

Bangkok Insurance Public Company Limited
Report and financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Bangkok Insurance Public Company Limited

Opinion

I have audited the accompanying financial statements of Bangkok Insurance Public Company Limited ("the Company"), which comprise the statement of financial position, in which the equity method is applied, as at 31 December 2023, and the related statements of comprehensive income, changes in owner's equity and cash flows, in which the equity method is applied, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and also audited the separate financial statements of Bangkok Insurance Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Insurance Public Company Limited as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter were described below.

Gross premium written

In 2023, the Company had gross premium written of Baht 29,915.7 million. The Company accepted insurance from retail customers through brokers and agents and there have been a large number of insurance policies written. Calculation and recognition of gross premium written as earned revenue were dependent upon the information technology (IT) systems. I therefore focused on examining that gross premium written was correctly recognised as actually incurred.

I assessed and tested, on a sampling basis, the IT general controls and Company's internal controls relevant to recognition of gross premium written. I checked, on a sampling basis, key data in reports relevant to insurance premium and reviewed the insurance policies and endorsement transactions occurring during the accounting period and after the reporting period-end. In addition, I performed analytical procedures on gross premium written, which were disaggregated by insurance types, and tested, on a sampling basis, any significant adjustments made through journal vouchers.

Loss reserves

As at 31 December 2023, the Company had loss reserves of Baht 14,787.2 million (included as a part of insurance contract liabilities). Loss reserves included both claims incurred and reported and claims incurred but not yet reported. Such reserves were calculated using actuarial method, which involved certain assumptions that required the management to exercise a high level of considerable judgment in estimation of such reserves. I therefore focused on adequacy of loss reserves.

I assessed and tested, on a sampling basis, the operation of the Company's internal controls relevant to recognition of loss reserves. I assessed key assumptions and methods used in the calculation of loss reserves and tested the data used by the actuary. I checked, on a sampling basis, claim data against documents of major claims. I performed analytical procedures on frequency of claims and average loss per claim. Furthermore, I involved the experts to perform an independent actuarial review of certain model points used in calculation of loss reserves.

Fair value of investment in equity securities

The Company had investments in non-marketable equity securities, which were classified as available-for-sale investments measured at fair value through other comprehensive income. As at 31 December 2023, such investments stated at fair value totaling Baht 3,511.3 million. In fair value assessment, the management is required to exercise a high level of considerable judgment in selection of valuation methods, financial models, and various assumptions such as growth rate, discounted rate, etc. used in valuation. Such fair value assessment related to an estimation of future cash flows each entity would generate, which were uncertain. I therefore focused on fair value of such investments.

I reviewed the appropriateness of the valuation method and financial models selected by the Company's management, tested key assumptions used in fair value assessment by comparing with industry's information, historical performance and future trend and tested calculation fair value.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

I 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 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.

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

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 21 February 2024

Bangkok Insurance Public Company Limited

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied			
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Assets					
Cash and cash equivalents	6	317,357,337	648,190,004	317,357,337	648,190,004
Premium receivables	7	4,448,157,146	3,721,923,825	4,448,157,146	3,721,923,825
Accrued investment income		52,151,157	27,782,396	52,151,157	27,782,396
Reinsurance assets	8	15,443,764,214	14,206,554,989	15,443,764,214	14,206,554,989
Reinsurance receivables	9	577,700,651	475,956,969	577,700,651	475,956,969
Investment assets					
Investments in securities	10.1	51,008,790,790	48,121,235,866	51,008,790,790	48,121,235,866
Loans and interest receivables	11	1,075,040,457	1,164,361,369	1,075,040,457	1,164,361,369
Investment properties	12	66,241,055	83,470,684	66,241,055	83,470,684
Investments in associates	13.1	317,663,639	301,019,524	129,395,722	129,395,722
Premises and equipment	14	435,877,597	487,403,917	435,877,597	487,403,917
Right-of-use assets	15.1	816,192,862	861,802,082	816,192,862	861,802,082
Intangible assets	16	433,606,303	276,379,667	433,606,303	276,379,667
Other assets					
Corporate income tax awaiting refund		474,237,561	468,258,474	474,237,561	468,258,474
Account receivable on sales of securities		-	117,839,599	-	117,839,599
Others		538,514,759	572,767,093	538,514,759	572,767,093
Total assets		76,005,295,528	71,534,946,458	75,817,027,611	71,363,322,656

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

Bangkok Insurance Public Company Limited
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied			
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	17	28,736,482,951	26,074,263,143	28,736,482,951	26,074,263,143
Due to reinsurers	18	4,268,601,493	3,779,315,643	4,268,601,493	3,779,315,643
Income tax payable		288,457,820	-	288,457,820	-
Lease liabilities	15.2	806,961,111	819,517,462	806,961,111	819,517,462
Employee benefit obligations	19	789,101,289	752,431,188	789,101,289	752,431,188
Deferred tax liabilities	20.1	3,843,167,081	4,018,468,575	3,805,513,497	3,984,143,815
Other liabilities					
Premiums received in advance		1,541,364,537	1,561,558,321	1,541,364,537	1,561,558,321
Commission payables		577,584,789	523,660,211	577,584,789	523,660,211
Accrued expenses		767,572,809	740,387,617	767,572,809	740,387,617
Account payable on purchases of securities		-	33,567,550	-	33,567,550
Others		1,058,073,977	1,069,323,355	1,058,073,977	1,069,323,355
Total liabilities		42,677,367,857	39,372,493,065	42,639,714,273	39,338,168,305
Owners' equity					
Share capital	21				
Registered, issued and paid up					
106,470,000 ordinary shares of Baht 10 each		1,064,700,000	1,064,700,000	1,064,700,000	1,064,700,000
Share premium		1,442,500,000	1,442,500,000	1,442,500,000	1,442,500,000
Retained earnings					
Appropriated					
Statutory reserve	22	106,470,000	106,470,000	106,470,000	106,470,000
Other reserve		7,000,000,000	7,000,000,000	7,000,000,000	7,000,000,000
Unappropriated		3,852,277,382	2,537,167,764	3,680,691,274	2,385,627,549
Other component of owners' equity		19,861,980,289	20,011,615,629	19,882,952,064	20,025,856,802
Total owners' equity		33,327,927,671	32,162,453,393	33,177,313,338	32,025,154,351
Total liabilities and owners' equity		76,005,295,528	71,534,946,458	75,817,027,611	71,363,322,656

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

Directors

Bangkok Insurance Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied			
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Gross premium written		29,915,707,554	26,676,277,636	29,915,707,554	26,676,277,636
Less: Premium ceded to reinsurers		(11,325,568,755)	(9,713,940,824)	(11,325,568,755)	(9,713,940,824)
Net premium written		18,590,138,799	16,962,336,812	18,590,138,799	16,962,336,812
Less: Unearned premium reserves increased					
from prior year		(993,701,538)	(908,982,258)	(993,701,538)	(908,982,258)
Earned premium		17,596,437,261	16,053,354,554	17,596,437,261	16,053,354,554
Fee and commission income		1,778,960,471	1,701,916,058	1,778,960,471	1,701,916,058
Investment revenue		1,136,287,652	1,022,769,211	1,140,061,558	1,042,310,172
Gains on investments		51,170,177	5,108,745,780	51,170,177	5,108,745,780
Share of profits in associates under the equity method	13.2	28,831,273	52,321,390	-	-
Other income		180,039,256	175,769,054	180,039,256	175,769,054
Total revenues		20,771,726,090	24,114,876,047	20,746,668,723	24,082,095,618
Expenses					
Gross claims		13,372,789,462	26,974,055,769	13,372,789,462	26,974,055,769
Less: Claim recovery from reinsurers		(3,629,757,193)	(9,400,159,461)	(3,629,757,193)	(9,400,159,461)
Commissions and brokerages		3,789,900,314	3,409,066,143	3,789,900,314	3,409,066,143
Other underwriting expenses		2,601,061,572	2,639,778,159	2,601,061,572	2,639,778,159
Operating expenses	24	1,130,012,119	1,090,497,454	1,130,012,119	1,090,497,454
Investment expenses		92,274,110	97,157,133	92,274,110	97,157,133
Finance costs		41,313,986	41,883,775	41,313,986	41,883,775
Expected credit losses	25	4,575,657	7,798,163	4,575,657	7,798,163
Total expenses	26	17,402,170,027	24,860,077,135	17,402,170,027	24,860,077,135
Profit (loss) before income tax expenses		3,369,556,063	(745,201,088)	3,344,498,696	(777,981,517)
Add (less): Income tax revenues (expenses)	20.2	(325,807,219)	106,823,098	(320,795,745)	113,379,184
Net profit (loss)		3,043,748,844	(638,377,990)	3,023,702,951	(664,602,333)
Other comprehensive income:					
Items to be recognised in profit or loss in subsequent periods:					
Shares of other comprehensive loss from associates	13.2	(8,413,252)	(12,941,557)	-	-
Gains (losses) on revaluation of available-for-sale investments which are measured at fair value through other comprehensive income		(178,630,923)	1,958,083,137	(178,630,923)	1,958,083,137
Total Items to be recognised in profit or loss in subsequent periods		(187,044,175)	1,945,141,580	(178,630,923)	1,958,083,137
Add (less): Income taxes		37,408,835	(389,028,316)	35,726,185	(391,616,628)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(149,635,340)	1,556,113,264	(142,904,738)	1,566,466,509
Items not to be recognised in profit or loss in subsequent periods:					
Actuarial gains		1,865,703	96,128,616	1,865,703	96,128,616
Less: Income taxes		(373,141)	(19,225,724)	(373,141)	(19,225,724)
Items not to be recognised in profit or loss in subsequent periods - net of income taxes		1,492,562	76,902,892	1,492,562	76,902,892
Other comprehensive income (loss) for the years		(148,142,778)	1,633,016,156	(141,412,176)	1,643,369,401
Total comprehensive income for the years		2,895,606,066	994,638,166	2,882,290,775	978,767,068
Earnings (loss) per share:	28				
Basic earnings (loss) per share					
Net profit (loss)		28.59	(6.00)	28.40	(6.24)

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

Bangkok Insurance Public Company Limited

Statement of changes in owners' equity

For the year ended 31 December 2023

(Unit: Baht)

Financial statements in which the equity method is applied										
						Other component of owners' equity				
						Revaluation surplus				
						on available-for-sale				
						investments measured				
						Share of other	at fair value through			
						comprehensive loss	other comprehensive		Total	
						from associates	income - net of		other component	
Note	Issued and paid-up share capital	Share premium	Appropriated			- net of income taxes	income taxes	of owners' equity	Total owners' equity	
			Statutory reserve	Other reserve	Unappropriated					
Balance as at 1 January 2022		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	4,748,927,623	(3,887,928)	18,459,390,293	18,455,502,365	32,818,099,988
Dividend paid	29	-	-	-	(1,650,284,761)	-	-	-	-	(1,650,284,761)
Net loss		-	-	-	(638,377,990)	-	-	-	-	(638,377,990)
Other comprehensive income (loss) for the year		-	-	-	76,902,892	(10,353,245)	1,566,466,509	1,556,113,264		1,633,016,156
Balance as at 31 December 2022		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	2,537,167,764	(14,241,173)	20,025,856,802	20,011,615,629	32,162,453,393
Balance as at 1 January 2023		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	2,537,167,764	(14,241,173)	20,025,856,802	20,011,615,629	32,162,453,393
Dividend paid	29	-	-	-	(1,730,131,788)	-	-	-	-	(1,730,131,788)
Net profit		-	-	-	3,043,748,844	-	-	-	-	3,043,748,844
Other comprehensive income (loss) for the year		-	-	-	1,492,562	(6,730,602)	(142,904,738)	(149,635,340)		(148,142,778)
Balance as at 31 December 2023		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	3,852,277,382	(20,971,775)	19,882,952,064	19,861,980,289	33,327,927,671

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

Bangkok Insurance Public Company Limited

Statement of changes in owners' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

Separate financial statements								
		Issued and paid-up	Share premium	Retained earnings		Other component of owners' equity		
	Note	share capital		Appropriated		Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of	Total owners' equity	
				Statutory reserve	Other reserve	Unappropriated	income taxes	
Balance as at 1 January 2022		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	4,623,611,751	18,459,390,293	32,696,672,044
Dividend paid	29	-	-	-	-	(1,650,284,761)	-	(1,650,284,761)
Net loss		-	-	-	-	(664,602,333)	-	(664,602,333)
Other comprehensive income for the year		-	-	-	-	76,902,892	1,566,466,509	1,643,369,401
Balance as at 31 December 2022		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	2,385,627,549	20,025,856,802	32,025,154,351
Balance as at 1 January 2023		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	2,385,627,549	20,025,856,802	32,025,154,351
Dividend paid	29	-	-	-	-	(1,730,131,788)	-	(1,730,131,788)
Net profit		-	-	-	-	3,023,702,951	-	3,023,702,951
Other comprehensive income (loss) for the year		-	-	-	-	1,492,562	(142,904,738)	(141,412,176)
Balance as at 31 December 2023		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	3,680,691,274	19,882,952,064	33,177,313,338

