

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

Independent Auditor's Report

To the Shareholders of Thaivivat Insurance Public Company Limited

Opinion

I have audited the accompanying financial statements of Thaivivat Insurance Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thaivivat 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.

Emphasis of Matters

I draw attention to the following Notes to the financial statements:

1. Note 1.2 to the financial statements states that as of 7 July 2023, the Company's parent company is Thaivivat Holdings Public Company Limited (TVH), which holds 98.94 percent of the Company's issued and paid-up share capital. Subsequently, on 14 July 2023, TVH's ordinary shares were listed on the Stock Exchange of Thailand ("SET") replacing for the Company's shares, which were concurrently delisted from the SET.
2. Note 2 to the financial statements states that the Company has elected not to present the consolidated financial statements as the parent company has already prepared and published them as public information, which is in accordance with Thai Financial Reporting Standards.

My opinion is not modified in respect of these matters.

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.

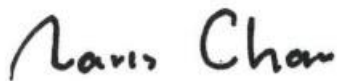
As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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



Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 27 February 2024

Thaivivat Insurance Public Company Limited**Statements of financial position****As at 31 December 2023**

		(Unit: Thousand Baht)	
	Note	2023	2022
Assets			
Cash and cash equivalents	7	219,507	301,919
Premium receivables	8	859,720	869,561
Accrued investment income		17,274	78,243
Reinsurance assets	9	267,067	406,723
Receivables from reinsurance contracts	10	44,999	60,723
Financial assets - debt instruments	11	5,896,325	5,414,620
Financial assets - equity instruments	12	659,662	843,263
Derivative assets		-	2,379
Loans and interest receivables	14	1,700	3,184
Investment in subsidiaries	15	94,150	90,150
Property, buildings and equipment	16	357,144	346,125
Intangible assets - computer software	17	28,020	23,267
Deferred tax assets	18.1	258,989	227,292
Other assets	19	1,070,700	1,061,551
Total assets		9,775,257	9,729,000

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

Thaivivat Insurance Public Company Limited
Statements of financial position (Continued)
As at 31 December 2023

(Unit: Thousand Baht)

	Note	2023	2022
Liabilities and equity			
Liabilities			
Insurance contract liabilities	20	6,370,938	6,405,933
Amount due to reinsurers	21	261,594	318,819
Income tax payable		56,836	28,945
Employee benefit obligations	22	99,838	87,923
Other liabilities	23	1,154,938	1,032,545
Total liabilities		7,944,144	7,874,165
Equity			
Share capital			
Registered			
303,000,000 ordinary shares of Baht 1 each		303,000	303,000
Issued and paid-up			
303,000,000 ordinary shares of Baht 1 each		303,000	303,000
Premium on share capital		163,800	163,800
Retained earnings			
Appropriated - statutory reserve	24	30,300	30,300
Unappropriated		1,194,264	1,145,516
Other components of equity	13	139,749	212,219
Total equity		1,831,113	1,854,835
Total liabilities and equity		9,775,257	9,729,000

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



Directors

Thaivivat Insurance Public Company Limited
Statements of comprehensive income
For the year ended 31 December 2023

		(Unit: Baht)	
	Note	2023	2022
Profit or loss:			
Income			
Gross premium written		7,134,570	7,307,224
Less: Premium ceded to reinsurers		(422,387)	(635,353)
Net premium written		6,712,183	6,671,871
Less: Unearned premium reserves increase from prior year		(4,902)	(419,848)
Net earned premium		6,707,281	6,252,023
Fee and commission income		162,335	173,453
Net investment income	25	148,302	96,353
Gain (loss) on financial instruments	26	33,431	(95,397)
Loss on fair value valuation of financial instruments	27	(66,061)	(61,427)
Other income		13,144	24,765
Total income		6,998,432	6,389,770
Expenses			
Claims and loss adjustment expenses		4,255,421	3,993,331
Less: Claim recovery from reinsurance		(127,900)	(232,776)
Commission and brokerage expenses		1,236,373	1,186,878
Other underwriting expenses		355,473	317,982
Operating expenses	28	917,559	855,917
Reversal of expected credit loss	30	(756)	(2,461)
Total expenses	29	6,636,170	6,118,871
Profit before income tax		362,262	270,899
Income tax expenses	18.2	(71,180)	(54,655)
Profit for the year		291,082	216,244

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

Thaivivat Insurance Public Company Limited
Statements of comprehensive income (continued)
For the year ended 31 December 2023

	(Unit: Thousand Baht)	
Note	2023	2022
Other comprehensive income:		
Other comprehensive income to be reclassified		
to profit or loss in subsequent periods		
Gain (loss) on change in value of debt instruments		
measured at fair value through other comprehensive income	35,755	(9,907)
Add (less): Income tax effect	(7,151)	1,982
Other comprehensive income to be reclassified to profit or loss		
in subsequent periods - net of income tax (loss)	28,604	(7,925)
Other comprehensive income not to be reclassified		
to profit or loss in subsequent periods		
Gain (loss) on change in value of equity instruments		
designated at fair value through other comprehensive income	(126,342)	35,836
Actuarial gain (loss)	(3,774)	8,977
Add (less): Income tax effect	26,023	(8,963)
Other comprehensive income not to be reclassified to profit or loss		
in subsequent periods - net of income tax (loss)	(104,093)	35,850
Other comprehensive income for the year (loss)	(75,489)	27,925
Total comprehensive income for the year	215,593	244,169
Earnings per share	32	
Basic earnings per share (Baht)	0.96	0.71

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

Thaivivat Insurance Public Company Limited
Statements of cash flows
For the year ended 31 December 2023

(Unit: Thousand Baht)

	2023	2022
Cash flows from (used in) operating activities		
Direct premium written	7,299,614	7,335,530
Cash paid for reinsurance	(127,622)	(239,514)
Interest income	182,051	5,096
Dividend income	27,204	24,844
Other income	12,654	25,602
Claim incurred on direct insurance	(4,047,717)	(3,226,766)
Loss adjustment expenses on direct insurance	(87,797)	(65,110)
Commission and brokerage on direct insurance	(1,256,794)	(1,205,958)
Other underwriting expenses	(354,366)	(320,557)
Operating expenses	(917,396)	(1,050,802)
Income tax	(56,115)	(164,702)
Cash received from investment assets	5,291,561	8,016,992
Cash paid for investment assets	(5,754,296)	(9,309,477)
Net cash from (used in) operating activities	210,981	(174,822)
Cash flows from (used in) investing activities		
Investment in subsidiaries	(4,000)	(7,950)
Net cash received from disposals of investment in subsidiaries	-	5,000
Cash paid for purchases of equipment	(36,295)	(42,927)
Cash paid for purchase of intangible assets	(13,221)	(3,704)
Cash received from disposals of equipment	112	1
Net cash used in investing activities	(53,404)	(49,580)
Cash flows used in financial activities		
Dividend paid	(239,315)	(212,100)
Net cash used in financial activities	(239,315)	(212,100)
Unrealised exchange rate change	(922)	141
Net decrease in cash and cash equivalents	(82,660)	(436,361)
Decrease in allowance for expected credit loss	248	509
Cash and cash equivalents at beginning of year	301,919	737,771
Cash and cash equivalents at end of year	219,507	301,919

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

Thaivivat Insurance Public Company Limited
Statements of changes in equity
For the year ended 31 December 2023

(Unit: Thousand Baht)

	Other components of equity - surplus (deficit)							
	on changes in value of investments							
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Debt instruments	Equity instruments	Total	Total equity
			Appropriated - statutory reserve	Unappropriated	measured at fair	designated at fair		
					value through other comprehensive income	value through other comprehensive income		
Balance as at 1 January 2022	303,000	163,800	30,300	1,133,960	12,559	179,147	191,706	1,822,766
Profit for the year	-	-	-	216,244	-	-	-	216,244
Other comprehensive income for the year (loss)	-	-	-	7,181	(7,925)	28,669	20,744	27,925
Total comprehensive income for the year (loss)	-	-	-	223,425	(7,925)	28,669	20,744	244,169
Transfer to retained earning (Note 12.3)	-	-	-	231	-	(231)	(231)	-
Dividend paid during the year (Note 33)	-	-	-	(212,100)	-	-	-	(212,100)
Balance as at 31 December 2022	303,000	163,800	30,300	1,145,516	4,634	207,585	212,219	1,854,835
Balance as at 1 January 2023	303,000	163,800	30,300	1,145,516	4,634	207,585	212,219	1,854,835
Profit for the period	-	-	-	291,082	-	-	-	291,082
Other comprehensive income for the period (loss)	-	-	-	(3,019)	28,604	(101,074)	(72,470)	(75,489)
Total comprehensive income for the period (loss)	-	-	-	288,063	28,604	(101,074)	(72,470)	215,593
Dividend paid during the year (Note 33)	-	-	-	(239,315)	-	-	-	(239,315)
Balance as at 31 December 2023	303,000	163,800	30,300	1,194,264	33,238	106,511	139,749	1,831,113

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

Thaivivat Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2023

1. General information

1.1 Company information

Thaivivat Insurance Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Since 7 July 2023, the Company has Thaivivat Holdings Public Company Limited, a public limited company also existing under Thai laws and listed on the Stock Exchange of Thailand on 14 July 2023, as its parent company. It holds 98.94 percent of the Company's issued and paid-up share capital. The ultimate parent company of the Group is MAFAM Co., Ltd..

Prior to 7 July 2023, the Company's major shareholder was MAFAM Co., Ltd., which was incorporated in Thailand, held 48.07 percent of the issued and paid-up share capital of the Company.

The Company is principally engaged in non-life insurance. The registered office of the Company is at 71 Thaivivat Insurance Building, Dindaeng Road, Samsen Nai, Phayathai, Bangkok.

1.2 The restructuring plan of the Company

At the 2022 Annual General Meeting of the Company's shareholders held on 28 April 2022, the shareholders approved the Company's Shareholding and Management Restructuring Plan. As a result, the Company established a holding company, "Thaivivat Holdings Public Company Limited" ("TVH"), as a public limited company to make a tender offer for all securities of the Company to swap with the same securities of TVH at a ratio of one ordinary share of the Company per one ordinary share of the TVH.

