3,300,000	-	-
Payment of lease liabilities	(392,183,757)	(270,604,181)	(12,718,094)	(12,307,944)
Payment Dividend	(451,258,699)	(903,894)	(451,258,699)	-
Finance costs paid	(370,183,757)	(453,051,702)	(171,531,898)	(90,057,855)
Net cash from (used in) financing activities	5,813,081,521	(311,097,978)	(575,508,691)	2,205,683,292
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(1,031,566,332)	(1,141,234,445)	25,640,203	(33,074,119)
Foreign currency translation differences for foreign operations	(81,855,594)	(27,530,782)	-	-
Net increase (decrease) in cash and cash equivalents	(1,113,421,926)	(1,168,765,227)	25,640,203	(33,074,119)
Cash and cash equivalents at 1 January	3,770,915,281	4,939,680,509	28,644,714	61,718,833
Cash and cash equivalents at 31 December	2,657,493,355	3,770,915,282	54,284,917	28,644,714
Non-cash transactions				
Payables for purchase of property, plant and equipment	-	279,140,254	-	-
Transfer equipment to inventories	-	1,107,784,547	-	-
Purchases of property, plant and equipment under finance lease agreements	-	70,134,030	-	-

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2022.

1 General information

Thai Group Holdings Public Company Limited “Company”, is incorporated in Thailand on 29 June 2018 and was listed on the Stock Exchange of Thailand on 31 July 2019. The Company’s registered office at 315 Southeast Building, Silom Road, Silom, Bangrak, Bangkok.

The Company’s major shareholders during the financial year were Pholmankhong Business Company Limited (45% shareholding) and Southeast Management Company Limited (31.4% shareholding). Both companies were incorporated in Thailand.

The principal activity of the Company is as a holding company. The principal activities of the Group are underwriting life assurance, underwriting non-life insurance, leasing, hire purchase services, lending and sales of second hand cars.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission, and the Notification of the Office of Insurance Commission (“OIC”) regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Life and Non-Life Insurance Companies” B.E. 2562 (No. 2), dated 4 April 2019, which are effective for annual periods beginning on or after 1 January 2020.

The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies which are disclosed in note to the financial statements have been applied consistently to all periods presented in these financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associate and a joint venture. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(b) Basis of preparation of the financial statements for Southeast Insurance Public Company Limited (Subsidiary) (“SEIC”)

On 22 January 2022, the Board of Directors of Southeast Insurance Public Company Limited (“SEIC”), a subsidiary, resolved to discontinue the insurance business, transfer in-force policies to other insurers approved by Office of Insurance Commission (“OIC”), a regulator, and return the insurance license to OIC due to continued losses and uncertainty as to future losses and the reinsurance recoveries in relation to the COVID-19 policies.

As a consequence, the Board of Directors of SEIC has determined that the continued use of the going concern basis of accounting by SEIC is inappropriate, and accordingly the results of SEIC in the consolidated financial statements include certain adjustments, some of which involve a high degree of management judgment, to reflect the manner in which the assets of SEIC are expected to be realized and the liabilities settled. In particular:

1. The unexpired risk liability of the remaining COVID-19 policies – assumptions used in the estimation of this liability are shown in Note 22. As at 31 December 2021, SEIC recorded the gross unexpired risk reserve of Baht 3,412 million.
2. The transfer value of all non-COVID19 policies to other insurers. On 23 February 2022, SEIC has transferred all in-force policies, except for the COVID-19 policies, to Indara Insurance Public Company Limited (a subsidiary of TGH) and other 3 non-related insurance companies. No adjustment has been made to the carrying amount of these balances at 31 December 2021 as such transfers are not expected to result in a loss to SEIC
3. Management made certain other provisions in relation to the discontinuance of business of Baht 230 million.

In the separate financial statements of the Company, as noted in Note 16, the investment in SEIC was recorded at cost of Baht 438 million. The Company has recorded a full provision for the investment. The Company has no further exposure to possible losses of SEIC in separate financial statement.

(c) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- 3(r) Leases:
- whether an arrangement contains a lease;
 - whether the Group is reasonably certain to exercise extension options;
 - whether the Group exercise termination options;
 - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
- 3(w) and 28 Revenue recognition:
- whether performance obligations in a bundled sale of products and services are capable of being distinct;
 - whether revenue from sales of products is recognised over time or at a point in time;
 - commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;
- 16 Equity-accounted investees: whether the Group has significant influence over an investee;

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(d) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

3(r)	Determining the incremental borrowing rate to measure lease liabilities;
3(g) 7 and 8	Measurement of allowance for doubtful debts of premiums due and uncollected reinsurance receivables;
3(d) 9 10 15 38	Measurement of ECL allowance for operating lease receivables, hire-purchase and finance lease receivables, loans, trade receivables and contract assets: key assumptions in determining the loss rate;
14	Measurement of net realisable value of inventory
17 and 19	Impairment test of investment properties; and property, plant and equipment: key assumptions underlying recoverable amounts
22	The estimation of unexpired risk liabilities according to the insured amount of COVID-19 products.
3(q) and 4	Impairment test of goodwill: key assumptions underlying recoverable amounts;
35	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
3(w) and 44	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
3(d) and 38	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

Insurance contract liabilities

Insurance contract liabilities consist of long-term technical reserves and short-term technical reserves. The carrying amount as at the reporting date is provided in note 22.

Process involved in determining assumptions for long-term technical reserves

The Group determines the long-term technical reserves by using Net Level Premium Valuation based on assumptions such as mortality, morbidity and discount rates that were established at the time when insurance products were designed and were approved by the Office of Insurance Commission. The assumptions used for calculating the liabilities over the life of the contract are generally unchanged.

The Group determines the long-term technical reserves by using mortality rates based on Thai Mortality Table 2017 for insurance products which were designed and submitted to the Office of Insurance Commission since 1 September 2017 onward.

Process involved in determining assumptions of short-term technical reserves

The Group determined the loss reserve and outstanding claims in accordance the company procedures. The assumptions used in the estimation of liabilities are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the estimated liability.

Provision is made at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses, less amounts already paid.

The Group uses several statistical techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims, for example:

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The Chain-ladder technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year. Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments.

Process involved in determining unexpired risk reserves

The Group determines the unexpired risk reserves based on the greater amount of unearned premium reserves and unexpired risk reserves.

Further information about the methods used in calculating the unearned premium reserves is disclosed in note 3(g).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 2 (b) Basis of preparation of the financial statements for Southeast Insurance Public Company Limited (Subsidiary) ("SEIC").

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in an associate and a joint venture.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there are changes in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses or deficits in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquired is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

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(b) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payments is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

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

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

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(d) Financial instruments

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

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Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividends income are recognised as income in profit or loss on the date on which the Group's right to receive payments is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offsetting

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.4)).

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity.

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When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, lease receivables, and loan commitments issued which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group/Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Significant estimates and judgements

The Group's and the Company's expected credit loss calculations are based on complex models with a series of underlying assumptions. The significant judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation of expected credit loss also involves expert credit judgement to be applied by management based upon counterparty information they receive from various internal and external.

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Measurement

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

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

For material portfolios, the estimate of expected cash shortfalls is determined by multiplying the probability of default ("PD") with percentage of the loss given default ("LGD") with the expected exposure at the time of default ("EAD").

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the original effective interest rate on the financial instrument.

Expected credit loss recognition - Staging

Stage 1 Financial assets that are not significant increase in credit risk (Performing)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of the instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Stage 2 Financial assets that are significant increase in credit risk (Under-performing)

If a financial asset experiences a significant increase in credit risk ("SICR") since initial recognition, an expected credit loss is recognised for default events that may occur over the expected life of the financial instrument. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Stage 3 Financial assets that are credit-impaired (Non-performing)

Financial assets that are credit impaired or in default represent those that are at least/over 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial asset.

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Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- In process of asset repossession; and
- In process of litigation

Allowance for impairment loss against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within impairment credit loss in profit or loss with a corresponding decrease in the gross carrying value of the asset.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Write-offs of credit impaired instruments and reversal of impairment credit loss

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related allowance for impairment loss. Such financial instruments are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of impairment credit loss in the profit or loss.

If, in a subsequent period, the amount of the allowance for impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised impairment loss is reversed by adjusting the allowance for impairment loss. The amount of the reversal is recognised in the profit or loss.

Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1. For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances requiring that action to be resolved before financial instruments are reclassified to stage 1.

(d.6) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits, and highly liquid short-term investments, with maturity of three months or less at the date of acquisition to cash equivalents.

(f) Classification of insurance contracts and investment contracts

The Group issues life insurance contracts that transfer insurance risk. These are classified as insurance contracts.

Insurance contracts are those contracts under which the Group accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event adversely affects the policyholder or other beneficiary. Once a contract had been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

Investment contracts are those contracts that transfer financial risk with no significant risk.

The Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least significant level more than the benefits payable if the insured event did not occur.

The Group does not unbundle any insurance contracts as its accounting policy recognises all premium, premium ceded, claims and loss adjustment expenses, and claims and loss adjustment expenses recovered from reinsurers through the profit or loss.

(g) Recognition and measurement of insurance contracts

Premiums due and uncollected

Premiums due and uncollected are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Insurance contract liabilities consist of long-term technical reserves, loss reserve and outstanding claims and premium reserves.

Long-term technical reserves

A liability for contractual benefits and claims that are expected to be incurred in the future is recorded when the premiums are recognised and is released when benefits and claims are incurred. The liability is measured using assumptions considered to be appropriate for the policies in force. The reserves are calculated by an internal actuary of the Group and using an actuarial method "Net Level Premium Valuation" based on assumptions for mortality, morbidity and discount interest rate that were established at the time when insurance products were designed and were approved by the Office of Insurance Commission.

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.

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The loss reserve and outstanding claims include claims incurred and reported, and claims incurred but not reported (IBNR) as well as claim handling costs including unallocated loss adjustment expenses (ULAE). The outstanding claims are recorded based on formal written confirmation of the claim amount to be paid, surveyor report or the Group's past experience on claim development. IBNR calculation is based on historical claims data, current trends, and actual payment patterns for all insurance business lines and anything else that could impact amounts to be paid in accordance with actuarial technique.

Premium reserve

Premium reserves consist of unearned premium reserve (UPR) and unexpired risk reserve (URR). Premium reserve is unearned premium reserve and is calculated using written premiums for short-term insurance contracts and group insurance in accordance with the pattern of risk underwritten or a pro-rata basis of the premium based on the remaining duration of each policy. Unearned premium reserve (UPR) represents the prorated portion of written premiums that relates to the unexpired period.

Unexpired risks reserve

Unexpired risks reserve is the reserve for the claims, which may occur, of the in-force policy. Unexpired risks reserve is set aside using an actuarial method. The reserve is calculated as the best estimate of the claims, which are expected to occur during the remaining coverage periods, based on the historical claims data.

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

Unpaid policy benefits

Unpaid policy benefits represent claims and benefits payable to policyholder in relation to deaths, surrenders, dividends, maturities and policyholder deposits in respect of maturities and other payments and policyholder deposits in respect of maturities and including related interest payable. Unpaid policy benefits are recognised at cost.

Due to insured

Due to insured consist of the advance premium received from insured and the money as the Group has to pay to insured other than the benefit under the insurance policy condition. Due to insured are recognised at cost.

Premiums

Short-term insurance contracts

Premium income on non-life / short-term insurance contracts is recognised as revenue on the inception date of the insurance contract that meets the risk transfer requirement and are presented gross of premium ceded and commission and brokerage expense. Net premium earned are presented net premium written and change in unearned premium reserve. Otherwise, deposit accounting shall be applied. For inward reinsurance, premiums are recorded based on the declaration made by the ceding company or the term specified on the reinsurance contracts.

The Group recognises premium of multiple-year contracts as premium received in advance and records related expenses as prepaid. The prepaids are expensed over the contractual period of the unexpired risk.

Long-term (life) insurance contracts

First year premium written for long-term (life) insurance contracts is recognised as revenue when the insurance policy is effective (or premium is received and insurance policy is approved). Renewal premium income is recognised as revenue when premium is due and if the policy is still inforce at the end of the reporting period. First year premium written and renewal premium income are presented gross of premium ceded and commissions and brokerage expenses.

Premium received in advance is not recognised until the due date.

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Commission and brokerage income

Commission and brokerage income are charged to current operations as incurred.

Benefits, claims and loss adjustment expenses

Benefits, claims and loss adjustment expenses consist of benefit, claims and loss adjustment expenses of direct insurance and reinsurance, and include the amounts of claims, related expenses and loss adjustments of current and prior period incurred or approved during the year, less residual value and other recoveries (if any) and claims refundable from reinsurers.

Benefits, claims and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Group's management or when benefits are due as stipulated in the insurance policy terms. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claims and loss adjustment expenses of reinsurance are recognised as expenses when the reinsured company submits the loss advice or the statement of accounts with the Group.

Salvage and subrogation recoveries

Salvage and subrogation recoveries are included in other assets. For salvage recoveries, the amount recognised is the amount that can be reasonably recovered from the disposal of that asset. For subrogation reimbursements is the amount that can reasonably be expected to be recovered from the action against the liable third party and is recorded net of related cost and allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on the analysis of recovery and future expectation of recovery from third parties.

Commission and brokerage expenses

Acquisition costs which represent commission and other direct related expenses are charged to current operations as incurred.

Reinsurance transactions

Transactions relating to reinsurance assumed and ceded are accounted for and presented in the statements of financial position and comprehensive income in the same manner as the direct business transactions. The reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Reinsurance receivables and assets are the Group's net contractual rights under reinsurance agreements. These consist of accrued reinsurance commission, claim receivables and other amounts due from reinsurers. The allowance for impairment of reinsurance assets is established based on latest publicly available credit rating information and past collection experiences.

Due to reinsurers represents the amounts payable to reinsurers and the amounts withheld on reinsurance. Outstanding payables consist of reinsurance premiums and other payables due to reinsurers.

The reinsurance assets and liabilities are presented on a net basis in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance assets is consistent with the measurement of the underlying insurance contracts.

Premium ceded, reinsurer's share of change in unearned premium reserve, fee and commission income and claims and loss adjustment expenses recovered from reinsurers are recognised as expense or income in accordance with the pattern of reinsurance service received when incurred.

Amounts recoverable under reinsurance contracts are assessed for impairment at reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

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Liability adequacy test

Short-term insurance contracts

The liability of the Group under short-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims at the end of reporting period by using an actuarial method based on historical claims and expense. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognised in profit or loss.

Long-term life insurance contracts

The liability of the Group under long-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows by using current assumptions with the carrying amount of gross insurance contract provisions for long-term technical reserves. Where an expected shortfall is identified, additional provisions are made for long-term technical reserves and are recognised in profit or loss.

An additional provision for liability inadequacy is made where the reserves calculated by using another actuarial method "Gross Premium Valuation" of policies in force at the reporting date based on the best estimate basis exceeds the liabilities, which calculated by the Net Level Premium Reserves method.

The assumptions used in the Gross Premium Valuation is in accordance with the Notification of Office of Insurance Commission regarding Assessment of Assets and Liabilities of Life Insurance Company B.E. 2554 except for the discount interest rate which the Group uses the adjusted current risk-free interest rate for the purpose of the liability adequacy test in accordance with industry practice.

(h) *Operating lease receivables and other receivables*

Operating lease receivables and other receivables are stated at their invoice value less allowance for expected credit loss.

(i) *Hire-purchase and finance lease receivables*

Hire-purchase and finance lease receivables are stated at the outstanding balances plus deferred commission expense and deferred initial direct cost net from unearned interest income after deducting allowance for expected credit loss.

(j) *Factoring receivables*

Factoring receivables is stated at principal balance less allowance for expected credit loss.

(k) *Inventories*

Assets held for operating leases are transferred to inventories on the date that they cease to be rented and are held for sale. These are measured at the lower of the book value at that date and net realisable value. Cost of inventories is calculated using the specific method. Cost includes direct costs incurred in acquiring the inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sell.

(l) *Loans*

Loans are stated at principal amounts less allowance for expected credit loss.

(m) *Property foreclosed*

Properties foreclosed are acquired through loan settlement or auction purchase under the order of the court or receiver. Foreclosed properties are initially recognised at cost and subsequently measured at revalued amounts, less impairment loss.

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Property foreclosed under hire purchase and finance lease contracts, which were repossessed from default customers, are valued at the lower of the net receivable balance and the market value of such repossessed vehicles after deduction of allowance for losses on decline in value in the statement of income.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

The Group recognises gains (losses) on disposal of assets in profit or loss when the assets are disposed.

(n) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of building and building improvements 5 - 30 years and recognised in profit or loss. The Group does not charge depreciation on freehold land and assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(o) Leasehold rights

Leasehold rights are measured at cost less accumulated depreciation and impairment losses.

The cost of leasehold rights comprises specifically identified costs, including directly attributable cost for leasehold rights, development expenditure, borrowing costs and other related expenditure. Borrowing cost payable on loans funding land leasehold rights are capitalized, on a specific identification basis, as part of the cost of the leasehold rights until the completion of development.

Amortisation is charged to cost of investment properties (work in process) on a straight-line basis over the lease period as follows:

Leasehold rights	60 years
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(p) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings which are measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation reserve is reclassified to retained earnings.

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Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revaluations of assets are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date. Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the “revaluation reserve” in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset, the increase is recognized in profit or loss. A decrease in value is recognised in profit or loss to the extent it exceeds the revaluation reserve previously recognised in other comprehensive income in respect of the same asset. The revaluation reserve is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. The estimated useful lives are as follows:

Buildings and building improvements	20 - 94 years
Furniture, fixtures and office equipment	3 - 10 years
Vehicles	3 - 12 years
Assets held for operating lease	Over the lease period

No depreciation is provided on freehold land or assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(q) Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

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Other intangible assets

Intangible assets that have finite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and is recognised in profit or loss. The estimated useful lives for the current and comparative periods are as follows:

Software licence	3 and 10	years
Leasehold rights	27.4	years

No amortisation is provided on software under implementation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(r) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

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At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Right-of-use assets is presented in the investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group derecognises and determines impairment on the lease receivables as disclosed in note 3(d).

(s) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(t) Employee benefits

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(u) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(w) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

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Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

(2) Contract Balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liability are the obligation to transfer goods or services to the customer. The contract liability are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and make a corresponding change to the amount of revenue recognized.

(x) Other incomes

Income from operating lease contracts

Income from operating lease contracts is recognised in profit or loss using sum total of rental income from the contracts on a straight-line basis (monthly) over the term of the lease. In case of renewal of lease contracts after prior contracts are expired, income from operating lease contracts is recognised using sum total of rental income from new contracts on a straight-line basis (monthly) over the term of the new lease.

Income from hire-purchase contracts and finance lease contracts

Income from hire-purchase contracts and finance lease contracts are recognised in profit or loss over the term of lease by using the effective interest rate method.

Income from sale of assets under operating lease contracts

Revenue from sale of assets under operating leases contracts (inventory) is recognised on the date on which the goods are delivered to the customers. For contracts with a right of return, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Gains or losses from sale and leaseback

For sale and leaseback transactions resulting in finance leases, gains are deferred and amortised on a straight-line basis over the lease term, while losses are recognised immediately in the statement of comprehensive income. For sale and leaseback transactions resulting in operating leases, gains and losses on transactions established at fair value are recognised immediately in the statement of comprehensive income. If the selling price exceeds fair value, then that excess is deferred and amortised over the period for which the asset is expected to be used. If the selling price is at or below fair value, then the gain or loss is recognised immediately in the statement of comprehensive income.