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

Bangkok Insurance Public Company Limited

Statement of cash flows

For the year ended 31 December 2023

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2023	2022	2023	2022
Cash flows from operating activities				
Direct premium written	26,962,522,838	24,075,928,719	26,962,522,838	24,075,928,719
Cash paid for reinsurance	(5,223,137,232)	(2,901,101,396)	(5,223,137,232)	(2,901,101,396)
Interest income	267,332,426	154,365,494	267,332,426	154,365,494
Dividend income	842,847,241	898,349,173	842,847,241	898,349,173
Other investment income	156,962,854	155,598,724	156,962,854	155,598,724
Other income	22,642,269	19,420,165	22,642,269	19,420,165
Losses incurred on direct insurance	(10,667,453,769)	(19,709,317,586)	(10,667,453,769)	(19,709,317,586)
Commissions and brokerages on direct insurance	(3,347,814,397)	(2,968,865,460)	(3,347,814,397)	(2,968,865,460)
Other underwriting expenses	(3,073,249,995)	(3,080,875,714)	(3,073,249,995)	(3,080,875,714)
Operating expenses	(1,199,036,200)	(635,217,904)	(1,199,036,200)	(635,217,904)
Investment expenses	(51,285,962)	(55,119,003)	(51,285,962)	(55,119,003)
Income taxes	(183,816,113)	(128,050,824)	(183,816,113)	(128,050,824)
Cash received on financial assets	30,014,386,996	23,590,339,310	30,014,386,996	23,590,339,310
Cash paid for financial assets	(32,858,611,586)	(17,456,067,607)	(32,858,611,586)	(17,456,067,607)
Net cash provided by operating activities	1,662,289,370	1,959,386,091	1,662,289,370	1,959,386,091
Cash flows from investing activities				
Disposals of premises and equipment	478,187	430,004	478,187	430,004
Purchases of premises and equipment	(23,691,822)	(19,301,764)	(23,691,822)	(19,301,764)
Purchases of intangible assets	(176,550,508)	(137,745,963)	(176,550,508)	(137,745,963)
Net cash used in investing activities	(199,764,143)	(156,617,723)	(199,764,143)	(156,617,723)
Cash flows from financing activities				
Repayments of lease liabilities	(65,638,430)	(66,091,762)	(65,638,430)	(66,091,762)
Dividends paid	(1,727,719,464)	(1,650,286,054)	(1,727,719,464)	(1,650,286,054)
Net cash used in financing activities	(1,793,357,894)	(1,716,377,816)	(1,793,357,894)	(1,716,377,816)
Net increase (decrease) in cash and cash equivalents	(330,832,667)	86,390,552	(330,832,667)	86,390,552
Cash and cash equivalents at beginning of the years	648,190,004	561,726,055	648,190,004	561,726,055
Add: Decrease in allowance for expected credit losses	-	73,397	-	73,397
Cash and cash equivalents at end of the years	317,357,337	648,190,004	317,357,337	648,190,004

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

Bangkok Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2023

1. General information

Bangkok Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand, and listed on the Stock Exchange of Thailand. The Company’s major shareholder is Bangkok Bank Public Company Limited whereby as at 31 December 2023 and 2022, such major shareholder held 9.97% of the issued and paid-up ordinary shares of the Company. The Company is principally engaged in the provision of non-life insurance. The Company’s registered office is located at No. 25, Bangkok Insurance Building, South Sathon Road, Tung Ma Ha Mek, Sathon, Bangkok.

On 6 October 2023, the Extraordinary General Meeting No.1/2023 of the Company’s shareholders approved the resolution passed the restructuring plan and other relevant actions of the Company. As a result, the Company will establish a holding company, “BKI Holdings Public Company Limited” (“BKI Holdings”), as a public limited company to make a tender offer for all the Company’s securities. BKI Holdings will issue and offer new ordinary shares to swap with the Company’s securities at a ratio of one ordinary share of BKI Holdings per one ordinary share of the Company. Nevertheless, BKI Holdings will determine the terms of the tender offer by cancelling the such tender offer and share swap if the number of shares of the Company offered to BKI Holdings by the offerees is less than 75% of the issued and paid-up shares of the Company. After the completion of the tender offer, BKI Holdings’s ordinary shares will be registered as listed securities on the Stock Exchange of Thailand (“SET”) in place of the Company’s ordinary shares which will be delisted from the SET on the same day.

2. Basis for preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of non-life insurance companies B.E. 2566 dated 8 February 2023.

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

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

2.1 The financial statements in which the equity method is applied

The Company has prepared the financial statements, in which equity method is applied, which have presented investments in associates under the equity method.

2.2 Separate financial statements

The Company has prepared its separate financial statements, which have presented investments in associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current period

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

However, the Company applied the temporary exemption for the adoption of Thai Financial Reporting Standard 9 (TFRS 9): Financial Instruments and Thai Financial Reporting Standard 7 (TFRS 7): Disclosure of Information relating to Financial Instruments, which were revised in Thai Financial Reporting Standard 4: Insurance Contracts allowing the extension of the exemption period for the adoption of such TFRS 9 and TFRS 7 whereby the exemption period will end for the financial statements having the fiscal period starts on or after 1 January 2025 or when Thai Financial Reporting Standard 17: Insurances Contracts becomes effective.

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

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. Most of the changes of these revised financial reporting standards direct towards clarifying accounting treatment and providing accounting guidance for users of the standards, except for TFRS 17 Insurance Contracts, which will supersede TFRS 4 Insurance Contracts, TFRS 9 Financial Instruments (Revised 2023) and TFRS 7 Financial Instruments: Disclosures, which will supersede Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business. Those standards will be effective for fiscal year beginning on or after 1 January 2025 and involved changes to key principles, summarised below.

TFRS 17 Insurance Contracts

This financial reporting standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. An entity shall recognise a group of insurance contracts it issues from the earliest of the beginning of the coverage period of the group of contracts, the date when the first payment from a policyholder in the group becomes due. For a group of onerous contracts, these contracts will recognise when the group becomes onerous.

Upon initial recognition, this standard establishes the general model for the measurement whereby an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the estimates of future cash flows, which arise from substantive rights and obligations that exist during the reporting period, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit that the entity will recognise as it provides insurance contract services in the future.

However, the Company may adopt either the Variable Fee Approach or Premium Allocation Approach if contracts meet certain requirements under this standard. In addition, this standard requires the entity to present and disclose more information related both qualitative and quantitative information.

TFRS 9 Financial Instruments (Revised 2023) and TFRS 7 Financial Instruments: Disclosures

These standards require an entity to reclassify and measure financial instruments to at fair value or amortised cost based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, on the basis of the facts and circumstances in existence that exist at the initial date of application whereby an entity will classify as financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The standards also mentioned the method of recognition profit and loss after initial recognition depends on the type of instrument and its classification.

The Company's management is in the process of assessment of the impact to financial statement for the year that such standards will be effective.

4. Significant accounting policies

4.1 Product classification

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

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

4.2 Revenue recognition

(a) Gross premium written

Gross premium written consists of direct premium and reinsurance premium less premium of the canceled policies and premium refunded to the policy holders.

Direct premium is recognised as revenue when the insurance policy comes into effect. For long-term insurance policies with a coverage period of longer than 1 year, premiums are recorded as premiums received in advance and will be gradually recognised as revenue on a yearly basis over the coverage period.

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

(b) Commission and brokerage fee income

Commission and brokerage fees from ceded premium are recognised as revenue over the period in which the related services are rendered.

(c) Investment revenues

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

Interest on loans is recognised as revenue over the term of the loans based on the amount of outstanding principal. No accrual is made for loans with interest default over six continuous months. Interest on investments in debt securities is recognised as revenue on the effective interest rate over the investment holding periods. Interest on deposits is recognised as revenue over the term of deposits on an accrual basis.

Dividends on investments are recognised as revenues when the right to receive the dividend is established.

(d) Gains (losses) on investments

Gains (losses) on investments are recognised as revenue or expense on the transaction dates.

4.3 Expenses recognition

(a) Premium ceded to reinsurers

Premium ceded to reinsurers are recognised as expenses when the insurance risk is transferred to another reinsurer at amount per policy.

(b) Gross claims

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

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

Claims refundable from reinsurers are recognised as deduction item against gross claims when claims are recorded by the condition in the relevant reinsurance contract.

(c) Commission and brokerage expenses

Commission and brokerage expenses are expended when incurred.

(d) Other underwriting expenses

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

(e) Operating expenses

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

(f) Finance costs

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

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investment with an original maturity of three months or less and not subject to withdrawal restrictions. Increase (decrease) in an allowance for expected credit loss is recorded as an expenses during the years.

4.5 Premium receivables and allowance of doubtful accounts

Premium receivables from direct insurance are stated at their net realisable values. The Company sets up an allowance for doubtful accounts based on the estimated loss that may incur in collection of the premium receivables, on the basis of collection experiences, analysis of debtor aging and a review of current status of the premium receivables as at the end of the reporting periods. Increase (decrease) in an allowance for doubtful account is recorded as an increase (a decrease) to expenses during the years.

4.6 Reinsurance assets and allowance for impairment

Reinsurance assets are stated at the amounts of insurance reserves refundable from reinsurers, which consist of (a) loss reserves and (b) unearned premium reserves that are estimated based on related reinsurance contracts in accordance with insurance reserve calculation law.

The Company sets up an allowance for impairment, of reinsurance assets based on losses that may be incurred due to irrecoverable, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting periods. Increase (decrease) in an allowance for impairment is recorded as an increase (a decrease) to expenses during the years in profit or loss.

4.7 Reinsurance receivables and due to reinsurers and allowance for doubtful accounts

- (a) Reinsurance receivables are stated at the outstanding balances of amounts due from reinsurers and amounts deposited on reinsurance.

Amounts due from reinsurers consist of reinsurance premium ceded receivable, accrued commission and brokerage income, claims and various other items receivable from reinsurers net of allowance for doubtful account. The Company records allowance for doubtful accounts for reinsurance receivables based on the estimated losses that may be incurred due to uncollectible, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting periods.

- (b) Due to reinsurers are stated at the outstanding balance of amounts due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of outward premium payables and other reinsurance payables to reinsurers, excluding claims.

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

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

4.8 Investment assets

- (a) Investments in securities

Available-for-sale investments are stated at fair value. Changes in the fair value of these investments are recorded in other comprehensive income and will be recorded in profit or loss when the investments are disposed of.

Held-to-maturity investments are recorded at amortised cost. The premium/discount is amortised/accreted by the effective interest rate method with the amortised/ accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities (The company are not listed on the Stock Exchange of Thailand), which are classified as available-for-sale investments, are stated at fair value. Changes in fair value are recognised in other comprehensive income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year of the Stock Exchange of Thailand. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of investment units is determined from their net asset value.

At the end of reporting period, available-for-sale investment in debt instrument measured at fair value net of expected credit loss (if any) and held-to-maturity investment in debt instruments measured at amortised cost net of expected credit loss (if any)

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

The Company records purchases and sales of investments in equity securities on trade dates and records purchases and sales of investments in debt securities on settlement dates.

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

(b) Loans and interest receivables

Loans and interest receivables are stated at amortised cost and net of allowance for expected credit losses (if any).

(c) Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful life of 33 years. Depreciation of the investment properties is recognised as expense in profit or loss.

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

4.9 Investment in associates

Investments in associates as presented in the financial statements, in which the equity method is applied, is recorded initially at cost and adjusted to reflect the proportionate share of the associate's operating results and is deducted by dividend income.

Investments in associates as presented in the separate financial statements is stated at cost net of allowance for impairment (if any). Loss on impairment is recorded as an expense in profit or loss.

4.10 Premises and equipment and depreciation

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

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

Buildings	- 20 years and 33 years
Condominium units	- 20 years
Furniture, fixture and office equipment	- 3 years and 5 years
Vehicles	- 5 years

Depreciation is recognised in profit or loss. No depreciation is provided for land and construction in progress.

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

4.11 Intangible assets and amortisation

Intangible assets acquired are recognised at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and allowance for impairment (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year-end. The amortisation expense is charged to profit or loss. No amortisation is provided for computer softwares under development.