On 28 April 2023, the Company received a tender offer from Thaivivat Holdings Public Company Limited (referred to as the "Offeror" or "TVH"), to acquire securities of the Company. TVH is to issue and offer securities of the same type in exchange for TVI's securities at a ratio of one to one, meaning one new ordinary share of TVH for each ordinary share of the Company. The tender offer will be made for a total of 303 million ordinary shares, representing 100% of the Company's issued and paid-up shares. The tender offer period will span 45 business days, from 2 May 2023 to 6 July 2023, and this period is considered final and will not be extended. The tender offer period ended and the shareholders of the Company accepted the tender offer for a total of 299,777,556 shares, accounting for 98.94% of the Company's issued and paid-up shares. As a result, the tender offer was successfully completed, and the Company has currently become a subsidiary of TVH.

On 14 July 2023, TVH's shares were listed on the Stock Exchange of Thailand ("SET") in place of the Company's shares, which were delisted from the SET on the same date.

2. Basis for preparation of the 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 guidelines prescribed by the Office of Insurance Commission ("OIC"), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements of non-life insurance companies B.E. 2566 dated 8 February 2023.

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

In addition, the Company elects not to present the consolidated financial statements as the parent company has prepared the consolidated financial statements and published as public information by including the Company and the Company's subsidiaries in its financial statements in accordance with Thai Financial Reporting Standards.

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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.

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

3.2 Financial reporting standards that will become 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. This standard 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 key 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.

However, the Company's management is in the process of assessment of the impact to the financial statements for the year in which such financial reporting standard will be effective.

4. Significant accounting policies

4.1 Revenue recognition

(a) Premium income

Premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related premium are recorded as unearned items, and recognised as income over the coverage period each year.

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

(b) Commission and brokerage fees income

Commission and brokerage fees from ceded premium are recognised when the insurance risk is transferred to another insurer.

Commission and brokerage fees from ceded premium with coverage periods longer than 1 year are recorded as unearned items and amortised to income in annual amounts over the coverage period.

(c) Net investment income

Interest income

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 assets, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial assets (net of the expected credit loss allowance).

Dividends

Dividends are recognised as revenue when the right to receive the dividends is established.

(d) Gain (loss) on financial instruments

Gain (loss) on disposal or write off of debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income and equity instruments measured at fair value through profit or loss. The Company recognises in profit or loss on the transaction date.

- (e) Fair value gain (loss) on financial instruments

Fair value gain (loss) from the change in fair value of equity instruments and debt instruments measured at fair value through profit or loss, gain (loss) from the exchange rate and derivatives.

4.2 Expenses recognition

- (a) Ceded premium

Ceded premium is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepaid expenses and recognised as expenses over the coverage period each year.

- (b) Claim and loss adjustment expenses

Claim and loss adjustment expense consist of claim and loss adjustment expenses of direct insurance and reinsurance of both reported claim and not reported claim, and include the amounts of claim, related expenses, and loss adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claims recovery from reinsurer is recognised when claim and loss adjustment expenses are recorded as the condition in the relevant reinsurance contract.

Claim and loss adjustment expenses of direct insurance is recognised upon the receipt of the claim advice from the insured, based on the claim notified by the insured and estimates made by the management. The maximum value of claim estimated shall not exceed the sum-insured under the relevant policy.

Claim and loss adjustment expenses of reinsurance are recognised when the reinsurer places the loss advice with the Company.

- (c) Commission and brokerage expenses

Commission and brokerage are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepaid items and recognised as expenses over the coverage period each year.

- (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.

4.3 Product classification

The Company classified the insurance contracts and outward 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 occur with the benefits payable if the insured event did not occur. If the criteria are not met, the Company classifies the insurance contract as an investment contract. Investment contracts have the legal form of insurance contracts and transfer financial risk to the insurer, but not significant insurance risk. Financial risks are specified as interest rate risk, exchange rate risk, or price risk.

The Company classifies contracts based on assessment of the insurance risk at an inception of contract, on a contract-by-contract basis. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at an inception date, it can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

The Company classifies all insurance contracts as short-term insurance contracts, which means insurance contracts that have coverage periods of up to 1 year and no automatic renewal clause, as well as critical illness, personal accident, health that have coverage periods of more than 1 year but the Company can terminate, increase or decrease insurance premiums or change any benefits of the insurance contracts throughout the coverage period.

4.4 Cash and cash equivalents

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

4.5 Premium receivables and allowance for doubtful accounts

Premium receivable from direct insurance is stated at its net realisable value. The Company set up an allowance for doubtful account based on estimated loss that may incur in collection of the premium receivable, on the basis of collection experience, analysis of debtor aging and a review of current status of the premium receivable as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recorded as expenses during the year.

4.6 Reinsurance assets

Reinsurance assets consist of insurance reserve refundable from reinsurers which is estimated based on the related reinsurance contract of loss reserves and outstanding claim in accordance with the law regarding insurance reserve calculation, and unearned premium reserves.

The Company set up an allowance for doubtful accounts of reinsurance assets when had indicator for impairment, based on losses that may be incurred due to uncollectible, 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 allowance for doubtful accounts is recorded as expenses during the year.

4.7 Reinsurance receivables and amount due to reinsurers

- (a) Reinsurance receivables are stated at the outstanding balance of amount due from reinsurers and amount deposit on reinsurance.

Amount due from reinsurers consist of inward premium receivable, accrued fee and commission income, claim and various other items receivable from reinsurers, less allowance for doubtful accounts. The Company set up an allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

- (b) Due to reinsurers consist of outstanding balance of amount due to reinsurers and amount withheld on reinsurance.

Amount due to reinsurers consist of reinsurance premiums, and other items payable to reinsurers, excluding loss reserve from reinsurance.

The Company presents net of reinsurance to the same entity (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 intend 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 Financial instruments

Investment in debt and equity instruments

The Company has classified financial assets as financial assets - debt instruments and equity instruments as follows:

Financial assets - debt instruments

The Company has classified investments in debt instruments as financial assets to be subsequently measured at amortised cost or fair value, based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, on the basis of the facts on the date of acquisition, with classifications as follows:

- (a) Financial assets measured at fair value through profit or loss (FVTPL)

If the Company hold financial assets in debt instruments following business model, which the objective is not achieved collecting contractual cash flows or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. These financial assets are classified as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on change in fair value are recognised in profit or loss.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Investments in debt instruments are classified as financial assets measured at fair value through other comprehensive income if they meet both of the following conditions: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value.

After initial recognition, gain or loss on changes in fair value are presented as a separate item in other comprehensive income. The expected credit loss and interest income, which is calculated using the effective interest rate method, are recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented at fair value and net of allowance for expected credit loss (if any) in the statement of financial position.

(c) Financial assets measured at amortised cost

Investments in debt instruments are classified as financial assets measured at amortised cost if they meet both of the following conditions: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value as at transaction date.

At the end of reporting period, investments in debt instruments measured at amortised cost are started at amortised cost and net of allowance for expected credit loss (if any) in the statement of financial position.

Financial assets - equity instruments

All equity instruments are recognised at fair value in the statement of financial position, classified as follows:

(a) Financial assets measured at fair value through profit or loss

Investment in equity instruments that are held for trading are classified as financial assets measured at fair value through profit or loss, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis.

After initial recognition, gain or loss arising from changes in fair value are recognised in profit or loss.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented at fair value in the statement of financial position.

(b) Financial assets measured at fair value through other comprehensive income

Investments in equity instruments that are not held for trading but held for strategic purposes or investments in securities with high market volatility are classified as financial assets measured at fair value through other comprehensive income, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis. The Company also classifies investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds as investments in equity instrument designated at fair value through other comprehensive income.

After initial recognition, gain or loss arising from changes in the fair value of investments in equity instruments are separately presented in other comprehensive income.

At the end of the reporting period, investments in equity instruments designated at fair value through other comprehensive income are presented at fair value in the statement of financial position.

Investments in equity instruments are designated to be measured at fair value through other comprehensive income without requiring impairment assessment.

Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flow techniques or approximated to their netbook value. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the Thai Bond Market Association while the fair value of non-listed unit trusts is determined based on their net asset value.

Investment income and disposal of investments

Gain or loss arising from disposal of investments are recognised in profit or loss on the transaction date, in statement of comprehensive income, except for gain or loss from disposal of investments in equity instruments designated to be measured at fair value through other comprehensive income, which are recognised in retained earnings. The weighted average method is used for computation of the cost of investments.

Dividends on these investments are recognised in profit or loss in the statement of comprehensive income, unless the dividends clearly represent a recovery of part of the cost of the investment.

Changes in classification of investments in debt instruments

When there are changes in the Company's business model for management of financial assets, the Company has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investments.

Loans and interest receivables

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

Allowance for expected credit loss of financial assets

The Company recognises expected credit loss on its financial assets that are debt instruments, such as cash and cash equivalent, financial assets that debt instruments measured at amortised cost, financial assets that are debt instruments measured at fair value through comprehensive income and loans and interest receivables by applying the general approach. The Company recognises an allowance for expected credit loss at the amount equivalent to the lifetime expected credit loss when there has been a significant increase in credit risk since the initial recognition date but that are not credit-impaired or that are impaired. However, if there has not been a significant increase in credit risk since initial recognition date, the Company recognised allowance for expected credit loss at the amount equivalent to the expected credit loss in the next 12 months.

At every reporting date, the Company assesses whether there has been a significant increase in the credit risk of financial assets since initial recognition by considering internal and external credit ratings of the counterparties and overdue status.

Expected credit loss (ECLs) are calculated using probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Company assessed PD and LGD by considering the historical loss experience adjusted with current observable data and reasonable and supportable forward-looking information. The Company determines EAD using gross carrying value at the reporting date.

For other financial assets or contract assets that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit loss. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Increase (decrease) in allowance for expected credit loss is recognised as expenses during the year in profit or loss in statement of comprehensive income.

Classification and measurement of financial liabilities

At initial recognition the Company's financial liabilities are recognised at fair value and net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.9 Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of derivatives is based on their market price at the end of financial reporting period.

4.10 Investments in subsidiaries

Investments in subsidiaries are stated at cost net of allowance for impairment (if any). Loss on impairment is recognised as expense in profit or loss.

4.11 Property, buildings and equipment and depreciation

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

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

Buildings	-	20 years
Furniture and equipment	-	3 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and work in process.