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(y) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(z) Investments income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(aa) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(bb) Expenses

Commissions and direct cost from hire purchase

Initial direct expenses at the inception of a hire purchase are to be amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Other underwriting expenses, investment expenses and operating expenses

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

(cc) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(dd) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the period.

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(ee) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(ff) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Acquisition of subsidiaries and non-controlling interests

4.1 Business combination with Me Insurance Services Company Limited ("MEIS")

On 1 July 2021, Capital Services Holding Co., Ltd. ("CSH") the indirect subsidiary, which the Company hold through Asiatic House Co., Ltd. ("ASH") 99.99% of the total shares to signed an ordinary share purchase agreement with Big C Supercenter Public Company Limited to acquire 10.80 million ordinary shares, total acquisition cost 1 Baht for 68.79% equity interest in Me Innovation Service Services Co., Ltd. ("MEIS") formerly known as Big C Services Co., Ltd. so the shareholding of Capital Services Holding Co., Ltd. increase from 31.21% to 99.99% of total issue and paid up share of as MEIS. Therefore, CSH ASH and the Group obtained the control over MEIS and changed their status from an associated company to an indirect subsidiary of the Group. These major shareholders and the Company are under common control of the ultimate controlling shareholder before and after the acquisition date and that control was not transitory. Consequently, the Group obtained the control over MEIS as at the acquisition date and the consolidated financial statements have been prepared on the basis of a business combination under common control. The acquired net assets and interest of share purchased are accounted for at book values as similar to pooling of interests' method. In this regard, the Company has prepared the consolidated financial statements (restated) for comparative purposes by presenting the Company and its subsidiaries which are under common control as one economic unit.

The difference between the fair value of consideration transferred and book value of net assets of the MEIS Group at the acquisition date amounting to Baht 1.32 million presented as "Difference arising from business combination under common control" and recognised directly in equity of the consolidated financial statements.

The major classes of the carrying amounts of assets acquired and liabilities from MEIS Group, which was the date of the business combination under common control are as follow:

	The Group of Me Innovation Services Company Limited (in thousand Baht)
Cash and cash equivalents	22,710
Property, plant and equipment	1,059
Intangible assets	17,513
Deferred tax assets	526
Other assets	34,865
Borrowing	(45,514)
Provision for employee benefits	(2,632)
Other liabilities	(27,205)
Total identifiable net assets - net from intra-group transactions	1,322
<i>Less</i> Non-controlling interest (0.01%)	-
Total identifiable net assets received - according to shareholding	1,322
The fair value of consideration transferred	-
Difference arising from business combination under common control	1,322

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4.2) Business combination with Indara Insurance Public Company Limited (“INSURE”)

In the meeting of Board Of Directors of Thai Group Holding Public Company Limited (“the Company” or “TGH” held on 23 March 2020, it was resolved to approved Rod Dee Det Auto Company Limited (“RDD” or “Tender Offeror”) the subsidiary, which the Company holds 99.99% of all shares to submit Application Form for Voluntary Tender Offer for all of the ordinary shares of Indra Insurance Public Company Limited (“INSURE”). Accordingly, on 26 March 2020, the Tender Offeror submitted an announcement of intention to make a tender offer (Form 247-3), to the Office of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) and INSURE.

This Tender Offer is for a business restructuring aiming to eliminate conflicts of interest arising from having the major shareholder holds shares in a listed company operating the same business and in order to comply with the rules to eliminate conflicts of interest in accordance with the announcement of the Capital Market Supervisory Board and to increase the clarity in the business operations of insurance and finance under TCC group, whereby TGH is the parents’ company together with the objective of strengthen the insurance business of the TGH Group by expanding distribution channels and increasing market share in retail insurance segment, as well as, combining the expertise of both companies to enhance competitiveness and opportunities for mutual future business growth.

On 7 April 2020, Rod Dee Det Auto Company Limited (“RDD”), submitted a tender offer for all issued shares of INSURE to the office of the Securities and Exchange Commission, the Stock Exchange of Thailand and INSURE. For a tender offer period starting from 8 April 2020 until 15 May 2020, having a close period starting from 8 May 2020 until 15 May 2020 during which the tender offer submitted cannot be revoked.

On 12 May 2020 (the acquisition date), RDD and ultimately the Company obtained the control over INSURE when the major shareholder TCC Land Company Limited along with other minority shareholder submitted their tender offer totaling 7,497,409 shares, representing 74.97% of total issued and paid up share of INSURE. On 15 May 2020, (the closing date of tender offer), RDD obtained shares of INSURE from the complete tender offer, totaling 7,506,358 shares, representing 75.06% of total issued and paid up shares of INSURE. RDD paid the consideration in cash amounting to Baht 262.72 million to the offeree representing 35 Baht per share acquired.

This transaction is the business combination under common control as the Company and INSURE were all under common control of the same ultimate controlling shareholders before and after the acquisition date, and that control was not transitory. The consolidated financial statements have been prepared on the basis of a business combination under common control. The acquired net assets and interest of share purchased are accounted for at book values as similar to pooling of interests’ method. In this regard, the Company has prepared the consolidated financial statements (restated) for comparative purposes by presenting the Company and its subsidiaries which are under common control as one economic unit.

The difference between the fair value of consideration transferred and book value of net assets of INSURE at the acquisition date amounting to Baht 70.68 million presented as “Difference arising from business combination under common control” and recognised directly in equity of the consolidated financial statements.

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The following summarises the consideration transferred for business combination under common control, and the recognised amounts of net assets transferred from INSURE:

	Fair value <i>(in thousand Baht)</i>
Consideration transferred	<u>262,723</u>
Cash and cash equivalents	<u>262,723</u>
	Consolidated financial statements <i>(in thousand Baht)</i>
Cash and cash equivalents	55,031
Premiums due and uncollected	29,706
Accrued investment income	2,058
Reinsurance assets	173,047
Reinsurance receivables	2,138
Investments in securities	383,889
Loans and accrued interest	139
Properties foreclosed	570
Property, plant and equipment	122,812
Right-of-use assets	13,012
Intangible assets	193
Deferred tax assets	29,059
Other assets	44,055
Insurance contract liabilities	(420,782)
Reinsurance payables	(112,159)
Lease liabilities	(13,078)
Provision for employee benefits	(18,058)
Other liabilities	(35,783)
Total identifiable net assets	<u>255,849</u>
<i>Less Non-controlling interest (24.94%)</i>	<u>(63,809)</u>
Total identifiable net assets received	192,040
<i>Add Difference arising from business combination under common control</i>	<u>70,683</u>
Consideration transferred	<u>262,723</u>

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5. Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 16. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Pholmankhong Business Company Limited	Thailand	Major shareholder, holding 45.00% shares
Southeast Management Company Limited	Thailand	Major shareholder, holding 31.40% shares
Big C Supercenter Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Beverage Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Berli Jucker Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thip Sugar Kamphaengphet Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thip Sugar Sukhothai Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Sermsuk Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Oishi Group Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
T.C.C. Commercial Property Management Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
TCC Hotel Collection Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Beverage Logistic Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Malaya Glass Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Asset World Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Cristalla Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
DL Engineering Solution Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Horeca Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Frasers Centrepoint Limited	Singapore	Controlling equity holders hold substantial share indirectly
Terragro Fertilizer Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Kijjakarn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Nakorn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Turakij Company Limited	Thailand	Controlling equity holders hold substantial share indirectly

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Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Num Palang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Muang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Yuk Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Numrunrod Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomkit Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomklung Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomcharoen Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomchok Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomthip (2012) Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomnakorn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomburapa Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pompalang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Cash Van Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Southeast Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Siam Realty Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
The Thai Insurance Public Company Limited	Thailand	Controlling equity holders hold substantial share indirectly (TGH's subsidiary until 27 September 2021)
The Southeast Group International Limited	British Virgin Islands	Common directors
Sara Insurance Broker Company Limited	Thailand	Director related to key management of a subsidiary
Millennium Insurance Broker Company Limited	Thailand	Director related to key management of a subsidiary
Frasers Property Holdings (Thailand) Company Limited	Thailand	Indirect equity holders
Frasers Property (Thailand) Public Company Limited. (formerly "TICON Industrial Connection Public Company Limited")	Thailand	Common director and indirect equity hold substantial share indirectly
Sino-Thai Engineering and Construction Public Company Limited	Thailand	Common director
Hemaraj Leasehold Real Estate Investment Trust	Thailand	Common director
Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Common director and indirect equity holders hold substantial trust indirectly

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Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Frasers Property Thailand Industrial Freehold&leasehold Reit (formerly “TICON Freehold and Leasehold Real Estate Investment Trust”)	Thailand	Indirect equity holders hold substantial trust indirectly
Frasers Hospitality Trust	Singapore	Directors and controlling equity holders hold substantial share indirectly
Southeast Joint Venture Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Gross premium written	Agreed prices
Income from operating lease contracts	Agreed prices
Income from hire-purchase and finance lease contracts	Agreed prices
Dividend income	As declared
Interest income	Rate as mutually agreed with reference to interest rates
Other income	Agreed prices
Benefits payments	Agreed prices
Commissions and brokerage expense	Agreed rates
Finance costs	Rates as mutually agreed with reference to interest
Operating expenses	Agreed prices
Sale on investment property	Market prices
Rental expense	Market price, Contractual price
Advisory fee income	Agreed prices
Income from sale of investment	Agreed prices

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
<i>(in thousand Baht)</i>					
Subsidiaries					
Advisory fee income		-	-	153,000	4,800
Interest income		-	-	202,704	201,999
Dividend income		-	-	-	674,589
Other income		-	-	7,321	-
Operating expenses		-	-	16,237	14,351
Key management personnel					
Key management personnel compensation					
Short-term employee benefits <i>(included director remuneration)</i>		135,036	196,702	12,023	33,744
Post-employment benefits		15,248	16,794	928	3,773
Other long-term benefits		4,772	6,756	623	1,239
Total key management personnel compensation		155,056	220,252	13,574	38,756
Other related parties					
Gross premium written		1,405,887	1,030,978	-	-
Income from operating lease contracts		662,502	818,233	-	-
Income from hire-purchase and finance lease contracts		2,844	3,504	-	-
Dividend income		79,830	87,196	-	-
Interest income		151,546	141,841	-	-
Loss on disposal of investments		(1,507)	(7,856)	-	-
Gain (loss) on sell of investment in subsidiary	16	7,099,764	-	(532,253)	-
Other income		4,299	38,678	-	-
Benefit payments		473,462	148,400	-	-
Benefit payment from reinsurance		4,415,616	-	-	-
Commissions and brokerage expense		382,654	405,131	-	-
Finance costs		88	90,229	-	-
Operating expenses		95,090	44,834	282	-

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Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated) <i>(in thousand Baht)</i>	2021	2020
<i>Premiums due and uncollected</i>				
Other related parties	246,785	210,650	-	-
Less allowance for doubtful accounts	(5,177)	(4,446)	-	-
Net	241,608	206,204	-	-
Bad and doubtful debts expense for the year	731	233	-	-
<i>Reinsurance assets</i>				
Other related parties	1,168,909	-	-	-
<i>Operating lease receivables</i>				
Other related parties	83,294	81,382	-	-
<i>Finance lease receivables</i>				
Other related parties	30,254	21,603	-	-
<i>Investments in securities</i>				
Other related parties	5,989,512	6,433,715	-	-
<i>Other assets</i>				
Subsidiaries	-	-	257,730	105,585
Other related parties	170,538	38,652	-	-
Total	170,538	38,652	257,730	105,585
<i>Loss reserves and outstanding claims</i>				
Other related parties	232,201	144,915	-	-
<i>Reinsurance payables</i>				
Other related parties	1,168,909	-	-	-
<i>Other liabilities</i>				
Subsidiaries	3,888	-	7,528	563
Other related parties	52,421	101,814	-	42,592
Total	56,309	101,814	7,528	43,155

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Movements for the year ended 31 December of loans to related parties were as follows:

	Interest rate		Separate financial statements			At 31 December 2021
	At 31 December 2020 (% per annum)	At 31 December 2021	At 31 December 2020	Increase	Decrease	
<i>Short-term loans to Subsidiaries</i>	2.34 - 2.88	2.31 - 2.61	2,953,412	7,319,387	(7,443,099)	2,829,700
<i>Long-term loans to Subsidiaries</i>	2.18 - 2.55	2.14 - 2.51	5,531,968	11,000	(232,300)	5,310,668
			<u>8,485,380</u>			<u>8,140,368</u>

Significant agreements with related parties

Reinsurance agreements

As at 15 June 2021, two subsidiaries entered into a reinsurance agreement. Then in September 2021 the status of the reinsurance company changed to related party as mentioned in note to financial statement 16. The reinsurance agreements are insurance policies under personal accident insurance and illness from Corona virus 2019 (COVID-19) of both group and personal for the protection against infection since 1 July 2021. As at 31 December 2021, the Group had reinsurance assets with the said related party of Baht 1,168.91 million and reinsurance payable of Baht 1,168.91 million in respect of Cash Call received in advance.

Leasehold rights

During the year 2019, a subsidiary has entered into two long-term lease agreements with a related party; the first contract is valid for 30 years since 1 September 2019 until 31 August 2049 and the second contract is valid for 30 years since 1 September 2049 until 31 August 2079. As such, during September 2019, the subsidiary has paid total amount in advance of land use rights of Baht 1,364.85 million. Subsequently, the Board of Directors of the subsidiary has resolved to cancel the property development project and to use this property as subsidiary's office building or welfare of employees as appropriate. At present, it has been in processing of subsidiary's head office construction.

Office rental and services agreements

A subsidiary entered into office rental and services agreements with the Company and related parties to provide office rental and services. The agreements for the period of 2 years starting from 1 January 2020 to 31 December 2021. The Group and the Company committed to pay rental and service fees at the rates as stipulated in the agreements.

Service agreement

During the year, the Group entered a support service agreement of the consultation of management with subsidiaries. The agreement period is 12 months starting from 1 January 2021 to 31 December 2021 and continuing one year except for the cancel agreement by each party in advance notice 30 days. Subsidiaries committed to pay a service fee at the rate as stipulated in the agreement.

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6. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	8,552	10,284	133	33
Cash at banks - Call deposits	2,326,270	3,159,596	54,152	28,612
Cash at bank - Time deposits	20,000	20,000	-	-
Highly liquid short-term investments	302,671	581,035	-	-
Cash and cash equivalents	2,657,493	3,770,915	54,285	28,645

7. Premiums due and uncollected

Aging analyses for premiums due and uncollected were as follows:

<i>At 31 December</i>	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Related parties		
Within credit terms	151,080	106,750
Overdue:		
less than 30 days	23,496	30,129
30 - 60 days	57,556	68,410
60 - 90 days	1,084	(214)
90 days - 1 year	12,843	6,533
more than 1 year	725	(958)
Total	246,784	210,650
Less allowance for doubtful accounts	(5,177)	(4,446)
	241,607	206,204
Other parties		
Within credit terms	935,951	1,026,559
Overdue:		
less than 30 days	74,955	110,071
30 - 60 days	86,680	76,144
60 - 90 days	10,103	25,545
90 days - 1 year	32,435	67,173
more than 1 year	63,544	103,695
Total	1,203,668	1,409,187
Less allowance for doubtful accounts	(69,294)	(139,691)
	1,134,374	1,269,496
Net	1,375,981	1,475,700
Reversal bad and doubtful debts expense for the year	(69,666)	(21,873)

The normal credit term of insured, agents and brokers granted by the Group for non-life insurance business ranges from 30 days to 60 days.

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

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The allowable grace period of life insurance policies is 31 days and 90 days from the due date for individual and group policies, respectively.

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

8. Reinsurance receivables

Reinsurance receivable consist of due from reinsurers and deposit on reinsurance.

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Due from reinsurers	497,399	912,783
Deposit on reinsurance	-	5
Total	497,399	912,788
<i>Less</i> allowance for doubtful accounts	<i>(31,634)</i>	<i>(31,634)</i>
Net	465,765	881,154
Reversal bad and doubtful debts expense for the year	-	(55,483)

Aging analyses for due from reinsurers were as follows:

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
<i>At 31 December</i>		
Other parties		
Within due	341,412	345,583
Overdue:		
less than 1 year	83,358	336,139
within 1 - 2 years	38,969	196,108
more than 2 years	33,660	34,953
Total	497,399	912,783
<i>Less</i> allowance for doubtful accounts	<i>(31,634)</i>	<i>(31,634)</i>
Net	465,765	881,149

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9. Operating lease receivables

Aging analyses for operating lease receivables were as follows:

<i>At 31 December</i>	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Related parties		
Within credit terms	71,282	70,030
Over due:		
less than 3 months	9,462	10,446
3 - 6 months	1,798	906
6 - 12 months	752	-
	83,294	81,382
Other parties		
Within credit terms	300,760	288,306
Over due:		
less than 3 months	74,096	63,655
3 - 6 months	4,048	5,875
6 - 12 months	2,059	5,765
more than 12 months	1,117	976
Total	382,080	364,577
<i>Less</i> allowance for expected credit loss	(3,786)	(1,507)
	378,294	363,070
Net	461,588	444,452

The normal credit term of operating lease receivables granted by the Group ranges from 30 days to 60 days.

