



Form 56-1 **One Report 2023**
Thaire Life Assurance Public Company Limited
Financial Report



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Report on the Board of Directors' Responsibility towards the Financial Statements

The Board of Directors has the duties and responsibilities to supervise the business undertaking by the Company in compliance with the good corporate governance principles. The Board of Directors is accountable for the financial statements of the Company, including financial information in Annual Report or form 56-1 One Report. The financial statements ended 31 December 2023 are prepared in accordance with Thai Financial Reporting Standard under the Accounting Profession Act B.E.2547, and in accordance with Thai accounting practices related to insurance and related guidelines prescribed by the Office of Insurance Commission. The Company has selected appropriate accounting policies and consistently applied them. The information has been adequately disclosed in the notes to the financial statements.

The Board of Directors has provided and maintained the effectiveness of risk management, internal control, internal audit and supervision, to be assured that the financial records are accurate, complete and adequate to protect the Company's assets and to prevent any significant operational risk. The Board of Directors has appointed an Audit Committee comprised of independent directors and non-management members of the Company as regulators in this matter. The opinion of the Audit Committee with regard to these matters appear in the report of the Audit Committee.

The Board of Directors is of the view that the Company's internal control system is adequate and appropriate to create confidence that the financial statements of Thaire Life Assurance Public Company Limited as of 31 December 2023, has presented its financial position, operating results, and cash flows fairly in all material respects in accordance with financial reporting standards. The auditor has examined and expressed opinions in the auditor's report which is presented in this annual report.



(Mr. Suchin Wanglee)
Chairman



(Mr. Sutti Rajitragson)
Director and chief Executive Officer

Thaire Life Assurance Public Company Limited
Report and financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Thaire Life Assurance Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Reinsurance premium written

The Company's core revenue is from reinsurance premium written, which amounted to Baht 3,455 million. The Company has entered into reinsurance contracts with customers, who are life insurance companies, for both facultative and treaty reinsurance contracts. Conditions under those contracts vary depending upon types of insurance, reinsurance share, insured periods, etc. In addition, recognition of revenue on such reinsurance contracts shall also meet the definition of insurance contracts under Thai Financial Reporting Standards. Therefore, the Company's management is required to use judgement in consideration and review its product classification. Hence, I therefore focused on examining that the reinsurance premium written is recognised correctly as actually incurred.

I assessed and tested, on a sampling basis, the Company's internal controls relevant to revenue recognition from each type of reinsurance contract, assessed the appropriateness of method and assumptions used for product classification testing, involving experts in the assessment of such methods and assumptions through comparison with historical and industry data and the review of the related actuarial models, tested, on a sampling basis, the data used for product classification testing and tested, on a sampling basis, the amount of reinsurance premium written against the statements received from reinsurers that occurred during the year and near the period-end. Furthermore, I also performed analytical procedures on reinsurance premium written, disaggregated by reinsurance types and tested, on a sampling basis, any significant adjustments made through journal vouchers.

Long-term insurance policy reserves

As described in Note 17 to the financial statements, as at 31 December 2023, the Company had long-term insurance policy reserves amounting to Baht 488 million, representing 36 percent of total liabilities, whereby the Company compared the amounts of gross premium valuation reserves as at 31 December 2023 with those of unearned premium reserves, and recognised the differences as additional reserves if the amounts of gross premium valuation reserves were higher than those of unearned premium reserves. In calculation of the gross premium valuation reserves, it involves the use of assumptions, including mortality rate, discounted rate, lapse or surrender rate, and selling and administrative expense ratio. Changes in such assumptions will affect the amounts of long-term insurance policy reserves and the Company's management is required to exercise high level of considerable judgement in selecting those assumptions. I therefore focused on the adequacy of long-term insurance policy reserves.

I assessed the method and key assumptions used in determining long-term insurance policy reserves by involving our experts to assist in analysis and comparison of the methods and assumptions used to historical and industry data, and in the review of the actuarial models used in calculating reserves under the Gross Premium Valuation method. Moreover, I also tested, on a sampling basis, data used in calculation, and performed analytical procedures on movements of long-term insurance policy reserves.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 19 February 2024

Thaire Life Assurance Public Company Limited

Statements of financial position

As at 31 December 2023 and 2022

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Assets					
Cash and cash equivalents	8	12,765,213	81,723,706	12,765,213	81,723,706
Accrued investment income		10,438,779	20,456,457	10,438,779	20,456,457
Reinsurance assets	9	5,915,057	5,885,496	5,915,057	5,885,496
Reinsurance receivables	10	266,332,845	273,321,432	266,332,845	273,321,432
Debt financial assets	11.1	1,542,835,902	-	1,542,835,902	-
Equity financial assets	11.2	567,650,511	-	567,650,511	-
Investments in securities	11.3	-	2,201,034,213	-	2,201,034,213
Investments in an associate	12	8,102,338	10,007,070	16,467,595	18,910,900
Assets held for sale	13	39,146,710	-	39,146,710	-
Premises and equipment	14	5,491,021	47,217,809	5,491,021	47,217,809
Intangible assets	15	36,097,659	35,133,647	36,097,659	35,133,647
Deferred tax assets	16.1	89,056,321	73,577,247	87,383,270	71,796,481
Other assets					
Deferred commission expenses		145,695,230	121,931,185	145,695,230	121,931,185
Others		7,631,536	5,127,532	7,631,536	5,127,532
Total assets		2,737,159,122	2,875,415,794	2,743,851,328	2,882,538,858

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

Thaire Life Assurance Public Company Limited

Statements of financial position (continued)

As at 31 December 2023 and 2022

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	17	1,193,361,255	1,084,327,552	1,193,361,255	1,084,327,552
Due to reinsurers	18	139,655,940	304,190,501	139,655,940	304,190,501
Income tax payable		-	15,586,126	-	15,586,126
Lease liabilities	19	2,859,875	-	2,859,875	-
Employee benefit obligations	20	22,094,684	17,383,010	22,094,684	17,383,010
Other liabilities					
Accrued expenses		5,421,782	4,340,035	5,421,782	4,340,035
Deferred commission income		88,726	88,282	88,726	88,282
Others		5,798,539	2,737,021	5,798,539	2,737,021
Total liabilities		1,369,280,801	1,428,652,527	1,369,280,801	1,428,652,527
Owners' equity					
Share capital	21				
Registered					
610,000,000 ordinary shares of Baht 1 each					
(31 December 2022: 600,000,000 ordinary shares					
of Baht 1 each)		610,000,000	600,000,000	610,000,000	600,000,000
Issued and paid up					
609,998,247 ordinary shares of Baht 1 each					
(31 December 2022: 600,000,000 ordinary shares					
of Baht 1 each)		609,998,247	600,000,000	609,998,247	600,000,000
Share premium		79,162,825	79,162,825	79,162,825	79,162,825
Retained earnings					
Appropriated - statutory reserve	22	61,000,000	60,000,000	61,000,000	60,000,000
Unappropriated		744,266,617	832,781,170	742,041,183	832,370,525
Other component of owners' equity		(126,549,368)	(125,180,728)	(117,631,728)	(117,647,019)
Total owners' equity		1,367,878,321	1,446,763,267	1,374,570,527	1,453,886,331
Total liabilities and owners' equity		2,737,159,122	2,875,415,794	2,743,851,328	2,882,538,858

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

Thaire Life Assurance Public Company Limited

Statements of income

For the years ended 31 December 2023 and 2022

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Reinsurance premium written		3,455,281,289	2,964,522,770	3,455,281,289	2,964,522,770
Less: Reinsurance premium ceded		(29,222,483)	(33,174,471)	(29,222,483)	(33,174,471)
Net reinsurance premium written		3,426,058,806	2,931,348,299	3,426,058,806	2,931,348,299
Less: Unearned premium reserves increased from prior year		(124,757,432)	(23,519,207)	(124,757,432)	(23,519,207)
Net earned premium		3,301,301,374	2,907,829,092	3,301,301,374	2,907,829,092
Commission income		3,531,565	2,741,046	3,531,565	2,741,046
Net investment revenue	23	73,305,142	68,603,405	73,305,142	68,603,405
Gains (losses) on investments	24	(411,998)	4,221,702	(2,855,303)	4,221,702
Fair value gains		1,413,866	9,250	1,413,866	9,250
Share of gain (loss) from investment in an associate under the equity method	12.3	(174,818)	2,639,062	-	-
Other income		837,360	1,353,906	837,360	1,353,906
Total revenues		3,379,802,491	2,987,397,463	3,377,534,004	2,984,758,401
Expenses					
Long-term insurance policy reserves decreased		(6,232,095)	(9,023,070)	(6,232,095)	(9,023,070)
Gross benefits and claims		2,397,605,706	2,022,747,546	2,397,605,706	2,022,747,546
Less: claims recovered from reinsurers		(11,213,130)	(6,808,272)	(11,213,130)	(6,808,272)
Commission expenses		756,811,637	644,526,611	756,811,637	644,526,611
Other underwriting expenses		54,557,768	46,111,535	54,557,768	46,111,535
Operating expenses	26	116,718,708	108,330,718	116,718,708	108,330,718
Finance costs	19	113,366	25,990	113,366	25,990
Expected credit losses (reversal)		54,754	(62,321)	54,754	(62,321)
Total expenses	27	3,308,416,714	2,805,848,737	3,308,416,714	2,805,848,737
Profits before income tax expenses		71,385,777	181,548,726	69,117,290	178,909,664
Income tax expenses	16.2	(9,272,735)	(28,444,126)	(8,819,037)	(27,916,314)
Net profits		62,113,042	153,104,600	60,298,253	150,993,350
Earnings per share	29				
Basic earnings per share					
Net profits		0.10	0.25	0.10	0.25

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

Thaire Life Assurance Public Company Limited
Statements of comprehensive income
For the years ended 31 December 2023 and 2022