Intangible assets with finite useful lives, which are computer softwares, have the economic lives of 3, 5 and 10 years.

4.12 Leases

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

The Company as a lessee

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

(a) Right-of-use assets

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

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

Land	15 and 38	years
Buildings	3 and 5	years
Office equipment	5	years
Vehicles	5	years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

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

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

The Company as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.13 Insurance contract liabilities

Insurance contract liabilities consist of loss reserve and premium reserves.

(a) Loss reserves

Loss reserves are recorded at the amounts to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimate shall not exceed the sum-insured under the relevant policy.

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

(b) Premium reserves

Premium reserves are the higher amounts of unearned premium reserves and unexpired risk reserves. As at the end of the reporting periods, the Company compares the amounts of unexpired risk reserves with unearned premium reserves, and if the amount of unexpired risk reserves is higher than that of the unearned premium reserve, the difference is recognised as additional reserves to present the amounts of premium reserves equal to unexpired risk reserves. The increase or decrease in premium reserves from prior year is recognised in profit or loss.

(1) Unearned premium reserves

Unearned premium reserves are calculated based on direct premium before deducting premium ceded as follows:

Fire, marine, transportation (hull), motor and miscellaneous	- Monthly average basis (the one-twenty fourth basis)
Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premiums as from the effective date of the inforce policies over the insurance coverage period
Bail bond	- 70% of premiums as from the effective date of the inforce policies over the insurance coverage period

Outward unearned premium reserve is calculated based on premium ceded to reinsurers, using the same method applied for direct insurance policies the insurance risk transfer of which is already made throughout the coverage period of insurance policies.

(2) Unexpired risk reserves

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

4.14 Employee benefits

(a) Defined contribution plan

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

(b) Defined benefit plan and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income and adjusted directly to retained earnings and those arising from other long-term benefits are recognised immediately in profit and loss.

4.15 Provisions

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

4.16 Related party transactions

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

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

4.17 Income taxes

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

(a) Current income taxes

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

(b) Deferred income taxes

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

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

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

The Company records deferred income taxes directly to equity if they relate to items that are recorded directly to equity.

4.18 Foreign currencies

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

Transactions in foreign currency are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting periods. Gains and losses on exchange are recorded as revenues or expenses in profit or loss.

4.19 Impairment of assets

(a) Financial assets

The Company recognises expected credit loss on its financial assets measured at amortised cost and financial assets that are debt instruments measured at fair value through other comprehensive income, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in credit risk in stages, with differing methods of determining allowance for expected credit losses.

Losses on impairment of investments in equity instruments and unit trusts classified as available-for-sale securities are recognised immediately in profit or loss when there is objective evidence of impairment, determined on the basis of evidence that indicates the cost of investments may not be recovered and there is a significant or prolonged decline in fair value of investments to below its costs. Losses on impairment (if any) are recorded as expenses in profit or loss.

(b) Non-financial assets

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

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

4.20 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

5.1 Classification of reinsurance contracts

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

5.2 Recognition and derecognition of assets and liabilities

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

5.3 Allowance for expected credit losses and allowance for impairment on financial assets

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the risk that collateral value cannot be realised, the probability of debt collection. The use of different estimates and assumptions could affect the amount of the allowance for credit losses and, therefore, the allowance may need to be adjusted in the future.

The Company sets aside allowance for impairment on available-for-sale equity investments, and investments in associates when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires the management judgement.

5.4 Allowances for doubtful accounts and impairment

In determining allowances for doubtful accounts and impairment on premium receivables, reinsurance assets, and reinsurance receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5.5 Premises and equipment and depreciation

In calculating depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company's buildings and equipment and to review estimate useful lives and residual values when circumstance changes.

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

5.6 Intangible assets and allowance for impairment

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

5.7 Deferred tax assets

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

5.8 Loss reserves

At the end of the reporting periods, the Company has to estimate loss reserves taking into account two parts, which are the claims incurred and reported, and the claims incurred but not yet reported (IBNR), the latter of which require actuarial technique such as the Chain Ladder and Bornheutter-Ferguson methods in estimation of reserves. The main assumptions underlying such techniques relate to historical experience, including the development of claim estimates, losses incurred and paid, average costs per claim and number of claims, etc. However, such estimates are forecasts of future outcomes and actual results could differ.

5.9 Unexpired risk reserves

Unexpired risk reserves are calculated using an actuarial method, based on the best estimate of the claims expected to incur over the remaining coverage period of the insurance contracts. Estimating the reserves requires the management to exercise judgement, with reference to historical data and the best estimate available at the time.

5.10 Leases

The Company as a lessee

Determining the lease term with extension and termination options

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

Estimating the incremental borrowing rate

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

The Company as a lessor

Lease classification

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

5.11 Employee benefit obligations

Employee benefit obligations are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary incremental rate, mortality rate and staff turnover rate, based on their best knowledge of current events and arrangements.

5.12 Litigation

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

5.13 Fair value of financial instruments

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

6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Cash on hand	2,363	2,365
Deposits at banks with no fixed maturity date	314,994	545,825
Deposits at banks with fixed maturity date	-	100,000
Cash and cash equivalents - net	317,357	648,190

As at 31 December 2023 and 2022, deposits at banks carried interests at the rates between 0.05 and 0.60 percent per annum and 0.25 and 1.10 percent per annum, respectively.

7. Premium receivables

As at 31 December 2023 and 2022, the balances of premium receivables from direct insurance were classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Not yet due	3,344,218	2,935,031
Overdue not longer than 30 days	329,701	340,456
Overdue 31 days to 60 days	263,607	208,620
Overdue 61 days to 90 days	182,253	47,386
Overdue 91 days to 1 year	328,378	190,431
Overdue longer than 1 year	39,174	42,145
Total	4,487,331	3,764,069
Less: Allowance for doubtful accounts	(39,174)	(42,145)
Premium receivables - net	4,448,157	3,721,924

For premium receivables due from agents and brokers, the Company has stipulated the collection guidelines in accordance with the Premium Collection Law whereby the Company has taken legal proceedings with agents and brokers on a case by case basis for overdue premiums.

8. Reinsurance assets

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Insurance reserves refundable from reinsurers		
Loss reserves	10,790,597	10,186,673
Unearned premium reserves	4,653,167	4,019,932
Total	15,443,764	14,206,605
Less: Allowance for impairment	-	(50)
Reinsurance assets - net	15,443,764	14,206,555

9. Reinsurance receivables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Amounts deposited on reinsurance	66,424	61,684
Amounts due from reinsurers	511,280	415,347
Total	577,704	477,031
Less: Allowance for doubtful accounts	(3)	(1,074)
Receivables on reinsurance contracts - net	577,701	475,957

As at 31 December 2023 and 2022, amounts due from reinsurers were classified by aging as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Not over 12 months	503,031	267,145
Overdue from 1 year to 2 years	2,876	142,999
Overdue longer than 2 years	5,373	5,203
Total	511,280	415,347
Less: Allowance for doubtful accounts	(3)	(1,074)
Amounts due from reinsurers - net	511,277	414,273

10. Investments in securities

10.1 Classified by type of investment

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	31 December 2023		31 December 2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments measured at fair value through other comprehensive income				
Government and state enterprise securities	7,815,047	7,792,750	4,009,959	4,001,243
Private sector debt securities	1,105,000	1,043,825	1,045,000	980,587
Common stocks	8,325,883	33,389,060	8,113,088	33,181,103
Unit trusts	1,186,326	943,759	1,167,133	1,086,825
Total	18,432,256	43,169,394	14,335,180	39,249,758
Add: Unrealised gains	24,853,690		25,032,321	
Less: Allowance for impairment	(62,452)		(65,083)	
Less: Allowance for expected credit losses	(54,100)		(52,660)	
Available-for-sale investments measured at fair value through other comprehensive income - net	43,169,394		39,249,758	
Held-to-maturity investments measured at amortised cost				
Deposits at financial institutions which matured over 3 months	7,840,501		8,872,429	
Less: Allowance for expected credit losses	(1,104)		(951)	
Held-to-maturity investments measured at amortised cost - net	7,839,397		8,871,478	
Investment in securities - net	51,008,791		48,121,236	

10.2 Classified by stage of credit risk

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	31 December 2023		31 December 2022	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
Available-for-sale investments measured at fair value through other comprehensive income				
Stage 1 - Debt securities without a significant increase of credit risk	8,778,187	(749)	4,928,216	(819)
Stage 3 - Credit impaired debt securities	58,388	(53,351)	53,614	(51,841)
Total	8,836,575	(54,100)	4,981,830	(52,660)

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2023		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	7,840,501	(1,104)	7,839,397
Total	7,840,501	(1,104)	7,839,397

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2022		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	8,872,429	(951)	8,871,478
Total	8,872,429	(951)	8,871,478

10.3 Remaining periods to maturity of debt securities

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements									
	31 December 2023					31 December 2022				
	Period to maturity					Period to maturity				
	Over 5					Over 5				
	1 year	1 - 5 years	years	Unspecified	Total	1 year	1 - 5 years	years	Unspecified	Total
Available-for-sale investments										
measured at fair value through other										
comprehensive income										
Government and state enterprise securities	6,921,473	794,498	99,076	-	7,815,047	2,707,653	1,203,375	98,931	-	4,009,959
Private enterprise debt securities	450,000	500,000	155,000	-	1,105,000	85,000	785,000	175,000	-	1,045,000
Unit trusts	-	-	-	-	-	-	-	-	-	-
Total	7,371,473	1,294,498	254,076	-	8,920,047	2,792,653	1,988,375	273,931	-	5,054,959
Add (less): Unrealised gains (losses)	(2,369)	(22,958)	(58,145)	-	(83,472)	842	(10,809)	(10,502)	-	(20,469)
Less: Allowance for expected credit losses	(477)	(238)	(53,385)	-	(54,100)	(98)	(687)	(51,875)	-	(52,660)
Available-for-sale investments										
measured at fair value through other										
comprehensive income - net	7,368,627	1,271,302	142,546	-	8,782,475	2,793,397	1,976,879	211,554	-	4,981,830
Held-to-maturity investments measured										
at amortised cost										
Deposits at financial institutions with maturity										
of longer than 3 months	7,840,501	-	-	-	7,840,501	8,872,429	-	-	-	8,872,429
Less: Allowance for expected credit losses	(1,104)	-	-	-	(1,104)	(951)	-	-	-	(951)
Total held-to-maturity investments										
measured at amortised cost	7,839,397	-	-	-	7,839,397	8,871,478	-	-	-	8,871,478

10.4 Fair values of investments in debt instruments

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements			
31 December 2023			
Pass the SPPI tests		Fail the SPPI tests	
Changes in fair value during the year		Changes in fair value during the year	
Fair value		Fair value	
Available-for-sale investments measured at fair value through other comprehensive income			
Government and state enterprise securities	7,792,750	(13,581)	-
Private enterprise debt securities	1,043,825	3,239	-
Held-to-maturity investments measured at amortised cost			
Deposits at financial institutions with maturity of longer than 3 months	7,840,501	-	-
Total	16,677,076	(10,342)	-

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements				
31 December 2022				
	Pass the SPPI tests		Fail the SPPI tests	
	Fair value	Changes in fair value during the year	Fair value	Changes in fair value during the year
Available-for-sale investments measured at fair value through other comprehensive income				
Government and state enterprise securities	4,001,243	(33,120)	-	-
Private enterprise debt securities	980,587	(10,270)	-	-
Held-to-maturity investments measured at amortised cost				
Deposits at financial institutions with maturity of longer than 3 months	8,872,429	-	-	-
Total	13,854,259	(43,390)	-	-

10.5 Investments subject to restriction and commitment

As at 31 December 2023 and 2022, the Company placed certain assets as securities and insurance reserves with the Registrar in accordance with the Non-life Insurance Act and placed with the bank to secure bank overdraft facilities and others as required in the normal course of business of the Company as described below.