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10. Hire purchase and finance lease receivables

	Consolidated financial statements						
	2021						
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	55,470	44,386	26,647	17,811	10,376	3,725	158,415
Finance lease receivables	581,213	331,114	4,794	3,553	1,597	-	922,271
	<u>636,683</u>	<u>375,500</u>	<u>31,441</u>	<u>21,364</u>	<u>11,973</u>	<u>3,725</u>	<u>1,080,686</u>
Add deferred commission expense	874	705	422	282	165	59	2,507
	<u>637,557</u>	<u>376,205</u>	<u>31,863</u>	<u>21,646</u>	<u>12,138</u>	<u>3,784</u>	<u>1,083,193</u>
Less unearned interest income	(88,781)	(17,613)	(4,179)	(2,855)	(1,626)	(527)	(115,581)
Total	548,776	358,592	27,684	18,791	10,512	3,257	967,612
Less allowance for expected credit loss	(30,013)	(23,843)	(13,808)	(9,215)	(5,405)	(1,941)	(84,225)
Net	518,763	334,749	13,876	9,576	5,107	1,316	883,387

	Consolidated financial statements						
	2020						
	(Restated)						
Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total	
	<i>(in thousand Baht)</i>						
Hire purchase receivables	162,467	35,353	21,881	6,407	2,130	655	228,893
Finance lease receivables	189,783	578,146	328,189	916	170	-	1,097,204
	<u>352,250</u>	<u>613,499</u>	<u>350,070</u>	<u>7,323</u>	<u>2,300</u>	<u>655</u>	<u>1,326,097</u>
Add deferred commission expense	1,882	411	254	74	25	8	2,654
	<u>354,132</u>	<u>613,910</u>	<u>350,324</u>	<u>7,397</u>	<u>2,325</u>	<u>663</u>	<u>1,328,751</u>
Less unearned interest income	(130,300)	(85,083)	(13,562)	(809)	(260)	(80)	(230,094)
Total	223,832	528,827	336,762	6,588	2,065	583	1,098,657
Less allowance for expected credit loss	(59,566)	(12,994)	(8,043)	(2,355)	(783)	(241)	(83,982)
Net	164,266	515,833	328,719	4,233	1,282	342	1,014,675

	Consolidated financial statements	
	2021	2020
	(Restated)	
	<i>(in thousand Baht)</i>	
Expected credit loss for the year	<u>243</u>	<u>3,529</u>

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Aging analyses for hire-purchase and finance lease receivables were as follows:

<i>At 31 December</i>	<i>Note</i>	Consolidated financial statements	
		2021	2020 (Restated)
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		34,097	26,439
Less unearned interest income		<u>(3,843)</u>	<u>(4,836)</u>
Total	5	<u>30,254</u>	<u>21,603</u>
Other parties			
Within credit terms		1,020,208	1,240,764
Overdue:			
less than 3 installments		17,520	44,343
4 - 6 installments		2,781	6,660
6 - 12 installments		2,786	3,145
more than 12 installments		3,294	4,746
		<u>1,046,589</u>	<u>1,299,658</u>
Add deferred commission expense		2,507	2,654
		<u>1,049,096</u>	<u>1,302,312</u>
Less unearned interest income		<u>(111,738)</u>	<u>(225,258)</u>
Total		<u>937,358</u>	<u>1,077,054</u>
Less allowance for expected credit loss		<u>(84,225)</u>	<u>(83,982)</u>
		<u>853,133</u>	<u>993,072</u>
Net		<u>883,387</u>	<u>1,014,675</u>

As at 31 December 2021 and 2020, total gross investments under hire purchase and finance leases contracts and the present value of minimum lease payments receivable were as follows:

	Consolidated financial statements			
	2021		2020 (Restated)	
	Total the gross investments under the lease contracts	Present value of minimum lease payments receivable	Total the gross Investments under the lease contracts	Present value of minimum lease payments receivable
	<i>(in thousand Baht)</i>			
Within one year	636,683	547,902	352,250	221,952
After one year but within five years	440,278	414,005	973,192	873,476
Over five years	<u>3,725</u>	<u>3,198</u>	<u>655</u>	<u>575</u>
	<u>1,080,686</u>	<u>965,105</u>	<u>1,326,097</u>	<u>1,096,003</u>
Add deferred commission expense	2,507	2,507	2,654	2,654
	<u>1,083,193</u>	<u>967,612</u>	<u>1,328,751</u>	<u>1,098,657</u>
Less unearned interest income	<u>(115,581)</u>		<u>(230,094)</u>	
	<u>967,612</u>		<u>1,098,657</u>	
Less allowance for expected credit loss	<u>(84,225)</u>		<u>(83,982)</u>	
Total gross investments under hire purchase and financial lease contracts	<u>883,387</u>		<u>1,014,675</u>	

Information relating to credit risks are disclosed in note 38.4

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11. Financial instruments - Debt securities

Debt securities comprise of:

	Consolidated financial statements			
	2021		2020 (Restated)	
	Cost/ amortised Cost	Fair value <i>(in thousand Baht)</i>	Cost/ amortised Cost	Fair value
<i>Debt securities measured at fair value through profit or loss</i>				
Government and state enterprise debt securities	174,810	174,753	250,400	254,110
Domestic debt securities	2,757,187	2,902,565	3,039,009	3,271,159
Foreign debt securities	908,951	986,787	337,200	386,553
Total	3,840,948	4,064,105	3,626,609	3,911,822
Add gain from measurement of investments	223,157	-	285,213	-
Total debt securities measured at fair value to profit or loss	4,064,105	4,064,105	3,911,822	3,911,822
<i>Debt securities measured at fair value through other comprehensive income</i>				
Government and state enterprise debt securities	20,381,025	20,811,894	21,067,950	22,383,397
Domestic debt securities	15,766,686	16,128,155	15,458,901	16,135,304
Foreign debt securities	1,677,814	1,846,075	1,817,350	2,035,606
Total	37,825,525	38,786,124	38,344,201	40,554,307
Add gain from measurement of investments	960,599	-	2,210,106	-
Total debt securities measured at fair value through other comprehensive income	38,786,124	38,786,124	40,554,307	40,554,307
Allowance for expected credit loss	(20,841)	(20,841)	(14,230)	(14,230)
<i>Debt securities measured at amortised cost</i>				
Deposit at banks with original maturity over 3 months	1,140,150	1,140,150	1,181,095	1,181,095
Less allowance for expected credit loss	(751)	(751)	(524)	(524)
Total debt securities measured at amortised cost	1,139,399	1,139,399	1,180,571	1,180,571
Total financial instruments - Debt securities	43,989,628	43,989,628	45,646,700	45,646,700

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Debt securities measured at fair value through other comprehensive income

	Consolidated financial statements 2021	
	Fair Value	Allowance for expected credit loss recognised in other comprehensive income
	<i>(in thousand Baht)</i>	
Debt securities - no significant increase in credit risk/performing (stage1)	38,786,124	(20,841)
Total	38,786,124	(20,841)

	Consolidated financial statements 2020 (Restated)	
	Fair Value	Allowance for expected credit loss recognised in other comprehensive income
	<i>(in thousand Baht)</i>	
Debt securities - no significant increase in credit risk/performing (stage1)	40,554,307	(14,230)
Total	40,554,307	(14,230)

12. Financial instruments - Equity securities

Equity securities comprise of:

	Consolidated financial statements 2021		Separate financial statements	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Equity securities measured at fair value through other comprehensive income</i>				
Domestic equity securities	11,505,366	10,947,927	234,000	234,000
Foreign equity securities	2,327,398	2,541,299	-	-
Others	6,087	5,627	-	-
Total	13,838,851	13,494,853	234,000	234,000
Less loss from measurement of investments	(343,998)	-	-	-
Total equity securities measured at fair value through other comprehensive income	13,494,853	13,494,853	234,000	234,000
Total equity securities	13,494,853	13,494,853	234,000	234,000

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	Consolidated financial statements		Separate financial statements	
	2020		2020	
	Cost	Fair value (Restated) (in thousand Baht)	Cost	Fair value
<i>Equity securities measured at fair value through other comprehensive income</i>				
Domestic equity securities	10,307,782	10,144,011	234,000	234,000
Foreign equity securities	1,980,731	2,031,253	-	-
Others	6,087	32,312	-	-
Total	12,294,600	12,207,576	234,000	234,000
Less loss from measurement of investments	(87,024)	-	-	-
Total equity securities measured at fair value through other comprehensive income	12,207,576	12,207,576	234,000	234,000
Total equity securities	12,207,576	12,207,576	234,000	234,000

	Consolidated financial statements		Separate financial statements	
	2021		2021	
	Fair value	Dividend income (in thousand Baht)	Fair value	Dividend income
<i>Equity securities measured at fair value through other comprehensive income</i>				
Domestic equity securities	10,947,927	402,964	234,000	2,850
Foreign equity securities	2,541,299	73,378	-	-
Others	5,627	2,850	-	-
Total equity securities measured at fair value through other comprehensive income	13,494,853	479,192	234,000	2,850

	Consolidated financial statements		Separate financial statements	
	2020		2020	
	Fair value	Dividend income (Restated) (in thousand Baht)	Fair value	Dividend income
<i>Equity securities measured at fair value through other comprehensive income</i>				
Domestic equity securities	10,144,011	554,894	234,000	5,400
Foreign equity securities	2,031,253	57,789	-	-
Others	32,312	5,400	-	-
Total equity securities measured at fair value through other comprehensive income	12,207,576	618,083	234,000	5,400

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13. Derivatives

As at 31 December 2021, balances of derivatives not elected for hedge accounting were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2021		Gain on fair value of derivatives
				Book value / Fair value Assets	Liabilities	
Warrants	To protect against exchange risk from investments in foreign currencies	-	-	441	-	435
Total		<u>-</u>	<u>-</u>	<u>441</u>	<u>-</u>	<u>435</u>

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As at 31 December 2021, balances of derivatives **electd for hedge accounting** were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2021		Gain (loss) on fair value of derivatives
				Book value / Fair value Assets	Liabilities	
Cross currency swap	To protect against exchange risk from investments in debt securities in foreign currencies	17	1,568,768	-	118,352	(187,023)
Cross currency swap	To protect against exchange risk from investments in equity securities in foreign currencies	9	1,910,793	23,363	-	27,066
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	12	1,740,190	-	113,122	70,053
Interest rate swap	To protect against floating interest rate risk from borrowings in Thai Baht currency	4	1,600,000	-	9,602	14,916
Total		42	6,819,751	23,363	241,076	(74,988)

As at 31 December 2020, balances of derivatives **not electd for hedge accounting** were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2020 (Restated)		Gain on fair value of derivatives
				Book value / Fair value Assets	Liabilities	
Warrants	To protect against exchange risk from investments in foreign currencies	-	-	4	-	4
Total		-	-	4	-	4

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As at 31 December 2020, balances of derivatives electd for hedge accounting were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2020 (Restated)		Loss on fair value of derivatives
				Book value / Fair value Assets	Fair value Liabilities	
Cross currency swap	To protect against exchange risk from investments in debt securities in foreign currencies	21	1,895,642	69,951	1,198	(100)
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	15	2,056,245	-	183,454	(4,955)
Interest rate swap	To protect against floating interest rate risk from borrowings in Thai Baht currency	4	1,600,000	-	24,518	(722)
Total		40	5,551,887	69,951	209,170	(5,777)

As at 31 December 2021, the Group had cross currency swap contracts with financial institutions for the investments in available for sale debentures of USD 49.94 million equivalent to Baht 1,568.77 million (2020: USD 59.94 million equivalent to Baht 1,895.64 million).

As at 31 December 2021, the Group had interest rate swap contracts with financial institutions for the investments in available for sale debentures of Baht 1,740.19 million (2020: Baht 2,056.25 million).

As at 31 December 2021, the Group had cross currency swap contracts with financial institutions for the investments in equity securities of Baht 1,910.79 million (2020: nil).

As at 31 December 2021, the Group had interest rate swap contracts with financial institutions for the borrowings of Baht 1,600 million (2020: Baht 1,600 million).

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14. Inventories

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Vehicles	270,671	314,673
Less Allowance for realisable value	<u>(116,433)</u>	<u>(60,412)</u>
Net	<u>154,238</u>	<u>254,261</u>
Inventories recognised as an expense in cost of sales of operating leases assets:		
- Cost	1,286,855	1,065,847
- Write-down to net realisable value	<u>137,065</u>	<u>22,438</u>
Net	<u>1,423,920</u>	<u>1,088,285</u>

15. Loans

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
		<i>(in thousand Baht)</i>			
Short-term loans					
Related parties	5	-	-	2,829,700	2,953,412
Other parties		<u>534,087</u>	<u>192,985</u>	-	-
Total		<u>534,087</u>	<u>192,985</u>	<u>2,829,700</u>	<u>2,953,412</u>
Less allowance for expected credit loss		<u>(146,077)</u>	<u>(146,077)</u>	-	-
Total short-term loans - net		<u>388,010</u>	<u>46,908</u>	<u>2,829,700</u>	<u>2,953,412</u>
Current portion of long-term loans					
Related parties	5	-	-	206,000	258,600
Other parties		<u>31,934</u>	<u>25,853</u>	-	-
Total current portion of long-term loans		<u>31,934</u>	<u>25,853</u>	<u>206,000</u>	<u>258,600</u>
Long-term loans					
Related parties	5	-	-	5,104,668	5,273,368
Other parties		<u>253,704</u>	<u>212,575</u>	-	-
Total		<u>253,704</u>	<u>212,575</u>	<u>5,104,668</u>	<u>5,273,368</u>
Less allowance for expected credit loss		<u>(387)</u>	<u>(387)</u>	-	-
Total long-term loans		<u>253,317</u>	<u>212,188</u>	<u>5,104,668</u>	<u>5,273,368</u>
Policy loans		<u>546,645</u>	<u>575,399</u>	-	-

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	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated) <i>(in thousand Baht)</i>	2021	2020
Mortgage loans				
Principal of mortgage loans	431,754	425,620	-	-
Less allowance for expected credit loss	<u>(241,021)</u>	<u>(240,029)</u>	-	-
Net	<u>190,733</u>	<u>185,591</u>	-	-
Total loans	<u>1,410,639</u>	<u>1,045,939</u>	<u>8,140,368</u>	<u>8,485,380</u>
Expected credit loss for the year	<u>992</u>	<u>3,656</u>	-	-

Aging analyses for loans were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated) <i>(in thousand Baht)</i>	2021	2020
Related parties				
Within credit terms	-	-	8,140,368	8,485,380
	<u>-</u>	<u>-</u>	<u>8,140,368</u>	<u>8,485,380</u>
Other parties				
Within credit terms	1,353,474	989,716	-	-
Overdue:				
less than 3 months	809	5,600	-	-
3 - 6 months	3,740	-	-	-
6 - 12 months	4,545	-	-	-
Over 12 months	<u>435,556</u>	<u>437,116</u>	-	-
Less allowance for expected credit loss	<u>(387,485)</u>	<u>(386,493)</u>	-	-
	<u>1,410,639</u>	<u>1,045,939</u>	-	-
Net loans	<u>1,410,639</u>	<u>1,045,939</u>	<u>8,140,368</u>	<u>8,485,380</u>

Short-term loan to other parties

As at 31 December 2021, a subsidiary entered into short-term loans agreements which are unsecured promissory notes with business partners of related party of Baht 534.09 million (2020: Baht 192.99 million). The promissory note bear interest at MOR minus 1.65% per annum and fixed rate 3.225% per annum (2020: MOR minus 1.65% per annum and fixed rate 3.225% per annum). The maturity term is due within 60 days. As at 31 December 2021, The Group had allowance for expected credit loss of Baht 146.08 million in the consolidated statement of financial position (2020: Baht 146.08 million).

Long term loans to other party

As at 31 December 2021, a subsidiary entered into long-term loans agreements which are secured loans with a business partner of related party of Baht 191.60 million (2020: Baht 186.72 million). Such loans bear interest at fixed rate ranging from 4% to 10% per annum (2020: 4% to 10% per annum). The maturity terms are within 13 years. Under the terms of the agreement's borrowers must strictly comply with the conditions and restrictions including requirements to maintain certain ratios as specified in the agreements.

Policy loans represent loans grant to the policyholders at an amount not exceeding the cash value of the policy and change interest rates of 4% to 10% per annum, as approved by the Office of Insurance Commission.

At 31 December 2021, other long-term loans include personal guarantee loans to staff with average interest rates of 4.36% per annum (2020: 4.36% per annum).

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16. Investments in subsidiaries, associate, and joint venture

<i>Material movement for the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated) <i>(in thousand Baht)</i>	2021	2020
<i>Subsidiaries</i>				
At 1 January	-	-	3,283,377	3,226,677
Acquisitions	-	-	1,000	56,700
Disposal	-	-	(751,830)	-
Less Impairment losses	-	-	(437,994)	-
At 31 December	-	-	2,094,553	3,283,377
<i>Associate</i>				
At 1 January	-	-	-	-
At 31 December	-	-	-	-
<i>Joint venture</i>				
At 1 January	-	-	-	-
At 31 December	-	-	-	-

Increase of investment in direct subsidiaries

During the year 2021, the Company made a new investment 99.99% of the issued and paid up capital of Thai Wellness Living Company Limited, a company incorporated in Thailand, which had issued and paid up share capital of Baht 1.0 million (divided into 100,000 ordinary share at Baht 10 par value).

During the year 2020, the Company made a new investment 67.00% of the issued and paid up capital of Sentric Consulting Company Limited, a company incorporated in Thailand, which had issued and paid up share capital of Baht 6.7 million (divided into 1,000,000 ordinary share at Baht 10 par value).

During the year 2020, the Company made a new investment in 100% of the issued and paid up capital of Southeast Money Company Limited (formerly SEG Capital Company Limited) a company incorporated in Thailand, which had issued and paid up share capital of Baht 50.0 million (divided into 5,000,000 ordinary share at Baht 10 par value).

Decrease of investment in direct subsidiaries

On 27 September 2021, the Company sold of all 21,957,646 ordinary shares or 93.44% of the issued and paid up capital in The Thai Insurance Public Company Limited (“TIC”) which is a subsidiary of the Company, held by the Company to Watanasab Pattana 1 Company Limited which is related party, at the offering price of Baht 10 per share, amount of Baht 219.58 million. As result, the Group ceased the control in TIC and has deconsolidated it with effect from that date. The Group recognized a gain on sale of investment of Baht 7,099 million in the consolidated statement of comprehensive income, which resulted mainly from the deconsolidation of accumulated losses booked in connection with claims and unexpired risks of COVID-19 policies estimated on TIC’s disposal date. TIC’s URR has been estimated using similar assumptions as disclosed in NFS 22 of SEIC’s COVID-19 insurance policies. Any changes to the estimated net liabilities would have a corresponding offsetting impact to the recorded gain on sale of investment in TIC.

The Group recognized gain from sale of investment of Baht 7,099.76 million in the consolidated statement of comprehensive income and loss from sale of investment of Baht 532.25 million in the separate statement of comprehensive income.

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Increase of investment in indirect subsidiaries and decrease of investment in associate

As at 29 June 2021, Big C Services Co., Ltd. has increased authorised share capital from Baht 100 million to Baht 157.02 million by issuing 5,701,658 ordinary shares at Baht 10 par value for the right offering. As Capital Service Holding Co., Ltd. (“CSH”) the indirect subsidiary, which the Company hold through Asiatic House Co., Ltd. (“ASH”) 99.99% of the total shares has waived the right to purchase the new authorised share capital so the shareholding of Capital Service Holding Co., Ltd. represents 31.21% of total authorised share capital of Big C Services Co., Ltd.

As at 1 July 2021, Capital Service Holding Co., Ltd. (“CSH”) signed an ordinary share purchase agreement with Big C Supercenter Public Company Limited to acquired 68.79% of the issued and paid up capital of Me innovation services Co., Ltd. (“MEIS”) formerly known as Big C Services Co., Ltd. Therefore, CSH ASH and the Group obtained the control over MEIS and changed their status from an associated company to an indirect subsidiary of the Group. As mention in note to financial statement 2.

During the year 2020, Rod Dee Det Auto Company Limited, a subsidiary, which the Company holds 99.99% of all shares, made a tender offer for Indara Insurance Public Company Limited’s securities and acquired 7,506,358 shares, representing 75.06% of total issued and paid up shares.

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Investments in joint venture as at 31 December 2021 and 2020, were as follows:

	Type of business	Country of incorporation	Consolidated financial statements				Separate financial statements						
			Ownership interest		At equity method		Cost		Impairment		At cost - net		
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
			(%)		(Restated)			<i>(in thousand Baht)</i>					
Joint venture													
Dhipaya Insurance Co., Ltd.	Underwriting insurance	Laos People's Democratic Republic	10.00	10.00	-	-	6,400	6,400	(6,400)	(6,400)	-	-	
Total							6,400	6,400	(6,400)	(6,400)	-	-	

None of the Group's joint venture are publicly listed and consequently do not have published price quotation.

The Group and the Company has not recognised losses relating to certain investments accounted for using the equity method where its share of losses exceeds the carrying amount of those investments. As at 31 December 2021, the Group's and Company's cumulative share of unrecognised losses was Baht 2.88 million (2020: Baht 3.92 million).