An item of property, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (the difference between the net compensation from disposal of an assets and the carrying amounts) is included in profit or loss when the asset is derecognised.

4.12 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (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 assets 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 on computer software under development.

The intangible assets with finite useful lives which are computer software are 10 years.

4.13 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss as part of the statement of comprehensive income.

In the assessment of asset impairment if there is any indication that previously recognised impairment loss 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 assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased in 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.

4.14 Insurance contract liabilities

Insurance contract liabilities consist of claim reserve and outstanding claims and premium reserves.

(a) Claim reserves and outstanding claims

Outstanding claims are recorded at the amount 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 management. The maximum value of claims estimate shall not exceed the sum-insured under the relevant policy.

Claim reserves are calculated by using an actuarial method based on a best estimate of claims which are expected to be paid in respect of losses that occurred before or as at the end of the reporting date, covering both reported and not reported loss, and including loss adjustment expense, after deducting salvage values and other recoverable value. The different between the calculated claim reserves and the claim already recognised are recorded as incurred but not yet reported claims (IBNR).

(b) Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risk reserve.

(1) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Daily average basis by the period of coverage under policy

(2) Unexpired risk reserve

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

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

The increase or decrease in premium reserve from prior year is to be recognised in profit or loss.

4.15 Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plans

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.

Defined benefit plans

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.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

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

4.16 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.

4.17 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and loss on exchange are included in the statement of income.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is 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 to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At 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 asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.19 Related party transactions

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

They also include 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.

4.20 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 their assets and liabilities. In case of 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 period 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 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 on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Allowances for expected credit loss of financial assets

The management is required to use judgement in estimating allowance for expected credit loss of financial assets. The Company's calculation of allowance for expected credit loss depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the debtors status analysis, and the probability of debt collection. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

5.3 Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, both of its fair value less costs of disposal and its value in use. The recoverable amount is based on available data or observable market prices or a discounted cash flow model. The cash flows are derived from the expected future cash-inflows. Changes in assumption relevant to the factors using to calculation may affect to the assessment of impairment.

5.4 Allowance for doubtful accounts

In determining an allowance for doubtful accounts on premium receivables and amounts due from reinsurers, the management needs to make judgement and estimates based upon, among other things, past collection history, aging of outstanding debts and the prevailing economic condition.

5.5 Property, buildings and equipment/Depreciation

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

In addition, the management is required to review property, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their 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 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 estimate future taxable profits.

5.7 Loss reserves and outstanding claims

At the end of each reporting period, the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are claims incurred and reported, and the claims incurred but not yet reported (IBNR). The ultimate loss of outstanding claims is established using a range of standard actuarial claims projection techniques. The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred loss, average costs per claim and claim numbers, etc. Nevertheless, the estimation requires the management's judgements reflecting the best estimate available at that time, such estimates are forecasts of future outcomes, and actual results could differ.

5.8 Unexpired risk reserve

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

5.9 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.10 Litigation

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

5.11 Fair value of financial instruments

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

6. Classification of financial assets and financial liabilities

As at 31 December 2023 and 2022, carrying amount of financial assets and financial liabilities are classified as follow:

(Unit: Thousand Baht)

	2023				
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	219,507	219,507
Accrued investment income	-	-	-	17,274	17,274
Financial assets - debt instruments	1,270,695	4,595,377	-	30,253	5,896,325
Financial assets - equity instruments	411,253	-	248,409	-	659,662
Loan and interest receivables	-	-	-	1,700	1,700
Other assets - claim receivables from litigants	-	-	-	534,814	534,814
Receivable from sale of investments	-	-	-	45,505	45,505
Other assets - cash equivalents which subject to restrictions	-	-	-	10,421	10,421
Financial liabilities					
Payable on purchase of investments	-	-	-	5,695	5,695

(Unit: Thousand Baht)

	2022				Total
	Financial	Debt	Equity	Financial	
	instruments	instruments	instruments	instruments	
	measured at	measured at	designated at	measured at	
	FVTPL	FVOCI	FVOCI	amortised cost	
Financial assets					
Cash and cash equivalents	-	-	-	301,919	301,919
Accrued investment income	-	-	-	78,243	78,243
Financial assets - debt					
instruments	981,042	3,560,334	-	873,244	5,414,620
Financial assets - equity					
instruments	467,721	-	375,542	-	843,263
Derivative assets	2,379	-	-	-	2,379
Loan and interest receivables	-	-	-	3,184	3,184
Other assets - claim receivables					
from litigants	-	-	-	541,175	541,175
Receivable from sale of					
investments	-	-	-	4,509	4,509
Other assets - cash equivalents					
which subject to restrictions	-	-	-	9,079	9,079
Financial liabilities					
Payable on purchase of					
investments	-	-	-	10,078	10,078

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2023	2022
Cash on hand	1,480	1,260
Deposits at banks with no fixed maturity date	214,667	296,516
Deposits at banks and certificate of deposit with fixed maturity date	3,449	4,481
Total cash and cash equivalents	219,596	302,257
Less: Allowance for expected credit loss	(89)	(337)
Cash and cash equivalents	219,507	301,919

As at 31 December 2023, saving deposits and fixed deposits carried interest between 0.00% and 0.95% per annum (2022: between 0.00% and 0.30% per annum).

8. Premium receivables

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

	(Unit: Thousand Baht)	
	2023	2022
Not yet due	759,911	768,053
Not over 30 days	49,509	55,139
Over 30 days to 60 days	22,187	20,234
Over 60 days to 90 days	8,145	8,593
Over 90 days	21,960	18,470
Total premium receivables	861,712	870,489
Less: Allowance for doubtful accounts	(1,992)	(928)
Total premium receivables, net	859,720	869,561

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company takes legal actions with such agents and brokers on a case by case basis.

9. Reinsurance assets

	(Unit: Thousand Baht)	
	2023	2022
Insurance reserves refundable from reinsurers		
Claim reserves and outstanding claims	81,739	121,481
Unearned premium reserves	185,328	285,242
Reinsurance assets	267,067	406,723

10. Receivables from reinsurance contracts

	(Unit: Thousand Baht)	
	2023	2022
Amounts deposited on reinsurance	75	90
Amounts due from reinsurers	44,924	78,214
Total	44,999	78,304
Less: Allowance for doubtful accounts	-	(17,581)
Receivables from reinsurance contracts - net	44,999	60,723

As at 31 December 2023 and 2022, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Thousand Baht)	
	2023	2022
Not yet due	17,809	39,165
Not over 1 year	26,898	38,831
Over 1 year to 2 years	217	218
Total	44,924	78,214
Less: Allowance for doubtful accounts	-	(17,581)
Total amounts due from reinsurers - net	44,924	60,633

11. Financial assets - debt instruments

11.1 Classified by type of financial assets

	2023		2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Debt instruments measured at FVTPL				
Government and state enterprise securities	46,868	46,397	46,198	45,946
Private debt securities	5,212	5,116	15,410	15,146
Unit trusts	1,314,520	1,219,182	1,003,028	919,950
Total	1,366,600	1,270,695	1,064,636	981,042
Less: Unrealised loss	(95,905)		(83,594)	
Total	1,270,695		981,042	
Debt instruments measured at FVOCI				
Government and state enterprise securities	1,829,123	1,867,034	718,123	719,837
Private debt securities	2,717,047	2,719,172	2,837,537	2,840,497
Foreign debt instruments	10,000	9,171	-	-
Total	4,556,170	4,595,377	3,555,660	3,560,334
Add: Unrealised gain	41,547		5,792	
Less: Allowance for expected credit loss	(2,340)		(1,118)	
Total	4,595,377		3,560,334	
Debt instruments measured at amortised cost				
State enterprise securities	20,000		845,370	
Private debt securities	841		841	
Foreign debt instruments	-		15,000	
Deposits at financial institutions which amounts maturing in over 3 months	10,257		14,623	
Total	31,098		875,834	
Less: Allowance for expected credit loss	(845)		(2,590)	
Total	30,253		873,244	
Total financial assets - debt instruments - net	5,896,325		5,414,620	

As at 31 December 2023 and 2022, certain investments of the Company has been placed and reserved as insurance reserves with the Registrar, and placed as other collateral in respect of certain performance as required in the normal course of business as described in Note 35 to the financial statements.

11.2 Classified by stage of credit risk

(Unit: Thousand Baht)

	2023		2022	
	Fair value	Allowance for expected credit loss	Fair value	Allowance for expected credit loss
Debt instruments measured at FVOCI				
Stage 1 - Debt securities without a significant increase in credit risk	4,586,206	877	3,560,334	1,024
Stage 2 - Debt securities with a significant increase in credit risk	9,171	1,369	-	-
Stage 3 - Debt securities with credit impaired	-	94	-	94
Total	4,595,377	2,340	3,560,334	1,118

(Unit: Thousand Baht)

	2023			2022		
	Carrying value - gross	Allowance for expected credit loss	Carrying value	Carrying value - gross	Allowance for expected credit loss	Carrying value
Debt instruments measured at amortised cost						
Stage 1 - Debt securities						
without a significant increase						
in credit risk	30,257	4	30,253	859,993	57	859,936
Stage 2 - Debt securities with a						
significant increase in credit						
risk	-	-	-	15,000	1,692	13,308
Stage 3 - Debt securities with						
credit impaired	841	841	-	841	841	-
Total	31,098	845	30,253	875,834	2,590	873,244

12. Financial assets - equity instruments

12.1 Classified by type of financial assets

			(Unit: Thousand Baht)	
	2023		2022	
	Cost	Fair value	Cost	Fair value
Equity instruments measured at FVTPL				
Domestic listed equity instruments	448,962	390,814	412,431	407,770
Foreign listed equity instruments	39,005	20,439	81,555	59,951
Total	487,967	411,253	493,986	467,721
Less: Unrealised loss	(76,714)		(26,265)	
Total	411,253		467,721	
Equity instruments designated at FVOCI				
Domestic listed equity instruments	31,037	80,387	31,037	81,245
Non-listed equity instruments	3,721	86,473	3,721	176,268
Domestic unit trusts	80,511	81,549	81,302	118,029
Total	115,269	248,409	116,060	375,542
Add: Unrealised gain	133,140		259,482	
Total	248,409		375,542	
Total financial assets - equity instruments - net	659,662		843,263	