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Net profits		62,113,042	153,104,600	60,298,253	150,993,350
Other comprehensive income (loss)					
Items to be reclassified to statements of income in subsequent periods:					
Translation adjustments of the financial statements in foreign currency of an associate		(1,729,914)	(4,522,585)	-	-
Add: Income taxes		345,983	904,517	-	-
Translation adjustments of the financial statements in foreign currency of an associate - net of income taxes		(1,383,931)	(3,618,068)	-	-
Losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income		-	(66,908,485)	-	(66,908,485)
Add : Income taxes		-	13,381,697	-	13,381,697
Losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income - net of income taxes		-	(53,526,788)	-	(53,526,788)
Items to be reclassified to statements of income in subsequent periods - net of income taxes		(1,383,931)	(57,144,856)	-	(53,526,788)
Items not to be reclassified to statements of income in subsequent periods:					
Actuarial gains (losses)	20	(2,005,559)	2,163,685	(2,005,559)	2,163,685
Add (less): Income taxes		401,112	(432,737)	401,112	(432,737)
Actuarial gains (losses) - net of income taxes		(1,604,447)	1,730,948	(1,604,447)	1,730,948
Losses on investments in equity securities measured at fair value through other comprehensive income		(120,023,569)	-	(120,023,569)	-
Add: Income taxes		24,004,714	-	24,004,714	-
Losses on investments in equity securities measured at fair value through other comprehensive income - net of income taxes		(96,018,855)	-	(96,018,855)	-
Items not to be reclassified to statements of income in subsequent periods - net of income taxes		(97,623,302)	1,730,948	(97,623,302)	1,730,948
Other comprehensive loss for the periods		(99,007,233)	(55,413,908)	(97,623,302)	(51,795,840)
Total comprehensive income (loss) for the periods		(36,894,191)	97,690,692	(37,325,049)	99,197,510

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

Thaire Life Assurance Public Company Limited
Statements of changes in owners' equity
For the years ended 31 December 2023 and 2022

(Unit: Baht)

		Financial statements in which the equity method is applied									
		Other components of owners' equity									
Note	Issued and paid-up share capital	Share premium	Retained earnings		Revaluation deficit on equity securities/available-for-sale investments measured at fair value through other comprehensive income - net of income taxes		Translation adjustments of the financial statements in foreign currency of an associate - net of income taxes		Total other components of owners' equity	Total owners' equity	
			Appropriated - statutory reserve	Unappropriated	securities/available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	of an associate - net of income taxes					
	600,000,000	79,162,825	60,000,000	797,944,982	(64,120,231)	(3,915,641)	(68,035,872)	1,469,071,935		(120,000,000)	
30	-	-	-	(120,000,000)	-	-	-	-	-	-	
	-	-	-	640	-	-	-	640	-	-	
	-	-	-	153,104,600	-	-	-	153,104,600	-	-	
	-	-	-	1,730,948	(53,526,788)	(3,618,068)	(57,144,856)	(55,413,908)	-	-	
	-	-	-	154,835,548	(53,526,788)	(3,618,068)	(57,144,856)	97,690,692	-	-	
	600,000,000	79,162,825	60,000,000	832,781,170	(117,647,019)	(7,533,709)	(125,180,728)	1,446,763,267			
	600,000,000	79,162,825	60,000,000	832,781,170	(117,647,019)	(7,533,709)	(125,180,728)	1,446,763,267			
4	-	-	-	(43,574,559)	43,574,559	-	43,574,559	-	-	-	
	600,000,000	79,162,825	60,000,000	789,206,611	(74,072,460)	(7,533,709)	(81,606,169)	1,446,763,267			
21	9,998,247	-	-	-	-	-	-	9,998,247			
	-	-	-	(52,459,587)	52,459,587	-	52,459,587	-	-	-	
11.2.2	-	-	-	(52,000,000)	-	-	-	(52,000,000)	-	-	
30	-	-	-	10,998	-	-	-	10,998	-	-	
	-	-	-	62,113,042	-	-	-	62,113,042	-	-	
	-	-	-	(1,604,447)	(96,018,855)	(1,383,931)	(97,402,786)	(99,007,233)	-	-	
	-	-	-	60,508,595	(96,018,855)	(1,383,931)	(97,402,786)	(36,894,191)	-	-	
22	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-	
	609,998,247	79,162,825	61,000,000	744,266,617	(117,631,728)	(8,917,640)	(126,549,368)	1,367,878,321			

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

Thaire Life Assurance Public Company Limited
Statements of changes in owners' equity (continued)
For the years ended 31 December 2023 and 2022

(Unit: Baht)

		Separate financial statements					Other component of owners' equity		
Note	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	other comprehensive income - net of income taxes	Total owners' equity	Other component of owners' equity	
			Appropriated - statutory reserve	Unappropriated				Revaluation deficit on equity securities/available-for-sale investments measured at fair value through	
	600,000,000	79,162,825	60,000,000	799,645,587	(64,120,231)	1,474,688,181			
30	-	-	-	(120,000,000)	-	(120,000,000)			
	-	-	-	640	-	640			
	-	-	-	150,993,350	-	150,993,350			
	-	-	-	1,730,948	(53,526,788)	(51,795,840)			
	-	-	-	152,724,298	(53,526,788)	99,197,510			
	600,000,000	79,162,825	60,000,000	832,370,525	(117,647,019)	1,453,886,331			
	600,000,000	79,162,825	60,000,000	832,370,525	(117,647,019)	1,453,886,331			
4	-	-	-	(43,574,559)	43,574,559	-			
	600,000,000	79,162,825	60,000,000	788,795,966	(74,072,460)	1,453,886,331			
21	9,998,247	-	-	-	-	9,998,247			
	-	-	-	(52,459,587)	52,459,587	-			
11.2.2	-	-	-	(52,459,587)	52,459,587	-			
30	-	-	-	(52,000,000)	-	(52,000,000)			
	-	-	-	10,998	-	10,998			
	-	-	-	60,298,253	-	60,298,253			
	-	-	-	(1,604,447)	(96,018,855)	(97,623,302)			
	-	-	-	58,693,806	(96,018,855)	(37,325,049)			
22	-	-	1,000,000	(1,000,000)	-	-			
	609,998,247	79,162,825	61,000,000	742,041,183	(117,631,728)	1,374,570,527			

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

Thaire Life Assurance Public Company Limited

Statements of cash flows

For the years ended 31 December 2023 and 2022

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Cash flows from (used in) operating activities					
Cash received from reinsurance		95,555,389	207,089,916	95,555,389	207,089,916
Interest income		42,489,054	20,784,560	42,489,054	20,784,560
Dividend income		42,362,507	44,165,822	42,362,507	44,165,822
Other investment income (expenses)		(114,876)	8,152,968	(114,876)	8,152,968
Other income		822,781	1,348,342	822,781	1,348,342
Other underwriting expenses		(54,328,054)	(45,905,038)	(54,328,054)	(45,905,038)
Operating expenses		(102,062,786)	(93,688,462)	(102,062,786)	(93,688,462)
Income tax expenses		(16,571,835)	(8,903,505)	(16,571,835)	(8,903,505)
Cash received on financial assets		1,972,193,772	2,089,494,214	1,972,193,772	2,089,494,214
Cash paid for financial assets		(2,002,184,773)	(2,173,755,074)	(2,002,184,773)	(2,173,755,074)
Net cash provided by (used in) operating activities		(21,838,821)	48,783,743	(21,838,821)	48,783,743
Cash flows from (used in) investing activities					
Deposit under land and building sale contract		2,500,000	-	2,500,000	-
Purchases of equipment		(1,220,288)	(1,007,614)	(1,220,288)	(1,007,614)
Purchases of intangible assets		(6,070,539)	(1,105,123)	(6,070,539)	(1,105,123)
Net cash used in investing activities		(4,790,827)	(2,112,737)	(4,790,827)	(2,112,737)
Cash flows used in financing activities					
Repayment of lease liabilities		(375,571)	(792,228)	(375,571)	(792,228)
Cash dividend paid	30	(42,001,753)	(120,000,000)	(42,001,753)	(120,000,000)
Net cash used in financing activities		(42,377,324)	(120,792,228)	(42,377,324)	(120,792,228)
Net decrease in cash and cash equivalents		(69,006,972)	(74,121,222)	(69,006,972)	(74,121,222)
Cash and cash equivalents at beginning of the years		81,723,706	155,794,785	81,723,706	155,794,785
Decrease in expected credit losses		48,479	50,143	48,479	50,143
Cash and cash equivalents at end of the years		12,765,213	81,723,706	12,765,213	81,723,706

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

Thaire Life Assurance Public Company Limited
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Thaire Life Assurance Public Company Limited

Notes to financial statements

For the years ended 31 December 2023 and 2022

1. Corporate information

Thaire Life Assurance Public Company Limited (“the Company”) is a public company incorporated under Thai laws and domiciled in Thailand. The Company has been listed on the Stock Exchange of Thailand since 9 October 2013. The major shareholders are Thai Reinsurance Public Company Limited which holds 10.10% of the issued and paid-up capital, and an individual shareholder who holds 11.30% of the issued and paid-up capital.

The Company is principally engaged in the provision of life reinsurance services. The registered office of the Company is located at No. 48/15 Soi Ratchadapisek 20, Ratchadapisek Road, Samsennok Sub-district, Huaykwang District, Bangkok.

2. Basis for preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, conditions and terms for preparation and submission of financial statements of 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 Note 5 to financial statements regarding a summary of significant accounting policies.

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

2.1 The financial statements in which the equity method is applied

The Company prepares the financial statements, in which equity method is applied, which has presented investment in an associate under the equity method.

2.2 Separate financial statements

The Company prepares the separate financial statements, which has presented investment in an associate under the cost method.