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Investments in direct and indirect subsidiaries as at 31 December 2021 and 2020, were as follows:

Type of Business	Country of incorporation	Separate financial statements				Cost	Impairment		At cost - net	
		Ownership interest		2021	2020		2021	2020	2021	2020
		2021	2020							
			(%)				(in thousand Baht)			
<i>Direct subsidiaries</i>										
Southeast Life Insurance Public Company Limited	Underwriting life assurance, personal accident insurance and health insurance	Thai	99.97	99.97	1,704,849	1,704,849	-	-	1,704,849	1,704,849
Southeast Insurance Public Company Limited	Underwriting non-life insurance	Thai	97.33	97.33	437,994	437,994	(437,994)	-	-	437,994
The Thai Insurance Public Company Limited	Underwriting non-life insurance	Thai	-	93.44	-	751,830	-	-	-	751,830
Southeast Capital Company Limited	Provide leasing and hire purchase services	Thai	100.00	100.00	325,999	325,999	-	-	325,999	325,999
Asiatic House Company Limited	Rental and development of real estate	Thai	100.00	100.00	55	55	-	-	55	55
TCC Privilege card Company Limited	Purchases via credit card in the Group	Thai	99.98	99.98	100	100	-	-	100	100
Southeast Academy Center Company Limited	Consultant and training services	Thai	100.00	100.00	250	250	-	-	250	250
Southeast Advisory Pte., Ltd.	Management and consultant services	Singapore	100.00	100.00	-	-	-	-	-	-
Southeast Advisory Company Limited	Investing consultant service	Thai	100.00	100.00	5,000	5,000	-	-	5,000	5,000
Rod Dee Det Auto Company Limited	Provide leasing and sales of second hand cars	Thai	100.00	100.00	250	250	-	-	250	250
S Sofin Company Limited	Insurance technology development	Thai	99.98	99.98	100	100	-	-	100	100
Southeast Property Company Limited	Rental and development of real estate	Thai	100.00	100.00	250	250	-	-	250	250
Southeast Money Company Limited (Formerly SEG Capital Company Limited)	Lending fund company	Thai	100.00	100.00	50,000	50,000	-	-	50,000	50,000
Sentrics Consulting Company Limited	Provide consultation of management.	Thai	67.00	67.00	6,700	6,700	-	-	6,700	6,700
Thai Wellness Living Company Limited	Provide consultation of management.	Thai	99.99	-	1,000	-	-	-	1,000	-
Total					2,532,547	3,283,377	(437,994)	-	2,094,553	3,283,377

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	Type of Business	Country of incorporation	Separate financial statements		2021	Cost	2020	Impairment		At cost - net			
			Ownership interest					2021	2020	2021	2020	2021	2020
			2021	2020									
<i>Indirect subsidiaries</i>													
<i>Held by Southeast Capital Company Limited</i>													
Pro Garage Company Limited (Formerly Sinn Bualuang Leasing Company Limited.)	Leasing and lending business	Thai	99.99	99.99	-	-	-	-	-	-			
Pro Checker Company Limited (Formerly Sinn Bualuang Capital Company Limited)	Outsource surveyor	Thai	99.99	99.99	-	-	-	-	-	-			
Concept Land 5 Company Limited	Investment properties	Thai	99.99	99.99	-	-	-	-	-	-			
<i>Held by Asiatic House Company Limited</i>													
Capital Services Holding Company Limited.	Holding company	Thai	99.99	99.99	-	-	-	-	-	-			
<i>Held by Southeast Money Company Limited (Formerly SEG Capital Company Limited)</i>													
Southeast Money Retail Co., Ltd (Formerly SEG Money Company Limited)	Lending fund company Provide credit service	Thai	100.00	100.00	-	-	-	-	-	-			
<i>Held by Rod Dee Det Auto Company Limited</i>													
Indara Insurance Public Company Limited	Underwriting non-life insurance	Thai	75.06	75.06	-	-	-	-	-	-			

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17. Investment properties

	Note	Consolidated financial statements			Total
		Land	Building and building improvements (in thousand Baht)	Assets under construction	
Cost					
At 1 January 2020		442,844	226,779	11,613	681,236
Additions		-	-	6,373	6,373
Transfers in	18	-	-	22,747	22,747
At 31 December 2020 and 1 January 2021		442,844	226,779	40,733	710,356
Additions		-	40	348	388
Transfers in	18	-	-	22,747	22,747
Transfers out		-	-	(63,828)	(63,828)
At 31 December 2021		442,844	226,819	-	669,663
Depreciation and impairment losses					
At 1 January 2020		15,995	156,193	-	172,188
Depreciation charge for the year		-	9,054	-	9,054
At 31 December 2020 and 1 January 2021		15,995	165,247	-	181,242
Depreciation charge for the year		-	8,108	-	8,108
At 31 December 2021		15,995	173,355	-	189,350
Net book value					
At 31 December 2020		426,849	61,532	40,733	529,114
At 31 December 2021		426,849	53,464	-	480,313

Year ended 31 December	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Amounts recognised in profit or loss		
Rental income	371	4,371
Repair and maintenance expense: - property that generated rental income	714	887
Minimum lease payments under non-cancellable operating lease are receivable:		
within 1 year	261	261
1 - 5 years	-	-
after 5 years	-	-
Total	261	261

The fair value of the Group's investment properties as at 31 December 2021 of Baht 1,078.35 million (2020: Baht 1,078.35 million) was determined by independent professional valuers, at discounted cash flow using risk-adjusted discount rates. The fair value of investment property has been categorised as a Level 3 fair value.

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Security

At 31 December 2021 the Group's investment properties with a net book value of Baht 469.31 million (2020: Baht 477.38 million) had been pledged as collateral to secure loans from a financial institution (see note 21).

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment properties portfolio on an annual basis.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<ul style="list-style-type: none"> • Expected market rental growth (2021: 3.5%, 2020: 3.5%). • Void periods (2021 and 2020: average 8 years). • Occupancy rate (2021: 82%, 2020: 82%). • Risk-adjusted discount rates (2021: 10%, 2020: 10%). 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> • Expected market rental growth were higher (lower); • Void periods were shorter (longer); • The occupancy rate were higher (lower); or • The risk-adjusted discount rate were lower (higher).

18. Leasehold rights

Movement during the year ended 31 December are as follows:

	<i>Note</i>	Consolidated financial statements	
		2021	2020 (Restated)
<i>(in thousand Baht)</i>			
Net book value at 1 January		1,334,520	1,357,267
Amortisation charge for the year transferred to investment properties	17	<u>(22,747)</u>	<u>(22,747)</u>
Net book value at 31 December		<u>1,311,773</u>	<u>1,334,520</u>

Information relating to lease agreements are disclosed in note 5.

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19. Property, plant and equipment

	Consolidated financial statements						Total
	Land	Building and building improvements	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Assets held for operating lease	Assets under installation	
Cost / revaluation							
At 1 January 2020	2,658,831	986,308	470,699	428,973	16,557,397	156	21,102,364
Additions	-	570	15,299	4,058	3,062,594	1,203	3,083,724
Surplus on revaluation	152,816	3,974	-	-	-	-	156,790
Transfers in (out)	-	-	-	73,824	(3,131,609)	3,674	(3,054,111)
Disposals / write off	-	-	(8,747)	(40)	(11,346)	-	(20,133)
At 31 December 2020 and 1 January 2021	2,811,647	990,852	477,251	506,815	16,477,036	5,033	21,268,634
Additions	-	822	11,361	5,242	2,802,876	18,908	2,839,209
Reversal surplus on revaluation	-	-	-	-	-	-	-
Transfer in (out)	(47,302)	(12,141)	-	(5,000)	(2,388,648)	59,998	(2,393,093)
Disposals / write off	(23,100)	(8,689)	(110,159)	(714)	(49,509)	-	(192,171)
At 31 December 2021	2,741,245	970,844	378,453	506,343	16,841,755	83,939	21,522,579
Depreciation and impairment losses							
At 1 January 2020	-	380,574	388,164	172,492	3,937,788	-	4,879,018
Depreciation charge for the year	-	29,942	29,674	49,044	1,590,355	-	1,699,015
Reversal impairment losses	-	-	(133)	-	-	-	(133)
Transfers in (out)	-	-	-	6,494	(1,056,715)	-	(1,050,221)
Disposals / write off	-	-	(8,652)	(40)	15,761	-	7,069
At 31 December 2020 and 1 January 2021	-	410,516	409,053	227,990	4,487,189	-	5,534,748
Depreciation charge for the year	-	21,334	26,129	51,578	1,627,230	-	1,726,271
Impairment losses	-	5,136	-	-	-	-	5,136
Transfers out	-	(3,316)	-	(27,634)	(997,074)	-	(1,028,024)
Disposals / write off	-	(12,677)	(99,615)	(276)	(45,889)	-	(158,457)
At 31 December 2021	-	420,993	335,567	251,658	5,071,456	-	6,079,674

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	Land	Building and building improvements	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Assets held for operating lease	Assets under installation	Total
At 31 December 2020							
Owned assets	2,811,647	580,336	67,736	256,940	11,395,844	5,033	15,117,536
Assets under finance leases	-	-	462	21,885	594,003	-	616,350
	<u>2,811,647</u>	<u>580,336</u>	<u>68,198</u>	<u>278,825</u>	<u>11,989,847</u>	<u>5,033</u>	<u>15,733,886</u>
At 31 December 2021							
Owned assets	2,741,245	549,851	42,437	254,551	11,182,222	83,939	14,854,245
Assets under finance leases	-	-	449	134	588,077	-	588,660
	<u>2,741,245</u>	<u>549,851</u>	<u>42,886</u>	<u>254,685</u>	<u>11,770,299</u>	<u>83,939</u>	<u>15,442,905</u>

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	2021	2020
	Furniture, fixtures and office equipment (in thousand Baht)	
Net book value at 1 January 2021	695	541
Additions	1,662	394
Disposal	(85)	-
Depreciation for the year	(491)	(240)
Net book value at 31 December 2021	1,781	695

Lands and building included revaluation surplus.

Security

At 31 December 2021 the Group's asset held for operating lease with a net book value of Baht 8,073.02 million (2020: Baht 8,631.30 million) were subject to a registered debenture to secure bank loans (see note 21).

The Group arranged for external independent valuers to appraise the value of certain assets every 3 years from the latest revaluation date, using property valuation principles laid down by the Valuers Association of Thailand. The external independent valuers use the market approach for the fair value of land that could find the comparison price from assets with similar physical characteristic and use depreciated replacement cost for the buildings used in operation. Surplus of valuation, net of tax, is recognised in the other components of equity.

The assumptions used in appraisal which are generally unobservable is as below:

	2021	2020	Impact on revaluation when assumption change
<i>(a) Branch</i>			
Lands			
Price per square wah unit (Baht)	3,188 - 650,000	3,188 - 650,000	Fair value increase (Market approach)
Buildings			
Price per square meter unit (Baht)	923 - 7,439	800 - 8,000	Fair value increase (Replacement approach or Market approach)
<i>(b) Head office</i>			
Lands			
Price per square wah unit (Baht)	2,000,000	2,000,000	Fair value increase (Market approach)
Buildings			
Price per square meter unit (Baht)	25,586	26,373	Fair value increase (Replacement approach or Market approach)

This fair value is the fair value of lands and buildings which were last revalued in 2021, and net with the accumulated depreciation until 31 December 2021 and 2020.

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20. Other assets

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Duty and taxes	536,186	698,714	11,610	7,238
Accrued interest receivables	422,214	436,707	99,626	104,207
Prepayments	373,905	362,389	4,202	3,296
Deposit on rice field insurance scheme	141,912	133,231	-	-
Subrogation, net	134,568	226,702	-	-
Properties foreclosed	97,848	59,587	-	-
Factoring receivables	64,732	35,706	-	-
Receivables from Road Accident Victims Protection Co., Ltd.	60,974	83,804	-	-
Accrued management fee income	-	-	104,000	-
Others	276,804	203,161	18,436	3,986
Total	2,109,143	2,240,001	237,874	118,727

21. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions - unsecured	9,789,000	10,716,000	8,249,000	8,189,000
Short-term loan from related party - unsecured	-	15,000	-	-
Short-term loan from other party - unsecured	40,000	50,000	-	-
Short-term loans	9,829,000	10,781,000	8,249,000	8,189,000
Current portion of long-term loans from financial institutions - secured	2,007,457	2,325,347	-	-
Finance lease liabilities	198,692	184,471	11,496	11,987
Total current interest-bearing liabilities	12,035,149	13,290,818	8,260,496	8,200,987
Non-current				
Long-term loans from financial institutions - secured	3,533,598	3,496,198	-	-
Finance lease liabilities	452,436	246,165	14,698	20,050
Total non-current interest-bearing liabilities	3,986,034	3,742,363	14,698	20,050

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The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
		(in thousand Baht)		
Within one year	11,836,457	13,106,347	8,249,000	8,189,000
After one year but within five years	3,533,598	3,496,198	-	-
Total	15,370,055	16,602,545	8,249,000	8,189,000

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

<i>Assets pledged as security for liabilities as at 31 December</i>	Note	Consolidated financial statements	
		2021	2020 (Restated)
		(in thousand Baht)	
Investment properties	17	469,309	477,377
Assets held for operating lease	19	8,073,024	8,631,303
The right over collection from the operating lease contract receivables		283,734	393,362
Total		8,826,067	9,502,042

Short-term loans from financial institutions

As at 31 December 2021, the Company had several promissory notes issued to a foreign financial institution for credit lines of Baht 25,195 million (2020: Baht 21,145 million) and the balance drawdown of the loans is Baht 8,249 million (2020: Baht 8,189 million). The loans bear interest at fixed rates ranging from 1.81% to 1.90% per annum (2020: fixed rates ranging from 1.77% to 2.05% per annum). The maturity terms are within 6 months.

As at 31 December 2021, the Company had unutilised credit facilities totaling Baht 16,945.68 million (2020: Baht 12,955.76 million).

As at 31 December 2021, a subsidiary had several promissory notes issued to local financial institutions of Baht 1,540 million (2020: Baht 2,430 million). The promissory notes bear interest at fixed rates ranging from 2.50% to 3.50% per annum (2020: 2.54% to 2.62% per annum). The maturity terms are at call (2020: at call).

Short-term loan from other party

As at 31 December 2021, a subsidiary entered into a short-term loan agreement with the other party of Baht 40 million (2020: Baht 50 million). The loan bears interest at 1.75% per annum (2020: 1.75% per annum). The maturity term is one year.

Long-term loans from financial institutions

As at 31 December 2021, subsidiaries entered into long-term loan agreements with a local financial institution for credit lines of Baht 300 million (2020: Baht 300 million) and the balance drawdown of the loans is Baht 63 million (2020: Baht 93 million). The loans bear interest at fixed rates ranging from 2.68% to 2.74% per annum (2020: 3.73% to 3.51% per annum). The repayment terms are during 2020 to 2025 (2020: 2020 to 2025). The loans were guaranteed by the Company.

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As at 31 December 2021, a subsidiary had unutilised credit facilities totaling Baht 1,682 million (2020: Baht 1,600 million).

Under the terms of the agreements, subsidiaries must strictly comply with the conditions and restrictions including requirements to maintain certain ratios as specified in the agreements.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2021			2020 (Restated)		
	Minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Minimum lease payments	Interest	Present value of minimum lease payments
Within one year	209,140	(10,448)	198,692	193,911	(9,440)	184,471
After one year but within five years	<u>476,711</u>	<u>(24,275)</u>	<u>452,436</u>	<u>260,348</u>	<u>(14,183)</u>	<u>246,165</u>
Total	<u>685,851</u>	<u>(34,723)</u>	<u>651,128</u>	<u>454,259</u>	<u>(23,623)</u>	<u>430,636</u>

A subsidiary entered into sale and leaseback contracts with a local company for vehicle under operating lease contracts. Term of leaseback contracts was 4-year periods. Leaseback is classified as a finance lease. Gains are deferred and amortised over the lease term on a straight-line basis.

Subsidiaries entered into lease contracts for computers with a local company for the periods of 3 years. Under the condition of leasing contract, the right on computer under the contract will be transferred to subsidiary when the last installment is paid

Changes in liabilities arising from financing activities

	Consolidated financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2021	16,602,545	430,636	17,033,181
Changes from financing cash flows	<u>(1,232,490)</u>	<u>220,492</u>	<u>(1,011,998)</u>
Balance at 31 December 2021	<u>15,370,055</u>	<u>651,128</u>	<u>16,021,183</u>

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	Consolidated financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2020 - Restated	16,206,795	659,030	16,865,825
Changes from financing cash flows	4,393,469	(230,590)	4,162,879
The effect of changes in foreign exchange rates	(3,997,719)	-	(3,997,719)
Other changes:			
New finance leases	-	2,196	2,196
Balance at 31 December 2020	<u>16,602,545</u>	<u>430,636</u>	<u>17,033,181</u>

	Separate financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2021	8,189,000	32,037	8,221,037
Changes from financing cash flows	60,000	(11,565)	48,435
Other changes:			
New finance leases	-	5,722	5,722
Balance at 31 December 2021	<u>8,249,000</u>	<u>26,194</u>	<u>8,275,194</u>

	Separate financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2020	5,852,604	28,256	5,880,860
Changes from financing cash flows	2,336,396	(10,867)	2,325,529
Other changes:			
New finance leases	-	14,648	14,648
Balance at 31 December 2020	<u>8,189,000</u>	<u>32,037</u>	<u>8,221,037</u>

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22. Insurance contract liabilities

	Consolidated financial statements								
	Life insurance			2021			Non - life insurance		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities <i>(in thousand Baht)</i>	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Total Net
Long-term technical reserves	42,464,436	-	42,464,436	-	-	-	42,464,436	-	42,464,436
Short-term technical reserves									
Loss reserves and outstanding claims									
- Case reserves	58,310	-	58,310	3,114,120	(1,787,295)	1,326,825	3,172,430	(1,787,295)	1,385,135
- Incurred but not reported	112,379	-	112,379	1,769,762	(817,660)	952,102	1,882,141	(817,660)	1,064,481
Total loss reserve and outstanding claims	170,689	-	170,689	4,883,882	(2,604,955)	2,278,927	5,054,571	(2,604,955)	2,449,616
Unearned premium reserves	524,965	-	524,965	5,929,846	(2,693,165)	3,236,681	6,454,811	(2,693,165)	3,761,646
Unexpired risk reserves	-	-	-	3,159,426	(317,081)	2,842,345	3,159,426	(317,081)	2,842,345
Total short-term technical reserves	695,654	-	695,654	13,973,154	(5,615,201)	8,357,953	14,668,808	(5,615,201)	9,053,607
Unpaid policy benefits	401,975	-	401,975	-	-	-	401,975	-	401,975
Other insurance contract liabilities	706	-	706	411,633	-	411,633	412,339	-	412,339
Total short-term technical reserves	1,098,335	-	1,098,335	14,384,787	(5,615,201)	8,769,586	15,483,122	(5,615,201)	9,867,921
Total insurance contract liabilities	43,562,771	-	43,562,771	14,384,787	(5,615,201)	8,769,586	57,947,558	(5,615,201)	52,332,357

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	Consolidated financial statements								
	Life insurance			Non - life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	2020 (Restated) <i>(in thousand Baht)</i>								
Long-term technical reserves	42,337,187	-	42,337,187	-	-	-	42,337,187	-	42,337,187
Short-term technical reserves									
Loss reserves and outstanding claims									
- Case reserves	63,128	-	63,128	2,902,380	(1,406,828)	1,495,552	2,965,508	(1,406,828)	1,558,680
- Incurred but not reported	119,392	-	119,392	1,483,002	(495,507)	987,495	1,602,394	(495,507)	1,106,887
Total loss reserve and outstanding claims	182,520	-	182,520	4,385,382	(1,902,335)	2,483,047	4,567,902	(1,902,335)	2,665,567
Unearned premium reserves	488,741	-	488,741	6,465,427	(2,835,572)	3,629,855	6,954,168	(2,835,572)	4,118,596
Total short-term technical reserves	671,261	-	671,261	10,850,809	(4,737,907)	6,112,902	11,522,070	(4,737,907)	6,784,163
Unpaid policy benefits	349,056	-	349,056	-	-	-	349,056	-	349,056
Other insurance contract liabilities	1,597	-	1,597	445,831	-	445,831	447,428	-	447,428
Total short-term technical reserves	1,021,914	-	1,021,914	11,296,640	(4,737,907)	6,558,733	12,318,554	(4,737,907)	7,580,647
Total insurance contract liabilities	43,359,101	-	43,359,101	11,296,640	(4,737,907)	6,558,733	54,655,741	(4,737,907)	49,917,834