12.2 Equity instruments designated at FVOCI

			(Unit: Thousand Baht)	
	2023		2022	
	Fair value	Dividend received	Fair value	Dividend received
Equity instruments designated at FVOCI				
Domestic listed equity instruments	80,387	1,735	81,245	3,206
Non-listed equity instruments	86,473	41	176,268	30
Domestic unit trusts	81,549	7,257	118,029	6,371
Total	248,409	9,033	375,542	9,607

12.3 Investments derecognition

During the year ended 31 December 2022, the Company disposed of its investments in equity instruments designated at fair value through other comprehensive income from the accounts. The Company therefore transferred the previous recognised changes in the fair value of these investments in other comprehensive income, to be recognised in retained earnings as follows:

(Unit: Thousand Baht)

For the year ended 31 December 2022				
	Fair value at the derecognition date	Dividend received	Retained earnings (loss) from derecognition	Reason for derecognition
Domestic listed equity instruments	5,760	24	289	Disposal
Total	5,760	24	289	
Less: Related tax			(58)	
			231	

13. Other components of equity - surplus on changes in value of investments

(Unit: Thousand Baht)

For the years ended 31 December		
	2023	2022
Debt instruments measured at FVOCI		
Balance - beginning of the year	4,634	12,559
Changes during the year		
Gain (loss) on revaluation during the year	35,755	(9,907)
Related income tax	(7,151)	1,982
Net comprehensive income for the year (loss)	28,604	(7,925)
Balance - end of the year	33,238	4,634
Equity instruments designated at FVOCI		
Balance - beginning of the year	207,585	179,147
Changes during the year		
Gain (loss) on revaluation during the year	(126,342)	35,836
Less: Gain on sales recognised in retained earnings during the year	-	(289)
Total	(126,342)	35,547
Related income tax	25,268	(7,109)
Net comprehensive income for the year (loss)	(101,074)	28,438
Balance - end of the year	106,511	207,585
Total	139,749	212,219

14. Loans and interest receivables

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

(Unit: Thousand Baht)

Staging	2023		
	Mortgage loans	Other loans	Total
Stage 1 - Loans without a significant increase in credit risk	864	836	1,700
Stage 3 - Loans with credit impaired	754	-	754
Total	1,618	836	2,454
Less: Allowance for expected credit loss	(754)	-	(754)
Loans and interest receivables - net	864	836	1,700

(Unit: Thousand Baht)

Staging	2022		
	Mortgage loans	Other loans	Total
Stage 1 - Loans without a significant increase in credit risk	2,574	610	3,184
Stage 3 - Loans with credit impaired	754	-	754
Total	3,328	610	3,938
Less: Allowance for expected credit loss	(754)	-	(754)
Loans and interest receivables - net	2,574	610	3,184

The assets used as collateral for mortgage loans are mainly land and construction thereon. The mortgage value of these assets according to mortgage agreements have been used in assessing the allowance for expected credit loss.

The Company has set the criteria for loans granted to employees, which include term of repayment and applicable interest rate. The Company charges interest on such loan at the rate of 5.5% per annum, 8.5% per annum on the first consecutive loan and an additional 2.0% per annum on further consecutive loans. The Company has determined the credit limit of each project as follows:

Project	Collateral	Credit line
General loan	Personal guarantees	- Not exceeding 4 times monthly salary, with a limit of Baht 50,000
Housing loan	Land and/or construction thereon	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 70% of the appraisal value of the land - Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the land and construction thereon
Housing maintenance loan	Personal guarantees and/or securities	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the housing

15. Investments in subsidiaries

Detail of investments in subsidiaries are as follow:

Company's name	Paid up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	%	%	Thousand Baht	Thousand Baht
Laovivat Insurance Co., Ltd. (engaged in non-life insurance business)	67,200	67,200	70.0	70.0	67,200	67,200
Motor AI Recognition Solution Co., Ltd. (engaged in the development of computer software and applicable technology systems to provide services to entities operating within insurance industry)	35,000	30,000	77.0	76.5	26,950	22,950
					<u>94,150</u>	<u>90,150</u>

On 28 February 2023, The Extraordinary General Meeting of the shareholders No. 1/2023 of Motor AI Recognition Solution Co., Ltd. passed a resolution approving an increase of Baht 5 million in the registered share capital, from Baht 30 million to Baht 35 million by issuing 50,000 new ordinary shares with a par value of Baht 100 per share offered to the existing shareholders. The subsidiary received full payment for the additional share capital on 1 March 2023 and registered the increase in its registered share capital with the Ministry of Commerce on 10 March 2023.

The Company exercised its right to purchase the additional shares of its subsidiary in proportion to its existing shareholding and remaining shares to which existing shareholders waives their rights, for a total of 40,000 shares with a par value of Baht 100 per share. As a result, its shareholding in the subsidiary increased from 76.5 percent to 77.0 percent of the issued and paid-up share capital of the subsidiary.

16. Property, buildings and equipment

(Unit: Thousand Baht)

	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Work in process	Total
Cost							
As at 1 January 2022	211,950	238,276	47,871	109,747	81,797	14,547	704,188
Additions	-	-	367	5,805	4,415	33,226	43,813
Transfer in/(out)	-	34,958	12,347	468	-	(47,773)	-
Disposals	-	-	-	(2,491)	-	-	(2,491)
As at 31 December 2022	211,950	273,234	60,585	113,529	86,212	-	745,510
Additions	-	-	509	13,880	-	21,989	36,378
Transfer in/(out)	-	17,329	3,857	-	-	(21,186)	-
Disposals	-	-	-	-	(452)	-	(452)
As at 31 December 2023	211,950	290,563	64,951	127,409	85,760	803	781,436
Accumulated depreciation							
As at 1 January 2022	-	172,980	42,338	94,186	69,376	-	378,880
Depreciation for the year	-	5,603	3,337	9,222	4,833	-	22,995
Accumulated depreciation on disposals	-	-	-	(2,490)	-	-	(2,490)
As at 31 December 2022	-	178,583	45,675	100,918	74,209	-	399,385
Depreciation for the year	-	7,153	4,631	8,588	4,987	-	25,359
Accumulated depreciation on disposals	-	-	-	-	(452)	-	(452)
As at 31 December 2023	-	185,736	50,306	109,506	78,744	-	424,292
Net book value							
As at 31 December 2022	211,950	94,651	14,910	12,611	12,003	-	346,125
As at 31 December 2023	211,950	104,827	14,645	17,903	7,016	803	357,144
Depreciation for the year							
2022							22,995
2023							25,359

As at 31 December 2023, certain building and equipment items of the Company has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 336.3 million (2022: Baht 316.6 million).

17. Intangible assets - computer software

(Unit: Thousand Baht)

	Computer software	Computer software under development	Total
Cost			
As at 1 January 2022	66,820	4,838	71,658
Additions	2,386	1,318	3,704
Transfer in/(out)	1,118	(1,118)	-
As at 31 December 2022	70,324	5,038	75,362
Additions	13,221	-	13,221
Transfer in/(out)	200	(200)	-
Adjust	-	(4,501)	(4,501)
As at 31 December 2023	83,745	337	84,082
Accumulated amortisation			
As at 1 January 2022	49,260	-	49,260
Amortisation for the year	2,835	-	2,835
As at 31 December 2022	52,095	-	52,095
Amortisation for the year	3,967	-	3,967
As at 31 December 2023	56,062	-	56,062
Net book value			
As at 31 December 2022	18,229	5,038	23,267
As at 31 December 2023	27,683	337	28,020
Amortisation for the year			
2022			2,835
2023			3,967

As at 31 December 2023, certain computer software items of the Company has been fully amortisation but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 44.0 million (2022: Baht 43.3 million).

18. Deferred tax assets/Income tax expenses

18.1 Deferred tax assets

As at 31 December 2023 and 2022, the components of deferred tax assets and deferred tax liabilities are as follows:

		(Unit: Thousand Baht)		
		Change in deferred tax assets or liabilities for the years ended 31 December		
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit loss	20,828	21,164	(336)	(1,921)
Allowance for doubtful accounts	1,528	4,832	(3,304)	(46)
Allowance for impairment of investments	1,563	1,563	-	-
Unearned premium reserves	168,895	171,139	(2,244)	7,321
Provision for claim incurred but not yet reported and outstanding claims	46,608	42,739	3,869	7,140
Loss on changes in value of investment measured at FVTPL	35,192	23,170	12,022	13,275
Loss on change in value of derivatives	-	-	-	(153)
Post employee benefit obligations	19,968	17,585	2,383	(2,768)
Total	294,582	282,192		
Deferred tax liabilities				
Gain on changes in value of investments measured at FVOCI	34,938	53,055	(18,117)	5,127
Gain on change in value of derivatives	-	476	(476)	476
Unrealised gain on foreign exchange	655	1,369	(714)	361
Total	35,593	54,900		
Deferred tax assets, net	258,989	227,292		
Total changes			31,697	16,884
Recognition of changes:				
- Profit or loss			12,825	23,807
- Other comprehensive income			18,872	(6,981)
- Retained earning from disposal of investments measured at FVOCI (Note 12.3)			-	58
Total changes			31,697	16,884

18.2 Income tax expenses

The income tax expenses for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Current income tax:		
Corporate income tax charge in accordance with Revenue Code	84,037	78,707
Adjustments in respect of income tax of previous year	(32)	(187)
Deferred tax:		
Relating to origination and reversal of temporary differences	(12,825)	(23,807)
Relating to disposals of equity instruments designated at fair value through other comprehensive income during the year	-	(58)
Income tax expenses reported in profit or loss	71,180	54,655

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Deferred tax relating to:		
Loss (gain) on changes in value of debt instruments measured at fair value through other comprehensive income	(7,151)	1,982
Loss (gain) on changes in value of equity instruments designated at fair value through other comprehensive income	25,268	(7,167)
Actuarial loss (gain)	755	(1,796)
Total	18,872	(6,981)

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Accounting profit before income tax expenses	362,262	270,899
Applicable corporate income tax rate	20%	20%
Income tax at the applicable tax rate	72,452	54,180
Adjustments in respect of income tax of previous year	(32)	(187)
Tax effects of:		
Tax-exempted revenues	(3,008)	(2,707)
Additional expenses deductions allowed	(625)	(743)
Non-deductible expenses	2,393	4,112
Income tax expenses reported in profit or loss	71,180	54,655

19. Other assets

	(Unit: Thousand Baht)	
	2023	2022
Claim receivables from litigants, net	534,814	541,175
Prepaid payment of ceded premium	216,098	167,713
Deposits on rice field insurance scheme	15,710	125,052
Prepaid commission expenses	92,179	71,853
Receivable from sale of investments	45,505	4,509
Cash equivalents which subject to restrictions, net	10,421	9,079
Others	155,973	142,170
Total other assets	1,070,700	1,061,551

As at 31 December 2023 and 2022, the Company has pledged deposit at financial institutions mature within 3 months as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence as described in Notes 35 to the financial statements.