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. 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, except for TFRS 17 Insurance Contracts, which will supersede TFRS 4 Insurance Contracts. This standard will be effective for fiscal years beginning on or after 1 January 2025 and involved changes to key principles, summarised below.

TFRS 17 Insurance Contracts

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

Upon initial recognition, this standard establishes the General Measurement Model whereby an entity shall measure a group of insurance contracts using 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 both qualitative and quantitative.

However, the Company's management is in the process of assessment of the impact to financial statements for the year that such standard will be initially adopted.

4. Cumulative effects of changes in accounting policies

The Company changes in accounting policies due to the adoption of Thai Financial Reporting Standard: TFRS 9 Financial Instruments since 1 January 2023, which can be summarised as below.

Classification and measurement of financial assets

The Company reclassifies financial assets to comply with the Company's business model for managing assets and liabilities on the basis of the facts and circumstances that exist at the initial date of application as follows:

Financial assets - equity instruments

- Investments in both listed and non-listed equity securities

The Company considers and continues to classify its investments in both listed and non-listed equity securities as financial assets measured at fair value through other comprehensive income whereby change in fair value will be recognised in other comprehensive income and when disposal, the cumulative gain or loss arising from change in fair value will be recognised directly in retained earnings.

- Investments in unit trusts, which are treated as equity securities

The Company considers and continues to classify its investments in unit trusts, which are treated as equity securities, as financial assets at fair value through other comprehensive income whereby the change in fair value will be recognised in other comprehensive income and when disposal, the cumulative gain or loss arising from change in fair value will be recognised directly in retained earnings.

Financial assets - Debt instruments

- Investments in unit trust, which are treated as debt securities

The Company considers to classify investments in unit trusts, which are treated as debt securities, (previously classified as available-for-sale investments measured at fair value through other comprehensive income under the former accounting policies) as financial assets measured at fair value through profit or loss because such unit trusts do not have contractual terms of the financial assets that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Changes in fair value and gain or loss on disposal will be recognised in profit or loss.

- Investment in government and state enterprise securities, private enterprise debt securities and deposits at financial institutions

The Company considered and continue to classify its investments in government and state enterprise securities, private enterprise debt securities and deposits at financial institutions as financial assets measured at amortised cost less expected credit loss.

Classification of financial liabilities

The adoption of these standards does not have impact on classification of the Company's financial liabilities since the Company continues to classify them as financial liabilities measured at amortised cost.

Impairment of financial assets

The adoption of TFRS9 requires the Company to move from incurred loss provisioning, under previous accounting policy, to expected loss provisioning by recognising an allowance for expected credit losses on its financial assets calculated using the General approach, and it is no longer necessary for a credit-impaired event to have occurred. However, such approach is the same approach currently adopted by the Company.

Transition

The Company initially adopted this standard and opted to adjust the cumulative effect, using the retrospective method, against retained earnings or other components of owners' equity as at 1 January 2023, and the comparative information was not restated.

Adjustments to retained earnings and owners' equity as at 1 January 2023 due to the first time adoption of TFRS 9 were presented as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	Retained earnings	Other components of owners' equity
Effect from change in classification from available-for-sale investments measured at fair value through other comprehensive income to financial assets measured at fair value through profit or loss	(54,468,199)	54,468,199
Add (less): Income taxes	10,893,640	(10,893,640)
Effects on beginning balances	(43,574,559)	43,574,559

The adjustments and reclassifications to the beginning balances as at 1 January 2023 as a result of changes in accounting policies from the first time adoption of TFRS 9 were presented as follows:

	(Unit: Baht)		
	Financial statements in which the equity method is applied		
	31 December 2022	Adjustments and reclassifications	1 January 2023
Statement of financial position			
Assets			
Debt financial assets	-	1,635,184,511	1,635,184,511
Equity financial assets	-	565,849,702	565,849,702
Investments in securities	2,201,034,213	(2,201,034,213)	-
Owners' equity			
Retained earnings - unappropriated	832,781,170	(43,574,559)	789,206,611
Other components of equity	(125,180,728)	43,574,559	(81,606,169)

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2022	Adjustments and reclassifications	1 January 2023
Statement of financial position			
Assets			
Debt financial assets	-	1,635,184,511	1,635,184,511
Equity financial assets	-	565,849,702	565,849,702
Investments in securities	2,201,034,213	(2,201,034,213)	-
Owners' equity			
Retained earnings - unappropriated	832,370,525	(43,574,559)	788,795,966
Other components of equity	(117,647,019)	43,574,559	(74,072,460)

5. Significant accounting policies

5.1 Revenue recognition

a. Reinsurance Premium written

Reinsurance premium written consists of reinsurance premium less premium of canceled policies and premiums refunded to policyholders. Reinsurance premium is recognised as revenue when the reinsurer submits the reinsurance application or the statement of accounts and the Company confirms the coverage under the reinsurance contracts.

b. Commission income

Commission income are recorded as deferred revenue and will be gradually recognised over the ceding periods as revenue proportionately to the ceded premium.

c. Investment revenues

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

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

d. Gains (losses) on investments

Gains (losses) on investments are recognised as revenues or expenses on the transaction dates.

5.2 Expenses recognition

a. Reinsurance premium ceded

Reinsurance premium ceded is recognised as expense when the insurance risk is transferred to another reinsurer.

b. Gross claims

Claims consist of claims and losses adjustment expenses of reinsurance for both reported claim and not reported claim, and stated the amounts of the claims, related expenses, and loss adjustments of current and prior year incurred during the year.

Claims of reinsurance are recognised upon the receipt of the claims advice from the reinsured, based on the claims notified by the reinsured and estimates made by the Company's management. The maximum value of claims estimated is not exceeding the sum-insured under the relevant policy.

Claims recovered from reinsurers are recognised as a deduction item against gross claims when claims are recorded under the conditions in the relevant reinsurance contracts.

c. Commission expenses

Commissions of reinsurance are recorded as deferred expenses and will be gradually recognised over the ceding periods as expenses proportionately of earned premium.

d. Other underwriting expenses

Other underwriting expenses are other expenses relating to reinsurance both directly and indirectly, including various insurance-related contributions, which are recognised as expenses on accrual basis.

e. Operating expenses

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

5.3 Product classification

The Company classifies inward reinsurance contracts and outward reinsurance contracts based on the nature of the insurance contracts. Insurance contracts are those contracts where the insurer has accepted a 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 amount of benefits payable if an insured event occurs with the amount of benefits payable if the insured event did not occur. If the above condition is not met, the Company classifies the insurance contract as an investment contract. Investment contracts are the contracts that have the legal form of insurance contracts and transfer financial risk to the insurer, but not significant insurance risk. Financial risks are as interest rate risk, exchange rate risk, or price risk.

The Company classifies contracts based on an assessment of the significance 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. If any contract is previously classified as an investment contract at an inception of contract, it may, however, be reclassified to be an insurance contract later if the level of the insurance risk increases significantly.

The Company classifies reinsurance contracts as long-term and short-term contracts whereby the long-term reinsurance contracts are those with the reinsurance coverage period of longer than 1 year or those with automatic renewal terms such that the Company is not able to terminate the contract or the insurance premium, including benefits, can not be adjusted throughout the contract period, and the short-term reinsurance contracts are those not having the same characteristics and conditions as those of the long-term reinsurance contracts.

5.4 Cash and cash equivalents

Cash and cash equivalents which are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes consist of cash in hand and at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.5 Reinsurance assets

Reinsurance assets consist of long-term insurance policy reserves refundable from reinsurers and unearned premium reserves, less allowance for doubtful accounts (if any).

Insurance reserves refundable from reinsurers are estimated, proportionally based on the reinsurance terms of long-term insurance policy reserves, loss reserves and unearned premium reserves in accordance with the insurance reserve calculation laws.

The Company set up a provision for impairment when it has objective evidence, as a result of an event that occurred after initial recognition of the reinsurance assets, that the Company may not receive payment from reinsurers and these amounts, which are effected from an event, can be measured reliably.

5.6 Reinsurance receivables and due to reinsurers

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

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

a. Reinsurance receivables

Reinsurance receivables are stated at amounts deposited on reinsurance and amounts due from reinsurers

Amounts due from reinsurers consist of premium receivables, commission income receivables, claim receivables and various other items receivable from reinsurers, and are deducted by allowance for doubtful accounts. The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to uncollectibles, taking into account collection experience and the status of reinsurers as at the end of the reporting periods.

b. Due to reinsurers

Due to reinsurers are stated at amounts due to reinsurers and other amounts due to reinsurers which consist of other reinsurance payable to reinsurers, excluding claims.

5.7 Financial Instruments

Investment in securities and allowance for expected credit losses

Since 1 January 2023, the Company has classified its financial assets initially recognised as the following debt and equity financial assets:

Financial assets - debt instruments

The Company classifies investments in debt instrument as financial assets, which are to be subsequently measured at amortised cost or fair value according to its business model of financial assets management and their contractual cash flows characteristics. Such classification is based on facts and circumstances on the first-time adoption date or the acquisition date when initial or receive, classifies as follows:

- Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in statement of income. These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at fair value through other comprehensive income and financial assets with cash flows that are not solely payments of principal and interest. These financial assets initial recognised at fair value and will be recognised as net gain or loss from investment in statement of income when disposal.

- Financial assets measured at fair value through other comprehensive income

Investments in debt instruments whose both of the following conditions are met: 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. The Company has classified these as financial assets measured at fair value through other comprehensive income. 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. Profit or loss from the cumulative fair value of debt securities changes are recognised in other comprehensive income is recycled to profit or loss when derecognition. The expected credit loss and interest income which is calculated using the effective interest rate method are recognised in statement of income.

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

- Financial assets measured at amortised cost

Investments in debt instruments whose both of the following conditions are met: 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. The Company has classified these as financial assets measured at amortised cost. 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 presented in the statement of financial position net of allowance for expected credit loss (if any).