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22.1 Long-term technical reserves

	Consolidated	
	financial statements	
	2021	2020
		(Restated)
	<i>(in thousand Baht)</i>	
At 1 January	42,337,187	39,605,842
Reserve net increase of new and inforce policies during the year	7,073,773	4,724,071
Reserve released for benefits, lapse and cancel policies during the year	<u>(6,946,524)</u>	<u>(1,992,726)</u>
At 31 December	<u>42,464,436</u>	<u>42,337,187</u>

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22.2 Short-term technical reserves

22.2.1 Loss reserves and outstanding claims

	Consolidated financial statements								
	Life insurance			Non - life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities <i>(in thousand Baht)</i>	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
At 1 January	182,520	-	182,520	4,385,382	(1,902,335)	2,483,047	4,567,902	(1,902,335)	2,665,567
Loss incurred during the year	840,123	-	840,123	13,944,960	(10,154,105)	3,790,855	14,785,083	(10,154,105)	4,630,978
Loss paid and loss adjustment expenses paid during the year	(851,954)	-	(851,954)	(13,186,386)	9,616,029	(3,570,357)	(14,038,340)	9,616,029	(4,422,311)
Change in estimation and assumption	-	-	-	158,577	(264,074)	(105,497)	158,577	(264,074)	(105,497)
Decrease from sale of investment in subsidiary	-	-	-	(418,651)	99,530	(319,121)	(418,651)	99,530	(319,121)
At 31 December	<u>170,689</u>	<u>-</u>	<u>170,689</u>	<u>4,883,882</u>	<u>(2,604,955)</u>	<u>2,278,927</u>	<u>5,054,571</u>	<u>(2,604,955)</u>	<u>2,449,616</u>

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	Consolidated financial statements								
	Life insurance			Non - life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities <i>(in thousand Baht)</i>	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
At 1 January	183,481	-	183,481	4,912,636	(2,465,994)	2,446,642	5,096,117	(2,465,994)	2,630,123
Loss incurred during the year	859,158	-	859,158	6,165,635	(2,333,605)	3,832,030	7,024,793	(2,333,605)	4,691,188
Loss paid and loss adjustment expenses paid during the year	(860,119)	-	(860,119)	(6,771,380)	2,921,607	(3,849,773)	(7,631,499)	2,921,607	(4,709,892)
Change in estimation and assumption	-	-	-	78,491	(24,343)	54,148	78,491	(24,343)	54,148
At 31 December	<u>182,520</u>	<u>-</u>	<u>182,520</u>	<u>4,385,382</u>	<u>(1,902,335)</u>	<u>2,483,047</u>	<u>4,567,902</u>	<u>(1,902,335)</u>	<u>2,665,567</u>

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22.2.2 Claim development table - Life insurance

Gross and net claim development triangle as at 31 December 2021

Accident year/ Reporting year	2017	2018	2019	2020	2021	Total
			<i>(in thousand Baht)</i>			
Estimated claims:						
As at accident year ended	678,573	703,563	983,694	892,893	916,783	
Development year 1	635,300	753,157	941,596	833,694	-	
Development year 2	636,425	755,642	939,399	-	-	
Development year 3	636,331	755,681	-	-	-	
Development year 4	636,314	-	-	-	-	
Estimate of ultimate claims	636,314	755,681	939,399	833,694	916,783	4,081,871
Accumulative claim paid	<u>(636,314)</u>	<u>(755,677)</u>	<u>(939,251)</u>	<u>(832,786)</u>	<u>(747,154)</u>	<u>(3,911,182)</u>
Total loss reserves	<u>-</u>	<u>4</u>	<u>148</u>	<u>908</u>	<u>169,629</u>	<u>170,689</u>

Gross and net claim development triangle as at 31 December 2020

Accident year/ Reporting year	2016	2017	2018	2019	2020	Total
			<i>(in thousand Baht)</i>			
Estimated claims:						
As at accident year ended	531,160	678,573	703,563	983,694	892,893	
Development year 1	491,188	635,300	753,157	941,596	-	
Development year 2	490,590	636,425	755,642	-	-	
Development year 3	490,495	636,331	-	-	-	
Development year 4	490,498	-	-	-	-	
Estimate of ultimate claims	490,498	636,331	755,642	941,596	892,893	3,716,960
Accumulative claim paid	<u>(490,496)</u>	<u>(636,313)</u>	<u>(755,339)</u>	<u>(939,082)</u>	<u>(713,210)</u>	<u>(3,534,440)</u>
Total loss reserves	<u>2</u>	<u>18</u>	<u>303</u>	<u>2,514</u>	<u>179,683</u>	<u>182,520</u>

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22.2.3 Claim development table - Non-life insurance

Gross loss development triangle as at 31 December 2021

Accident year/ Reporting year	Prior 2016	2016	2017	2018	2019	2020	2021	Total
				<i>(in thousand Baht)</i>				
Estimated loss reserve and outstanding claim								
As at accident year ended	-	4,302,235	7,709,968	7,164,977	6,863,828	5,708,532	14,961,169	
Development year 1	-	4,318,161	8,033,222	6,816,201	6,385,042	5,505,262	-	
Development year 2	-	4,333,264	7,723,042	6,724,753	5,898,483	-	-	
Development year 3	-	4,340,735	7,701,945	6,597,263	-	-	-	
Development year 4	-	4,341,096	7,699,433	-	-	-	-	
Development year 5	-	4,339,787	-	-	-	-	-	
Absolute estimate loss reserve	-	4,339,787	7,699,433	6,597,263	5,898,483	5,505,262	14,961,169	
Accumulative claim paid	-	4,338,780	7,696,786	(6,554,754)	(5,807,879)	(4,571,061)	(11,303,255)	
Total loss reserves	<u>72</u>	<u>1,007</u>	<u>2,647</u>	<u>42,509</u>	<u>90,604</u>	<u>934,201</u>	<u>3,657,914</u>	<u>4,728,954</u>
Claims reserves under inward treaty								-
Excess of loss reinsurance								-
Loss adjustment expenses and unallocated loss adjustment expenses								135,181
Incurred and agreed claims payable								-
Reserve for P'Chang project								-
Others								19,747
Total loss reserves and outstanding claims								<u><u>4,883,882</u></u>

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Net loss development triangle as at 31 December 2021

Accident year/ Reporting year	Prior 2016	2016	2017	2018	2019	2020	2021	Total
				<i>(in thousand Baht)</i>				
Estimated loss reserve and outstanding claim								
As at accident year ended	-	2,290,436	3,275,805	3,622,769	3,783,188	3,314,751	4,166,344	
Development year 1	-	2,315,655	3,440,987	3,494,517	3,627,482	3,243,218	-	
Development year 2	-	2,348,590	3,400,311	3,476,469	3,350,018	-	-	
Development year 3	-	2,356,945	3,393,813	3,373,432	-	-	-	
Development year 4	-	2,359,280	3,393,768	-	-	-	-	
Development year 5	-	2,358,570	-	-	-	-	-	
Absolute estimate loss reserve	-	2,358,570	3,393,768	3,373,432	3,350,018	3,243,218	4,166,344	
Accumulative claim paid	-	(2,358,406)	(3,393,093)	(3,368,656)	(3,289,286)	(2,752,706)	(2,569,222)	
Total loss reserves	46	164	675	4,776	60,732	490,512	1,597,122	2,154,027
Claims reserves under inward treaty								-
Excess of loss reinsurance								-
Loss adjustment expenses and unallocated loss adjustment expenses								115,151
Incurred and agreed claims payable								-
Reserve for P'Chang project								-
Others								9,749
Total loss reserves and outstanding claims, net								2,278,927

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Gross loss development triangle as at 31 December 2020

Accident year/ Reporting year	Prior 2015	2015	2016	2017	2018	2019	2020	Total
				<i>(in thousand Baht)</i>				
Estimated loss reserve and outstanding claim								
As at accident year ended	-	3,818,401	5,372,286	8,863,126	8,545,599	8,156,944	6,593,087	
Development year 1	-	3,760,889	5,399,997	9,156,249	8,208,769	7,671,505	-	
Development year 2	-	3,526,458	5,360,258	8,844,925	8,076,148	-	-	
Development year 3	-	3,511,869	5,369,886	8,820,769	-	-	-	
Development year 4	-	3,521,507	5,363,078	-	-	-	-	
Development year 5	-	3,520,401	-	-	-	-	-	
Absolute estimate loss reserve	-	3,520,401	5,363,078	8,820,830	8,076,633	7,671,272	6,636,628	
Accumulative claim paid	-	(3,520,192)	(5,360,091)	(8,797,982)	(7,875,619)	(6,844,476)	(3,634,757)	
Total loss reserves	4,048	209	2,987	22,848	201,014	826,796	3,001,871	4,059,773
Claims reserves under inward treaty								158
Excess of loss reinsurance								-
Loss adjustment expenses and unallocated loss adjustment expenses								191,518
Incurred and agreed claims payable								36,780
Reserve for P'Chang project								54,058
Others								43,095
Total loss reserves and outstanding claims								4,385,382

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Net loss development triangle as at 31 December 2020

Accident year/ Reporting year	Prior 2015	2015	2016	2017	2018	2019	2020	Total
				<i>(in thousand Baht)</i>				
Estimated loss reserve and outstanding claim								
As at accident year ended	-	2,249,511	3,021,915	3,939,944	4,457,842	4,580,718	3,909,666	
Development year 1	-	2,270,485	3,034,687	4,094,366	4,332,627	4,415,355	-	
Development year 2	-	2,116,885	3,034,264	4,052,788	4,289,578	-	-	
Development year 3	-	2,119,089	3,045,159	4,043,941	-	-	-	
Development year 4	-	2,124,834	3,045,142	-	-	-	-	
Development year 5	-	2,124,286	-	-	-	-	-	
Absolute estimated loss reserve	-	2,124,286	3,045,142	4,044,002	4,289,981	4,417,204	3,943,855	
Accumulative claim paid	-	(2,124,174)	(3,044,005)	(4,036,071)	(4,166,820)	(3,962,613)	(2,310,493)	
Total loss reserves	2,301	112	1,137	7,931	123,161	454,591	1,633,362	2,222,595
Claims reserves under inward treaty								140
Excess of loss reinsurance								(3,560)
Loss adjustment expenses and unallocated loss adjustment expenses								146,280
Incurred and agreed claims payable								36,780
Reserve for P'Chang project								48,859
Others								31,953
Total loss reserves and outstanding claims, net								2,483,047

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22.2.4 Unearned premium reserves

	Consolidated financial statements								
	Life insurance			Non - Life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	488,741	-	488,741	6,465,427	(2,835,572)	3,629,855	6,954,168	(2,835,572)	4,118,596
Premium written during the year	1,239,728	-	1,239,728	9,115,589	(3,752,027)	5,363,562	10,355,317	(3,752,027)	6,603,290
Earned premium during the year	(1,203,504)	-	(1,203,504)	(8,935,159)	3,836,684	(5,098,475)	(10,138,663)	3,836,684	(6,301,979)
Decrease from sale of investment in subsidiary	-	-	-	(716,011)	57,750	(658,261)	(716,011)	57,750	(658,261)
At 31 December	524,965	-	524,965	5,929,846	(2,693,165)	3,236,681	6,454,811	(2,693,165)	3,761,646

	Consolidated financial statements								
	Life insurance			Non - Life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	442,014	-	442,014	6,574,470	(2,759,634)	3,814,836	7,016,484	(2,759,634)	4,256,850
Premium written during the year	1,201,338	-	1,201,338	12,258,706	(5,276,498)	6,982,208	13,460,044	(5,276,498)	8,183,546
Earned premium during the year	(1,154,611)	-	(1,154,611)	(12,367,749)	5,200,560	(7,167,189)	(13,522,360)	5,200,560	(8,321,800)
At 31 December	488,741	-	488,741	6,465,427	(2,835,572)	3,629,855	6,954,168	(2,835,572)	4,118,596

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22.2.5 Unexpired risk reserves

COVID-19 unexpired risk

	Consolidated financial statements								
	Life insurance			Non - Life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
At 1 January	-	-	-	-	-	-	-	-	-
Increase	-	-	-	3,159,426	(317,081)	2,842,345	3,159,426	(317,081)	2,842,345
At 31 December	-	-	-	3,159,426	(317,081)	2,842,345	3,159,426	(317,081)	2,842,345

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As at 31 December 2021, Southeast Insurance Public Company Limited (“SEIC”), a subsidiary, was affected from COVID-19 insurance policies. Although SEIC entered into a reinsurance agreement with a related party, the related party had requested for the voluntary discontinuation of the non-life insurance business and surrender of the non-life insurance license to the Office of Insurance Commission (“OIC”) in January 2022.

As the gross estimate of the unexpired risks of Baht 3,412 million (2020: nil) is more than the unearned premium reserve of Baht 253 million, SEIC has reserved an additional Baht 3,159 million. A reinsurance cash call received of Baht 317 million has also been offset in the table above.

As at 31 December 2021, SEIC received cash call from the related party as disclosed in note 23 Reinsurance payable amounting to Baht 1,169 million. (2020: nil) and recognised unexpired risk reserve in the consolidated statement of comprehensive income as follows:

<i>COVID-19 unexpired risk</i>	Reinsurers’ share of liabilities	(Cash call) (In thousand Baht)	Increase in unexpired risk reserve - net
Short-term technical reserves			
Loss reserves and outstanding claims			
- Case reserve	(142,147)	(142,147)	-
- Incurred but not report	(456,848)	(456,848)	-
Total loss reserves and outstanding claims	(598,995)	(598,995)	-
Unearned premium reserve	(252,833)	(252,833)	-
Unexpired risk reserve	(3,159,426)	(317,081)	(2,842,345)
Total short-term technical reserves	(4,011,254)	(1,168,909)	(2,842,345)

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COVID-19 unexpired risk liabilities

During January - June 2021, insurance policies were underwritten by Southeast Insurance Public Company Limited ("SEIC") and The Thai Insurance Public Company Limited ("TIC") which provide benefits in the event of COVID-19 infection of policy beneficiaries (the "COVID-19 policies"). COVID-19 pandemic is still ongoing, while vaccines for COVID-19 are being rolled out during 2021. Thailand's COVID-19 infection rate fluctuated significantly from April 2021 and in particular due to the Omicron variant, the future infection rate is uncertain, which gives rise to a range of possible scenarios for the amount of claims that will be incurred during the remaining coverage period. The coverage periods of the majority (SEIC: 86%) of these policies are due to expire during April-June 2022. These give rise to a material uncertainty in the estimation of unexpired risk liabilities according to the insured amount of COVID-19 products, including principal data and assumptions that management applied and the sensitivity analysis such as expected Thailand infection rate and expected infection rate of Subsidiaries' policyholders. The principal data and assumptions that management applied for the COVID-19 related insurance policies are as follows:

- Number of COVID-19 policies in-force is approximately 1 million policies.
- Expected Thailand infection rate : 4.53% of population of Thailand
- Expected infection rate of Subsidiary's policyholders : 8.53% of total customers holding COVID-19 insurance policies.
- Estimated loss per claim : Baht 50,000 - 200,000

Sensitivity analysis

Sensitivity testing is an analysis of the extent to which unexpired risk reserve will increase or decrease due to changes in the assumptions used in the calculation. This will affect premium reserve and the risk may be the result of the frequency and severity of the losses used in determining the claims not being as expected.

	Consolidated financial statements	
	2021	
	Increase in unexpired risk reserve - total	Decrease in profit before tax
	<i>(in thousand Baht)</i>	
Expected Thailand infection rate accumulated until June 2022 (change from 4.53% to 5.90%)	3,412,314	3,412,314
Expected infection rate of the Company's policyholders (change from 8.53% to 11.52%)	3,412,314	3,412,314
Estimated loss per claim increase 20%	682,514	682,514

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22.2.6 Unpaid policy benefits - Life insurance

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Death	156,651	37,532
Maturity	124,959	209,781
Expired cheques for benefits and claims	51,360	54,402
Disability	16,181	-
Others	52,824	47,341
Total	401,975	349,056

22.2.7 Other insurance contract liabilities

	Consolidated financial statements					
	2021			2020 (Restated)		
	Life insurance	Non-Life insurance	Total	Life insurance	Non-Life insurance	Total
	<i>(in thousand Baht)</i>					
Advance premiums	706	402,699	403,405	1,597	421,911	423,508
Outstanding cheques	-	8,934	8,934	-	23,920	23,920
Total	706	411,633	412,339	1,597	445,831	447,428

23. Reinsurance payable

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Amounts withheld on reinsurance	2,213,537	2,090,608
Due to reinsurers	1,670,881	1,509,062
Total	3,884,418	3,599,670

24. Other liabilities

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Accrued expenses	856,335	1,104,775	15,047	59,629
Other payables	448,661	421,344	11,354	18
Commission and brokerage payables	290,290	275,579	-	-
Suspense premium accounts	231,014	223,987	-	-
Secured deposits from sales representatives	95,369	86,174	-	-
Revenue Department Payable	69,393	28,546	10,831	1,715
Others	390,900	286,908	4,024	2,992
Total	2,381,962	2,427,313	41,256	64,354

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25. Share capital

	Par value per share (in Baht)	2021		2020	
		Number	Baht	Number	Baht
		<i>(thousand shares /in thousand Baht)</i>			
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	1,203,357	12,033,565	753,640	7,536,402
Reduction of shares	10	(451,259)	(4,512,587)	(1,542)	(15,424)
Increase of new shares	10	451,259	4,512,587	451,259	4,512,587
At 31 December					
- ordinary shares	10	<u>1,203,357</u>	<u>12,033,565</u>	<u>1,203,357</u>	<u>12,033,565</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	<u>752,098</u>	<u>7,520,978</u>	<u>752,098</u>	<u>7,520,978</u>
At 31 December					
- ordinary shares	10	<u>752,098</u>	<u>7,520,978</u>	<u>752,098</u>	<u>7,520,978</u>

Increasing and reduction of the registered capital

At the Annual General Meeting of Shareholder of the Company held on 3 September 2020, the shareholders had resolutions to approve the reduction the registered share capital to 752,097,832 share at Baht 10 par value and to approve the increase of the registered share capital to 1,203,356,530 share at Baht 10 par value. The Company registered the reduction and the increase of authorised share capital with the Ministry of Commerce on 16 September 2020.

At the Annual General Meeting of Shareholder of the Company held on 29 April 2021, the shareholders had resolutions to approve the reduction the registered share capital to 451,258,698 share at Baht 10 par value and to approve the increase of the registered share capital to 451,258,698 share at Baht 10 par value. The Company already registered the reduction and the increase of authorised share capital with the Ministry of Commerce on 13 May 2021.

Share premium

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

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26. Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires the company and some subsidiaries shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. (Note 3 (d.4))

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non- financial liability.

Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in OCI and accounted for similarly to gains or losses in the hedging reserve.