20. Insurance contract liabilities

(Unit: Thousand Baht)

	2023		
	Insurance contract	Liabilities	Net
	liabilities	on reinsurance	
Claim reserves and outstanding claims			
- Provision for reported claims	2,574,238	79,509	2,494,729
- Provision for claim incurred but not reported	82,024	2,230	79,794
Premium reserves			
- Unearned premium reserves	3,714,676	185,328	3,529,348
Total	6,370,938	267,067	6,103,871

(Unit: Thousand Baht)

	2022		
	Insurance contract	Liabilities	Net
	liabilities	on reinsurance	
Claim reserves and outstanding claims			
- Provision for reported claims	2,448,872	59,048	2,389,824
- Provision for claim incurred but not reported	147,373	62,433	84,940
Premium reserves			
- Unearned premium reserves	3,809,688	285,242	3,524,446
Claim reserves and outstanding claim	6,405,933	406,723	5,999,210

During the years 2023 and 2022, the management of the Company entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, insurance contract liabilities disclosures have been made on both a gross and net basis in order to provide a comprehensive set of disclosures.

20.1 Claim reserves and outstanding claims

(Unit: Thousand Baht)

	For the years ended 31 December	
	2023	2022
Balance - beginning of the year	2,596,245	2,121,132
Claim incurred and loss adjustment expenses for the year	4,789,811	4,508,572
Changes in claim reserves and outstanding claims of prior year	(238,245)	(355,193)
Changes in claim reserves and assumptions	(65,349)	(36,643)
Claim and loss adjustment expenses paid during the year	(4,426,200)	(3,641,623)
Balance - end of the year	2,656,262	2,596,245

As at 31 December 2023, the Company has claim reserves and outstanding claims under reinsurance contracts of Baht 11.5 million (2022: Baht 6.4 million).

20.2 Unearned premium reserves

(Unit: Thousand Baht)

	For the years ended 31 December	
	2023	2022
Balance - beginning of the year	3,809,688	3,335,942
Premium written for the year	7,134,570	7,307,224
Premium earned for the current year	(7,229,582)	(6,833,478)
Balance - end of the year	3,714,676	3,809,688

20.3 Claims development table

(a) Gross claims table

(Unit: Million Baht)

Reporting year / Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Claim provision:											
- as at accident year	1,773	1,684	1,820	1,969	2,255	2,859	3,285	3,336	4,017	4,177	
- Next one year	1,653	1,644	1,775	1,784	2,221	2,582	2,971	3,125	3,912		
- Next two years	1,599	1,630	1,759	1,677	2,077	2,523	2,856	2,889			
- Next three years	1,589	1,631	1,761	1,676	2,075	2,518	2,841				
- Next four years	1,585	1,627	1,763	1,674	2,074	2,515					
- Next five years	1,584	1,626	1,762	1,674	2,071						
- Next six years	1,584	1,626	1,762	1,667							
- Next seven years	1,584	1,626	1,762								
- Next eight years	1,584	1,626									
- Next nine years	1,584										
Ultimate claim reserves	1,584	1,626	1,762	1,667	2,071	2,515	2,841	2,889	3,912	4,177	25,044
Cumulative payment to date	1,584	1,626	1,762	1,667	2,070	2,510	2,833	2,864	3,669	2,614	23,199
Net	-	-	-	-	1	5	8	25	243	1,563	1,845
Adjusted claim incurred but not reported											742
Unallocated loss adjustment expenses											69
Total claim reserves and outstanding claims before reinsurance											2,656

(b) Net claims table

(Unit: Million Baht)

Reporting year / Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Claim provision:											
- as at accident year	1,403	1,346	1,494	1,511	1,737	2,087	2,679	3,020	3,667	3,986	
- Next one year	1,321	1,314	1,465	1,416	1,697	1,912	2,516	2,902	3,642		
- Next two years	1,287	1,316	1,456	1,325	1,565	1,864	2,404	2,674			
- Next three years	1,279	1,317	1,459	1,325	1,563	1,860	2,392				
- Next four years	1,276	1,313	1,459	1,324	1,562	1,857					
- Next five years	1,275	1,312	1,458	1,323	1,560						
- Next six years	1,275	1,313	1,458	1,317							
- Next seven years	1,275	1,313	1,458								
- Next eight years	1,275	1,313									
- Next nine years	1,275										
Ultimate claim reserves	1,275	1,313	1,458	1,317	1,560	1,857	2,392	2,674	3,642	3,986	21,474
Cumulative payment to date	1,275	1,313	1,458	1,317	1,559	1,852	2,384	2,653	3,389	2,481	19,681
Net	-	-	-	-	1	5	8	21	253	1,505	1,793
Adjusted claim incurred but not reported											713
Unallocated loss adjustment expenses											69
Total claim reserves and outstanding claims after reinsurance											2,575

20.4 Methodology and assumptions

The methodology and assumptions adopted by the Company for the gross and net valuations of insurance liabilities as at 31 December 2023 are presented as follows:

(1) Estimation method for best estimate of claims liabilities

Direct and Inward Facultative Business

There are three main actuarial methods applied in determining the best estimate of claims liabilities as follows.

- (i) Chain Ladder method (CL)
- (ii) Bornhuetter-Ferguson method (BF)
- (iii) Expected Loss Ratio method (ELR)

The Company mostly relies on the Chain Ladder method on claims incurred to derive the best estimate of claims liabilities. The BF and ELR methods are also used where appropriate.

Inward Treaty Business

The Company employed a simple approach in estimating the IBNR reserves for inward treaty. This approach assumes that the IBNR requirements for the inward treaty business would be similar in proportion (as a percentage of outstanding case reserves) to the direct and inward facultative business.

(2) Assumptions of relevant expenses

There are 4 types of expenses relevant to determining insurance contract liabilities, as follows:

2.1 Allocated Loss Adjustment Expenses - ALAE

Since the ALAE are not included in claims paid triangles, a separate ALAE valuation is made, using the proportion of loss adjustment expenses to claims paid to determine an ALAE rate in triangles and ultimate ALAE projection.

2.2 Unallocated Loss Adjustment Expenses - ULAE

In determining the allowance for future ULAE (which is equivalent to Claims Handling Expenses - CHE), the Company derived assumptions from an estimate made using the Kittel method, with ULAE ratio computed separately for motor and non-motor classes.

The Company noted that for the purposes of this valuation, the gross outstanding liabilities exclude outstanding liabilities arising from the severe floods. For premium liabilities, the ULAE ratio was applied to the gross URR to obtain the Claims Handling Expenses for premium liabilities.

2.3 Maintenance Expenses

A percentage of historical maintenance expenses to historical gross earned premiums each year was applied onto the gross UPR to obtain the maintenance expense reserves for the premium liabilities at the end of the year.

2.4 Reinsurance Cost

Allowance for future costs of reinsurance is estimated based on the ratio of excess of loss reinsurance XOL premiums divided by net written premiums then applied to the net UPR.

21. Amount due to reinsurers

	(Unit: Thousand Baht)	
	2023	2022
Amounts withheld on reinsurances	130,025	266,985
Other reinsurance payables	131,569	51,834
Total amounts due to reinsurers	261,594	318,819

22. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, for the years ended 31 December 2023 and 2022 was as follows:

	(Unit: Thousand Baht)	
	2023	2022
Provision for employee benefits at beginning of year	87,923	101,766
Recognised in profit or loss		
Current service cost	8,867	8,300
Interest cost	3,077	2,849
Recognised in other comprehensive income		
Actuarial loss (gain)		
Financial assumptions changes	3,284	(7,510)
Experience adjustments	490	(1,467)
Benefits paid during the year	(3,803)	(16,015)
Provision for employee benefits at end of year	99,838	87,923

The Company expects to pay Baht 3.8 million of long-term employee benefits during the next year (2022: Baht 3.9 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 17 years (2022: 16 years).

Principal actuarial assumptions at the valuation date were as follows:

	2023	2022
	% per annum	% per annum
Discount rate	3.2	3.5
Salary increase rate	5.0	5.0
Staff turnover rate (depending on age)	0.0 - 12.0	0.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below.

(Unit: Million Baht)			
	Change	Amount increase (decrease)	
	increase (decrease)	2023	2022
Discount rate	+0.5%	(6.2)	(5.3)
	-0.5%	5.7	5.2
Salary increase rate	+0.5%	5.7	5.2
	-0.5%	(6.3)	(5.4)
Staff turnover rate	+0.5%	(1.9)	(1.5)
	-0.5%	0.9	1.0

23. Other liabilities

(Unit: Thousand Baht)		
	2023	2022
Premium received in advance	553,737	443,663
Accrued commissions	150,042	153,902
Accrued operating expenses	123,397	146,861
Payables on purchase of investments	5,695	10,078
Commission income received in advance	105,079	88,464
Other payable	54,287	71,584
Others	162,701	117,993
Total other liabilities	1,154,938	1,032,545

24. 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. At present, the statutory reserve has fully been set aside.

25. Net investment income

During the years ended 31 December 2023 and 2022, the Company had net investment income as below.