(Unit: Million Baht)

Financial statements in which the equity method is applied and Separate financial statements				
	31 December 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Placed as securities				
Government bonds	15.4	15.2	15.4	15.3
Placed as insurance reserves				
Ordinary shares	35.2	149.7	35.2	142.0
Government bonds	1,400.0	1,372.4	1,290.0	1,274.6
Debentures	335.0	329.4	335.0	331.5
	1,770.2	1,851.5	1,660.2	1,748.1
Placed to secure bank overdraft facilities				
Deposits at financial institutions	30.0	30.0	30.0	30.0
Placed as performance bonds				
Government and state enterprise bonds	0.6	0.6	0.6	0.6
Placed to secure bank guarantees				
Deposits at financial institutions	20.0	20.0	20.0	20.0

11. Loans and interest receivables

As at 31 December 2023 and 2022, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

(Unit: Thousand Baht)			
Financial statements in which the equity method is applied and Separate financial statements			
31 December 2023			
Classification	Mortgaged loans	Others	Total
Stage 1 - Loans without a significant increase of credit risk	974,421	6,798	981,219
Stage 2 - Loans with significant increases of credit risk	30,521	-	30,521
Stage 3 - Credit impairment loans	128,603	-	128,603
Total	1,133,545	6,798	1,140,343
Less: Allowance for expected credit losses	(65,303)	-	(65,303)
Loans and interest receivables - net	1,068,242	6,798	1,075,040

(Unit: Thousand Baht)			
Financial statements in which the equity method is applied and Separate financial statements			
31 December 2022			
Classification	Mortgaged loans	Others	Total
Stage 1 - Loans without a significant increase of credit risk	1,053,195	7,626	1,060,821
Stage 2 - Loans with significant increases of credit risk	1,723	-	1,723
Stage 3 - Credit impairment loans	165,662	-	165,662
Total	1,220,580	7,626	1,228,206
Less: Allowance for expected credit losses	(63,845)	-	(63,845)
Loans and interest receivables - net	1,156,735	7,626	1,164,361

Credit limits granted to each employee under the Company's employee welfare plan shall not exceeding 30 times of employee's salary and Baht 1,000,000 for personal guarantee loans with interest being charged at the rate of 3.0% per annum, and not exceed 60 times of employee's salary and Baht 5,000,000 for mortgaged loans with interest being charged at the rate of 2.5% per annum.

As at 31 December 2023 and 2022, the balances of employee loans were Baht 180.8 million and Baht 161.4 million, respectively.

12. Investment properties

As at 31 December 2023 and 2022, the investment properties were presented below.

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Cost	533,653	533,653
Less: Accumulated depreciation	(467,412)	(450,182)
Net book value	66,241	83,471

Reconciliations of the net book value of investment properties for the years ended 31 December 2023 and 2022 were presented below.

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Net book value at beginning of the years	83,471	100,700
Depreciation charged for the years	(17,230)	(17,229)
Net book value at end of the years	66,241	83,471

The fair values of the investment properties as at 31 December 2023 and 2022 were stated as below:

	(Unit: Million Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Office building for rent	607.6	625.5

The fair values of the investment properties were appraised by an independent valuer using the income approach. The key assumptions used in such appraisal are yield rate, inflation rate, long-term vacancy rate and long-term growth rate in rental fee, etc.

Revenues and expenses related to investment properties were recognised in profit or loss as below:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the year ended 31 December	
	2023	2022
Rental income	155,578	154,198
Operating expenses directly related to generated rental income	92,655	92,496
Total expenses	92,655	92,496

13. Investments in associates

13.1 Details of associates

Company's name	Nature of business	Country of incorporation	Paid-up share capital as at		Shareholding	
			31 December	31 December	31 December	31 December
			2023	2022	2023	2022
			(USD)	(USD)	(%)	(%)
Asian Insurance International (Holding) Limited	Holding company	Bermuda	5,740,000	5,740,000	41.70	41.70
Bangkok Insurance (Cambodia) Plc. (Formerly known as "Asia Insurance (Cambodia) Plc.")	Non-life insurance	Cambodia	7,000,000	7,000,000	22.92	22.92
Bangkok Insurance (Lao) Company Limited	Non-life insurance	Lao	2,000,000	2,000,000	38.00	38.00

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Asian Insurance International (Holding) Limited	148,658	144,513	72,054	72,054
Bangkok Insurance (Cambodia) Plc.	104,237	103,696	30,202	30,202
Bangkok Insurance (Lao) Company Limited	64,768	52,810	27,140	27,140
Total	317,663	301,019	129,396	129,396

13.2 Shares of profits, other comprehensive loss, and dividends income

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profits		Share of other comprehensive loss		Dividend received	
	from investments in associates		from investments in associates			
	For the years ended 31 December		For the years ended 31 December		For the years ended 31 December	
	2023	2022	2023	2022	2023	2022
Asian Insurance International (Holding) Limited	12,558	22,064	(8,413)	(12,942)	-	-
Bangkok Insurance (Cambodia) Plc.	4,315	8,534	-	-	3,774	19,541
Bangkok Insurance (Lao) Company Limited	11,958	21,723	-	-	-	-
Total	28,831	52,321	(8,413)	(12,942)	3,774	19,541

13.3 Financial information of associates

Summarised information from statements of financial position

(Unit: Million Baht)						
	Asian Insurance International (Holding) Limited		Bangkok Insurance (Cambodia) Plc.		Bangkok Insurance (Lao) Company Limited	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Total assets	438.3	418.3	950.6	889.7	239.4	335.6
Total liabilities	-	-	(462.0)	(398.6)	(141.2)	(250.3)
Net assets	438.3	418.3	488.6	491.1	98.2	85.3
Shareholding percentage (%)	41.7	41.7	22.9	22.9	38.0	38.0
Shares of net assets of the associates	182.8	174.4	112.0	112.6	37.3	32.4
Carrying values based on the equity method	148.7	144.5	104.2	103.7	64.8	52.8

Summarised information from statements of comprehensive income

(Unit: Million Baht)						
	Asian Insurance International (Holding) Limited		Asia Insurance (Cambodia) Plc.		Bangkok Insurance (Lao) Company Limited	
	For the years ended 31 December		For the years ended 31 December		For the years ended 31 December	
	2023	2022	2023	2022	2023	2022
Revenues	32.4	55.4	108.4	114.5	154.3	80.4
Net profits	30.1	52.9	18.8	37.2	31.5	57.2
Other comprehensive loss for the years	(20.2)	(31.0)	-	-	-	-
Total comprehensive income for the years	9.9	21.9	18.8	37.2	31.5	57.2

As at 31 December 2023 and 2022, the Company recorded investment in associates under the equity method (in the financial statements in which the equity method is applied) based on financial information prepared by the associates' management, which were unaudited by their auditors.

14. Premises and equipment

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements							
	Land	Buildings	Condominium units	Furniture, fixture and office equipment	Vehicles	Assets under installment	Total
Cost							
1 January 2022	221,159	833,074	8,723	2,041,189	30,491	18,145	3,152,781
Additions	-	-	-	11,243	403	8,018	19,664
Transfers in (out)	-	-	-	14,117	-	(14,117)	-
Disposals	-	-	-	(142)	(4,445)	-	(4,587)
31 December 2022	221,159	833,074	8,723	2,066,407	26,449	12,046	3,167,858
Additions	-	-	-	21,564	133	1,995	23,692
Transfers in (out)	-	-	-	11,563	-	(11,563)	-
Disposals	-	-	-	(22,995)	(466)	-	(23,461)
31 December 2023	221,159	833,074	8,723	2,076,539	26,116	2,478	3,168,089
Accumulated depreciation							
1 January 2022	-	665,173	8,721	1,902,050	17,553	-	2,593,497
Depreciation for the year	-	25,887	-	61,044	4,570	-	91,501
Accumulated depreciation on disposals	-	-	-	(118)	(4,426)	-	(4,544)
31 December 2022	-	691,060	8,721	1,962,976	17,697	-	2,680,454
Depreciation for the year	-	25,815	-	44,940	4,419	-	75,174
Accumulated depreciation on disposals	-	-	-	(22,975)	(442)	-	(23,417)
31 December 2023	-	716,875	8,721	1,984,941	21,674	-	2,732,211
Net book value							
31 December 2022	221,159	142,014	2	103,431	8,752	12,046	487,404
31 December 2023	221,159	116,199	2	91,598	4,442	2,478	435,878
Depreciation for the years:							
2022							91,501
2023							75,174

As at 31 December 2023 and 2022, certain buildings and equipment items were fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 2,015.0 million and Baht 1,965.5 million, respectively.

15. Right-of-use assets/ Lease liabilities

The Company has lease contracts for various items of land, building, office equipment and vehicles used in its operations.

15.1 Right-of-use assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Land	Buildings	Office equipment	Vehicles	Total
1 January 2022	799,469	32,913	11,938	56,944	901,264
New leases during the year	-	3,301	-	14,998	18,299
Depreciation for the year	(22,311)	(12,672)	(3,115)	(19,663)	(57,761)
31 December 2022	777,158	23,542	8,823	52,279	861,802
New leases during the year	-	972	-	10,825	11,797
Depreciation for the year	(22,311)	(12,793)	(3,114)	(19,188)	(57,406)
31 December 2023	754,847	11,721	5,709	43,916	816,193

15.2 Lease liabilities

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Land	Buildings	Office equipment	Vehicles	Total
1 January 2022	728,245	28,816	9,414	59,279	825,754
New leases during the year	-	3,301	-	14,998	18,299
Financial costs recognised during the year	37,030	1,259	467	2,936	41,692
Leases paid during the year	(27,331)	(12,982)	(3,450)	(22,465)	(66,228)
31 December 2022	737,944	20,394	6,431	54,748	819,517
New leases during the year	-	972	-	10,825	11,797
Financial costs recognised during the year	37,526	777	315	2,698	41,316
Leases paid during the year	(27,330)	(12,983)	(3,450)	(21,906)	(65,669)
31 December 2023	748,140	9,160	3,296	46,365	806,961

(Unit: Million Baht)

Financial statements in which the equity method is applied and Separate financial statements								
	31 December 2023				31 December 2022			
	Within	1 - 5	Over	Total	within	1 - 5	Over	Total
	1 year	years	5 years		1 year	years	5 years	
Future minimum								
lease payments	60	255	1,402	1,718	64	304	1,402	1,770
Deferred interest								
expenses	(40)	(153)	(717)	(911)	(41)	(192)	(717)	(950)
Present value of								
future minimum								
lease payments	20	102	685	807	23	112	685	820

15.3 Expenses relating to leases recognised in profit or loss

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2023	31 December 2022
Depreciation expenses of right-of-use		
assets	57,378	57,643
Interest expense on lease liabilities	41,314	41,678
Loss from the differences of reduction in		
lease payments	-	4
Total	98,692	99,325

The Company has total cash outflows of lease contracts for the year ended 31 December 2023 and 2022 of Baht 65.7 million and Baht 66.2 million, respectively.

15.4 Leases of the Company as a lessor

As at 31 December 2023 and 2022, the Company has entered into operating leases for its investment property of the lease terms are between 2 and 3 years with future minimum rentals receivable under non-cancellable operating leases as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Within 1 year	69,576	87,984
Over 1 year and up to 3 years	33,308	55,221
Total	102,884	143,205

16. Intangible assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	Computer softwares	Computer softwares under development	Total
Cost			
1 January 2022	567,566	108,560	676,126
Addition	1,671	136,075	137,746
31 December 2022	569,237	244,635	813,872
Addition	23,242	153,308	176,550
31 December 2023	592,479	397,943	990,422
Accumulated amortisation			
1 January 2022	515,256	-	515,256
Amortisation for the year	22,236	-	22,236
31 December 2022	537,492	-	537,492
Amortisation for the year	19,324	-	19,324
31 December 2023	556,816	-	556,816
Net book value			
31 December 2022	31,745	244,635	276,380
31 December 2023	35,663	397,943	433,606
Amortisation for the years			
2022			22,236
2023			19,324

As at 31 December 2023 and 2022, certain computer softwares were fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets amounted to Baht 449.7 million and Baht 383.7 million, respectively.

17. Insurance contract liabilities

	(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2023		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	14,372,060	(10,842,202)	3,529,858
Claims incurred but not reported	415,152	51,605	466,757
Premium reserves			
Unearned premium reserves	13,949,271	(4,653,167)	9,296,104
Total	28,736,483	(15,443,764)	13,292,719

	(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2022		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	13,259,075	(10,176,618)	3,082,457
Claims incurred but not reported	492,854	(10,005)	482,849
Premium reserves			
Unearned premium reserves	12,322,334	(4,019,932)	8,302,402
Total	26,074,263	(14,206,555)	11,867,708

The Company entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management. However, insurance contract liabilities disclosures have been made on both gross and net basis.

17.1 Loss reserves

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Beginning balances	13,751,929	7,688,980
Claims incurred during the years	12,194,647	25,876,901
Changes in loss reserves of claims incurred in prior years	1,292,528	1,380,213
Changes in assumptions in calculating loss reserves	(8,874)	(207,426)
Claims and loss adjustment expenses paid during the years	(12,443,019)	(20,986,739)
Ending balances	14,787,211	13,751,929

As at 31 December 2023 and 2022, the Company, which is a reinsurer under the reinsurance contracts, had loss reserves under such contracts totaling Baht 545.5 million and Baht 525.1 million, respectively.