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

Excess of book value of acquired subsidiaries over cost/(cost over book value)

The excess of book value of acquired subsidiaries over cost/(cost over book value) represent the difference between book value and cost of investment as of the date of acquisition of additional shares of certain existing subsidiaries and have been recorded as a reserve. It is non-distributable and will be retained until the respective investment in shares of subsidiaries are sold or otherwise disposed off.

Difference arising from business combination under common control

The difference arising from business combination under common control represent the difference of book values of certain entities or business under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries or businesses are sold or otherwise disposed off.

Revaluation reserve

The revaluation reserve comprises the cumulative net change in the valuation of land and buildings included in the financial statements at valuation until such land and buildings are sold or otherwise disposed of.

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Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

27. Segment information and disaggregation revenue

(a) Segment information

Management determined that the Group has four reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Life insurance business
- *Segment 2* Non-life insurance business
- *Segment 3* Financial service business
- *Segment 4* Others businesses

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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Year ended 31 December	Consolidated financial statements											
	Segment 1		Segment 2		Segment 3		Segment 4		Intra-group eliminations		Total	
	2021	2020 (Restated)	2021	2020 (Restated)	2021	2020 (Restated)	2021	2020 (Restated)	2021	2020 (Restated)	2021	2020 (Restated)
	<i>(in thousand Baht)</i>											
Information about reportable segments												
Insurance business revenue	10,521,645	7,977,571	8,985,284	8,619,262	-	-	72,288	74,343	-	-	19,579,217	16,671,176
Finance business revenue	-	-	-	-	4,704,588	4,142,079	-	-	-	-	4,704,588	4,142,079
Investment income	1,529,963	1,610,001	146,418	200,463	21,533	42,966	3,118	6,060	-	-	1,701,032	1,859,490
Rental investment properties	-	-	-	-	-	-	8,205	12,035	-	-	8,205	12,035
Financial instrument revenue	352,091	476,409	47,563	10,914	-	-	1,839	62,862	-	-	401,493	550,185
Gain on sell of investment in subsidiary	-	-	7,099,764	-	-	-	-	-	-	-	7,099,764	-
Other income	33,868	4,732	69,834	101,477	34,530	26,627	6,870	(1,592)	-	-	145,102	131,244
Inter-segment revenue	23,394	23,033	(7,204,440)	395,466	33,391	48,095	423,621	793,495	6,724,034	(1,260,089)	-	-
Total revenue	12,460,961	10,091,746	9,144,422	9,327,582	4,794,042	4,259,767	515,941	947,203	6,724,034	(1,260,089)	33,639,401	23,366,209
Profit (loss) before income tax expense	661,834	827,672	(11,424,373)	229,224	78,432	(65,764)	(968,317)	442,978	8,070,858	(535,369)	(3,581,566)	898,741
Segment assets	55,645,785	55,454,583	19,224,070	19,327,860	15,849,424	16,393,589	10,869,485	12,158,588	(10,027,143)	(10,707,314)	91,561,621	92,627,306
Segment liabilities	45,257,743	44,856,735	19,449,430	16,512,644	15,162,340	16,005,443	8,488,548	8,540,919	(6,813)	(7,058,929)	81,544,843	78,856,468

During January - June 2021, COVID-19 insurance policies were underwritten by Southeast Insurance Public Company Limited ("SEIC") and The Thai Insurance Public Company Limited ("TIC"). The amount included in "benefits payments and insurance claim expenses" incurred in respect of these policies is dependent on the estimation of unexpired risk reserve on those policies. For the year ended 31 December 2021, the Group recorded "benefits payments and insurance claim expenses" of COVID-19 insurance policies, 35% of the Baht 27,974.95 million presented in this caption in the consolidated income statement.

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As at 31 December 2021, loss before income tax expense from SEIC of Baht 3,029.32 million were included in segment 2 which mainly came from adjusted the financial statements based on non-going concern basis in particular the unexpired risk reserve, as specified in note 2(b) Basis of preparation of the financial statements for Southeast Insurance Public Company Limited (Subsidiary) (“SEIC”).

During 1 January 2021 to 27 September 2021, loss before income tax expense from TIC of Baht 8,441.74 million were included in segment 2 which mainly came from benefit payments and insurance claim expense.

(b) *Reconciliations of reportable segment profit or loss*

<i>For the year ended 31 December</i>	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Reportable segments	(3,581,566)	898,741
Unallocated amounts:		
- Share of loss of investments in associate and joint venture	-	-
Total	<u><u>(3,581,566)</u></u>	<u><u>898,741</u></u>

(c) *Geographical segments and major customer*

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

The Group has no customers from a single segment equal to or more than 10% of the Group’s total revenue.

(d) *Disaggregation of revenue*

The Group recognises income from operating lease contracts and finance lease contracts on a straight-line basis over the term of the lease, and recognises revenue from sale of assets under operating leases at a point in time.

28. Investment income

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Interest income	1,221,841	1,241,407	202,874	202,082
Dividend income	479,192	618,083	2,850	679,989
Total	<u><u>1,701,033</u></u>	<u><u>1,859,490</u></u>	<u><u>205,724</u></u>	<u><u>882,071</u></u>

29. Gain on financial instruments

	Consolidated	
	financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
<i>Gain (loss) from sale and derecognition</i>		
Debt securities measured at fair value through other comprehensive income	260,234	143,419
Derivatives	5,760	44,093
Other	(7,665)	(18,476)
Total	<u><u>258,329</u></u>	<u><u>169,036</u></u>

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30. Gain on fair value change of financial instruments

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
Financial instruments measured at fair value through profit or loss - Debt securities	124,053	289,242
Derivatives	12,091	(36,386)
Total	136,144	252,856

31. Operating expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2021	2020 (Restated)	2021	2020
		<i>(in thousand Baht)</i>			
Personnel expenses	33	1,368,517	1,531,440	114,170	94,058
Information technology expenses		246,406	254,131	6,163	2,254
Building and equipment expenses	33	216,894	229,666	68	129
Depreciation and amortisation	33	191,600	147,724	2,566	285
Subcontractor cost		92,686	32,780	-	-
Investment expenses		61,607	54,061	-	-
Professional fee		57,125	59,435	16,080	14,550
Marketing management fee		51,894	55,955	-	1,087
Service and rental expenses		19,583	36,391	17,817	15,701
Tax expenses		11,959	19,708	241	154
Transportation expenses		9,416	14,556	909	995
Reversal bad debts and doubtful accounts		(22,569)	(16,732)	-	-
Others		39,907	31,817	(1,403)	6,885
Total		2,345,025	2,450,932	156,611	136,098

32. Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
		<i>(in thousand Baht)</i>			
Wages and salaries		1,459,087	1,617,407	89,973	69,391
Welfare expenses		64,396	80,196	3,248	2,046
Defined benefit plan		54,206	87,558	6,758	14,037
Defined contribution plan		49,616	51,226	2,013	2,248
Allowance		3,036	2,030	2,985	1,836
Social security fund contribution		1,564	2,266	-	-
Others		100,328	117,076	9,193	4,500
Total		1,732,233	1,957,759	114,170	94,058

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Defined contribution plan

The defined contribution plan comprise a provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

33. Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020 (Restated)	2021	2020
<i>(in thousand Baht)</i>					
Personnel expenses					
Included in benefits payments and insurance claims expenses		176,305	234,692	-	-
Included in other underwriting expenses		187,412	191,627	-	-
Included in operating expenses	31	1,368,517	1,531,440	114,170	94,058
Total		1,732,234	1,957,759	114,170	94,058
Depreciation and amortisation expenses					
Included in direct rental costs		1,673,720	1,607,651	-	-
Included in operating expenses	31	191,600	147,724	2,566	285
Total		1,865,320	1,755,375	2,566	285
Building and equipment expenses					
Included in benefits payments and insurance claims expenses		2,420	7,868	-	-
Included in other underwriting expenses		4,686	5,569	-	-
Included in direct rental costs		338,943	343,296	-	-
Included in operating expenses	31	216,894	229,666	68	129
Total		562,943	586,399	68	129

34. Expected credit loss

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
<i>(in thousand Baht)</i>				
Debt securities measured at fair value through other comprehensive income	6,611	2,202	-	-
Operating lease receivables	2,279	-	-	-
Loans and accrued interest	992	634	-	-
Debt securities measured at amortised cost	226	-	-	-
Hire-purchase and finance lease receivables	243	3,529	-	-
Other assets	-	-	49,000	-
Total	10,351	6,365	49,000	-

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35. Income tax expense

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	296,223	134,007	-	-
Under provided in prior years	4,315	41,199	-	-
	<u>300,538</u>	<u>175,206</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	(448,793)	28,805	(98,798)	(36,075)
Recognition of previously unrecognised tax losses	(73,520)	(11,474)	(24,162)	-
	<u>(522,313)</u>	<u>17,331</u>	<u>(122,960)</u>	<u>(36,075)</u>
Total income tax expense	<u>(221,775)</u>	<u>192,537</u>	<u>(122,960)</u>	<u>(36,075)</u>

	Consolidated financial statements			Consolidated financial statements		
	2021			2020 (Restated)		
<i>Income tax</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of Tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Foreign currency translation differences for foreign operations	146,475	(29,295)	117,180	(27,531)	-	(27,531)
Revaluation of property, plant and equipment	17,125	(3,425)	13,700	36,104	(7,221)	28,883
Cash flow hedges reserve	(7,256)	1,451	(5,805)	18,719	(3,744)	14,975
Cost of hedges reserve	4,690	(938)	3,752	43,767	(8,753)	35,014
Financial assets measured at fair value through other comprehensive income	(611,635)	122,327	(489,308)	(2,663,830)	532,766	(2,131,064)
Defined benefit plan actuarial gains (losses)	(47,554)	9,511	(38,043)	7,164	(1,433)	5,731
Total	<u>(498,155)</u>	<u>99,631</u>	<u>(398,524)</u>	<u>(2,585,607)</u>	<u>511,615</u>	<u>(2,073,992)</u>

	Separate financial statements					
	2021			2020		
<i>Income tax</i>	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of Tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Defined benefit plan actuarial gains	710	(142)	568	6,548	(1,310)	5,238
Total	<u>710</u>	<u>(142)</u>	<u>568</u>	<u>6,548</u>	<u>(1,310)</u>	<u>5,238</u>

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<i>Reconciliation of effective tax rate</i>	Consolidated financial statements 2021		Consolidated financial statements 2020 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense	20	<u>(3,581,566)</u>	20	<u>898,741</u>
Income tax using the Thai corporation tax rate		(716,313)		179,748
Income not subject to tax		(52,458)		(66,304)
Expenses for tax incentive		1,308		(23,822)
Expenses not deductible for tax purposes		57,655		92,357
Recognition of previously unrecognised tax losses		(73,520)		(11,474)
Current year losses for which no deferred tax asset was recognised		761,240		-
Write-off deferred tax asset		(203,973)		-
Under provided in prior years		4,315		41,199
Others		(29)		(19,167)
Total	6	<u>(221,775)</u>	21	<u>192,537</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense	20	<u>(981,447)</u>	20	<u>655,489</u>
Income tax using the Thai corporation tax rate		(196,289)		131,098
Income not subject to tax		(570)		(135,998)
Expenses for tax incentive		1,683		(15,716)
Expenses not deductible for tax purposes		96,378		549
Recognition of previously unrecognised tax losses		(24,162)		-
Current year losses for which no deferred tax asset was recognised		-		(16,008)
Total	13	<u>(122,960)</u>	(6)	<u>(36,075)</u>

Deferred tax At 31 December

	Consolidated financial statements			
	Assets		Liabilities	
	2021	2020 (Restated)	2021	2020 (Restated)
		(in thousand Baht)		
Total	1,163,612	1,553,148	(259,706)	(1,350,282)
Set off of tax	(103,943)	(851,961)	103,943	851,961
Net deferred tax assets (liabilities)	<u>1,059,669</u>	<u>701,187</u>	<u>(155,763)</u>	<u>(498,321)</u>

Deferred tax At 31 December

	Separate financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
		(in thousand Baht)		
Net deferred tax assets	<u>126,032</u>	<u>3,072</u>	-	-

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Movements in deferred tax assets and liabilities for the year ended 31 December were as follows:

<i>Deferred tax</i>	Consolidated financial statements (Charged) / credited to:				At 31 December
	At 1 January	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
2021					
<i>Deferred tax assets</i>					
Premium due and uncollected	30,130	(24,399)	-	-	5,731
Reinsurance receivables	1,826	(1,826)	-	-	-
Hire purchase and finance lease receivables	16,796	49	-	-	16,845
Subrogation	10,275	(10,275)	-	-	-
Inventories	119	227	-	-	346
Right-of-use assets	383	(310)	-	-	73
Loans	74,138	-	-	-	74,138
Insurance contract liabilities	1,144,603	(398,950)	-	-	745,653
Provision for employee benefits	68,345	(29,772)	(4,350)	5,377	39,600
Financial assets measured at fair value through other comprehensive income	1,827	-	(1,827)	-	-
Other liabilities	28,789	(31,659)	105	6,081	3,316
Loss carry forward	77,146	64,859	-	-	142,005
Others	98,771	36,806	328	-	135,905
Total	1,553,148	(395,250)	(5,744)	11,458	1,163,612
<i>Deferred tax liabilities</i>					
Financial assets measured at fair value through other comprehensive income	(300,137)	848,975	(215,461)	(15,746)	317,631
Amortisation of prepayment for land used rights	(6,066)	-	-	-	(6,066)
Revaluation surplus on land and building	(586,853)	3,732	-	350,991	(232,130)
Property, plant and equipment	(350,117)	187,053	-	-	(163,064)
Derivatives	15,396	3,351	(25,868)	-	(7,121)
Others	(122,505)	(46,451)	-	-	(168,956)
Total	(1,350,282)	996,660	(241,329)	335,245	(259,706)
Net	202,866	601,410	(247,073)	346,703	903,906

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	Consolidated financial statements			At 31 December
	At 1 January	(Charged) / credited to:		
<i>Deferred tax</i>		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
2020				
<i>Deferred tax assets</i>				
Premium due and uncollected	22,366	7,764	-	30,130
Reinsurance receivables	1,826	-	-	1,826
Hire purchase and finance lease receivables	16,091	705	-	16,796
Subrogation	10,275	-	-	10,275
Inventories	7,595	(7,476)	-	119
Right-of-use assets	389	(6)	-	383
Loans	74,138	-	-	74,138
Insurance contract liabilities	1,047,786	96,817	-	1,144,603
Provision for employee benefits	68,699	1,079	(1,433)	67,345
Financial assets measured at fair value through other comprehensive income	-	-	1,827	1,827
Other liabilities	39,116	(4,325)	(6,002)	28,789
Loss carry forward	169,511	(92,365)	-	77,146
Others	43,286	57,088	(1,603)	98,771
Total	1,501,078	59,281	(7,211)	1,553,148
<i>Deferred tax liabilities</i>				
Financial assets measured at fair value through other comprehensive income	(886,552)	75,093	511,322	(300,137)
Amortisation of prepayment for land used rights	(1,516)	(4,550)	-	(6,066)
Revaluation surplus on land and building	(580,690)	1,058	(7,221)	(586,853)
Property, plant and equipment	(307,758)	(42,359)	-	(350,117)
Derivatives	8,829	(3,511)	10,078	15,396
Others	(13,858)	(113,294)	4,647	(122,505)
Total	(1,781,545)	(87,563)	518,826	(1,350,282)
Net	(280,467)	(28,282)	511,615	202,866
2021				
<i>Deferred tax asset</i>				
Provision for employee benefits	3,072	(190)	(142)	2,740
Loss carry forward	-	123,292	-	123,292
Net	3,072	123,102	(142)	126,032

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	At 1 January	Separate financial statements (Charged) / credited to:		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax				
2020				
Deferred tax asset				
Provision for employee benefits	3,283	1,099	(1,310)	3,072
Total	3,283	1,099	(1,310)	3,072
Deferred tax liability				
Derivatives	(34,976)	34,976	-	-
Total	(34,976)	34,976	-	-
Net	(31,693)	36,075	(1,310)	3,072

Unrecognised deferred tax assets

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
		(in thousand Baht)		
Property, plant and equipment	(241)	(377)	-	-
Tax loss	91,797	114,881	-	24,162
Total	91,556	114,504	-	24,162

The tax losses will expire in 2022 - 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

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36. Basic earnings per share

The calculations of basic earnings (losses) per share for the separate financial statements for year ended 31 December 2021 is based on the net profit (loss) for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year.

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated) <i>(thousand shares/thousand Baht)</i>	2021	2020
Profit (loss) for the year attributable to ordinary shareholders of the Company	<u>(3,260,470)</u>	<u>728,446</u>	<u>(858,487)</u>	<u>691,564</u>
Weighted average number of ordinary shares outstanding (basic) at 31 December	<u>752,098</u>	<u>752,098</u>	<u>752,098</u>	<u>752,098</u>
Earnings (losses) per share (basic) <i>(in Baht)</i>	<u>(4.34)</u>	<u>0.97</u>	<u>(1.14)</u>	<u>0.92</u>

37. Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
2021				
2020 Interim dividend	7 January 2021	5 February 2021	0.60	451,259

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38. Risks management and financial instruments

(a) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

At 31 December	Note	Consolidated financial statement							Total
		Hedging instruments	Carrying amount		Total (in thousand Baht)	Fair value			
			Financial instruments measured at FVTPL	Financial instruments measured at FVOCI		Level 1	Level 2	Level 3	
2021									
Financial assets									
Other financial assets:									
Investment in equity instruments	12	-	-	13,494,853	13,494,853	5,008,313	8,385,253	101,287	13,494,853
Investment in debt instruments	11	-	4,064,105	38,786,124	42,850,229	-	42,850,229	-	42,850,229
Derivatives assets	13	23,363	-	-	23,363	-	23,363	-	23,363
Total other financial assets		23,363	4,064,105	52,280,977	56,368,445				
Financial liabilities									
Other financial liabilities:									
Derivatives liabilities	13	241,076	-	-	241,076	-	241,076	-	241,076
Total other financial liabilities		241,076	-	-	241,076				
2020 (Restate)									
Financial assets									
Other financial assets:									
Investment in equity instruments	12	-	-	12,207,576	12,207,576	4,950,658	7,149,863	107,055	12,207,576
Investment in debt instruments	11	-	3,911,822	40,554,307	44,466,129	-	44,466,129	-	44,466,129
Derivatives assets	13	69,951	-	-	69,951	-	69,951	-	69,951
Total other financial assets		69,951	3,911,822	52,761,883	56,743,656				
Financial liabilities									
Other financial liabilities:									
Derivatives liabilities	13	209,170	-	-	209,170	-	209,170	-	209,170
Total other financial liabilities		209,170	-	-	209,170				
Separate financial statements									
At 31 December	Note	Hedging instruments	Carrying amount		Total (in thousand Baht)	Fair value			Total
			Financial instruments measured at FVTPL	Financial instruments measured at FVOCI		Level 1	Level 2	Level 3	
2021									
Financial assets									
Other financial assets:									
Investment in equity instruments	12	-	-	234,000	234,000	-	-	234,000	234,000
Total other financial assets		-	-	234,000	234,000				
2020									
Financial assets									
Other financial assets:									
Investment in equity instruments	12	-	-	234,000	234,000	-	-	234,000	234,000
Total other financial assets		-	-	234,000	234,000				

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Financial instruments measured at fair value

The Company determines Level 2 fair values for debt securities which are listed in the Thai Bond Market Association using the prices on the last business day of the period provided by the Thai Bond Market Association.

The Company determines Level 2 fair values for debt securities which are not listed in the Thai Bond Market Association are based on quotes from a reliable institution at the reporting date.