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Interest income from financial assets	120,886	71,445
Dividend from financial assets	27,416	24,908
Total	148,302	96,353

26. Gain (loss) on financial instruments

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Gain (loss) from disposals of investments measured at FVTPL		
Debt instruments	6,579	(125,722)
Equity instruments	22,784	5,314
Gain from disposals of investment in debt instruments measured at amortised cost	-	32,025
Derivatives	4,068	(7,014)
Total	33,431	(95,397)

27. Gain (loss) on fair value valuation of financial instruments

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Gain (loss) on fair value valuation of investments measured at FVTPL		
Debt instruments	(12,311)	(29,662)
Equity instruments	(47,802)	(36,711)
Derivatives	(2,379)	3,143
Gain (loss) on foreign exchange	(3,569)	1,803
Total	(66,061)	(61,427)

28. Operating expenses

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Personal expenses	151,413	130,642
Property and equipment expenses	121,660	114,321
Taxes and duties	4,933	4,146
Reversal of bad debts and doubtful accounts	(4,114)	(91)
Support services expenses	479,170	475,158
Advertising and promotion expenses	108,557	81,535
Other operating expenses	55,940	50,206
Total	917,559	855,917

29. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Net claims and loss adjustment expenses	3,937,012	3,597,915
Commissions and brokerage expenses	1,236,373	1,186,878
Personnel expenses	523,187	433,747
Other underwriting expenses	167,166	170,437
Support services expenses	479,170	475,158
Premises and equipment expenses	121,660	114,321
Advertise and promotion expenses	108,557	81,535
Other operating expenses	55,940	50,206
Reversal of expected credit loss	(756)	(2,461)
Others	7,861	11,135
Total	6,636,170	6,118,871

30. Expected credit loss

(Unit: Thousand Baht)		
For the years ended 31 December		
	2023	2022
Expected credit loss from:		
Cash and cash equivalents	(249)	(509)
Accrued investment income	14	(18)
Debt instruments measured at FVOCI	1,222	(821)
Debt instruments measured at amortised cost	(1,744)	(1,112)
Cash equivalents which subject to restrictions	1	(1)
Total	(756)	(2,461)

31. Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by the employees on a monthly basis at rate of 5%, 10% and 15% of the employees' basic salaries, and by the Company on a monthly basis at rate of 7.5% of the employees' basic salaries. The fund is managed by a fund manager which has been approved by the Ministry of Finance. The contributions for the year 2023 amounting to approximately Baht 12.8 million (2022: Baht 13.2 million) were recognised as expenses.

32. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

33. Dividend paid

Dividend declared during the years consists of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for interim 2023	Board of Directors Meeting on 7 December 2023	151.44	0.50
Final dividends for 2022	Annual General Meeting of the shareholders on 27 April 2023	87.87	0.29
Final dividends for 2021	Annual General Meeting of the shareholders on 28 April 2022	212.10	0.70

34. Related party transactions

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

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

Name of related parties	Nature of relationship
MAFAM Co., Ltd. ⁽¹⁾	Ultimate parent of the Group and common shareholder and directors
Thaivivat Holdings Plc. ⁽¹⁾	Parent company
Laovivat Insurance Co., Ltd	Subsidiary company
Motor AI Recognition Solution Co., Ltd.	Subsidiary company
Thai Reinsurance Plc.	Shares held by the Company and common directors
Road Accident Victims Protection Co., Ltd.	Shares held by the Company and common directors
T.I.I. Co., Ltd..	Shares held by the Company
Vichitbhan Palmoil Plc.	Common directors
J&A Jewelry Co., Ltd.	Common directors
Encourage Co., Ltd.	A related person of the Company's director is a shareholder
Force Co., Ltd.	A related person of the Company's director is a shareholder

⁽¹⁾ Because MAFAM Co., Ltd. accepted the tender offer from Thaivivat Holdings Plc. ("TVH") to swap with securities of TVH causing MAFAM Co., Ltd. is not the major shareholder of the Company and TVH is a parent company instead from 7 July 2023 onwards.

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	For the years ended 31 December		
	2023	2022	Pricing policies
<u>Transactions with ultimate parent of the group</u>			
MAFAM Co., Ltd.			
Premium written	60	50	Underwriting rates depending on type of insurance
Claim expenses (reversal)	11	(24)	As actually incurred
Dividend paid	42,240	101,959	As declared
<u>Transactions with parent company</u>			
Thaivivat Holdings Plc.			
Dividend paid	149,889	-	As declared

(Unit: Thousand Baht)

(Unit: Thousand Baht)

	For the years ended 31 December		
	2023	2022	Pricing policies
<u>Transactions with subsidiaries</u>			
Laovivat Insurance Co., Ltd.			
Reinsurance premium written	1,350	1,253	Reinsurance rates depending on type of insurance and reinsurance contracts
Commission expenses	272	252	As stated in the agreement
Inward claim expenses (reversal)	88	(107)	As actually incurred, in proportions per agreement
Motor AI Recognition Solution Co., Ltd.			
Other underwriting expenses	683	629	According to normal commercial terms
<u>Transactions with related parties</u>			
Thai Reinsurance Plc.			
Premium ceded	93,891	123,990	Reinsurance rates depending on type of insurance and reinsurance contracts
Commission income	45,607	18,654	As stated in the agreement
Claims refunded	34,693	66,204	As actually incurred, in proportions per agreement
Reversal commission	-	(77)	As stated in the agreement
Inward claim expenses	12	32	As actually incurred, in proportions per agreement
Road Accident Victims Protection Co., Ltd.			
Contribution expenses	16,225	19,516	6.00% (Prior to 1 October 2023: 12.25%) of premium written received from insurers under the Public Protection of Traffic Injury Act B.E. 2535
Other income	-	4,542	As stated in the agreement
T.I.I. Co., Ltd.			
Dividend income	41	30	As declared
J&A Jewelry Co., Ltd.			
Premium written	-	232	Underwriting rates depending on type of insurance
Encourage Co., Ltd.			
Commission expenses	81,590	74,548	As stated in the agreement
Force Co., Ltd.			
Commission expenses	49,162	65,027	As stated in the agreement

As at 31 December 2023 and 2022, the Company had the following significant balances of assets and liabilities with its related parties:

	(Unit: Thousand Baht)	
	2023	2022
<u>Ultimate parent of the Group</u>		
MAFAM Co., Ltd.		
Premium receivables	15	28
Outstanding claims	18	35
<u>Parent company</u>		
Thaivivat Holdings Plc.		
Other assets	2,176	442
<u>Subsidiaries</u>		
Laovivat Insurance Co., Ltd.		
Receivables from reinsurance contracts	709	826
Insurance contract liabilities	848	611
Other assets	1,219	1,589
Other liabilities	-	48
Motor AI Recognition Solution Co., Ltd.		
Other assets	20,728	9,570
<u>Related parties</u>		
Thai Reinsurance Plc.		
Receivables from reinsurance contracts	24,440	16,928
Investments in equity instruments measured at FVTPL	574	729
Investments in equity instruments designated at FVOCI	2,288	2,904
Amounts due to reinsurers	33,598	50,542
Prepaid payment of ceded premium	75,129	23,750
Commission income received in advance	35,965	17,227
Road Accident Victims Protection Co., Ltd.		
Investments in equity instruments designated at FVOCI	85,368	175,331
Other assets	-	4,542
Other liabilities	2,568	5,555
T.I.I. Co., Ltd.		
Investments in equity instruments designated at FVOCI	1,105	937
Vichitbhan Palmoil Plc.		
Investments in equity instruments measured at FVTPL	70	120
Encourage Co., Ltd.		
Premium receivables	67,911	60,853
Accrued commission	11,487	10,475
Other liabilities	1,875	1,233
Force Co., Ltd.		
Premium receivables	26,339	46,161
Accrued commission	4,275	7,614
Other liabilities	1,326	1,031

Directors and management's remuneration

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

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Short-term employee benefits	105,454	108,571
Post-employee benefits	6,227	5,835
Total	111,681	114,406

35. Assets subject to restrictions and obligation

35.1 Assets pledged and assets reserved with the Registrar

As at 31 December 2023 and 2022, the Company had placed certain assets as securities and insurance reserves with the Registrar in accordance with the Non-life Insurance Act.

	(Unit: Million Baht)			
	2023		2022	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Government bonds	15.2	14.3	15.2	14.5
Total	15.2	14.3	15.2	14.5
Assets reserved				
Government bonds	822.3	844.3	746.5	750.0
Private debt securities	10.0	10.2	30.0	31.0
Total	832.3	854.5	776.5	781.0
Total	847.5	868.8	791.7	795.5

35.2 Assets pledged as other collateral

As at 31 December 2023 and 2022, the Company had pledged the following assets as collateral.

	(Unit: Thousand Baht)	
	2023	2022
Government debt securities which pledged for		
Guarantee electricity use	830	1,006
Deposit at bank which pledged for		
Letter of bank guarantee	1,890	1,933
Bail bond in cases where insured drivers have been charged with criminal offense	1,706	239
Bank overdraft	10,309	10,299
Others	5,433	5,422
Total	20,168	18,899

36. Contribution to the General Insurance Fund

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Accumulated contribution at the beginning of the year	128,411	110,189
Contribution during the year	22,827	18,222
Accumulated contribution at the end of the year	151,238	128,411

37. Commitments and contingent liabilities

37.1 Capital commitments

As at 31 December 2023, the Company has capital commitments of Baht 1.1 million, relating to the construction of buildings and equipment and implementation of computer software (2022: Baht 8.8 million).

37.2 Operating lease and service commitments

As at 31 December 2023, the Company has entered into several office equipment lease agreements which consist of low-value underlying assets and leases term within 1 year and other service agreements. The future minimum payments required under these lease agreements were as follows.

(Unit: Million Baht)

Payable within:

Within 1 year	1.2
Over 1 year and not over 5 years	0.5

37.3 Bank guarantees

As at 31 December 2023 and 2022, there were outstanding bank guarantees of Baht 1.9 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

37.4 Litigation

As at 31 December 2023, the Company has been sued as insurer for damages totaling approximately Baht 227.8 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 83.5 million, with the recoverable portion from reinsurers amounting to Baht 1.2 million. The Company's management believes that such reserve is adequate (2022: Baht 308.0 million, Baht 95.0 million and Baht 2.2 million, respectively).

38. Non-life insurance company's risks and risk management policy

38.1 Insurance risk

Insurance risk refers to the risk resulting from fluctuations in the frequency, the severity and the timing of damage deviations from assumptions that are used to determine premium rates, calculation of reserves and underwriting.

The Company risk management policy is to selectively accept loss risk business with good insurance loss records, and not to retain limit per risk in excess of the OIC regulation.

In cases where its risk capacity is limited, the Company has arranged the transfer of risk to reinsurance companies which have stable financial positions, and capacity and expertise in both treaty reinsurance and facultative reinsurance, in order to reassure customers.

In addition, the Company has the following policies.