17.2 Claim development table

(a) Gross claims table

(Unit: Million Baht)

Accident year	Prior to											
/Reporting year	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Loss reserves:												
- as at accident year		6,854	7,101	7,157	8,454	8,246	9,431	11,471	13,512	25,877	12,195	
- Next one year		7,359	7,382	7,407	8,004	8,239	9,687	11,024	13,579	26,261		
- Next two years		6,846	6,947	7,295	7,564	8,113	9,528	10,899	13,548			
- Next three years		6,693	6,949	7,130	7,501	8,142	9,501	10,859				
- Next four years		6,654	6,870	7,099	7,535	8,097	9,500					
- Next five years		6,631	6,857	7,076	7,534	8,062						
- Next six years		6,632	6,853	7,069	7,519							
- Next seven years		6,630	6,851	7,055								
- Next eight years		6,626	6,849									
- Next nine years		6,623										
Cumulative ultimate												
claim		6,623	6,849	7,055	7,519	8,062	9,500	10,858	13,548	26,198	12,476	
Cumulative												
payments		(6,599)	(6,756)	(7,045)	(7,319)	(7,952)	(9,378)	(10,089)	(13,256)	(18,865)	(7,700)	
Total	316	24	93	10	200	110	122	769	292	7,333	4,776	14,045
Inward treaty												600
Unallocated loss adjustment expenses												142
Gross loss reserves												14,787

(b) Net claims table

(Unit: Million Baht)

Accident year	Prior to											
/Reporting year	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Loss reserves:												
- as at accident year		5,082	5,414	5,415	5,724	5,492	6,972	7,721	10,436	16,266	8,604	
- Next one year		5,267	5,720	5,549	5,736	5,403	7,163	7,607	10,522	16,448		
- Next two years		5,119	5,389	5,275	5,554	5,406	7,053	7,582	10,507			
- Next three years		4,983	5,383	5,272	5,547	5,402	7,052	7,564				
- Next four years		4,979	5,363	5,267	5,542	5,395	7,042					
- Next five years		4,982	5,358	5,252	5,538	5,381						
- Next six years		4,982	5,356	5,253	5,532							
- Next seven years		4,979	5,354	5,242								
- Next eight years		4,979	5,353									
- Next nine years		4,976										
Cumulative ultimate												
claim		4,976	5,353	5,242	5,532	5,381	7,042	7,565	10,505	16,445	8,879	
Cumulative												
payments		(4,974)	(5,350)	(5,240)	(5,527)	(5,374)	(7,024)	(7,510)	(10,433)	(16,177)	(6,302)	
Total	245	2	3	2	5	7	18	55	72	268	2,577	3,254
Inward treaty												600
Unallocated loss adjustment expenses												142
Net loss reserves												3,996

17.3 Assumptions

Assumptions used in measurement of assets, liabilities, revenues, and expenses incurred on insurance contracts are summarised below;

(a) Assumptions of claim experiences

At the end of the reporting periods, the Company estimates loss reserves using historical experience and actuarial technique, which is a standard that is generally accepted. In estimation of loss reserves, they are classified as gross (before reinsurance) and net (after reinsurance) reserves, by accident year, and duration of claim development. The Company uses the higher value between those determined from the Payment Method and the Incurred Method but excluding disaster losses. However, in calculation using the above-mentioned data, the management is required to exercise judgement to exclude all large claims in order to eliminate the fluctuations in loss development factor but include certain relevant large claims on a case-by-case basis where appropriate.

(b) Assumptions of related expenses

The Company estimates the unallocated loss adjustment expenses (ULAE) based on Claim Department's incurred expenses, for example, salaries, employee benefits, and technology costs, which is set as a ratio of ULAE to claims paid.

17.4 Unearned premium reserves

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Beginning balances	12,322,334	10,991,939
Premium written during the years	29,915,708	26,676,278
Premium earned during the years	(28,288,771)	(25,345,883)
Ending balances	13,949,271	12,322,334

18. Due to reinsurers

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Amounts withheld on reinsurance	1,824,803	1,756,584
Amounts due to reinsurers	2,443,798	2,022,732
Due to reinsurers	4,268,601	3,779,316

19. Employee benefit obligations

Changes in employee benefit obligations, which were compensations on employee retirement, for the years ended 31 December 2023 and 2022 were as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Employee benefit obligations at beginning of the years	752,431	790,146
Included in profit or loss:		
Current service costs	62,665	61,540
Interest costs	23,325	23,704
Included in other comprehensive income or loss:		
Actuarial (gains) losses arising from:		
- Demographic assumptions changes	8,632	(1,966)
- Financial assumption changes	(9,007)	(82,339)
- Experience adjustments	(1,491)	(11,823)
Benefits paid during the years	(47,454)	(26,831)
Employee benefit obligations at end of the years	789,101	752,431

As at 31 December 2023 and 2022, the Company expected to pay long-term employee benefits of Baht 19.6 million and Baht 48.6 million, respectively, over the next 1-year period.

As at 31 December 2023 and 2022, the weighted average durations of the liabilities on long-term employee benefits were 11.8 years and 11.7 years, respectively.

The key assumptions used for actuarial calculation on the valuation dates were summarised below:

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
	(%)	(%)
Discount rate	3.1	3.0
Future salary incremental rate	6.0	6.0
Employee turnover rates (depending on age)	0.8 - 14.0	1.2 - 15.0

The results of sensitivity analysis based on key assumptions were summarised below:

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	Increase (decrease) in employee benefit obligations as at 31 December 2023		Increase (decrease) in employee benefit obligations as at 31 December 2022	
	+ 1 %	- 1 %	+ 1 %	- 1 %
Discount rate	(82.3)	97.4	(78.0)	92.3
Future salary incremental rate	88.4	(76.4)	83.6	(72.2)
Employee turnover rates	(32.0)	32.4	(30.5)	34.1

20. Deferred tax liabilities and income tax expenses

20.1 Deferred tax liabilities

As at 31 December 2023 and 2022, the components of deferred tax assets and liabilities consisted of tax effects arising from the following transactions.

	Financial statements in which the equity method is applied		(Unit: Thousand Baht) Changes in deferred tax assets or liabilities	
	31 December	31 December	For the years ended 31 December	
	2023	2022	2023	2022
Deferred tax assets arose from:				
Allowance for expected credit losses	24,860	23,945	915	1,560
Allowance for impairment on investments	12,491	13,017	(526)	-
Premium reserves	372,010	303,494	68,516	70,815
Loss reserves of claims incurred and reported	498,547	434,109	64,438	39,041
Loss reserves of claims incurred but not yet reported	93,351	96,570	(3,219)	(14,601)
Lease liabilities	161,392	163,903	(2,511)	(1,248)
Employee benefit obligations	157,820	150,486	7,334	(7,543)
Others	7,992	9,156	(1,164)	(1,848)
Total	1,328,463	1,194,680		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	4,970,738	5,006,464	35,726	(391,616)
Right-of-use assets	163,239	172,360	9,121	7,893
Shares of profits from investments in associates	37,653	34,325	(3,328)	(3,968)
Total	5,171,630	5,213,149		
Deferred tax liabilities	3,843,167	4,018,469		
Total changes			175,302	(301,515)
Changes were recognised in:				
- Profit or loss			138,266	106,739
- Other comprehensive income			37,036	(408,254)
			175,302	(301,515)

(Unit: Thousand Baht)

	Separate financial statements		Changes in deferred tax assets or liabilities	
	31 December	31 December	For the years ended 31 December	
	2023	2022	2023	2022
Deferred tax assets arose from:				
Allowance for expected credit losses	24,860	23,945	915	1,560
Allowance for impairment on investments	12,491	13,017	(526)	-
Premium reserves	372,010	303,494	68,516	70,815
Loss reserves of claims incurred and reported	498,547	434,109	64,438	39,041
Loss reserves of claims incurred but not yet reported	93,351	96,570	(3,219)	(14,601)
Lease liabilities	161,392	163,903	(2,511)	(1,248)
Provision for long-term employee benefits	157,820	150,486	7,334	(7,543)
Others	7,992	9,156	(1,164)	(1,848)
Total	1,328,463	1,194,680		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	4,970,738	5,006,464	35,726	(391,616)
Right-of-use assets	163,239	172,360	9,121	7,893
Total	5,133,977	5,178,824		
Deferred tax liabilities	3,805,514	3,984,144		
Total changes			178,630	(297,547)
Changes were recognised in:				
- Profit or loss			143,277	113,295
- Other comprehensive income			35,353	(410,842)
			178,630	(297,547)

20.2 Income tax revenue (expense)

Income tax revenue (expense) for the years ended 31 December 2023 and 2022 were made up as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2023	2022	2023	2022
Current income taxes:				
Corporate income tax charge	(464,073)	-	(464,073)	-
Adjustment in respect of current income tax of prior period	-	83	-	83
Deferred income taxes:				
Deferred income taxes relating to origination and reversal of temporary differences	138,266	106,740	143,277	113,296
Income tax revenues (expenses) reported in profit or loss	(325,807)	106,823	(320,796)	113,379

Reconciliations between income tax revenues (expenses) and the product of accounting profits (loss) for the years ended 31 December 2023 and 2022 and the applicable tax rate were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial Statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2023	2022	2023	2022
Accounting profits (loss) before income tax expenses	3,369,556	(745,201)	3,344,499	(777,982)
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(673,911)	149,040	(668,900)	155,596
Adjustment in respect of current income taxes of prior year	-	83	-	83
Net tax effect on tax-exempted revenues/ non-tax-deductible expenses and tax losses	348,104	(42,300)	348,104	(42,300)
Income tax revenues (expenses) reported in profit or loss	(325,807)	106,823	(320,796)	113,379

21. Share capital

As at 31 December 2023 and 2022, the Company's registered, issue and paid-up share capital consisted of 106,470,000 ordinary shares with a par value of Baht 10 each.

22. Statutory reserve

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

23. Segment information/major customers

23.1 Segment information reporting

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Chief Operating Decision Maker has been identified as Chairman.

For management purposes, the Company is organised into business units based on its products, which consisted of Fire, Marine and transportation, Motor, and Miscellaneous.

The Chief Operating Decision Maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss, total assets and total liabilities and on a basis consistent with that used to measure operating profit or loss, total assets and total liabilities in the financial statements.

(Unit: Thousand Baht)

Financial statements in which equity method is applied					
For the year ended 31 December 2023					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenues					
Gross premium written	2,104,374	875,858	12,478,401	14,457,075	29,915,708
Less: Premium ceded to reinsurers	(645,678)	(572,928)	(651,233)	(9,455,730)	(11,325,569)
Net premium written	1,458,696	302,930	11,827,168	5,001,345	18,590,139
Add (less): Unearned premium reserves (increased) decreased from prior year	(46,457)	4,167	(853,431)	(97,981)	(993,702)
Earned premium	1,412,239	307,097	10,973,737	4,903,364	17,596,437
Commission and brokerage fee income	237,431	105,154	216,853	1,219,523	1,778,961
Total underwriting income	1,649,670	412,251	11,190,590	6,122,887	19,375,398
Underwriting expenses					
Net claims	471,168	121,718	6,843,101	2,307,045	9,743,032
Commission and brokerage expenses	431,139	69,519	1,945,376	1,343,866	3,789,900
Other underwriting expenses	299,081	104,986	1,120,604	1,076,391	2,601,062
Total underwriting expenses	1,201,388	296,223	9,909,081	4,727,302	16,133,994
Profit from underwriting	448,282	116,028	1,281,509	1,395,585	3,241,404
Investment revenue					1,136,288
Gains on investments					51,170
Shares of profits from investments in associates					28,831
Other income					180,039
Operating expenses					(1,130,012)
Investment expenses					(92,274)
Finance costs					(41,314)
Expected credit losses					(4,576)
Profit before income tax expenses					3,369,556
Less: Income tax expenses					(325,807)
Net profit					3,043,749

(Unit: Thousand Baht)