Profit and loss from derecognition, change in value, or impairment on such assets will recognise in statement of income.

Financial assets - equity instruments

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

- Financial assets measured at fair value through profit or loss

Investment in equity instruments that held for trading. The Company has classified the financial asset measured at fair value through profit or loss, where an irrevocable election has been made by the management. 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 statement of income.

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

- Financial assets measured at fair value through other comprehensive income

Investment in equity instruments that not held for trading but held for strategic purposes or for securities with potential for low market volatility. The Company has classified the financial asset measured at fair value through other comprehensive income, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Moreover, the Company has classified investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds are investment in equity instrument designated at fair value through other comprehensive income.

After initial recognition, gain or loss arising from changes in fair value of investment in equity instruments is separately presented in other comprehensive income. The cumulative gain or loss arising from change in fair value will be recognised in retained earnings when disposal. Dividends are recognised as other income in statement of income, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised 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 in the statement of financial position at fair value.

In addition, investments in equity instruments designated at fair value through other comprehensive income without requiring an expected credit loss.

Before 1 January 2023, the Company has classified investments in securities as follows:

- Trading investments are stated at fair value. Changes in the fair value of these investments are recorded in statement of income.
- Available-for-sale investments are stated at fair value. Changes in the fair value of these investments are recorded in statements of comprehensive income, and will be recorded in statement of income when the investments are sold.
- Held-to-maturity investments are presented at amortised cost. The premium/discount on the investments is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- Investments in non-listed equity securities are classified as available-for-sale investment measured at fair value through other comprehensive income.

Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flows techniques. 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. The fair value of unlisted investment units was determined by using the net asset value per unit as announced by the fund managers.

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 has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company derecognised financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in statement of income.

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.

5.8 Investment in an associate

Investment in an associate, as presented in the financial statements in which the equity method is applied, is recorded initially at cost and subsequently adjusted to reflect the proportionate share of the associate's net income or loss and deducted by dividend income.

Investment in an associate, as presented in the separate financial statements, is stated at cost net of allowance for impairment (if any). Losses on impairment are recorded as an expenses in statements of income.

5.9 Assets held for sale

Assets held for sale is stated at the lower of carrying value or net realisable value, which is determined with the expected selling price less cost of sales.

Gain (loss) on disposal and impairment loss of assets held for sale are recognised as income or expense in the statement of income.

5.10 Premises and equipment and depreciation

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

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

Buildings	-	20 years
Office equipment and furniture	-	5 years
Computers	-	3 years
Motor vehicles	-	5 years

Depreciation is recognised as expense in statement of income. No depreciation is provided on land and construction in progress.

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

5.11 Intangible assets and amortisation

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

Intangible assets with finite lives are amortised on a systematic basis over their economic useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year-end. The amortisation expense is charged to statement of income. No amortisation is provided on computer program under development.

Intangible assets with finite useful lives, which are computer softwares, have an estimated economic useful life of 10 years.

5.12 Impairment of non-financial assets

(a) Financial assets

The Company recognises expected credit loss on its financial assets measured at amortised cost and financial assets that are debt instruments classified as debt instruments measured at fair value through other comprehensive income (excluding unit trusts), without requiring a credit-impaired event to have occurred prior to the recognition. The Company adopts the general approach to determine expected credit loss on financial assets, which are taken into accounts changes in credit risk of financial assets in stages, with differing methods of determining allowance for expected credit losses and the effective interest rate at each stage. An exception of this general approach is applied to other receivables or assets incurred from an agreement that does not contain a significant financing component. The Company then applies a simplified approach to determine the lifetime expected credit loss instead.

(b) Non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of investment in an associate, premises and equipment, right-of-use assets, 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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

5.13 Insurance contract liabilities

Insurance contract liabilities consist of long-term insurance policy reserves, loss reserves, claims payable and premium reserves.

a. Long-term insurance policy reserves

At the end of the reporting period, the Company compares the amounts of gross premium valuation reserves with unearned premium reserves, and if gross premium valuation reserves are higher than unearned premium reserves, the Company will provide additional reserves for such difference.

(1) Unearned premium reserves

Life reinsurance - Treaty	- Monthly average basis (the one-twenty fourth basis)
Life reinsurance - Facultative	- Daily average basis (the one-three hundred and sixty fifth basis)

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as inward reinsurance, that transfer insurance risk to reinsurer throughout the coverage period of insurance contract.

(2) Gross premium valuation reserves

Gross premium valuation reserves are life policy reserves, calculated using an actuarial method in accordance with the OIC notifications. The main assumptions applied relate to lapse or surrender rate, selling and administrative expenses, mortality, morbidity, discount rate and non-guaranteed dividend payment rate.

b. Loss reserves

Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the Company's management. The maximum value of estimated claim will not exceed the sum-insured under the relevant policy.

Loss reserves are calculated using an actuarial method based on the best estimate of claims expected to be paid to the insured in respect of losses incurred before or as at the end of the reporting period whether or not the claims are reported to the Company, including loss adjustment expenses. Differences of the then-calculated loss reserves and the loss reserves already recognised in the financial statements is claims incurred but not yet reported (IBNR).

c. Premium reserves

Premium reserves are short-term insurance policy reserves. At the end of the reporting period, the Company compares the amount of unexpired risk reserves with that of net unearned premium reserves from deferred commission expenses, and if the amounts of unexpired risk reserves are higher than the amounts of unearned premium reserves net of deferred commission expenses, the Company will recognise additional reserves for such difference. However, the increase or decrease in unearned premium reserves from prior year is to be recognised in profit or loss.

(1) Unearned premium reserves

Life reinsurance - Treaty	- Monthly average basis (the one-twenty fourth basis)
Life reinsurance - Facultative	- Daily average basis (the one-three hundred and sixty fifth basis)

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as inward reinsurance, that transfer insurance risk to reinsurer throughout the coverage period of insurance contract.

(2) Unexpired risk reserves

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

5.14 Employee benefit obligation

a. 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.

b. Defined benefit plans

The Company has obligations in respect of the severance payment it must make to employees upon retirement under labor law. The Company treats this severance payment obligation 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 gains and losses arising from post-employment benefits are recognised immediately in the statement of comprehensive income and recorded directly to retained earnings.

5.15 Provisions

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

5.16 Leases

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

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

a. Right-of-use assets

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

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

Motor vehicles - 5 years

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

Right-of-use assets are presented as part of premises and equipment in the statement of financial position.

The Company determined the impairment of right-of-use assets as described in note 4.11 to financial statements: impairment of non-financial assets.

b. Lease liabilities

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

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

c. Short-term leases and leases of low-value assets

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

5.17 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 rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of the reporting period.

Gains and losses on exchange are included in statement of income.

5.18 Income taxes

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

a. Current income taxes

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

b. Deferred income taxes

Deferred income taxes are provided on temporary differences between the tax bases of assets and liabilities and their 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 a part of the deferred tax assets to be utilised.

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

5.19 Related party transactions

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

They also include associated companies, and 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.

5.20 Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of inputs to be used in fair value measurements 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.

6. Significant accounting judgments 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:

6.1 Allowance for doubtful accounts on amounts due from reinsurers

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

6.2 Impairment on reinsurance assets

In determining impairment on reinsurance assets, the management needs to make judgement and estimates loss on impairment of each reinsurers based on conditions in contract and events occurred that the Company may not receive entire amount under the term of contract.

6.3 Allowances for expected credit losses of financial assets

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

6.4 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, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the future and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used in the forecasts.

6.5 Premises and equipment and depreciation

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

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

6.6 Intangible assets and amortisation

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

6.7 Deferred tax assets

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

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

6.8 Gross premium valuation reserves

Gross premium valuation reserves are calculated using the actuarial method based on the current assumptions or assumptions determined on the policy inception dates, which reflect the best estimates at that times. The main assumptions used are policy surrender or lapse rates, selling and administrative expenses, mortality, morbidity, longevity, discount rates, non-guaranteed dividend rates and so on. However, the use of different assumptions could affect the amount of life policy reserves and adjustments to the life policy reserves may therefore be required in the future.

6.9 Loss reserves

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

6.10 Unexpired risk reserves

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

6.11 Obligation under the defined benefit plan

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.

6.12 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.

6.13 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 exercises judgement, using a variety of valuation techniques and models. The inputs to these models are taken from observable markets, and include consideration of credit risk (the Company and its counterparty), liquidity risk, correlation and longer-term volatility of financial instruments. Changes in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

7. Classification of financial assets

As at 31 December 2023, carrying amounts of financial assets were classified as follows.

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements		
	Equity instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets			
Cash and cash equivalents	-	12,765,213	12,765,213
Accrued investment income	-	10,438,779	10,438,779
Debt financial assets	-	1,542,835,902	1,542,835,902
Equity financial assets	567,650,511	-	567,650,511

8. Cash and cash equivalents

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Cash	19,344	7,309
Deposits at banks with no fixed maturity date	12,752,770	81,771,777
Total	12,772,114	81,779,086
Less: Allowance for expected credit losses	(6,901)	(55,380)
Cash and cash equivalents - net	12,765,213	81,723,706

As at 31 December 2023 and 2022, saving deposits carried interests rate at 0.50 percent per annum and between 0.05 percent per annum, respectively.