- The guidelines for sums insured, coverage and terms of insurance that are appropriate to the level of risk.
- The provision of reinsurance support as needed, in case of the Company cannot accept the full sum insured due to the requirements of the OIC, allowed to retain risk not excess of 10 percent of the Company's capital fund.
- Selects highly rated reinsurers with a credit rating of at least A-, according to the creditor ratings of S&P and A.M. Best.
- Assigned responsible persons for each stage, from reviewing the accuracy of the underwriting to authorisation, and to approve underwriting based on the sum insured.

As at 31 December 2023 and 2022, concentration of insurance contract liabilities segregated by insurance type are shown below.

(Unit: Million Baht)

	2023			2022		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
Fire	128.7	81.1	47.6	127.2	87.9	39.3
Marine and transportation	1.4	0.1	1.3	1.6	-	1.6
Motor	3,202.5	20.6	3,181.9	3,224.1	10.5	3,213.6
Personal accident	33.3	3.0	30.3	35.4	3.9	31.5
Miscellaneous	348.8	80.6	268.2	421.4	182.9	238.5
Total	3,714.7	185.4	3,529.3	3,809.7	285.2	3,524.5

(Unit: Million Baht)

	2023			2022		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	34.9	20.0	14.9	38.0	24.3	13.7
Marine and transportation	0.8	-	0.8	0.4	-	0.4
Motor	2,426.3	6.4	2,419.9	2,370.7	2.3	2,368.4
Personal accident	29.1	14.9	14.2	16.0	6.9	9.1
Miscellaneous	165.2	40.5	124.7	171.2	88.0	83.2
Total	2,656.3	81.8	2,574.5	2,596.3	121.5	2,474.8

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 the calculation of claim liabilities, which will impact the claims liabilities both before and after reinsurance. The risk may occur because the frequency or severity of losses, or loss adjustment expenses are not in line with expectations.

As at 31 December 2023 and 2022, the impact on the best estimate of insurance liabilities of the changes in key variables assumptions is shown in the following table.

(Unit: Million Baht)

2023					
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
Ultimate loss ratio in latest accident year	+5%	228	217	(217)	(174)
	-5%	(228)	(217)	217	174
ALAE ratio	+10%	4	4	(4)	(3)
	-10%	(4)	(4)	4	3
ULAE ratio	+10%	7	7	(7)	(6)
	-10%	(7)	(7)	7	6

(Unit: Million Baht)

2022					
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
Ultimate loss ratio in latest accident year	+5%	220	119	(119)	(160)
	-5%	(220)	(119)	119	159
ALAE ratio	+10%	2	2	(2)	(2)
	-10%	(2)	(2)	2	2
ULAE ratio	+10%	7	7	(7)	(6)
	-10%	(7)	(7)	7	6

38.2 Risk management policy

38.2.1 Credit risk

Credit risk is the risk of default by counter party that inability to comply with the terms of a financial instruments such as premium receivables, amount due from reinsurer (reinsurers), loans and interest receivables and debt financial instruments. If a customer is unable to fulfill an agreement, it affects the Company's revenue and operations. The Company manages the risk by maintains the proportion of outstanding premiums at an appropriate level, in accordance with the guidelines of the OIC and establishing a process to closely follow up on outstanding premiums from policyholders, agents and brokers, uses credit rating at least "A-" as the basis for selecting reinsurers and makes loans to staff in accordance with the Office of Insurance Commissions rules. The Company also has an audit system and constantly monitors counterparties in order to mitigate credit risk.

Moreover, for financial assets - debt instrument, the Company has evaluated expected credit loss which is not necessary for a credit impair event to have occurred, by applying general approach. The Company had classified financial assets into 3 stages with difference credit loss assessment method as below

Staging	Credit loss assessment
Stage 1 - Debt securities without a significant increase in credit risk	12 Month expected credit loss
Stage 2 - Debt securities with a significant increase in credit risk	Lifetime expected credit loss
Stage 3 - Debt securities with credit impaired	Lifetime expected credit loss

The Company assesses financial assets whether there has been a significant increase in credit risk or credit-impaired from both quantitative and qualitative factors. Such factor include credit rating which was changed from initial investment, default status and financial ratio analysis in determining if there are changes in related factors that significantly impact the financial asset's issuer's cashflows.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are carrying amount as at 31 December 2023 and 2022.

(Unit: Thousand Baht)

	2023				
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
Cash and cash equivalents					
Investment grade	219,596	-	-	-	219,596
Less: Allowance for expected credit loss	(89)	-	-	-	(89)
Net book value	219,507	-	-	-	219,507
Accrued investment income					
Investment grade	17,006	-	-	-	17,006
Non-investment grade	-	316	-	-	316
Total	17,006	316	-	-	17,322
Less: Allowance for expected credit loss	(9)	(39)	-	-	(48)
Net book value	16,997	277	-	-	17,274
Debt instruments measured at FVOCI					
Investment grade	4,586,206	-	-	-	4,586,206
Non-investment grade	-	9,171	-	-	9,171
Default grade	-	-	-	-	-
Total	4,586,206	9,171	-	-	4,595,377
Allowance for expected credit loss	877	1,369	94	-	2,340
Debt instruments measured at amortised cost					
Investment grade	30,257	-	-	-	30,257
Non-investment grade					
Default grade	-	-	841	-	841
Total	30,257	-	841	-	31,098
Less: Allowance for expected credit loss	(4)	-	(841)	-	(845)
Net book value	30,253	-	-	-	30,253

(Unit: Thousand Baht)

	2023				
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
Loans and interest receivables					
Not yet due	1,700	-	-	-	1,700
Overdue	-	-	754	-	754
Total	1,700	-	754	-	2,454
Less: Allowance for expected credit loss	-	-	(754)	-	(754)
Net book value	1,700	-	-	-	1,700
Claim receivables from litigants					
Overdue	-	-	-	636,563	636,563
Less: Allowance for expected credit loss ⁽¹⁾	-	-	-	(101,749)	(101,749)
Net book value	-	-	-	534,814	534,814
Cash equivalents which subject to restrictions					
Investment grade	10,425	-	-	-	10,425
Less: Allowance for expected credit loss	(4)	-	-	-	(4)
Net book value	10,421	-	-	-	10,421

⁽¹⁾ Presented in net amount of claims and loss adjustment expenses.

(Unit: Thousand Baht)

	2022				
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
Cash and cash equivalents					
Investment grade	302,256	-	-	-	302,256
Less: Allowance for expected credit loss	(337)	-	-	-	(337)
Net book value	301,919	-	-	-	301,919
Accrued investment income					
Investment grade	78,188	-	-	-	78,188
Non-investment grade	-	88	-	-	88
Total	78,188	88	-	-	78,276
Less: Allowance for expected credit loss	(22)	(11)	-	-	(33)
Net book value	78,166	77	-	-	78,243
Debt instruments measured at FVOCI					
Investment grade	3,560,334	-	-	-	3,560,334
Default grade	-	-	-	-	-
Total	3,560,334	-	-	-	3,560,334
Allowance for expected credit loss	1,024	-	94	-	1,118
Debt instruments measured at amortised cost					
Investment grade	859,993	-	-	-	859,993
Non-investment grade	-	15,000	-	-	15,000
Default grade	-	-	841	-	841
Total	859,993	15,000	841	-	875,834
Less: Allowance for expected credit loss	(56)	(1,692)	(841)	-	(2,589)
Net book value	859,937	13,308	-	-	873,245

(Unit: Thousand Baht)

	2022				
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
Loans and interest receivables					
Not yet due	3,184	-	-	-	3,184
Overdue	-	-	754	-	754
Total	3,184	-	754	-	3,938
Less: Allowance for expected credit loss	-	-	(754)	-	(754)
Net book value	3,184	-	-	-	3,184
Claim receivables from litigants					
Overdue	-	-	-	643,849	643,849
Less: Allowance for expected credit loss ⁽¹⁾	-	-	-	(102,674)	(102,674)
Net book value	-	-	-	541,175	541,175
Cash equivalents which subject to restrictions					
Investment grade	9,083	-	-	-	9,083
Less: Allowance for expected credit loss	(4)	-	-	-	(4)
Net book value	9,079	-	-	-	9,079

⁽¹⁾ Presented in net amount of claims and loss adjustment expenses.

The table below shows the significant movement in the allowance for expected credit loss for the years ended 31 December 2023 and 2022.

(Unit: Thousand Baht)

2023					
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
Claim receivables from litigants					
Beginning balance	-	-	-	102,674	102,674
Newly purchased or acquired financial assets	-	-	-	102,524	102,524
Change due to remeasurement of allowance	-	-	-	23,932	23,932
Amounts written off	-	-	-	(127,381)	(127,381)
Ending balance	-	-	-	101,749	101,749

(Unit: Thousand Baht)

2022					
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
Claim receivables from litigants					
Beginning balance	-	-	-	109,820	109,820
Newly purchased or acquired financial assets	-	-	-	98,484	98,484
Change due to remeasurement of allowance	-	-	-	(13,400)	(13,400)
Amounts written off	-	-	-	(92,230)	(92,230)
Ending balance	-	-	-	102,674	102,674

As at 31 December 2023 and 2022, the maximum exposure to credit risk of financial assets (excluding insurance assets) is the gross carrying amounts after allowance for expected credit loss, before both the effect of mitigation through use of master netting and collateral arrangements. The details are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Cash and cash equivalents	219,507	301,919
Accrued investment income	17,274	78,243
Debt instruments measured at FVOCI	4,595,377	3,560,334
Debt instruments measured at amortised cost	30,253	873,245
Loans and interest receivables	1,700	3,184
Claim receivables from litigants	534,814	541,175
Cash equivalents which subject to restrictions	10,421	9,079
Total	5,409,346	5,367,179

38.2.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position. As the Company has no foreign currency assets and liabilities, market risk therefore consists of only interest rate risk and equity position risk.

a. Interest rate risk

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

The Company manages interest rate risk through an emphasis on stable long term investments offering long-term returns exceeding inflation, and analysis of the type of investment to match cash flows.