Financial statements in which equity method is applied					
For the year ended 31 December 2022					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting revenues					
Gross premium written	1,906,780	901,271	10,922,983	12,945,244	26,676,278
Less: Premium ceded to reinsurers	(604,389)	(594,861)	(578,268)	(7,936,423)	(9,713,941)
Net premium written	1,302,391	306,410	10,344,715	5,008,821	16,962,337
Less: Unearned premium reserves increased from prior year	(112,186)	(14,191)	(739,230)	(43,375)	(908,982)
Earned premium	1,190,205	292,219	9,605,485	4,965,446	16,053,355
Commission and brokerage fee income	271,611	112,462	194,941	1,122,902	1,701,916
Total underwriting income	1,461,816	404,681	9,800,426	6,088,348	17,755,271
Underwriting expenses					
Net claims	517,029	105,157	5,652,182	11,299,528	17,573,896
Commission and brokerage expenses	407,675	67,960	1,690,376	1,243,055	3,409,066
Other underwriting expenses	294,112	92,836	1,187,123	1,065,707	2,639,778
Total underwriting expenses	1,218,816	265,953	8,529,681	13,608,290	23,622,740
Profit (loss) from underwriting	243,000	138,728	1,270,745	(7,519,942)	(5,867,469)
Investment revenue					1,022,769
Gains on investments					5,108,746
Shares of profits from investments in associates					52,321
Other income					175,769
Operating expenses					(1,090,498)
Investment expenses					(97,157)
Finance costs					(41,884)
Expected credit losses					(7,798)
Loss before income tax expenses					(745,201)
Add: Income tax revenues					106,823
Net loss					(638,378)

The following table presented the Company's operating segment assets and liabilities as at 31 December 2023 and 2022.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied						Total
	Fire	Marine and transportation	Motor	Miscellaneous	Total segments	Unallocated	
Assets							
As at 31 December 2023	609,008	252,477	1,784,926	17,566,519	20,212,930	55,792,366	76,005,296
As at 31 December 2022	593,737	305,973	1,542,781	15,730,872	18,173,363	53,361,583	71,534,946
Liabilities							
As at 31 December 2023	3,416,527	453,529	8,993,229	21,417,473	34,280,758	8,396,610	42,677,368
As at 31 December 2022	3,353,046	498,358	7,751,344	19,548,214	31,150,962	8,221,531	39,372,493

23.2 Geographic information

The Company operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

23.3 Major customers

In 2023 and 2022, the Company has gross premium written from one major customer as follows:

(Unit: Million Baht)

	Financial statements in which the equity method is applied	
	For the years ended 31 December	
	2023	2022
Gross premium written	2,870	2,706

24. Operating expenses

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Personnel expenses	622,443	574,480
Premises and equipment expenses	229,476	246,382
Taxes and duties	646	1,652
Bad debts and doubtful accounts (reversal)	(2,560)	1,689
Other operating expenses	280,007	266,295
Total	1,130,012	1,090,498

25. Expected credit losses

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Expected credit losses increased (decreased) during the year:		
Cash and cash equivalents	-	(73)
Accrued investment income	1,524	1,469
Investments in securities	1,594	(1,007)
Loans and interest receivables	1,458	7,409
Total	4,576	7,798

26. Expenses by nature

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Net claims	9,213,569	17,077,384
Commissions and brokerage expenses	3,789,900	3,409,066
Other underwriting expenses	914,637	808,217
Personnel expenses	1,674,888	1,565,688
Premises and equipment expenses	546,345	562,994
Other operating expenses	1,216,157	1,379,034
Investment expenses	784	8,012
Finance costs	41,314	41,884
Expected credit losses	4,576	7,798
Total	17,402,170	24,860,077

27. Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed are made monthly by the employees at rates ranging from 5% to 15% and contributed to by the Company at rates ranging from 5% to 15% of the employees' basic salaries, based on the length or position level of employment in which criteria that provide more useful to employee. The fund is managed by a fund manager which has been approved by the Ministry of Finance. During the years ended 31 December 2023 and 2022, the Company recognised the contributed Baht 126.3 million and Baht 96.6 million, respectively, to the fund.

28. Earnings (loss) per share

Earnings (loss) per share is calculated by dividing net profit (loss) (excluding other comprehensive income or loss) by the weighted average number of ordinary shares in issue during the years.

29. Dividends paid

Dividends declared during the years 2023 and 2022 were as follow:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
The third interim dividend for 2023	Meeting No. 4/23 of the Company's Board of Directors on 10 November 2023	399.26	3.75
The second interim dividend for 2023	Meeting No. 3/23 of the Company's Board of Directors on 11 August 2023	399.26	3.75
The first interim dividend for 2023	Meeting No. 2/23 of the Company's Board of Directors on 12 May 2023	399.26	3.75
Final dividend for 2022	Annual General Meeting No. 30 of the Shareholders on 21 April 2023	532.35	5.00
Total dividends for the year 2023		1,730.13	16.25
	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
The third interim dividend for 2022	Meeting No. 4/22 of the Company's Board of Directors on 11 November 2022	372.64	3.50
The second interim dividend for 2022	Meeting No. 3/22 of the Company's Board of Directors on 11 August 2022	372.64	3.50
The first interim dividend for 2022	Meeting No. 2/22 of the Company's Board of Directors on 13 May 2022	372.65	3.50
Annual dividend for 2021	Annual General Meeting No. 29 of the Shareholders on 22 April 2022	532.35	5.00
Total dividends for the year 2022		1,650.28	15.50

30. Related party transactions

30.1 Nature of relationship

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

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

Name of related parties	Type of business	Relationship with the Company
Asian Insurance International (Holding) Limited	Holding company	Associate
Bangkok Insurance (Cambodia) Plc. (Formerly known as "Asia Insurance (Cambodia) Plc.")	Non-life insurance	Associate
Bangkok Insurance (Lao) Company Limited	Non-life insurance	Associate
BKI Holdings Public Company Limited.	Holding company	Related by way of common shareholders and directors
Bangkok Bank Pcl.	Banking	Related by way of having common directors and shareholding
Bangkok Aviation Fuel Services Pcl.	Energy and Utilities	Related by way of having common directors and shareholding
Asia Plus Group Holdings Pcl.	Securities	Related by way of having common directors and shareholding
Fuel Pipeline Transportation Co., Ltd.	Energy and Utilities	Related by way of having common directors and shareholding
Bangkok Life Assurance Pcl.	Life insurance	Related by way of having common directors and shareholding
Thai Orix Leasing Co., Ltd.	Finance	Related by way of having common directors and shareholding
Thai Reinsurance Pcl.	Insurance	Related by way of having common directors and shareholding
Charoong Thai Wire and Cable Pcl.	Industrial materials and Machine	Related by way of having common directors and shareholding
Fine Metal Technologies Pcl.	Industrial materials and Machine	Related by way of having common directors and shareholding
Bumrungrad Hospital Pcl.	Health care services	Related by way of having common directors and shareholding
Bangkok Glass Pcl.	Packaging	Related by way of having common directors and shareholding
Sorachai Vivatn Co., Ltd.	Property development	Related by way of having common directors and shareholding
Bangpa-in golf Co., Ltd.	Entertainment and Leisure	Related by way of having common directors and shareholding
Thai Metal Processing Co., Ltd.	Electronic parts	Related by way of having common directors and shareholding
Asia Sermkij Co., Ltd.	Finance	Related by way of having common directors and shareholding
PT Asian International Investindo ⁽¹⁾	Non-life insurance	Related by way of having common directors and shareholding
Asia Insurance (Philippines) Corporation ⁽¹⁾	Non-life insurance	Related by way of having common directors and shareholding
Chai Watana Co., Ltd.	Rent and lease real estate	Related by way of having directors who are close relatives of directors and shareholding
Krungdhep Sophon Public Company Limited.	Develop land and rent warehouses	Related by way of having directors who are close relatives of directors and shareholding
AIOI Bangkok Insurance Pcl. ⁽²⁾	Non-life insurance	Related by way of shareholding
Bangkok Mitsubishi HC Capital Co., Ltd.	Providing rental services Car leasing	Related by way of shareholding
Wattanasophonpanich Co., Ltd.	Holding company	Related by way of having common directors
Watana Charn Co., Ltd.	Securities	Related by way of having common directors
Watana Choedchu Co. Ltd.	Holding company	Related by way of having common directors
Palang Sophon Limited.	Produce energy	Related by way of having directors who are close relatives of directors
Bualuang Securities Pcl.	Securities	Related by way of having directors who are close relatives of directors
I-Direct Insurance Broker Co., Ltd.	General insurance agents and brokers	Shareholding by directors and executives
Mingtai Thai Insurance Broker Co., Ltd.	General insurance agents and brokers	Shareholding by directors
Amata Development Co., Ltd. ⁽³⁾	Lease real estate	Shareholding by executives
C.S.Capital Limited.	Holding company	Shareholding of close relatives of directors

⁽¹⁾ Since December 2022, they are a related party.

⁽²⁾ Since October 2022, it is not a related party.

⁽³⁾ Since March 2023, they are a related party.

30.2 Significant related party transactions

During the years ended 31 December 2023 and 2022, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties were as follows:

(Unit: Thousand Baht)

	For the years ended 31 December		
	2023	2022	Pricing policy
<u>Transactions with associates</u>			
<u>companies</u>			
<i>Revenues</i>			
Premium written	125,039	113,863	Normal commercial terms for underwriting
<i>Expenses</i>			
Net claims	8,082	4,737	As actually incurred
Commissions and brokerages	23,226	25,012	Normal commercial terms for underwriting by type of insurance
<u>Transactions with related companies</u>			
<i>Revenues</i>			
Premium written	696,541	627,528	Normal commercial terms for underwriting
Fee and commission income	265,920	264,320	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Interest income ⁽¹⁾	48,080	25,565	Similar rates those related party financial institutions and companies offered to their general customers
Dividend income ⁽¹⁾	591,695	581,752	The declared amount
Rental income ⁽²⁾	6,496	13,040	Rate on agreements
<i>Expenses</i>			
Premium ceded to reinsurers	789,276	796,359	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Net claims	(153,963)	(6,710)	As actually incurred
Commissions and brokerages	467,264	463,297	Normal commercial terms for underwriting by type of insurance
Interest expense	-	205	Similar rates as financial institutions and related companies offer to their general customers
Rental expenses ⁽³⁾	5,167	6,686	Rate on agreements
Medical expenses ⁽⁴⁾	32,232	12,072	Same rates offers to its general customers
Fee for trading securities ⁽³⁾	460	7,586	Same rates offers to its general customers
<i>Owner's equity</i>			
Dividend paid	221,226	217,011	The declared amount

⁽¹⁾ Presented in "Net investment revenue" in statements of comprehensive income

⁽²⁾ Presented in "Other income" in statements of comprehensive income

⁽³⁾ Presented in "Operating expenses" in statements of comprehensive income

⁽⁴⁾ Presented in "Gross claims" "Other underwriting expenses" and "Operating expenses" in statements of comprehensive income based on the department of employees

30.3 Outstanding balances

As at 31 December 2023 and 2022, the Company had the following significant balances with its related companies.

	(Unit: Thousand Baht)	
	31 December 2023	31 December 2022
<u>Associates</u>		
Investment in associates - cost	129,396	129,396
Reinsurance receivables		
Amount due from reinsurers	13,226	11,697
<u>Related companies</u>		
Deposits at financial institutions	4,941,426	4,792,448
Premium receivables	38,444	35,762
Accrued interest income ⁽¹⁾	27,659	9,330
Reinsurance receivables		
Amounts due from reinsurers	48,576	41,213
Available-for-sale investments measured at fair value through other comprehensive income		
Equity securities	29,378,063	28,794,592
Debt securities	8,607	8,545
Loans and interest receivables	6,000	144,078
Other assets		
Deposits and golf club membership fees ⁽²⁾	34,414	34,914
Account receivable on sales of securities	-	117,840
Due to reinsurers		
Amounts withheld on reinsurance	165,856	63,165
Amounts due to reinsurers	69,995	51,079
Insurance contract liabilities		
Loss reserve	139,301	207,218
Accrued commissions and brokerages	33,614	62,452
Other Liabilities		
Accounts payable on purchases of securities	-	33,568

⁽¹⁾ Presented in "Accrued investment income" in statements of financial position

⁽²⁾ Presented in "Other assets" in statements of financial position

30.4 Directors' and key management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses incurred on their directors and key management as below.

	(Unit: Million Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Short-term benefits	111.9	94.8
Post-employment benefits	15.0	8.3
Total	126.9	103.1

31. Contribution to the General Insurance Fund

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Accumulated contribution at beginning of the years	540,430	478,233
Contributions during the years	87,825	62,197
Accumulated contribution at end of the years	628,255	540,430

32. Commitments and contingent liabilities

32.1 Capital Commitments

As at 31 December 2023 and 2022, there were outstanding capital commitments contracted for decoration and renovation of building, totaling to Baht 0.7 million and Baht 5.5 million, respectively, and there were outstanding capital commitments contracted for computer software development totaling to Baht 172.1 million and Baht 304.0 million, respectively.