9. Reinsurance assets

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>31 December 2023</u>	<u>31 December 2022</u>
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	3,096,165	3,138,925
Unearned premium reserves	2,818,892	2,746,571
Total reinsurance assets	<u>5,915,057</u>	<u>5,885,496</u>

10. Reinsurance receivables

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>31 December 2023</u>	<u>31 December 2022</u>
Amounts deposited on reinsurance	70,977,955	104,416,224
Amounts due from reinsurers	195,354,890	168,905,208
Total reinsurance receivables	<u>266,332,845</u>	<u>273,321,432</u>

At 31 December 2023 and 2022, the balances of amounts due from reinsurers, classified by overdue periods of principal, were as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>31 December 2023</u>	<u>31 December 2022</u>
Not yet due	194,586,266	168,900,459
Overdue not longer than 12 months	768,624	4,749
Total amounts due from reinsurers	<u>195,354,890</u>	<u>168,905,208</u>

11. Financial assets/investments in securities

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2023	31 December 2022
Debt financial assets	1,542,835,902	-
Equity financial assets	567,650,511	-
Available-for-sale investments measured at fair value through other comprehensive income	-	824,865,113
Held-to-maturity investments measured at amortised cost	-	1,376,169,100
Total	2,110,486,413	2,201,034,213

11.1 Debt financial assets

11.1.1 Classified by type of debt financial assets as at 31 December 2023 and 1 January 2023

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2023	1 January 2023
	Fair value/ amortised cost	Fair value/ amortised cost
Debt instruments measured at fair value through profit or loss		
Unit trusts	-	259,015,411
Total debt instruments measured at fair value through profit or loss	-	259,015,411
Debt instruments measured at amortised cost		
Government and state enterprise securities	797,496,937	818,342,544
Private debt securities	736,013,687	508,398,044
Deposits at financial institutions which amounts maturing in over 3 months	10,000,000	50,000,000
Total	1,543,510,624	1,376,740,588
Less: Allowance for expected credit losses	(674,722)	(571,488)
Debt instruments measured at amortised cost - net	1,542,835,902	1,376,169,100
Debt financial assets - net	1,542,835,902	1,635,184,511

11.1.2 Classified by stage of credit risk

(Unit: Baht)

Financial statements in which the equity method is applied and separate financial statements			
31 December 2023			
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Debt instruments measured at amortised cost			
Debt instruments without a significant increase in credit risk (Stage 1)	1,543,510,624	(674,722)	1,542,835,902
Debt instruments with a significant increase in credit risk (Stage 2)	-	-	-
Credit-impaired debt instruments (Stage 3)	-	-	-
Total	1,543,510,624	(674,722)	1,542,835,902

(Unit: Baht)

Financial statements in which the equity method is applied and separate financial statements			
1 January 2023			
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Debt instruments measured at fair value through profit or loss			
Debt instruments without a significant increase in credit risk (Stage 1)	1,376,740,588	(571,488)	1,376,169,100
Debt instruments with a significant increase in credit risk (Stage 2)	-	-	-
Credit-impaired debt instruments (Stage 3)	-	-	-
Total	1,376,740,588	(571,488)	1,376,169,100

11.2 Equity financial assets

11.2.1 Classified by type of equity financial assets as at 31 December 2023 and 1 January 2023

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	31 December 2023		1 January 2023	
	Cost	Fair Value	Cost	Fair Value
Equity instruments measured at fair value through other comprehensive income				
Domestic equity securities	714,690,171	<u>567,650,511</u>	658,440,277	<u>565,849,702</u>
Less: Unrealised losses	<u>(147,039,660)</u>		<u>(92,590,575)</u>	
Equity instruments measured at fair value through other comprehensive income - net	<u>567,650,511</u>		<u>565,849,702</u>	

11.2.2 Derecognition of investments in equity securities

During the year period ended 31 December 2023, the Company derecognised its investments in equity securities designated as at fair value through other comprehensive income. The Company therefore transferred their changes in fair value previously recognised in other comprehensive income, to be recognised in retained earnings as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	For the year period ended 31 December 2023			
	Fair value on the derecognition date	Dividend received	Fair value loss previously recognised in other comprehensive income (net of income taxes)	Reason for derecognition
Derecognition of investments in equity securities				
Common stocks	59,096,946	-	(13,351,202)	Disposals
Unit trusts	<u>68,955,183</u>	-	<u>(39,108,385)</u>	Disposals
Total	<u>128,052,129</u>	-	<u>(52,459,587)</u>	

11.3 Classified by type of investments as at 31 December 2022 under the former accounting policy

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2022	
	Cost/	
	Amortised cost	Fair value
Available-for-sale investments measured at fair value through other comprehensive income		
Debt securities:		
Unit trusts	339,633,380	259,015,411
Equity securities:		
Common stocks	305,109,932	288,972,730
Unit trusts	372,815,602	276,876,972
Total	1,017,558,914	824,865,113
Less: Unrealised loss	(147,058,773)	-
Less: Allowance for impairments	(45,635,028)	-
Available-for-sale investments measured at fair value through other comprehensive income - net	824,865,113	824,865,113
Held-to-maturity investments measured at amortised cost		
Debt securities:		
Government and state enterprise securities	818,342,544	821,877,755
Private enterprise debt securities	508,398,044	505,395,933
Deposits at financial institutions which mature over 3 months	50,000,000	50,000,000
Total	1,376,740,588	1,377,273,688
Less: Allowance for expected credit losses	(571,488)	-
Held-to-maturity investments measured at amortised cost - net	1,376,169,100	1,377,273,688
Investments in securities - net	2,201,034,213	2,202,138,801

11.4 Investments subject to restriction

As at 31 December 2023 and 2022, the Company placed certain investments as a security with the Registrar as described in Note 32 to the financial statements.

12. Investment in an associate

12.1 Details of an associate

Company's name	Nature of business	Country of incorporation	Issued and paid-up share capital		Shareholding percentage held by the Company	
			31 December 2023	31 December 2022	31 December 2023	31 December 2022
			(Thousand Baht)	(Thousand Baht)	(%)	(%)
TKI Life Insurance Company Limited	Life insurance	Laos	66,118	66,118	32.50	32.50

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements					
	Investment value under equity method		Cost		Allowance for impairment		Investment value under cost method	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
TKI Life Insurance Company Limited	8,102	10,007	21,684	21,684	(5,216)	(2,773)	16,468	18,911

12.2 Financial information of an associate

Summarised information about financial position

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	31 December 2023	31 December 2022
Total assets	31,989	37,122
Total liabilities	(7,059)	(6,331)
Net assets	24,930	30,791
Shareholding percentage (%)	32.50	32.50
Carrying amount of an associate under equity method	8,102	10,007

Summarised information of statements of comprehensive income

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	For the years ended 31 December	
	2023	2022
Total revenues	9,766	18,373
Profit for the years	304	7,569
Total comprehensive income for the years	304	7,569

12.3 Share of profit (loss) and other comprehensive income and dividend income

During the years, the Company recognised shares of profit and other comprehensive income from investment in an associate in the financial statements, in which the equity method is applied, and recognised dividends received from an associate in the separate financial statements as below.

(Unit: Thousand Baht)

Associate	Financial statements in which the equity method is applied				Separate financial statements	
	Share of gain (loss) from investment in an associate for the years ended 31 December		Share of other comprehensive income from investment in an associate for the years ended 31 December		Dividends received for the years ended 31 December	
	2023	2022	2023	2022	2023	2022
TKI Life Insurance Company Limited	(175)	2,639	-	-	-	-
	(175)	2,639	-	-	-	-

As at 31 December 2023 and 2022, the Company presented investment in an associate under the equity method in the financial statements, in which the equity method is applied, based on the financial information for the years then ended, as prepared by the associate's management. However, the Company obtained the 2022 financial statements of TKI Life Insurance Company Limited, which were audited by the associate's auditor and the auditor expressed an unqualified opinion under their report dated 16 March 2023. Such audited financial statements presented financial information that was not significantly different from the financial information prepared by the associate's management used for equity-accounting in that year.

13. Assets held for sale

(Unit: Baht)

	Financial statements in which the equity method is applied and separate financial statements		
	For the year ended 31 December 2023		
	Land	Buildings and others	Total
Net book value - beginning of year	-	-	-
Transferred from premises and equipment	17,640,000	21,506,710	39,146,710
Net book value - ending of year	17,640,000	21,506,710	39,146,710

On 26 October 2023, the Company entered into an agreement to purchase and sale the Company's land and office buildings and will deliver such assets to the buyer within 30 April 2024.

14. Premises and equipment

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements						
	Land	Buildings	Furniture, fixture and equipment	Computers	Right-of-use assets	Work in progress	Total
Cost							
As at 1 January 2022	17,640,000	44,205,314	8,933,596	14,125,726	2,163,554	-	87,068,190
Additions	-	-	140,030	708,212	-	-	848,242
As at 31 December 2022	17,640,000	44,205,314	9,073,626	14,833,938	2,163,554	-	87,916,432
Additions	-	-	-	1,032,788	3,122,080	187,500	4,342,368
Write-off	-	-	-	(783,362)	(2,163,554)	-	(2,946,916)
Transfer to assets held for sale	(17,640,000)	(44,205,314)	(6,646,187)	(229,301)	-	-	(68,720,802)
As at 31 December 2023	-	-	2,427,439	14,854,063	3,122,080	187,500	20,591,082
Accumulated depreciation							
As at 1 January 2022	-	19,212,444	6,095,931	5,872,992	1,442,369	-	32,623,736
Depreciation for the year	-	2,210,266	1,368,818	3,774,618	721,185	-	8,074,887
As at 31 December 2022	-	21,422,710	7,464,749	9,647,610	2,163,554	-	40,698,623
Depreciation for the year	-	1,810,601	876,507	3,923,079	312,208	-	6,922,395
Accumulated depreciation on write-off	-	-	-	(783,311)	(2,163,554)	-	(2,946,865)
Transfer to assets held for sale	-	(23,233,311)	(6,115,312)	(225,469)	-	-	(29,574,092)
As at 31 December 2023	-	-	2,225,944	12,561,909	312,208	-	15,100,061
Net book value							
31 December 2022	17,640,000	22,782,604	1,608,877	5,186,328	-	-	47,217,809
31 December 2023	-	-	201,495	2,292,154	2,809,872	187,500	5,491,021
Depreciation for the years							
2022							8,074,887
2023							6,922,395

The Company has lease contracts for equipment used in its operations. Leases have the lease term of 5 years.