The Company determines Level 2 fair values for non-listed unit trusts using the net asset value (NAV) on the last business day of the period provided by assets management companies.

The Company determines Level 1 fair values for listed equity securities and unit trusts using the last bid price on the last business day of the period provided by The Stock Exchanges of Thailand.

The Company determines Level 2 fair values for derivative. The fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flow using market interest rate for a similar instrument of the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate. In addition, the Company tested for reasonableness by comparing with the market price from financial institutions which are derivative issues.

The Company determines level 3 fair values for non-listed equity using net asset value per share according to the latest available financial statement for T.I.I. Company Limited's equity and using fair value valuation by the Notification of the Office of Insurance Commission ("OIC") for Road Accident Victims Protection Company Limited's equity.

Financial instruments not measured at fair value

The carrying amounts of the following financial assets and financial liabilities are considered to be approximate to their fair value: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance receivables, policy loans, mortgage loans, other loans, other receivables, due to reinsurers, and other payables, except for debt securities measured at amortised cost which fair value is calculated by referencing to the price quoted by Thai Bond Market Association at reporting date.

The fair value of deposits at financial institutions which have remaining terms to maturity of less than 90 days are based on carrying value. For those with remaining terms to maturity greater than 90 days, the fair value is estimated by using a discounted cash flow analysis based on current interest rates for the remaining period to maturity.

The fair value of mortgage loans and other loans which carrying floating interest rates and are fully collateralised is taken to approximate the carrying value. The fair value of fixed interest rate loans is estimated by using discounted cash flow analysis based on current interest rates for the remaining years to maturity.

Transfers between Level 1 and 2 of fair values hierarchy

At 31 December 2021, equity securities measured at fair value through other comprehensive income with a carrying amount of Baht 262 million were transferred from Level 1 to Level 2 and none of equity security measured at fair value through other comprehensive income were transferred from level 2 to level 1 (2020: equity securities measured at fair value through other comprehensive income with a carrying amount of Baht 27 million were transferred from Level 1 to Level 2 and equity securities measured at fair value through other comprehensive income with carry amount of Baht 126 million were transferred from level 2 to level 1). The Company has considered the liquidity of trading there securities in the market.

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<i>Reconciliation of Level 3 fair values</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
		(Restated)		
		(in thousand Baht)		
<i>Equity securities</i>				
At 1 January	107,055	-	234,000	-
Adoption of TFRS9	-	168,583	-	234,000
Net change in fair value (including unrealised transactions)				
- recognised in OCI	(5,768)	(61,528)	-	-
At 31 December	101,287	107,055	234,000	234,000

(b) *Financial risk management policies*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee

38.1 Insurance risk management

Life insurance risk management

Risk of loss resulting from unexpected events, deviations from actuarial assumptions, the magnitude and timing of claims, policyholder behaviour, underwriting expenses.

Underwriting risk

Underwriting risk arises from inaccurate assessment of the risks entailed in writing of an insurance policy.

The Group has an underwriting process that classifies applicants into risk categories based on their medical history, health condition, occupation, etc. Coverage and premium can vary across categories, reflecting different levels of risk.

Mortality and morbidity risk

Mortality and morbidity risk refers to the possibility that the frequency or severity of claims arising from insurance contracts exceeds the level assumed when the products were priced.

The Group can be exposed to high claims from policyholders resulting from changes in their life and health expectancy or from catastrophic events, whether natural or man-made.

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The Group manages mortality and morbidity risk by consider claim trends are monitored on an ongoing basis. Exposure in excess of retention limits is ceded to reinsurers. Mortality and morbidity experience is monitored to ensure that the Group's assumptions are appropriate.

Product design and mispricing risk

All insurance products will be internally approved by management.

All insurance products will be approved by the Office of Insurance Commission ("OIC").

Policyholder behaviour risk

Risk that arises from policyholders' acts to discontinue/reduce contributions or surrender request prior to maturity of the contract, or to falsely obtain a particular insurance coverage or claims some benefit to which they are not otherwise entitled to.

Persistency is regularly monitored through reports and comprehensive analysis.

An underwriting process and claim management are also designed to detect and minimise fraudulent behaviour from policyholders.

Concentration of insurance risk

Concentrations of risk may arise where a particular event or a series of events could impact heavily upon the Group's insurance contract liabilities.

All of the Group's contracts are life insurance non-par contracts. The amount of risk to which the Company is exposed depends on the level of guarantees inherent in the contracts comparing with the prevailing interest rate. The changes in interest rate will not cause a change to the amount of the liability, unless the change is severe enough to trigger a liability adequacy test adjustment.

As at 31 December 2021, the discount interest rates for the purpose of the liability adequacy test, in accordance with life insurance industry practice, is the average of eight quarters of the zero coupon Thailand government bond yield curve plus illiquidity premium of 96 basis points (2020: 122 basis points). Management monitors the sensitivity to changes in rates on an ongoing basis. A decrease of 100 basis points (2020: 100 basis points) from current market interest rates would not be trigger a liability adequacy test adjustment.

Non - life insurance risk management

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured.

The Group intends to mitigate its risk exposure by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. The insurance contracts are provided to all types of customers based on assessment of insurance risk by the Group. Reinsurance is arranged to mitigate the effect of potential losses to the Group from individual large insured events. Further, the Company adopts strict claim review policies including active management of the claims, regular detailed review of claim handling procedures and investigation of possible false claims.

Sensitivity analysis

The sensitivity analysis is performed on the net loss reserve and outstanding claims, based on changes in assumptions that may affect the level of liabilities. The assumption that has the greatest effect on the determination of loss reserve and outstanding claims is the expected loss ratio. The test was conducted based on a change level of -5% to +5% of the loss reserve and outstanding claim, net of reinsurance recoveries.

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		Consolidated financial statements	
		2021	
	Change in variable	Increase (decrease) in liabilities	Increase (decrease) in profit and equity
	(%)	<i>(in thousand Baht)</i>	
Increase in expected loss ratio	5	214,081	(171,264)
Decrease in expected loss ratio	5	(213,246)	170,597

		Consolidated financial statements	
		2020	
	Change in variable	Increase (decrease) in liabilities	Increase (decrease) in profit and equity
	(%)	<i>(in thousand Baht)</i>	
		(Restated)	
Increase in expected loss ratio	5	150,886	(120,668)
Decrease in expected loss ratio	5	(234,520)	187,616

38.2 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group manages the investment risk by considering the risk of investments together with the return on such investments.

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At 31 December, the significant financial assets and liabilities classified by type of interest rate were as follows:

	Consolidated financial statements 2021				Consolidated financial statements 2020 (Restated)			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	<i>(in thousand Baht)</i>							
Financial assets								
Hire-purchase and finance lease receivables	-	967,613	-	967,613	-	1,098,657	-	1,098,657
Investments in securities								
Government and state enterprise debt securities	-	20,986,647	-	20,986,647	-	22,637,507	-	22,637,507
Private debt securities	-	19,030,720	-	19,030,720	-	19,406,463	-	19,406,463
Foreign debt securities	-	2,832,862	-	2,832,862	-	2,422,159	-	2,422,159
Deposits at banks with original maturity over 3 months	-	1,140,150	-	1,140,150	-	1,181,095	-	1,181,095
Loans								
Policy loans	-	546,645	-	546,645	-	575,399	-	575,399
Mortgage loans	47,674	384,080	-	431,754	45,885	379,735	-	425,620
Short-term loans to other parties	534,087	-	-	534,087	192,985	-	-	192,985
Current portion of long-term loans to other parties	-	31,934	-	31,934	-	25,853	-	25,853
Long-term loans to other parties	-	253,704	-	253,704	-	212,575	-	212,575
Total financial assets	581,761	46,174,355	-	46,756,116	238,870	47,939,443	-	48,178,313

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	Consolidated financial statements 2021				Consolidated financial statements 2020 (Restated)			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	<i>(in thousand Baht)</i>							
Financial liabilities								
Short-term loans from financial institutions	-	9,789,000	-	9,789,000	-	10,716,000	-	10,716,000
Short-term loans from related parties	-	-	-	-	-	15,000	-	15,000
Short-term loans from other parties	-	40,000	-	40,000	-	50,000	-	50,000
Current portion of long-term loans from financial institutions	36,000	1,971,457	-	2,007,457	36,000	2,289,347	-	2,325,347
Long-term loans from financial institutions	27,000	3,506,598	-	3,533,598	57,000	3,439,198	-	3,496,198
Financial lease liabilities	-	651,128	-	651,128	-	430,636	-	430,636
Total financial liabilities	63,000	15,958,183	-	16,021,183	93,000	16,940,181	-	17,033,181
	Separate financial statements							
	2021				2020			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	<i>(in thousand Baht)</i>							
Financial assets								
Loans								
Short-term loans to related parties	-	2,829,700	-	2,829,700	-	2,953,412	-	2,953,412
Current portion of long-term loans to related parties	-	206,000	-	206,000	-	258,600	-	258,600
Long-term loans to related parties	-	5,104,668	-	5,104,668	-	5,273,368	-	5,273,368
Total financial assets	-	8,140,368	-	8,140,368	-	8,485,380	-	8,485,380
Financial liabilities								
Short-term loans from financial institutions	-	8,249,000	-	8,249,000	-	8,189,000	-	8,189,000
Financial lease liabilities	-	26,194	-	26,194	-	32,037	-	32,037
Total financial liabilities	-	8,275,194	-	8,275,194	-	8,221,037	-	8,221,037

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At 31 December, the significant financial assets and liabilities carrying interest rate at fixed rates were classified on the basis of the length of time from the reporting date to next re-pricing date, or to maturity date whichever is sooner. The details are as follows:

	Interest rate (% per annum)	Consolidated financial statements 2021			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
Financial assets					
Hire-purchase and finance lease receivables	5.50 - 7.00	548,776	415,580	3,257	967,613
Investments in securities					
Government and state enterprise debt securities	1.06 - 2.88	4,629,641	6,529,314	9,827,692	20,986,647
Private debt securities	2.82 - 5.11	1,608,035	4,524,492	12,898,193	19,030,720
Foreign debt securities	5.08	1,071,470	478,346	1,283,046	2,832,862
Deposits at banks with original maturity over 3 months	0.375 - 0.70	1,140,150	-	-	1,140,150
Loans					
Mortgage loans	5.00 - 15.00	24,900	-	359,180	384,080
Current portion of long-term loans to other parties	2.20 - 15.00	31,934	-	-	31,934
Long-term loans to other parties	2.20 - 15.00	30,476	118,819	104,409	253,704
Total financial assets		9,085,382	12,066,551	24,475,777	45,627,710
Financial liabilities					
Short-term loans from financial institutions	1.81 - 2.51	9,789,000	-	-	9,789,000
Short-term loans from other parties	1.75	40,000	-	-	40,000
Current portion of long-term loans from financial institutions	2.68 - 4.05	1,971,457	-	-	1,971,457
Long-term loans from financial institutions	2.68 - 4.05	-	2,339,805	1,166,793	3,506,598
Financial lease liabilities	3.39 - 3.90	198,692	452,436	-	651,128
Total financial liabilities		11,999,149	2,792,241	1,166,793	15,958,183

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		Consolidated financial statements 2020 (Restated)				
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total	
		Interest rate (% per annum)				
Financial assets						
Hire-purchase and finance lease receivables	5.50 - 7.00	223,832	874,242	583	1,098,657	
Investments in securities						
Government and state enterprise debt securities	1.20 - 6.80	3,606,021	10,290,026	8,741,460	22,637,507	
Private debt securities	1.44 - 5.05	1,241,965	6,880,188	11,284,310	19,406,463	
Foreign debt securities	4.88	684,257	1,257,180	480,722	2,422,159	
Deposits at banks with original maturity over 3 months	0.35 - 1.35	1,181,095	-	-	1,181,095	
Loans						
Mortgage loans	5.00 - 15.00	24,900	-	354,835	379,735	
Current portion of long-term loans to other parties	3.22 - 15.00	25,853	-	-	25,853	
Long-term loans to other parties	3.22 - 15.00	616	3,157	208,802	212,575	
Total financial assets		6,988,539	19,304,793	21,070,712	47,364,044	
Financial liabilities						
Short-term loans from financial institutions	1.77 - 2.62	10,716,000	-	-	10,716,000	
Short-term loans from related parties	3.70	15,000	-	-	15,000	
Short-term loans from other parties	1.75	50,000	-	-	50,000	
Current portion of long-term loans from financial institutions	2.92 - 3.95	2,289,347	-	-	2,289,347	
Long-term loans from financial institutions	2.92 - 3.95	-	3,439,198	-	3,439,198	
Financial lease liabilities	3.39 - 3.90	184,471	246,165	-	430,636	
Total financial liabilities		13,254,818	3,685,363	-	16,940,181	
		Separate financial statements				
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total	
		Interest rate (% per annum)				
2021						
Financial assets						
Loans						
Short-term loans to related parties	2.31 - 2.61	2,829,700	-	-	2,829,700	
Current portion of long-term loans from related parties	2.31	206,000	-	-	206,000	
Long-term loans to related parties	2.14 - 2.51	-	5,104,668	-	5,104,668	
Total financial assets		3,035,700	5,104,668	-	8,140,368	
Financial liabilities						
Short-term loans from financial institutions	1.81 - 1.90	8,249,000	-	-	8,249,000	
Financial lease liabilities	3.27 - 3.73	11,496	14,698	-	26,194	
Total financial liabilities		8,260,496	14,698	-	8,275,194	

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	Interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in thousand Baht)	After 5 years	
2020					
Financial assets					
Loans					
Short-term loans to related parties	2.47 - 2.88	2,953,412	-	-	2,953,412
Current portion of long-term loans from related parties	2.35 - 2.55	258,600	-	-	258,600
Long-term loans to related parties	2.18 - 3.75	-	5,273,368	-	5,273,368
Total financial assets		3,212,012	5,273,368	-	8,485,380
Financial liabilities					
Short-term loans from financial institutions	1.77 - 2.05	8,189,000	-	-	8,189,000
Financial lease liabilities	3.27 - 3.73	11,987	20,050	-	32,037
Total financial liabilities		8,200,987	20,050	-	8,221,037

Policy loans are fully collateralised by the value of the underlying policy and carry interest rates which follow the regulations of the Office of Insurance Commission. The average rate of interest in the year ending 31 December 2021 was 4 - 10% per annum (2020: 4 - 10% per annum). The contractual maturity of these loans would generally follow the maturity profile of the underlying insurance policy with which they are associated. Policyholders may repay policy loans prior to maturity.

Interest rate swap contract

On 31 December 2021, the Group entered into an interest rate swap agreement for a long-term loan amounted of Baht 1,600 million (2020 : Baht 1,600 million) for swapping a floating interest rate to a fixed interest rate of 3.75% and 4.05% per annum (2020: 3.75% and 4.05% per annum), with settlement in December 2022 - December 2024 (2020: December 2022 - July 2024) and entered into an interest rate swap agreement for the investments in available for sale debentures of Baht 1,740.19 million (2020 : 2,056.25 million) for swapping fix interest rate to floating interest rate 1.63% per annum (2020: 1.63% per annum).

Sensitivity analysis

A reasonable possible change of interest rates at the reporting date would have affected the measurement of investment in debt securities and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Effects on profit or loss

	+ 50 basis point	- 50 basis point
	(in thousand Baht)	
2021		
Yield curve	(905,306)	822,752
2020		
Yield curve	(760,278)	885,974

38.3 Foreign currency risk

The Group is exposed to foreign currency exchange rates relating to investment in debt securities and borrowing in foreign currencies. The Group primarily utilizes forward exchange contracts and cross currency swap contracts to hedge such financial assets and liabilities denominated in foreign currencies.

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At 31 December, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
United States Dollars		
Cash and cash equivalents	33,152	363,698
Investments in debt securities	2,654,443	1,991,249
Investments in equity securities	638,453	408,601
Gross exposure in the statements of financial position	3,326,048	2,763,548
Cross currency swaps contracts	(1,576,784)	(1,417,847)
Net exposure	1,749,264	1,345,701
Euro		
Cash and cash equivalents	32,613	14,441
Investments in debt securities	153,714	-
Investments in equity securities	263,060	204,968
Gross exposure in the statements of financial position	449,387	219,409
Singapore Dollars		
Cash and cash equivalents	25,806	33,888
Investments in debt securities	7,084	6,041
Investments in equity securities	1,234,218	1,139,930
Gross exposure in the statements of financial position	1,267,108	1,179,859
Hong Kong Dollars		
Cash and cash equivalents	4,853	20,523
Investments in debt securities	17,621	6,701
Investments in equity securities	71,007	50,362
Gross exposure in the statements of financial position	93,481	77,586
Australian Dollars		
Cash and cash equivalents	13,533	-
Investments in equity securities	259,652	179,548
Gross exposure in the statements of financial position	273,185	179,548
Japan Yen		
Cash and cash equivalents	792	10,244
Investments in equity securities	-	20,337
Borrowings	41,039	-
Gross exposure in the statements of financial position	41,831	30,581
Foreign currency forward contracts	-	-
Net exposure	41,831	30,581
Other currencies		
Cash and cash equivalents	9,487	87,687
Investments in equity securities	33,871	27,507
Gross exposure in the statements of financial position	43,358	115,194

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

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<i>Impact to profit or loss</i>	Strengthening 5%	Weakening 5%
	<i>(in thousand Baht)</i>	
<i>At 31 December 2021</i>		
USD	2,238	(2,238)
SGD	1,320	(1,305)
AUD	691	(459)
<i>At 31 December 2020</i>		
USD	28,156	(28,156)
SGD	1,888	(2,218)
AUD	2,324	(4,942)

38.4 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Key areas that the Group is exposed to credit risk are cash positions, premium due and uncollected, policy, mortgage loans and investments in debt securities.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all policyholders, borrowers and debt securities on an ongoing basis. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Concentrations of the credit risk with respect to reinsurers are insignificant due to the Company maintains a panel of reinsurers that the Company is allowed to transact business with. The domestic reinsurers must either be registered or authorised to carry out reinsurance business in Thailand by the Office of Insurance Commission and maintain at least minimum Capital Adequacy Ratio. In case of foreign reinsurers, they have to have good quality of credit rating.

Concentrations of the credit risk with respect to premiums due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand.

In addition, there is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than the cash value of their policies with the Company. The maximum value of the risk arising from secured loans is the amount of the loan less the value which the Company is able to derive from the assets pledged as security.

The following tables set out information about the credit quality as at 31 December of receivables under hire purchase and finance lease contract without taking into account collateral or other credit enhancement. The description of stage 1-3 are disclosed in note 3.