32.2 Litigation

As at 31 December 2023 and 2022, the Company had litigation claims totaling approximately Baht 2,832.2 million and Baht 4,115.7 million, respectively, as an insurer. The outcomes of the cases have not yet been finalised whereby the maximum responsibility of such claims limits at the lower of the sum insured or the sum sued totaling Baht 770.9 million and Baht 697.6 million, respectively. However, the Company has considered and estimated for losses that may arise from those cases amounting to approximately Baht 365.8 million and Baht 318.1 million, respectively, which were already recognised in “Insurance contract liabilities” in the statements of financial position as at those dates.

33. Risks and risk management policies

33.1 Insurance risk

The Company gives a high priority to insurance risk since accepting insurance is the Company’s core business. Therefore, the Company set a policy to underwrite insurance prudently and in line with the real insurance risk, a policy to manage claim promptly and on a fairness basis, and a policy to have insurance ceded in line with other types of risk such as credit risk, taking into accounts creditability of reinsurer, which shall have credit rating not less than the Company’s determined policy and concentration risk, taking into accounts the proportion of product mix and the reinsurance concentration not to be exceeding the settling limit.

Concentration of insurance contract liabilities segregated by insurance type was shown below.

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements						
31 December 2023						
	Gross premium reserves	Outward premium reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	1,062,526	(271,436)	791,090	662,570	(118,901)	543,669
Marine and transportation	168,034	(71,966)	96,068	153,886	(89,787)	64,099
Motor	6,594,821	(333,851)	6,260,970	2,269,412	(140,044)	2,129,368
Miscellaneous	6,123,890	(3,975,914)	2,147,976	11,701,344	(10,441,865)	1,259,479
Total	13,949,271	(4,653,167)	9,296,104	14,787,212	(10,790,597)	3,996,615

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements						
31 December 2022						
	Gross premium reserves	Outward premium reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	990,176	(245,543)	744,633	659,466	(150,829)	508,637
Marine and transportation	184,202	(83,967)	100,235	207,830	(135,192)	72,638
Motor	5,724,996	(317,456)	5,407,540	1,880,772	(95,332)	1,785,440
Miscellaneous	5,422,960	(3,372,966)	2,049,994	11,003,861	(9,805,270)	1,198,591
Total	12,322,334	(4,019,932)	8,302,402	13,751,929	(10,186,623)	3,565,306

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in calculating for both gross and net loss reserves. The risk may occur because the frequency and severity of damage, or loss adjustment expenses may not be as expected. This information is not a forecast or prediction of future market conditions and should be used with care.

(Unit: Million Baht)

Financial statements in which the equity method is applied and Separate financial statements					
31 December 2023					
	Assumption	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before taxes	Increase (decrease) in owner's equity
	change				
Average claim expenses	+10 %	1,219.5	860.5	(860.4)	(688.4)
Average claim expenses	-10 %	(1,219.5)	(860.5)	860.4	688.4
Average number of claim	+10 %	1,219.5	860.5	(860.4)	(688.4)
Average number of claim	-10 %	(1,219.5)	(860.5)	860.4	688.4

(Unit: Million Baht)

Financial statements in which the equity method is applied and Separate financial statements					
31 December 2022					
	Assumption	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before taxes	Increase (decrease) in owner's equity
	change				
Average claim expenses	+10 %	2,587.7	1,626.6	(1,626.6)	(1,301.2)
Average claim expenses	-10 %	(2,587.7)	(1,626.6)	1,626.6	1,301.2
Average number of claim	+10 %	2,587.7	1,626.6	(1,626.6)	(1,301.2)
Average number of claim	-10 %	(2,587.7)	(1,626.6)	1,626.6	1,301.2

33.2 Credit risk

Insurance assets

Concentrations of the credit risk with respect to premium receivables and amounts due from reinsurers are considered low since the insured is diversified in various industry sectors throughout the regions in Thailand.

The Company has considered the financial status and credit rating of all reinsurance companies and ceded to many trustworthy ceding companies that are capable of reinsurance. This helps diversification of risk. In addition, it has cautiously scrutinised the reinsurance conditions through the unit that is well versed in the reinsurance business and have its legal department considered legal aspects, in order to minimize such risk and also possesses an efficient process of closely following up its outstanding premiums from the insured, agent and broker, apart from requiring the agent and broker to place collateral according to the specified credit limit required by the Company.

The maximum exposure to credit risk is limited to the carrying value of assets after deduction of allowance for doubtful accounts as stated in the statements of financial position.

Financial assets

Concentrations of the credit risk with respect to mortgaged loans are considered low due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand. In addition, the values of the securities placed as collateral are adequate to settle debt and the ratios of loans to collateral values is in accordance with the notification of the OIC. The Company will consider its debtors' financial status and ability to pay debt based on a sound credit analysis standard, including determination of loan to value ratio so that it is not beyond the legal limit and monitor cash inflows in each month, including consistency of debt payment.

The Company continuously monitors all assets subject to Expected credit loss (ECL). In order to determine ECL from asset classification policy by using 12-month expected credit losses and Lifetime expected credit loss appropriately.

The Company considers guidelines on asset classification under credit risk characteristic as follows:

Stage 1 - Assets with no significant increase in credit risk (performing)

Stage 2 - Assets with significant increase in credit risk (under-performing)

Stage 3 - Credit-impaired or defaulted assets (non-performing)

As for criteria in asset classification, ECL provisioning and assets written off, the Company considers both quantitative and qualitative factors. In consideration of quantitative factors, it takes into accounts default periods of contractual interest and principal payments determined overdue periods (e.g. 30 days past due or 90 days past due) and soon. Qualitative factors should also be considered. Such as, in case that it is unlikely to receive the outstanding contractual amounts, significant decrease in credit quality of counterparties is expected, events that impact on business performance and credit rating of the issuer and forecasted information such as economic and industrial conditions, which are also factors to consider significant increase in credit risk.

The information relating to credit quality of financial assets were as below:

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements				
31 December 2023				
	Stage 1 - Financial assets without a significant increase in credit risk	Stage 2 - Financial assets with a significant increase in credit risk	Stage 3 - Credit - impaired financial assets	Total
Cash and cash equivalents				
Investment grade	317,357	-	-	317,357
Less: Allowance for expected credit losses	-	-	-	-
Net book value	317,357	-	-	317,357
Accrued investment income				
Investment grade	51,744	-	-	51,744
Non-investment grade	-	-	4,200	4,200
Total	51,744	-	4,200	55,944
Less: Allowance for expected credit losses	(10)	-	(3,783)	(3,793)
Net book value	51,734	-	417	52,151
Available-for-sale investments measured at fair value through other comprehensive income				
Investment grade	8,778,187	-	-	8,778,187
Non-investment grade	-	-	58,388	58,388
Total fair value	8,778,187	-	58,388	8,836,575
Allowance for expected credit losses recognised in profit or loss	(749)	-	(53,351)	(54,100)
Held-to-maturity investments measured at amortised cost				
Investment grade	7,840,501	-	-	7,840,501
Less: Allowance for expected credit losses	(1,104)	-	-	(1,104)
Net book value	7,839,397	-	-	7,839,397
Loans and interest receivables				
Not yet due	969,856	438	2,676	972,970
Over due				
Less than 3 months	11,363	-	-	11,363
3 - 6 months	-	30,083	-	30,083
6 - 12 months	-	-	-	-
Longer than 12 months	-	-	125,927	125,927
Total	981,219	30,521	128,603	1,140,343
Less: Allowance for expected credit losses	(438)	-	(64,865)	(65,303)
Net book value	980,781	30,521	63,738	1,075,040

(Unit: Thousand Baht)

Financial statements in which the equity method is applied
and Separate financial statements

	31 December 2022			
	Stage 1 - Financial assets without a significant increase in credit risk	Stage 2 - Financial assets with a significant increase in credit risk	Stage 3 - Credit - impaired financial assets	Total
Cash and cash equivalents				
Investment grade	648,190	-	-	648,190
Less: Allowance for expected credit losses	-	-	-	-
Net book value	648,190	-	-	648,190
Accrued investment income				
Investment grade	27,501	-	-	27,501
Non-investment grade	-	-	2,550	2,550
Total	27,501	-	2,550	30,051
Less: Allowance for expected credit losses	(6)	-	(2,263)	(2,269)
Net book value	27,495	-	287	27,782
Available-for-sale investments measured at fair value through other comprehensive income				
Investment grade	4,928,216	-	-	4,928,216
Non-investment grade	-	-	53,614	53,614
Total fair value	4,928,216	-	53,614	4,981,830
Allowance for expected credit losses recognised in profit or loss	(819)	-	(51,841)	(52,660)
Held-to-maturity investments measured at amortised cost				
Investment grade	8,872,429	-	-	8,872,429
Less: Allowance for expected credit losses	(951)	-	-	(951)
Net book value	8,871,478	-	-	8,871,478
Loans and interest receivables				
Not yet due	1,060,821	-	-	1,060,821
Over due				
Less than 3 months	-	-	29,491	29,491
3 - 6 months	-	1,723	-	1,723
6 - 12 months	-	-	6,954	6,954
Longer than 12 months	-	-	129,217	129,217
Total	1,060,821	1,723	165,662	1,228,206
Less: Allowance for expected credit losses	-	-	(63,845)	(63,845)
Net book value	1,060,821	1,723	101,817	1,164,361

The above table showed the maximum exposure to credit risk for financial assets. The maximum exposure was shown in gross carrying amounts before collateral or any activities that could mitigate credit risk.

For financial assets recognised in the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts net of allowance for expected credit losses.

The significant movements in allowance for expected credit losses were stated below:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	For the years ended 31 December 2023			
	Stage 1 - Financial assets without a significant increase in credit risk	Stage 2 - Financial assets with a significant increase in credit risk	Stage 3 - Credit - impaired financial assets	Total
Available-for-sale investments				
measured at fair value through				
other comprehensive income				
Beginning balance - 1 January 2023	819	-	51,841	52,660
Change due to remeasurement of allowance for expected credit losses	3	-	1,510	1,513
Newly purchased or acquired financial assets	24	-	-	24
Amounts derecognised	(97)	-	-	(97)
Ending balance - 31 December 2023	<u>749</u>	<u>-</u>	<u>53,351</u>	<u>54,100</u>
Held-to-maturity investments				
measured at amortised cost				
Beginning balance - 1 January 2023	951	-	-	951
Newly purchased or acquired financial assets	1,100	-	-	1,100
Amounts derecognised	(947)	-	-	(947)
Ending balance - 31 December 2023	<u>1,104</u>	<u>-</u>	<u>-</u>	<u>1,104</u>
Loans and interest receivables				
Beginning balance - 1 January 2023	-	-	63,845	63,845
Change due to remeasurement of allowance for expected credit losses	438	-	1,020	1,458
Ending balance - 31 December 2023	<u>438</u>	<u>-</u>	<u>64,865</u>	<u>65,303</u>

(Unit: Thousand Baht)

Financial statements in which the equity method is applied
and Separate financial statements

For the years ended 31 December 2022

	Stage 1 - Financial assets without a significant increase in credit risk	Stage 2 - Financial assets with a significant increase in credit risk	Stage 3 - Credit - impaired financial assets	Total
Available-for-sale investments				
measured at fair value through other comprehensive income				
Beginning balance - 1 January 2022	1,341	-	50,401	51,742
Change due to remeasurement of allowance for expected credit losses	(538)	-	1,440	902
Newly purchased or acquired financial assets	305	-	-	305
Amounts derecognised	(289)	-	-	(289)
Ending balance - 31 December 2022	819	-	51,841	52,660
Held-to-maturity investments				
measured at amortised cost				
Beginning balance - 1 January 2022	2,876	-	-	2,876
Change due to remeasurement of allowance for expected credit losses	(298)	-	-	(298)
Newly purchased or acquired financial assets	825	-	-	825
Amounts derecognised	(2,452)	-	-	(2,452)
Ending balance - 31 December 2022	951	-	-	951
Loans and interest receivables				
Beginning balance - 1 January 2022	-	-	56,436	56,436
Change due to remeasurement of allowance for expected credit losses	-	-	7,409	7,409
Ending balance - 31 December 2022	-	-	63,845	63,845

33.3 Market risk

Market risk is the risk that changes in interest rate, exchange rate, and equity prices could lead to volatility in the financial position of the Company.

(a) Interest rate risk

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

The Company's exposure to interest rate risk relates to loans is low because most of loans bear floating interest rate. Whenever market rate is significantly higher than the rate in loans' agreement, the Company can adjust the interest without deniable by borrower according to the defined criteria in loan agreement between the Company and borrower for loans which bear fixed interest rate.