As at 31 December 2023 and 2022, certain equipment items were fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to approximately Baht 4.6 million and Baht 6.5 million, respectively.

15. Intangible assets

(Unit: Baht)

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

	Computer softwares	Computer softwares under development	Total
Cost			
1 January 2022	47,860,477	11,148,345	59,008,822
Additions	174,999	999,674	1,174,673
Transfer in (out)	154,080	(154,080)	-
31 December 2022	48,189,556	11,993,939	60,183,495
Additions	923,422	5,205,966	6,129,388
Transfer in (out)	2,887,250	(2,887,250)	-
31 December 2023	52,000,228	14,312,655	66,312,883
Accumulated amortisation			
1 January 2022	20,280,408	-	20,280,408
Amortisation during the year	4,769,440	-	4,769,440
31 December 2022	25,049,848	-	25,049,848
Amortisation during the year	5,165,376	-	5,165,376
31 December 2023	30,215,224	-	30,215,224
Net book value			
31 December 2022	23,139,708	11,993,939	35,133,647
31 December 2023	21,785,004	14,312,655	36,097,659

16. Deferred tax assets and income tax expenses

16.1 Deferred tax assets

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements		Financial statements in which the equity method is applied		Separate financial statements	
	31 December		31 December		Changes in deferred tax assets for the years ended 31 December		Changes in deferred tax assets for the years ended 31 December	
	2023	2022	2023	2022	2023	2022	2023	2022
Deferred tax assets								
(liabilities) arose from:								
Loss reserves	12,554	14,458	12,554	14,458	(1,904)	(15,185)	(1,904)	(15,185)
Commission payable on reinsurance	44,408	37,691	44,408	37,691	6,717	9,389	6,717	9,389
Employee benefit obligations	4,419	3,477	4,419	3,477	942	(127)	942	(127)
Unrealised losses on investments	29,408	29,412	29,408	29,412	(4)	13,382	(4)	13,382
Deferred commission - net	(29,121)	(24,369)	(29,121)	(24,369)	(4,752)	(2,101)	(4,752)	(2,101)
Allowance for impairment on investment	928	9,252	1,971	9,807	(8,324)	745	(7,836)	745
Net yet utilised tax losses	22,218	-	22,218	-	22,218	-	22,218	-
Others	4,242	3,656	1,526	1,321	586	(196)	205	(572)
Deferred tax assets	<u>89,056</u>	<u>73,577</u>	<u>87,383</u>	<u>71,797</u>				
Total changes					<u>15,479</u>	<u>5,907</u>	<u>15,586</u>	<u>5,531</u>
Recognition of changes in:								
- Statements of income					3,842	(7,946)	4,296	(7,418)
- Statements of comprehensive income					24,752	13,853	24,405	12,949
- Against retained earnings directly					(13,115)	-	(13,115)	-
Total changes					<u>15,479</u>	<u>5,907</u>	<u>15,586</u>	<u>5,531</u>

16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2023 and 2022 were made up as follows:

(Unit: Thousand Baht)

	Financial statements in which			
	the equity method is applied		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2023	2022	2023	2022
Current income taxes:				
Interim corporate income tax charge	-	(20,498)	-	(20,498)
Deferred income taxes:				
Relating to origination and reversal of temporary differences	3,842	(7,946)	4,296	(7,418)
Relating to sale of financial assets measured through other comprehensive income	(13,115)	-	(13,115)	-
Income tax expenses reported in the statements of income	<u>(9,273)</u>	<u>(28,444)</u>	<u>(8,819)</u>	<u>(27,916)</u>

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

(Unit: Thousand Baht)

	Financial statements in which			
	the equity method is applied		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2023	2022	2023	2022
Accounting profits before income tax expenses	<u>71,386</u>	<u>181,549</u>	<u>69,117</u>	<u>178,910</u>
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(14,278)	(36,310)	(13,824)	(35,782)
Tax effects of:				
Non-taxable revenues	4,979	5,748	4,979	5,748
Non-tax deductible expenses	(4)	(3)	(4)	(3)
Additional tax-deductible expenses allowed	129	2,184	129	2,184
Others	(99)	(63)	(99)	(63)
Total	<u>5,005</u>	<u>7,866</u>	<u>5,005</u>	<u>7,866</u>
Income tax expenses reported in the statements of income	<u>(9,273)</u>	<u>(28,444)</u>	<u>(8,819)</u>	<u>(27,916)</u>

17. Insurance contract liabilities

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2023		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	487,540,791	(3,096,165)	484,444,626
Loss reserves			
Claims incurred and reported	263,893	-	263,893
Claims incurred but not yet reported	39,114,107	-	39,114,107
Premium reserves			
Unearned premium reserves	643,049,747	(2,818,892)	640,230,855
Unpaid policy benefits	23,392,717	-	23,392,717
Total	1,193,361,255	(5,915,057)	1,187,446,198

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2022		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	493,815,646	(3,138,925)	490,676,721
Loss reserves			
Claims incurred and reported	251,488	-	251,488
Claims incurred but not yet reported	24,537,003	-	24,537,003
Premium reserves			
Unearned premium reserves	518,219,994	(2,746,571)	515,473,423
Unpaid policy benefits	47,503,421	-	47,503,421
Total	1,084,327,552	(5,885,496)	1,078,442,056

17.1 Long-term insurance policy reserves

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Beginning balances	493,815,646	502,690,400
Reserves increased from new policies and enforced policies	76,043,124	74,443,869
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(94,158,647)	(94,232,432)
Assumptions changes	11,840,668	10,913,809
Ending balances	<u>487,540,791</u>	<u>493,815,646</u>

17.2 Loss reserves

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Beginning balances	24,788,491	141,977,694
Claims incurred for the years	1,898,582,807	1,599,645,240
Changes in loss reserve	57,036,479	(139,943,293)
Changes in assumptions for calculating loss reserves	(42,459,470)	22,833,290
Claims paid during the years	(1,898,570,307)	(1,599,724,440)
Ending balances	<u>39,378,000</u>	<u>24,788,491</u>

17.3 Claim development tables

a. Gross claims table

Underwriting year/Reporting year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Outstanding claim provision:											
- as at underwriting year/ reporting year	288,608,228	294,603,119	358,551,964	363,689,673	621,131,522	681,954,649	707,285,367	1,084,030,166	1,157,962,858	1,418,714,321	
- Next one year	426,244,997	390,862,969	476,858,625	685,189,024	931,171,835	1,015,004,417	1,008,976,226	1,548,069,426	1,673,232,657		
- Next two years	429,289,768	392,782,278	476,702,303	682,514,759	919,934,611	1,017,718,268	1,011,359,177	1,552,100,504			
- Next three years	429,520,630	392,782,278	476,702,303	682,514,759	924,121,977	1,017,846,129	1,011,359,177				
- Next four years	429,520,630	392,778,278	476,702,303	682,514,759	924,121,977	1,017,813,355					
- Next five years	429,520,630	392,778,278	476,702,303	682,514,759	924,087,860						
- Next six years	429,520,630	392,778,278	476,702,303	682,514,759							
- Next seven years	429,520,630	392,778,278	476,702,303								
- Next eight years	429,520,630	392,778,278									
- Next nine years	429,520,630										
- Next ten years											
Cumulative ultimate claim estimates	429,520,630	392,778,278	476,702,303	682,514,759	924,087,860	1,017,813,355	1,011,359,177	1,552,100,504	1,673,232,657	1,418,714,321	
Cumulative payments to date	429,520,630	392,778,278	476,702,303	682,514,759	924,087,860	1,017,813,355	1,011,359,177	1,552,100,504	1,673,232,657	1,379,336,321	
Loss reserves	-	-	-	-	-	-	-	-	-	39,378,000	39,378,000

b. Net claims table

Underwriting year/Reporting year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Outstanding claim provision:											
- as at underwriting year/											
reporting year	288,608,228	294,603,119	358,551,964	363,689,673	621,131,522	681,954,649	707,285,367	1,079,304,883	1,152,880,235	1,414,280,441	
- Next one year	426,244,997	390,862,969	476,858,625	685,189,024	931,171,835	1,015,004,417	1,008,912,268	1,542,544,775	1,667,112,777		
- Next two years	429,289,768	392,782,278	476,702,303	682,514,759	919,934,611	1,017,718,268	1,011,295,219	1,546,568,388			
- Next three years	429,520,630	392,782,278	476,702,303	682,514,759	924,121,977	1,017,846,129	1,011,295,219				
- Next four years	429,520,630	392,778,278	476,702,303	682,514,759	924,121,977	1,017,813,355					
- Next five years	429,520,630	392,778,278	476,702,303	682,514,759	924,087,860						
- Next six years	429,520,630	392,778,278	476,702,303	682,514,759							
- Next seven years	429,520,630	392,778,278	476,702,303								
- Next eight years	429,520,630	392,778,278									
- Next nine years	429,520,630										
- Next ten years											
Cumulative ultimate claim estimates	429,520,630	392,778,278	476,702,303	682,514,759	924,087,860	1,017,813,355	1,011,295,219	1,546,568,388	1,667,112,777	1,414,280,441	
Cumulative payments to date	429,520,630	392,778,278	476,702,303	682,514,759	924,087,860	1,017,813,355	1,011,295,219	1,546,568,388	1,667,112,777	1,374,902,441	
Loss reserves	-	-	-	-	-	-	-	-	-	39,378,000	39,378,000

17.4 Key assumptions

The key assumptions used in the calculation of long-term insurance policy reserves under gross premium valuation method for liabilities adequacy test are determined as follows:

a. Mortality rate

The Company uses the Thai mortality table as a base and adjusts it based on the Company's experience.

b. Lapse rates

The Company determines the assumptions based on historical actual lapse rates of the Company.

c. Discount rate

The Company uses zero coupon government bond yield curve as a baseline, which will be adjusted for the credit spread between these and A-rated corporate debt securities with 10 years to maturity in order to expiate the illiquidity risk premium.