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	12-month PD ranges (%)	Consolidated financial statements 2021			
		Stage 1	Stage 2 (in thousand Baht)	Stage 3	Total
Hire-purchase and finance lease receivables					
Current		385,370	-	-	385,370
Overdue 1 - 30 days	1.29	25,346	1,730	-	27,076
Overdue 31 - 60 days	2.04	-	25,530	-	25,530
Overdue 61 - 90 days	3.62	-	11,763	-	11,763
Overdue more than 91 days	20.52	-	-	630,947	630,947
Hire-purchase and finance lease receivables		410,716	39,023	630,947	1,080,686
Unearned interest income		(101,735)	(806)	(13,040)	(115,581)
Deferred commission expense		952	91	1,464	2,507
Less allowance for expected credit loss		(1,642)	(975)	(81,608)	(84,225)
Net carrying amount		308,291	37,333	537,763	883,387

	12-month PD ranges (%)	Consolidated financial statements 2020 (Restated)			
		Stage 1	Stage 2 (in thousand Baht)	Stage 3	Total
Hire-purchase and finance lease receivables					
Current		1,205,509	-	-	1,205,509
Overdue 1 - 30 days	0.09	4,865	-	-	4,865
Overdue 31 - 60 days	6.18	-	12,436	-	12,436
Overdue 61 - 90 days	10.68	-	6,925	-	6,925
Overdue more than 91 days	21.34	-	-	96,362	96,362
Hire-purchase and finance lease receivables		1,210,374	19,361	96,362	1,326,097
Unearned interest income		(227,663)	(407)	(2,024)	(230,094)
Deferred commission expense		2,422	39	193	2,654
Less allowance for expected credit loss		(1,337)	(2,805)	(79,840)	(83,982)
Net carrying amount		983,796	16,188	14,691	1,014,675

Hire-purchase and finance lease receivables with unearned interest income

	Consolidated financial statements 2021		
	Gross Amount	ECL (in thousand Baht)	Net
Revolving loans			
- Stage 1	357,988	-	357,988
- Stage 2	-	-	-
- Stage 3	176,099	(146,077)	30,022
Total	534,087	(146,077)	388,010

	Consolidated financial statements 2020 (Restated)		
	Gross Amount	ECL (in thousand Baht)	Net
Revolving loans			
- Stage 1	16,886	-	16,886
- Stage 2	-	-	-
- Stage 3	176,099	(146,077)	30,022
Total	192,985	(146,077)	46,908

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	Consolidated financial statements		
	Gross Amount	2021	
		ECL (in thousand Baht)	
Mortgage loans			
- Stage 1	149,943	(842)	149,101
- Stage 2	8,285	(2,032)	6,253
- Stage 3	273,526	(238,147)	35,379
Total	431,754	(241,021)	190,733

	Consolidated financial statements		
	Gross Amount	2020 (Restated)	
		ECL (in thousand Baht)	
Mortgage loans			
- Stage 1	145,484	(821)	144,663
- Stage 2	4,529	(712)	3,817
- Stage 3	275,607	(238,496)	37,111
Total	425,620	(240,029)	185,591

As at 31 December, allowance for expected credit loss was as follow:

	Consolidated financial statements			
	2021			Total
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk	Financial assets that are credit impaired	
	(in thousand Baht)			
Hire purchase and finance lease receivables	(1,642)	(975)	(81,608)	(84,225)
Mortgage loans	(842)	(2,032)	(238,147)	(241,021)
Revolving loans	-	-	(146,077)	(146,077)
Total	(2,484)	(3,007)	(465,832)	(471,323)

	Consolidated financial statements			
	2020 (Restated)			Total
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk	Financial assets that are credit impaired	
	(in thousand Baht)			
Hire purchase and finance lease receivables	(1,337)	(2,805)	(79,840)	(83,982)
Mortgage loans	(821)	(712)	(238,496)	(240,029)
Revolving loans	-	-	(146,077)	(146,077)
Total	(2,158)	(3,517)	(464,413)	(470,088)

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The movements in allowance for expected credit loss of receivables under hire purchase and finance lease contract during the year were as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements			
	2021			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk	Financial assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
<i>Hire purchase and finance lease receivables</i>				
At 1 January	1,337	2,805	79,840	83,982
Change from stage reclassification	305	(1,830)	1,768	243
At 31 December	1,642	975	81,608	84,225

<i>For the year ended 31 December</i>	Consolidated financial statements			
	2020 (Restated)			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk	Financial assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
<i>Hire purchase and finance lease receivables</i>				
At 1 January	2,936	3,365	74,152	80,453
Change from stage reclassification	-	-	5,688	5,688
Write-off	(1,599)	(560)	-	(2,159)
At 31 December	1,337	2,805	79,840	83,982

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

Definition of default

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group;
- the borrower is more than 90 days past due on any material credit obligation to the Group; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

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Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Group has collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Group uses the PD to estimate ECL.

Incorporation of forward-looking information

ECL has been estimated by the probability default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Group considers credit risk to be similar such as types of financing and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved. Appropriate judgements are also incorporated to estimate ECL using macroeconomic data. The Group assesses both the current situation and the forecast of future economic conditions for each situation.

However, the Group reviews the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Group also considers to provide the management overlay as a part of ECL.

Investments in securities

Information about the credit quality as at 31 December 2021 of debt securities measured at fair value through other comprehensive income and debt securities measured at amortised cost which were classified as investment grade with a carrying amount of Baht 25,925 million (2020: Baht 26,271 million), based on rating agency in Thailand which are Thai Rating and Information Service Co., Ltd. and Fitch Ratings (Thailand) Limited and foreign rating agency which are Moody's Investors Services, S&P Global Ratings and Fitch Rating Inc. and non-credit rated government and state enterprise securities with a carrying amount of Baht 16,041 million (2020: Baht 17,695 million).

The following table presents the exposure to credit risk for investment in debt securities at amortised cost and FVOCI. It indicates whether assets measured at amortised cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

<i>Investments in debt securities as at 31 December</i>	12-months ECL	Consolidated financial statements		Total
		Lifetime ECL- not credit- impaired (in thousand Baht)	Lifetime ECL- credit- impaired	
2021				
Debt instruments measured at amortised cost	1,140,150	-	-	1,140,150
Debt instruments measured at FVOCI	38,786,124	-	-	38,786,124
	39,926,274	-	-	39,926,274
Less allowance for expected credit loss	(751)	-	-	(751)
Net	39,925,523	-	-	39,925,523
2020				
Debt instruments measured at amortised cost	1,181,095	-	-	1,181,095
Debt instruments measured at FVOCI	40,554,307	-	-	40,554,307
	41,735,402	-	-	41,735,402
Less allowance for expected credit loss	(524)	-	-	(524)
Net	41,734,878	-	-	41,734,878

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<i>Movement of allowance for expected credit loss in investments in debt instruments</i>	Consolidated financial statements	
	12-months ECL <i>(in thousand Baht)</i>	Total
2021		
<i>Debt instruments measured at amortised cost</i>		
At 1 January	(524)	(524)
Net remeasurement of loss allowance	(227)	(227)
At 31 December	(751)	(751)
<i>Debt instruments measured at FVOCI</i>		
At 1 January	(14,230)	(14,230)
Net remeasurement of loss allowance	(6,611)	(6,611)
At 31 December	(20,841)	(20,841)

<i>Movement of allowance for expected credit loss in investments in debt instruments</i>	Consolidated financial statements (Restated)	
	12-months ECL <i>(in thousand Baht)</i>	Total
2020		
<i>Debt instruments measured at amortised cost</i>		
At 1 January	-	-
Net remeasurement of loss allowance	(524)	(524)
At 31 December	(524)	(524)
<i>Debt instruments measured at FVOCI</i>		
At 1 January	(12,028)	(12,028)
Net remeasurement of loss allowance	(2,202)	(2,202)
At 31 December	(14,230)	(14,230)

38.5 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The Group's financial assets aged by maturity duration after reporting date are disclosed in 38.4.

As at 31 December 2021 and 2020, insurance contract liabilities are aged by estimating timing of the net cash flows as follows:

	Estimated timing of the net cash flows			
	Within 1 year	Between 1 - 5 years	Over 5 years	Total
<i>(in thousand Baht)</i>				
2021				
Long-term technical reserves	6,696,333	23,438,437	12,329,666	42,464,436
2020				
Long-term technical reserves	3,826,947	26,496,296	12,013,944	42,337,187

In addition almost of loss reserves and outstanding claims as at reporting date have the estimated length of payment within 1 year because most of loss reserves are short trail insurance contract such as motor insurance, residential fire insurance and personal accident insurance.

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38.6 Equity price risk

Equity price risk is the risk arising from changes in the prices of equities that may cause either volatility in the Group's earnings or fluctuations in the value of the financial assets. The Group closely monitors prevailing market conditions and provide information to management for managing the risk in accordance with the Group's investment policy.

Sensitivity analysis

A reasonably possible change of the stock market as at 31 December 2021 would have affected the valuation of investment in listed equity investments and affected equity and profit or loss by the amount shown below.

	Profit or loss		Equity, net of tax	
	2% increase	2% decrease	2% increase	2% decrease
	<i>(in thousand Baht)</i>			
Stock exchange	-	-	161,802	(161,802)

39. Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Capital management - Insurance business

The Group's capital management policy is to maintain a strong capital base to meet policyholders' obligations and the requirements of the Office of Insurance Commission, to create shareholder value, deliver sustainable returns to shareholders and to support future business growth.

In accordance with and the requirements of the Office of Insurance Commission, all insurers are required to maintain a minimum at least 120% (2020: 120%) of capital adequacy requirement (CAR) to meet policyholders' obligations. The CAR applies a risk-based approach to capital adequacy and is determined by the sum of the aggregate of the total risk requirement of all insurance funds established and maintained by the insurer.

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to protect policyholders and to provide returns for shareholders and benefits for the stakeholders and to maintain an optimal capital structure to reduce the cost of capital. It is the Group's policy to hold capital levels in excess of CAR.

In order to maintain as adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares.

There were no changes in the Group's approach to capital management during the year except the non-life insurance business. During 2021, SEIC arranged the reinsurance agreement with TIC as mentioned in the Note 5. In addition, see note 2(b) and note 45 for additional information regarding to SEIC's discontinue the insurance business.

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40. Securities and assets pledged with the Registrar

40.1 As at 31 December, investments in debt securities have been pledged with the Registrar in accordance with Sections 20 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements 2021		Consolidated financial statements 2020 (Restated)	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	<u>73,958</u>	<u>80,000</u>	<u>20,329</u>	<u>20,000</u>

40.2 As at 31 December, investments in debt securities have been placed as life assurance policy reserve with the Registrar in accordance with Sections 24 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements 2021		Consolidated financial statements 2020 (Restated)	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government and state enterprise debt securities	10,086,652	9,429,500	8,536,483	7,731,500
Private debt securities	<u>2,196,467</u>	<u>2,010,000</u>	<u>2,077,188</u>	<u>1,880,000</u>
Total	<u>12,283,119</u>	<u>11,439,500</u>	<u>10,613,671</u>	<u>9,611,500</u>

40.3 As at 31 December, investments in debt securities have been placed with the Registrar in accordance with the Non-Life Insurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements 2021		Consolidated financial statements 2020 (Restated)	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	15,607	15,000	30,624	29,000
Deposit Bank	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>
Total	<u>29,607</u>	<u>29,000</u>	<u>44,624</u>	<u>43,000</u>

40.4 As at 31 December, investments in debt securities have been placed with the Registrar as the reserve fund in accordance with the Notification of the Office of Insurance Commission regarding “Rates, Rules and Procedures for Unearned Premium Reserve of Non - life Insurance Company B.E.2557” as follows:

	Consolidated financial statements 2021		Consolidated financial statements 2020 (Restated)	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government state enterprise debt securities and Bank of Thailand bonds	303,655	300,000	1,083,119	1,038,100
Deposit Bank	<u>536,000</u>	<u>536,000</u>	-	-
Total	<u>839,655</u>	<u>836,000</u>	<u>1,083,119</u>	<u>1,038,100</u>

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41. Restricted and collateral securities

As at 31 December, debt securities and time deposits at banks were pledged as collateral as follows:

	Consolidated financial statements	
	2021	2020 (Restated)
	<i>(in thousand Baht)</i>	
<i>Deposits at banks - time deposits</i>		
Bail bonds	1,775	3,331
Bank overdraft	-	10,011
Total	1,775	13,342
<i>Government bonds (book value)</i>		
Electricity usage	2,081	2,193

42. Contribution to Insurance Fund

As at 31 December, the accumulated contributions to the Life and Non-Life Insurance Fund are as follows:

	Consolidated financial statements			
	Life Insurance Fund		Non-Life Insurance Fund	
	2021	2020 (Restated)	2021	2020 (Restated)
	<i>(in thousand Baht)</i>			
At 1 January	80,851	72,506	262,121	233,959
Increased during the year	10,891	8,345	27,136	28,162
Decreased during the year	-	-	(50,353)	-
At 31 December	91,742	80,851	238,904	262,121

43. Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020 (Restated)	2021	2020
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Building and other constructions	174,179	69,342	-	-
Intangible assets and equipment	30,904	37,822	-	-
Total	205,083	107,164	-	-
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	11,169	15,452	280	10
After one year but within five years	7,405	15,932	929	35
Total	18,574	31,384	1,209	45
<i>Other commitments</i>				
Cross currency swap	3,479,561	1,895,642	-	-
Interest rate swap	3,340,190	3,656,245	-	-
Deposit at banks - pledged for				
- Bank overdraft	-	10,001	-	-
- Bank guarantees	671,445	608,396	-	-
Total	7,491,196	6,170,284	-	-

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As at 31 December 2021, the Group have operating lease agreements for building and other services for the period of 1 year to 5 years (2020: 1 year to 5 years).

44. Contingent liabilities

As at 31 December 2021, significant lawsuits have been brought against the Group, in relation to insurance claims in the normal course of business for amount in dispute totaling approximately Baht 344.80 million (2020: Baht 387.22 million) which represent SEIC's contingent liabilities of Baht 301 million, of which the Group's share after recovery from reinsurance amounts to approximately Baht 240 million (2020: Baht 211.18 million). The Group has recognised part of contingent liabilities amounting to approximately Baht 10.20 million (2020: Baht 16.95 million) in the financial statements. The Group's management believes that the recorded amount of non-life policy reserves, life policy reserves, unpaid policy benefits and due to insured in the financial statements is adequate to meet the potential loss in respect of those claims.

45. Events after the reporting period

On January 25, 2022, The Board of Directors of Thai Group Holdings Public Company Limited ("the Company") considered the impact of the COVID-19 epidemic situation on the business operations of Southeast Insurance Public Company Limited ("SEIC"), a subsidiary of the Group, and resolved to approve SEIC's the non-life insurance business discontinuation, which is the right to request for the voluntary discontinue of the non-life insurance business and surrender of the non-life insurance license to the Registrar under Sections 57 and 57/1 of the Non-Life Insurance Act B.E. 2535. However, the discontinuation of non-life insurance business and management of liabilities and insurance policies of SEIC shall be in accordance with the resolution of the Extraordinary General Meeting of SEIC which was held on 26 January 2022.

Discontinuation of SEIC's non-life insurance business

On 1 December 2021, the Meeting of Board of Directors of Southeast Insurance Public Company Limited ("SEIC") No. 11/2021 resolved to agree that SEIC should exercise its legal rights to file a lawsuit with the Administrative Court against secretary-general of the Office of Insurance Commission (OIC) for revoking the Registrar's Order No. 38/2021 Prohibiting the cancellation of the termination of the COVID-19 insurance for non-life insurance companies and requested the court to adjudicate the case and temporarily suspends the order. The Administrative Court received the statement on 10 January 2022. However, on 31 January 2022, SEIC requested and was allowed to withdraw the lawsuit and dispose of the cases from the directory, effective 1 February 2022 because SEIC had filed for permission to stop doing non-life insurance business later.

The Meeting of Board of Directors of SEIC No. 2/2022 hold on 14 January 2022 unanimously resolved to approve as follows:

- Approved the non-life insurance business discontinuation, in order to protect those policyholders, beneficiaries and stakeholders which was the best way for everyone especially for every policyholders as well as relevant employees and staff who would sustain the highest impact if SEIC was still doing the business in the COVID-19 situation that have been more severe by coronavirus mutations that are constantly evolving.
- Approved to transfer all or part of SEIC's business to Indara Insurance Public Company Limited and submit SEIC's business transfer project under Section 13 of the Non-Life Insurance Act. According to the consideration of the discontinuation of the non-life insurance business, those policyholders, beneficiaries, stakeholders, staff and employees will receive fair treatment from SEIC to provide the services.

The Extraordinary General Meeting of Shareholders of SEIC No. 1/2022 held on 26 January 2022 resolved to approve the matters relating to the discontinuation of the non-life insurance business proposed by the Board of Directors and also approve the General Insurance Fund to proceed for relevant management in relation with the discontinuation of non-life insurance business of SEIC under the rules and guidelines of the General Insurance Fund. However, the shareholders disagreed to transfer business to Indara Insurance Public Company Limited.

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After SEIC requested for the discontinuation of the non-life insurance business under Section 57 of the Non-Life Insurance Act to the OIC. On 31 January 2022, OIC informed the results of the discontinuation of the non-life insurance business request and set the criteria, methods, conditions, and timing for SEIC to comply completely as required by law before the consideration of permission to discontinue the non-life insurance business. SEIC must manage and transfer all non-life insurance policies obligations and inform that General Insurance Fund cannot be in the discontinuation of the business process as SEIC requested. While SEIC has not been allowed to discontinue from the OIC, SEIC still needs to continue the business as usual, so the insured or beneficiary can claim from SEIC as usual.

SEIC had started by applying for approval of the list of non-life insurance companies to transfer the insurance policies that still have obligations and has contacted insurance company according to the approved list from OIC for being the part of SEIC's insurance policy transferring program to help SEIC's insured. There are many companies that intend to participate in the insurance policy transferring program, but no company is willing to accept transfer of COVID-19 insurance policies.

To terminate insurance policies on 1-7 February 2022, SEIC has announced to return full amount of insurance premiums to the policyholders who are insured for COVID-19 infection, more than 350,000 policyholders expressing their intention to refund the premium.

In regard to the transfer of the insurance policies, SEIC has started to transfer all types of insurance policies except COVID-19 infection policy to Indara Insurance Public Company Limited (a subsidiary of TGH) and 3 non-related insurance companies. which is effective on 23 February 2022 onwards.

Sale of land and buildings

On 21 January 2022, SEIC had entered into sale agreement for land and building of head office to Southeast Property Company Limited amounting to Baht 1,780 million. The asset's book value amounted to Baht 1,694.3 million (included revaluation surplus on land and buildings), gain from sale amounted to Baht 86.3 million and transferred the revaluation surplus on land and buildings of these assets amounting to Baht 1,258.1 million to retained earnings. On 21 January 2022, SEIC received cash from sale agreement from Southeast Property Company Limited.

On 11 February 2022, SEIC had submitted petition to OIC to obtain approval for the sale of real estate that are offices in 9 branches and 6 properties foreclosed to Southeast Property Company Limited. The branch offices' book value amounted to Baht 85.8 million and the properties foreclosed book value amounted to Baht 54.5 million which sale of these assets are in the process of consideration by OIC.

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46. Reclassification of accounts

Certain accounts in the 2020 financial statements have been reclassified to conform to the presentation in the 2021 financial statements as follows:

	2020		
	Consolidated financial statements		
	(Restated)		
	Before reclassifications	Reclassifications <i>(in thousand Baht)</i>	After reclassifications
<i>Statement of financial position</i>			
<i>Assets</i>			
Hire-purchase and finance lease receivables	999,020	15,655	1,014,675
<i>Liabilities</i>			
Other liabilities	(2,411,658)	<u>(15,655)</u>	(2,427,313)
		<u>-</u>	
<i>Statement of other comprehensive income</i>			
<i>Expense</i>			
Operating expenses	2,451,105	(173)	2,450,932
Financial cost	453,170	<u>173</u>	453,343
		<u>-</u>	
	2020		
	Separate financial statements		
	Before reclassifications	Reclassifications <i>(in thousand Baht)</i>	After reclassifications
<i>Statement of other comprehensive income</i>			
<i>Expense</i>			
Operating expenses	137,189	(1,092)	136,097
Financial cost	91,854	<u>1,092</u>	92,946
		<u>-</u>	