As at 31 December 2023 and 2022, significant assets and liabilities classified by type of interest rate are summarised in the table below, with those assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2023						
	Fixed interest rates						
	Remaining periods to repricing dates						
	or maturity dates			Floating	Non-		
	Within		Over	interest	interest		
	1 year	1 - 5 years	5 years	rate	bearing	Total	Interest rate
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	3.4	-	-	214.6	1.5	219.5	0.00 - 0.95
Accrued investment income	-	-	-	-	17.3	17.3	-
Financial assets - debt							
instruments	1,500.6	1,255.3	1,921.2	-	1,219.2	5,896.3	0.00 - 5.30
Financial assets - equity							
instruments	-	-	-	-	659.7	659.7	-
Loans and interest							
receivables	-	0.8	0.9	-	-	1.7	5.50 - 14.50
Claim receivables from							
litigants	-	-	-	-	534.8	534.8	-
<u>Insurance contract assets</u>							
Premium receivables	-	-	-	-	859.7	859.7	-
Reinsurance assets							
- claim reserves	-	-	-	-	81.8	81.8	-
Receivables from							
reinsurance contracts	-	-	-	-	45.0	45.0	-
<u>Insurance contract liabilities</u>							
Insurance contract liabilities							
- claim reserves and							
outstanding claims	-	-	-	-	2,656.3	2,656.3	-
Amounts due to reinsurers	-	-	-	-	261.6	261.6	-

(Unit: Million Baht)

2022							
Fixed interest rates							
Remaining periods to repricing dates							
or maturity dates							
Within	Over		Floating	Non-	Total	Interest rate	
1 year	1 - 5 years	5 years	interest	interest			
			rate	bearing			(% per annum)
Financial assets							
Cash and cash equivalents	4.5	-	-	296.2	1.2	301.9	0.00 - 0.30
Accrued investment income	-	-	-	-	78.2	78.2	-
Financial assets - debt							
instruments	1,582.1	1,881.9	1,030.7	-	919.9	5,414.6	0.00 - 6.58
Financial assets - equity							
instruments	-	-	-	-	843.3	843.3	-
Derivative assets	-	-	-	-	2.4	2.4	-
Loans and interest							
receivables	-	1.7	1.5	-	-	3.2	5.50 - 14.50
Claim receivables from							
litigants	-	-	-	-	541.2	541.2	-
Insurance contract assets							
Premium receivables	-	-	-	-	869.6	869.6	-
Reinsurance assets							
- claim reserves	-	-	-	-	121.5	121.5	-
Receivables from							
reinsurance contracts	-	-	-	-	60.7	60.7	-
Insurance contract liabilities							
Insurance contract liabilities							
- claim reserves and							
outstanding claims	-	-	-	-	2,596.2	2,596.2	-
Amounts due to reinsurers	-	-	-	-	318.8	318.8	-

Sensitivity analysis on interest rates shows the impact of reasonable possible changes in interest rates to the Company's profit or equity, on with all other variables held constant.

The following table demonstrates the sensitivity of a reasonable possible change in market interest rates which will effect to the fair value of debt instruments as at 31 December 2023 and 2022.

	2023			2022		
	Increase	Effect on	Effect on	Increase	Effect on	Effect on
	/(decrease)	profit or loss	equity	/(decrease)	profit or loss	equity
	(%)	(Million Baht)	(Million Baht)	(%)	(Million Baht)	(Million Baht)
Debt instruments	0.25	(0.2)	(57.7)	0.25	(0.2)	(12.6)
	(0.25)	0.2	59.3	(0.25)	0.2	12.8

b. 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.

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

The Company manages equity risk arising from fluctuations in market prices through a diversification of asset allocations in order to disperse risk, with investments weighted in accordance with the guidelines of the OIC, with an emphasis on conservative, safe investments. The Company has a framework that divides investments based on asset class and the Company elects to invest in securities of blue chip companies with stable revenues and earnings, not high fluctuate, high liquidity and that pay high dividends, which helps to generate higher returns.

38.2.3 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 manages its liquidity risk through monitoring of whether the level of the Fund Solvency Ratio comply with the requirements by the regulator on a monthly basis, and monitoring of the daily liquidity position by the Responsible Division. Moreover, the Company executes prudent financial decisions in the following areas:

- Financial evaluation for agent and broker selection process
- Cash Before Cover when selling motor insurance
- Establishment of a monitoring system for late premium payments by agents and brokers

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

(Unit: Million Baht)

	2023				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>					
Cash and cash equivalents	3.4	-	-	216.1	219.5
Accrued investment income	17.3	-	-	-	17.3
Financial assets - debt instruments	1,500.6	1,255.3	1,921.2	1,219.2	5,896.3
Financial assets - equity instruments	-	-	-	659.7	659.7
Loans and interest receivables	-	0.8	0.9	-	1.7
Claim receivables from litigants	534.8	-	-	-	534.8
<u>Insurance contract assets</u>					
Premium receivables	859.7	-	-	-	859.7
Reinsurance assets - claim reserves	67.7	14.1	-	-	81.8
Receivables from reinsurance contracts	45.0	-	-	-	45.0
<u>Insurance contract liabilities</u>					
Insurance contract liabilities - claim reserves and outstanding claims	1,727.8	928.5	-	-	2,656.3
Amounts due to reinsurers	261.6	-	-	-	261.6

(Unit: Million Baht)

	2022				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>					
Cash and cash equivalents	4.5	-	-	297.4	301.9
Accrued investment income	78.2	-	-	-	78.2
Financial assets - debt instruments	1,582.1	1,881.9	1,030.7	919.9	5,414.6
Financial assets - equity instruments	-	-	-	843.3	843.3
Derivative assets	2.4	-	-	-	2.4
Loans and interest receivables	-	1.7	1.5	-	3.2
Claim receivables from litigants	541.2	-	-	-	541.2
<u>Insurance contract assets</u>					
Premium receivables	869.6	-	-	-	869.6
Reinsurance assets - claim reserves	105.8	15.7	-	-	121.5
Receivables from reinsurance contracts	60.7	-	-	-	60.7
<u>Insurance contract liabilities</u>					
Insurance contract liabilities - claim reserves and outstanding claims	1,705.2	891.0	-	-	2,596.2
Amounts due to reinsurers	318.8	-	-	-	318.8

38.3 Fair value measurement for financial instruments

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

(Unit: Million Baht)

	2023				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>					
Investments measured at FVTPL					
Financial assets - debt instruments	1,270.7	3.6	1,267.1	-	1,270.7
Financial assets - equity instruments	411.3	411.3	-	-	411.3
Investments measured at FVOCI					
Financial assets - debt instruments	4,595.4	-	4,595.4	-	4,595.4
Financial assets - equity instruments	248.4	161.9	-	86.5	248.4
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	219.5	219.6	-	-	219.6
Accrued investment income	17.3	-	17.3	-	17.3
Investment measured at amortised cost	30.2	10.2	20.0	-	30.2
Loans and interest receivables	1.7	-	-	1.7	1.7
Claim receivables from litigants	534.8	-	-	534.8	534.8

(Unit: Million Baht)

	2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value</u>					
Investments measured at FVTPL					
Financial assets - debt instruments	981.0	2.6	978.4	-	981.0
Financial assets - equity instruments	467.7	467.7	-	-	467.7
Investments measured at FVOCI					
Financial assets - debt instruments	3,560.3	-	3,560.3	-	3,560.3
Financial assets - equity instruments	375.5	199.3	-	176.2	375.5
Derivative assets	2.4	2.4	-	-	2.4
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	301.9	302.3	-	-	302.3
Accrued investment income	78.2	-	78.2	-	78.2
Investment measured at amortised cost	873.2	14.6	865.3	-	879.9
Loans and interest receivables	3.2	-	-	3.2	3.2
Claim receivables from litigants	541.2	-	-	541.2	541.2

The fair value hierarchy of financial assets as at 31 December 2023 and 2022 presents according to Note 4.20 to the financial statements.

The methods used for fair value measurement depends upon the characteristics of the financial instruments. The Company establishes the fair value of its financial instruments by adopting the following methods:

- (a) Financial assets maturing in the short-term, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income and claim receivables from litigants, their fair value is estimated based on the book value presented in the statement of financial position.
- (b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association. For non-listed unit trusts is determined based on their net asset value.
- (c) For equity securities, their fair value is generally derived from quoted market prices. For investments in non-marketable equity securities, fair value is determined using discounted cash flows technique or approximated to their carrying values.
- (d) The fair value of fixed rate loans is determined by discounting the expected future cash flows by using the current market interest rate.
- (e) The fair value of derivatives is generally derived from quoted market prices.

During the current year, there were no transfers within the fair value hierarchy.

Reconciliation of recurring fair value measurements of financial assets, categorised within Level 3 of the fair value hierarchy, are as follows:

	(Unit: Million Baht)
	Equity instrument
Balance as of 1 January 2022	143.5
Net gain recognised into other comprehensive income	32.7
Balance as of 31 December 2022	176.2
Net loss recognised into other comprehensive income	(89.7)
Balance as of 31 December 2023	86.5

Key assumption used in the valuation of investments categorised within Level 3 which is significant change in fair value measurement is summarised below.

(Unit: Million Baht)

Financial instruments	Valuation technique	Significant unobservable inputs	2023		
			Change in key assumptions		
			Rates	Increase/(decrease)	Effect on fair value
Investment in non-listed equity investments	Discounted future cash flows	Discount rate	9.5%	+1%	(1.7)
				-1%	1.9

(Unit: Million Baht)

Financial instruments	Valuation technique	Significant unobservable inputs	2022		
			Change in key assumptions		
			Rates	Increase/(decrease)	Effect on fair value
Investment in non-listed equity investments	Discounted future cash flows	Discount rate	9.5%	+1%	(3.7)
				-1%	4.1

39. Capital management

The primary objectives of the Company's capital management are to maintain its ability to continue its business as a going concern, to provide a return to its shareholders and other related parties, maintain a balanced financial structure, and to maintain risk-based capital in accordance with Declaration of the OIC.

40. Events after the reporting period

On 27 February 2024, the Board of Directors' meeting of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for approval dividends in respect of the operating results for the year 2023 at Baht 0.77 per share, or a total of Baht 233.3 million. An interim dividend of Baht 0.5 per share was already approved by the Board of Directors' meeting of the Company, and therefore the remaining dividend of Baht 0.27 per share, or a total of Baht 81.8 million, is to be proposed to the Annual General Meeting of TVI's Shareholders for approval. Payment is scheduled to be made on 20 May 2024.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2024.