Key actuarial assumptions in IBNR calculation is the ultimate loss ratio, which is calculated by dividing estimated ultimate losses by estimated ultimate premiums.

17.5 Unearned premium reserves

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Beginning balances	518,219,994	493,327,439
Premium written for the years	2,655,469,715	2,070,761,233
Premium earned during the years	(2,530,639,962)	(2,045,868,678)
Ending balances	<u>643,049,747</u>	<u>518,219,994</u>

18. Due to reinsurers

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Amounts due to reinsurers	139,655,940	304,190,501
Total due to reinsurers	139,655,940	304,190,501

19. Lease liabilities

Reconciliation of lease liabilities for the years ended 31 December 2023 and 2022 was as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	Motor vehicles	
	For the years ended 31 December	
	2023	2022
Lease liabilities - beginning balances	-	766,238
Add: Additions during the years	3,122,080	-
Add: Finance cost for the years	113,366	25,990
Less: Lease payments during the years	(375,571)	(792,228)
Lease liabilities - ending balances	2,859,875	-

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

	31 December 2023		
	Lease liabilities	Deferred finance cost	Lease liabilities - net
Due within 1 year	751,140	196,290	554,850
Due over 1 year	2,628,990	323,965	2,305,025
Total	3,380,130	520,255	2,859,875

Expenses relating to leases that were recognised in statement of income for the years ended 31 December 2023 and 2022 were as follows.

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Depreciation of right-of-use assets	312,208	721,185
Finance cost on lease liabilities	113,366	25,990
Expenses relating to leases of low-value assets	135,480	138,472
Total expenses	561,054	885,647

20. Employee benefit obligations

The movements of employee benefit obligations during the years ended 31 December 2023 and 2022 were as follows:

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Employee benefit obligations at beginning of the years	17,383,010	18,018,244
Recognised in statements of income:		
Current service costs	2,134,759	1,807,774
Interest costs	571,356	552,603
Total items included in statements of income	2,706,115	2,360,377
Recognised in statements of comprehensive income:		
Actuarial (gains) losses due to		
- Demographic assumptions changes	2,364,117	579,067
- Financial assumptions changes	(370,170)	(1,639,379)
- Experience adjustments	11,612	(1,103,373)
Total items included in statements of comprehensive income	2,005,559	(2,163,685)
Benefits paid during the years	-	(831,926)
Employee benefit obligations at end of the years	22,094,684	17,383,010

As at 31 December 2023 and 2022, the Company expected no payments of employee benefits over the next 1-year period.

As at 31 December 2023 and 2022, the weighted average duration of payments of employee benefits was approximately years and 15 years.

The significant assumptions used in calculation of the defined benefit plan were summarised below.

	(Unit: % per annum)	
	For the years ended 31 December	
	2023	2022
Discount rate	2.9	3.2
Salary incremental rate	6.0	6.0
Staff turnover rates	0.0 - 20.5	0.0 - 20.5

The impact from sensitivity analysis from significant assumptions that affect employee benefit obligations as at 31 December 2023 and 2022 were summarised below.

Financial statements in which the equity method is applied and				
Separate financial statements				
31 December 2023				
Assumption	Increase (decrease) in	Assumption	Increase (decrease) in	
increase	employee benefit	decrease	employee benefit	
% per annum	obligations	% per annum	obligations	
	Baht		Baht	
Discount rate	1.0	(1,748,245)	1.0	2,005,585
Salary increasing rate	1.0	1,922,876	1.0	(1,714,999)
Staff turnover rate	10.0 ⁽¹⁾	(1,064,421)	10.0 ⁽¹⁾	1,164,949

⁽¹⁾ 10% of assumed staff turnover rates.

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

31 December 2022

	Increase (decrease) in		Increase (decrease) in	
	Assumption increase	employee benefit obligations	Assumption decrease	employee benefit obligations
	% per annum	Baht	% per annum	Baht
Discount rate	1.0	(1,461,067)	1.0	1,677,964
Salary increasing rate	1.0	1,613,403	1.0	(1,436,976)
Staff turnover rate	10.0 ⁽¹⁾	(886,814)	10.0 ⁽¹⁾	975,264

⁽¹⁾ 10% of assumed staff turnover rates.

21. Share capital

On 26 April 2023, the 2022 Annual General Meeting of shareholders approved an increase of the Company's registered share capital from Baht 600 million (600 million shares with a par of Baht 1 per share) to be Baht 610 million (610 million shares with a par of Baht 1 per share) by newly issues the ordinary shares in amount of 10 million shares with a par value at Baht 1 per share to support the stock dividend payment and also approved to pay a cash dividend of Baht 0.07 per share, and issue stock dividends of 10 million shares with a par value of Baht 1 per share to the shareholders, totaling Baht 10 million or a stock dividend of Baht 0.016666 per share. If any shareholder is allotted a fraction of a share, such shareholder will be paid for such fraction of a share in cash instead of stock at the rate of Baht 0.016666 per share. The Company already paid dividends in cash to shareholders and issued 9,998,247 ordinary shares for stock dividends to shareholders, including settlement a fraction of stock dividend in cash of Baht 1,753 to shareholders on 24 May 2023.

The Company registered the increase in its registered share capital with the Ministry of Commerce on 12 May 2023 and registered its issued and paid-up share capital on 24 May 2023.

22. Statutory reserve

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

During the year ended 31 December 2023, the Company had set aside the statutory reserve of Baht 1 million from its net profit

23. Net investment income

During the years ended 31 December 2023 and 2022, the Company has the following net investment income.

	(Unit: Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Interest income from debt instruments	32,728,784	25,186,092
Dividend income from equity instruments	42,197,699	44,330,630
Investment expenses	(1,621,341)	(913,317)
Total investment income	<u>73,305,142</u>	<u>68,603,405</u>

24. Gains (losses) from financial instruments

	(Unit: Baht)			
	Financial statements in which the equity method is applied		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2023	2022	2023	2022
Gains (losses) from disposal and write off				
Debt instruments classified and measured at fair value through profit or loss	(411,998)	-	(411,998)	-
Equity instruments classified as available-for-sale	-	13,250,828	-	13,250,828
Debt instruments classified as available-for-sale	-	121,739	-	121,739
Equity instruments classified as trading	-	(5,364,631)	-	(5,364,631)
Loss on impairment of investment	-	(3,786,234)	(2,443,305)	(3,786,234)
Total gains (losses) from disposal and write-off	<u>(411,998)</u>	<u>4,221,702</u>	<u>(2,855,303)</u>	<u>4,221,702</u>

25. Segment information

25.1 Operating segment information reporting

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

For management purposes, the Company is organised into business units based on its products and services and have two reportable segments are “conventional products” and “non-conventional products”. Segments are differentiated based on the design of the product, and specifically whether they are a traditional product line available in the current market or a new type of product in expectation of market demand and the Company can continuously service.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker has reviewed the operating results of the operating segments separately for the purpose of making decisions and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, in the part of assets and liabilities, segment performance is measured based on the same basis applied to the financial statements whereby operating segments were not separately measured.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Operating segment information for the years ended 31 December 2023 and 2022 can be classified by type of products as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied		
	For the year ended 31 December 2023		
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	1,999,663,731	1,455,617,558	3,455,281,289
Less: Reinsurance premium ceded	(28,638,238)	(584,245)	(29,222,483)
Net reinsurance premium written	1,971,025,493	1,455,033,313	3,426,058,806
Less: Unearned premium reserves increased from prior year	(45,277,231)	(79,480,201)	(124,757,432)
Net earned premium	1,925,748,262	1,375,553,112	3,301,301,374
Underwriting expenses			
Long-term insurance policy reserves increased (decreased)	(37,243,093)	31,010,998	(6,232,095)
Net benefits and claims	1,428,690,138	957,702,438	2,386,392,576
Commissions and brokerages expenses - net	395,592,453	357,687,619	753,280,072
Other underwriting expenses	31,574,040	22,983,728	54,557,768
Total underwriting expenses	1,818,613,538	1,369,384,783	3,187,998,321
Profit from underwriting	107,134,724	6,168,329	113,303,053
Operating expenses			(116,832,074)
Expected credit losses			(54,754)
Loss from operations			(3,583,775)
Share of loss from investment in an associate			(174,818)
Net investment revenue			74,307,010
Other income			837,360
Profit before income tax expenses			71,385,777
Income tax expenses			(9,272,735)
Net profit			62,113,042

(Unit: Baht)

Financial statements in which the equity method is applied			
For the year ended 31 December 2022			
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	1,716,037,455	1,248,485,315	2,964,522,770
Less: Reinsurance premium ceded	(31,453,032)	(1,721,439)	(33,174,471)
Net reinsurance premium written	1,684,584,423	1,246,763,876	2,931,348,299
Add (less): Unearned premium reserves (increased) decreased from prior year	(30,952,982)	7,433,775	(23,519,207)
Net earned premium	1,653,631,441	1,254,197,651	2,907,829,092
Underwriting expenses			
Long-term insurance policy reserves increased (decreased)	13,427,297	(22,450,367)	(9,023,070)
Net benefits and claims	1,145,548,168	870,391,106	2,015,939,274
Commissions and brokerages expenses - net	358,177,594	283,607,971	641,785,565
Other underwriting expenses	26,692,027	19,419,508	46,111,535
Total underwriting expenses	1,543,845,086	1,150,968,218	2,694,813,304
Profit from underwriting	109,786,355	103,229,433	213,015,788
Operating expenses			(108,356,708)
Reversal on expected credit losses			62,321
Profit from operations			104,721,401
Share of gain from investment in an associate			2,639,062
Net investment revenue			72,834,357
Other income			1,353,906
Profit before income tax expenses			181,548,726
Income tax expenses			(28,444,126)
Net profit			153,104,600