The Company has closely followed up the determination of the policy interest rates of the Bank of Thailand, direction of a change in the United States' Federal Reserve's interest rates, and return rates in the debt securities market in order to define the investment duration in accordance with the fluctuation of interest rates. In addition, the Company also has a policy of occupying debt instruments until they are due so as to minimize the risks incurred by instrument price volatility, apart from managing its bank deposits so that they have due amounts every month and in an approximate amount, which helps reduce a reinvestment risk.

As at 31 December 2023 and 2022, significant assets and liabilities classified by type of interest rate were summarised below;

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements						
	31 December 2023						
	Fixed interest rates						
	Maturity date or repricing date				Non-		Effective
	Within	1 - 5	Over	Floating	interest		Effective
	1 year	years	5 years	interest rate	bearing	Total	interest rate
Financial assets							
Cash and cash equivalents	-	-	-	229,849	87,508	317,357	0.05 - 0.60
Accrued investment income	49,888	-	-	-	2,263	52,151	0.55 - 3.85
Investments in securities							
Government and state							
enterprise securities	6,919,741	777,860	95,149	-	-	7,792,750	1.34 - 2.35
Private enterprise debt							
securities	449,364	493,679	100,782	-	-	1,043,825	1.17 - 3.85
Common stocks	-	-	-	-	33,389,060	33,389,060	-
Unit trusts	-	-	-	-	943,759	943,759	-
Deposits at financial							
institutions	7,839,397	-	-	-	-	7,839,397	0.75 - 2.45
Loans and interest							
receivables	190	11,561	170,197	893,092	-	1,075,040	2.50 - 7.10
Financial liabilities							
Lease liabilities	20,082	102,037	684,842	-	-	806,961	5.00 - 5.58
Assets under insurance contracts							
Premium receivables	-	-	-	-	4,448,157	4,448,157	-
Reinsurance assets - loss							
reserves	-	-	-	-	10,790,597	10,790,597	-
Reinsurance receivables	-	-	-	-	577,701	577,701	-
Liabilities under insurance contracts							
Insurance contract liabilities -							
loss reserves	-	-	-	-	14,787,211	14,787,211	-
Due to reinsurers	-	-	-	-	4,268,601	4,268,601	-

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements

31 December 2022

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Maturity date or repricing date						
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	100,000	-	-	508,222	39,968	648,190	0.25 - 1.10
Accrued investment income	24,908	287	-	-	2,587	27,782	0.25 - 3.60
Investments in securities							
Government and state enterprise securities	2,708,445	1,196,898	95,900	-	-	4,001,243	0.52 - 2.40
Private enterprise debt securities	84,952	779,981	115,654	-	-	980,587	0.72 - 3.60
Common stocks	-	-	-	-	33,181,103	33,181,103	-
Unit trusts	-	-	-	-	1,086,825	1,086,825	-
Deposits at financial institutions	8,871,478	-	-	-	-	8,871,478	0.38 - 1.20
Loans and interest receivables	70	11,957	151,042	1,001,292	-	1,164,361	2.50 - 7.00
Financial liabilities							
Lease liabilities	23,081	111,594	684,842	-	-	819,517	5.00 - 5.58
Assets under insurance contracts							
Premium receivables	-	-	-	-	3,721,924	3,721,924	-
Reinsurance assets - loss reserves	-	-	-	-	10,186,623	10,186,623	-
Reinsurance receivables	-	-	-	-	475,957	475,957	-
Liabilities under insurance contracts							
Insurance contract liabilities - loss reserves	-	-	-	-	13,751,929	13,751,929	-
Due to reinsurers	-	-	-	-	3,779,316	3,779,316	-

The changes in interest rates affected on the Company's profit and loss and owners' equity as at 31 December 2023 and 2022 were summarised below:

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2023		
	Interest rate change	Profit before income	Owners' equity
	increased (decreased)	tax increased (decreased)	increased (decreased)
	(%)		
Investments in debt instruments	0.25 (0.25)	- -	(8.5) 8.5
Deposits at financial institutions	0.25 (0.25)	22.8 (22.8)	18.3 (18.2)
Loans and interest receivables	0.50 (0.50)	4.1 (4.1)	3.3 (3.3)

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2022		
	Interest rate change	Profit before income	Owners' equity
	increased (decreased)	tax increased (decreased)	increased (decreased)
	(%)		
Investments in debt instruments	0.25 (0.25)	- -	(12.1) 12.2
Deposits at financial institutions	0.25 (0.25)	16.0 (16.0)	12.8 (12.8)
Loans and interest receivables	0.50 (0.50)	5.1 (4.1)	4.0 (3.3)

The above analysis has been prepared assuming that the amounts of the floating rate financial assets and all other variables remain constant for a year. Moreover, the floating legs of these assets are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest fully paid in 12 months. This information is not a forecast or prediction of future market conditions and should be used with care.

(b) Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from foreign currency denominated underwriting, reinsurance with foreign reinsurers and investments in foreign associates.

The Company may use financial instruments to prevent exchange rate risks, for instance, Cross Currency and Interest Rate Swap, Interest Rate Swap, and Foreign Exchange Forward, in order to minimize the risks in accordance with the market situation and in line with the regulator's requirements. Furthermore, the Company has also developed its information technology system so as to be used to evaluate the level of investment risk through various assessment methods and models, for example, Value at Risk, Sensitivity Analysis, and Stress Test to ensure that the Company still has financial standing flexible enough to counter the damage which may occur.

As at 31 December 2023 and 2022, the Company did not enter into any forward foreign exchange contracts to mitigate possible foreign exchange risk.

As at 31 December 2023 and 2022, the Company had ending balance of assets and liabilities denominated in foreign currency, as follows:

Foreign currency	Assets		Liabilities		Average exchange rate	
	31 December		31 December		31 December	
	2023	2022	2023	2022	2023	2022
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 foreign currency unit)	
US dollar	718.0	729.0	525.3	424.4	34.178	34.514
Philippine peso	47.4	40.3	46.6	24.9	0.611	0.618
China yuan	30.3	32.9	-	-	4.790	4.949
HK dollar	12.6	12.7	-	-	4.374	4.425
Euro	8.2	20.3	-	-	37.981	36.770
Vietnam dong	3.0	0.6	-	-	0.001	0.001
Poundsterling	2.1	-	2.4	1.7	43.776	41.590
Japan yen	0.2	0.4	0.1	-	0.2418	0.260
Taiwan dollar	-	-	84.7	31.2	1.108	1.126
Pakistan rupee	-	-	0.6	0.3	0.121	0.152
Australia dollar	-	-	0.2	0.1	23.426	23.341

(c) Equity position risk

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

The Company will choose to invest in equity securities of which the issuers possess robust financial status and an ability to make a profit, with steady growth potential, as well as in the business deriving the benefits of the government policy. Additionally, the Company will mostly occupy equity instruments for its long-term investments, which will be able to reduce price volatility of equity instruments.

As at 31 December 2023 and 2022, the Company had risk from its investments in equity securities of which the price would change with reference to market conditions.

33.4 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss. The Company has allocated a portion of investment as a bank deposit with high liquidity, which is reserved for operating expenses, while the deposit is defined to be due in each period, in conformity with a demand for spending in accordance with a plan for the cash flow management, financial reception and payment based on an obligation established. As to the other portion, the Company has allotted investment in stocks required by the market, with high liquidity and an ability to be realized as cash conveniently, as well as at the value approximate to the fair value.

Counting from the financial position date, the periods to maturity of assets and liabilities held as at 31 December 2023 and 2022 were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements					
	31 December 2023					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	317,357	-	-	-	-	317,357
Accrued investment income	-	52,151	-	-	-	52,151
Investments in securities	-	15,208,501	1,271,539	195,931	34,332,819	51,008,790
Loans and interest receivables	68,952	41,282	779,664	185,142	-	1,075,040
Financial liabilities						
Lease liabilities	-	60,448	255,318	1,401,947	-	1,717,713
Assets under insurance contracts						
Premium receivables	-	4,448,157	-	-	-	4,448,157
Reinsurance assets - loss reserves	-	7,452,875	3,337,722	-	-	10,790,597
Reinsurance receivables	-	549,080	8,246	20,375	-	577,701
Liabilities under insurance contracts						
Insurance contract liabilities - loss reserves	-	10,213,266	4,573,945	-	-	14,787,211
Due to reinsurers	-	4,268,601	-	-	-	4,268,601

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements

	31 December 2022					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	548,190	100,000	-	-	-	648,190
Accrued investment income	-	27,495	287	-	-	27,782
Investments in securities	30,853,340	11,664,875	1,976,879	211,554	3,414,588	48,121,236
Loans and interest receivables	80,906	93,432	814,593	175,430	-	1,164,361
Financial liabilities						
Lease liabilities	-	64,074	304,010	1,401,947	-	1,770,031
Assets under insurance contracts						
Premium receivables	-	3,721,924	-	-	-	3,721,924
Reinsurance assets - loss reserves	-	6,765,536	3,421,087	-	-	10,186,623
Reinsurance receivables	-	455,582	-	-	20,375	475,957
Liabilities under insurance contracts						
Insurance contract liabilities - loss reserves	-	9,133,466	4,618,463	-	-	13,751,929
Due to reinsurers	-	3,779,316	-	-	-	3,779,316

34. Fair value of financial assets

As of 31 December 2023 and 2022, the Company had the following financial assets that were measured at fair value or cost but fair value were disclosed by using different levels of inputs as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	31 December 2023				
	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total	Value
Financial assets					
measured at fair value					
Investments in securities					
Government and state					
enterprise securities	-	7,792,750	-	7,792,750	7,792,750
Private enterprise debt					
securities	-	1,043,825	-	1,043,825	1,043,825
Equity securities	30,821,528	-	3,511,291	34,332,819	34,332,819
Financial asset for which					
fair value are disclosed					
Cash and cash equivalent	317,357	-	-	317,357	317,357
Accrued investment income	42,093	10,058	-	52,151	52,151
Investment in securities					
Held-to-maturity					
investments	7,839,397	-	-	7,839,397	7,839,397
Loans and interest					
receivables	-	-	1,060,676	1,060,676	1,075,040
Investment properties - net	-	-	607,561	607,561	66,241

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements					
31 December 2022					
	Fair Value				Carrying
	Level 1	Level 2	Level 3	Total	Value
Financial assets					
measured at fair value					
Investments in securities					
Government and state					
enterprise securities	-	4,001,243	-	4,001,243	4,001,243
Private enterprise debt					
securities	-	980,587	-	980,587	980,587
Equity securities	30,853,340	-	3,414,588	34,267,928	34,267,928
Financial asset for which					
fair value are disclosed					
Cash and cash equivalent	648,190	-	-	648,190	648,190
Accrued investment income	18,569	9,213	-	27,782	27,782
Investment in securities					
Held-to-maturity					
investments	8,871,478	-	-	8,871,478	8,871,478
Loans and interest					
receivables	-	-	1,151,346	1,151,346	1,164,361
Investment properties - net	-	-	625,497	625,497	83,471

The fair value hierarchy of financial assets were described in Note 4.20 to the financial statements. During the years, there were no transfers within the fair value hierarchy.

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

- (a) Financial assets with short-term maturity, which were cash and cash equivalents and accrued investment income, were presented at fair value, which were estimated to approximate their carrying values as stated in the statements of financial position.
- (b) Investments in equity securities were presented at fair value, which was derived from market price. In case of non-marketable equity securities, the fair value was determined using generally accepted methods, e.g. price per book value method or discounted cash flow techniques discounted by the Weighted Average Cost of Capital (WACC) appropriate to each security, except for unit trusts, which are not listed on the Stock Exchange of Thailand, their fair values are determined using the net asset value per unit announced by the fund managers.

- (c) Investments in debts securities were presented at market prices or determined using the yield curve as announced by the Thai Bond Market Association.
- (d) Loans were presented at fair value, which is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- (e) Investment properties were presented at fair values, which are appraised by an independent valuer using the income approach. The key assumptions used in such appraisal are yield rate, inflation rate, long-term vacancy rate and long-term growth rate in rental fee.

Reconciliation of fair value measurements of equity financial assets, categorised within Level 3 of the fair value hierarchy, were presented below:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Balances - beginning of the years	3,414,588	3,125,316
Disposal during the years	-	(6,024)
Gains on revaluation during the years	96,703	295,296
Balances - end of the years	3,511,291	3,414,588

35. Capital management

The primary objectives of the Company's capital management are to ensure that it preserves the ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the Office of Insurance Commission.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Executive Directors on 21 February 2024.