25.2 Geographic information

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

25.3 Major customers

During the years ended 31 December 2023 and 2022, the Company had total reinsurance premium written from each life insurance company for the amount equal to or higher than 10% of total reinsurance premium written as follows:

(Unit: Million Baht)

	Financial statements in which the equity method is applied	
	For the years ended 31 December	
	2023	2022
Reinsurance premium written	2,575	2,121

26. Operating expenses

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Personnel expenses	64,119,963	60,249,887
Premises and equipment expenses	30,084,907	25,518,309
Taxes and duties	79,188	83,818
Other operating expenses	22,434,650	22,478,704
Total operating expenses	<u>116,718,708</u>	<u>108,330,718</u>

27. Expenses by nature

(Unit: Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Long-term insurance policy reserves decreased	(6,232,095)	(9,023,070)
Net benefits and claims	2,383,834,328	2,013,697,786
Commission expenses	756,811,637	644,526,611
Other underwriting expenses	13,535,185	6,981,677
Personnel expenses	106,572,460	98,559,727
Premises and equipment expenses	31,485,249	26,989,270
Other expenses	22,409,950	24,116,736
Total expenses	<u>3,308,416,714</u>	<u>2,805,848,737</u>

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is contributed to by both the employees and the Company on a monthly basis, at rates ranging from 5% to 10% of the employees' basic salaries, based on the length of employment. The fund is managed by Krungsri Asset Management Company Limited and will be paid to employees upon termination in accordance with the fund rules. During the years 2023 and 2022, the Company contributed Baht 5.8 million and Bath 5.1 million, respectively, to the fund.

29. Earnings per share

Basic earnings per share is calculated by dividing net profit (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the years, adjusted by the number of ordinary shares issued in respect of stock dividends as described in Note 21 to the financial statements. Hence, earnings per share of prior years were restated whereby calculation of earnings per share would be determined using the number of ordinary shares after adjusting by number of stock dividends as if the stock dividends were issued at the beginning of prior periods presented.

	Financial statements in which the equity method is applied		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2023	2022 (Restated)	2023	2022 (Restated)
Weighted average number of ordinary shares before stock dividends (Shares)	609,998,247	600,000,000	609,998,247	600,000,000
Number of stock dividend issued in 2023 (Shares)	-	9,998,247	-	9,998,247
Total weighted average number of shares (Shares)	<u>609,998,247</u>	<u>609,998,247</u>	<u>609,998,247</u>	<u>609,998,247</u>
Net profit (Baht)	62,113,042	153,104,600	60,298,253	150,993,350
Earnings per share (Baht per share)	0.10	0.25	0.10	0.25

30. Dividends payment

Dividends declared during the years ended 31 December 2023 and 2022 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Dividend from 2022 net profit	Annual General Meeting of the		
- Cash dividends	Company's shareholders held on	42.0	0.070000
- Stock dividends	26 April 2023	<u>10.0</u>	<u>0.016666</u>
Total dividend paid during 2023		<u>52.0</u>	<u>0.086666</u>
Dividend from 2021 net profit	Annual General Meeting of the		
	Company's shareholders held on		
	22 April 2022	72.0	0.120000
Interim dividend from 2022	Meeting of the Company's Board		
	of Directors held on 5 August 2022	<u>48.0</u>	<u>0.080000</u>
Total dividend paid during 2022		<u>120.0</u>	<u>0.200000</u>

31. Related party transactions

31.1 Nature of relationship

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

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

Name of related parties	Relationship with the Company
TKI Life Insurance Co., Ltd.	An associate whereby the Company holds 32.50% of its shares
Bangkok Life Assurance Plc.	Related by way of having a common director and being the Company's shareholder
Muang Thai Life Assurance Plc.	Related by way of having a common director
South East Life Insurance Plc.	Related by way of having a common director ⁽¹⁾ and being the Company's shareholder
T Life Assurance Plc.	Related by way of having a common director ⁽²⁾
Thai Reinsurance Plc.	Related by way of having a common director and being the Company's shareholder
BlueVenture Group Plc.	Related by way of having common director and shareholder
BlueVenture TPA Co., Ltd.	The Company's major shareholder is the ultimate parent company of this entity
BlueVenture Actuarial Co., Ltd.	The Company's major shareholder is the ultimate parent company of this entity
BlueVenture Tech Co., Ltd.	The Company's major shareholder is the ultimate parent company of this entity
The Navakij Insurance Plc.	Related by way of having a common director and being the Company's shareholder
The Falcon Insurance Plc.	Related by way of having a common director and being the Company's shareholder
Wang Lee Co., Ltd.	Related by way of having a common director and being the Company's shareholder

⁽¹⁾ The Company had been considered a related party until 1 July 2022, the date on which a common director resigned from the Company's Board of Directors.

⁽²⁾ The Company has been considered a related party since 1 June 2023, the date on which both parties have a common director.

31.2 Significant related party transactions

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements		Pricing policy
	For the years ended 31 December		
	2023	2022	
<u>Transaction with associates</u>			
Revenues			
Service revenues ⁽¹⁾	276	276	Mutually agreed rates
Reinsurance premium written	232	278	According to terms of reinsurance contracts
Expenses			
Claim expenses	72	60	According to the ratios as specified in the reinsurance contracts
Commission expenses	49	62	According to terms of reinsurance contracts
<u>Transactions with related parties</u>			
Revenues			
Reinsurance premium written	2,218,365	1,851,481	According to terms of reinsurance contracts
Commission income	-	85	According to terms of reinsurance contracts
Claims refundable	-	150	According to the ratios as specified in the reinsurance contracts
Expenses			
Reinsurance premium ceded	-	343	According to terms of reinsurance contracts
Claim expenses	1,583,657	1,449,608	According to the ratios as specified in the reinsurance contracts
Commission expenses	498,269	438,003	According to terms of reinsurance contracts
Service fee expenses ⁽²⁾	8,118	8,287	Mutually agreed rates
Owner's equity			
Dividend paid	4,822	14,248	As declared

⁽¹⁾ Included in "Other income" in statements of income

⁽²⁾ Included in "Operating expenses" in statements of income

31.3 Outstanding balances

As at 31 December 2023 and 2022, the Company had the outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2023	31 December 2022
Associate		
Other receivables ⁽¹⁾	20	6
Deferred commissions expenses	16	25
Amounts due to reinsurers ⁽⁴⁾	-	3
Related parties		
Amounts due from reinsurers ⁽²⁾	58,865	7,277
Amounts deposited on reinsurance ⁽²⁾	31,815	62,054
Deferred commissions expenses	89,065	80,712
Loss reserves ⁽³⁾	30,995	2,939
Amounts due to reinsurers ⁽⁴⁾	74,419	204,891
Other payables ⁽⁵⁾	-	180

⁽¹⁾ Included in "Other assets" in statements of financial position

⁽²⁾ Included in "Reinsurance receivables" in statements of financial position

⁽³⁾ Included in "Insurance contract liabilities" in statements of financial position

⁽⁴⁾ Included in "Due to reinsurers" in statements of financial position

⁽⁵⁾ Included in "Other liabilities" in statements of financial position

31.4 Directors' and key management's remuneration

During the years ended 31 December 2023 and 2022, the Company had salaries, bonuses, meeting allowances and post-employment benefits incurred in respect of its directors and key management personnel as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2023	2022
Short-term benefits	47,444	47,508
Post employment benefits	4,559	2,979
Total	<u>52,003</u>	<u>50,487</u>

32. Assets subject to restrictions

As at 31 December 2023 and 2022, the Company had the following assets placed reserved with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act.

	(Unit: Million Baht)			
	Financial statements in which the equity method is applied and Separate financial statements			
	31 December 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Assets placed				
Government bonds	21.0	22.4	21.0	23.0
Assets reserved as insurance reserves				
Government and state enterprise bonds	280.0	279.4	285.0	287.9
Private enterprise debt securities	44.0	44.2	44.0	44.6

33. Commitments

33.1 Capital Commitments

As at 31 December 2023 and 2022, the Company had capital commitments in relation to installation of computer software amounting to Baht 10.3 million and Baht 8.6 million, respectively.

33.2 Service commitments

As at 31 December 2023 and 2022, the Company had outstanding service commitments and future minimum service fees amounting to Baht 16.5 million and Baht 22.3 million, respectively.

34. Risks and risk management policy

34.1 Life insurance risk

Life Insurance risks arising from the conduct of reinsurance activities are managed as follows:

a. Product design and development and pricing

The Company has established a Product Development Committee to consider significant issues that would affect the Company's financial position. Furthermore, after new products are launched the Company monitors underwriting results, such as deviations between premium pricing assumptions and actual experience, so that they can be used to improve the products.

b. Underwriting of reinsurance

The Company modifies its underwriting guidelines to keep them up to date, based on technical knowledge and statistical information. Moreover, training is conducted to engender staff's application of knowledge and discipline when making underwriting decisions and reviews of whether underwriting practices correspond to the guidelines are performed to ensure that the risk retention is consistent with the Company's identified risk limits.

c. Claim management

The Company has established a standardised claims management process and claims management guidelines are consistently updated, with due consideration given to risk management. Moreover, the Company arranges training to impart knowledge to staff, and working practices are reviewed to ensure they are in accordance with the guidelines.

d. Retrocession

An excess of loss retrocession program has been implemented as a risk management tool. The Company buys retrocession coverage for excess of loss in order to limit the maximum loss per event and regularly performs adequacy tests of reinsurance protection in the event of major loss events. In addition, the Company has a policy to retrocede its business only to retrocessionaires that have credit ratings of at least “A-.”

e. Reserve estimates

The Company’s loss reserves are examined and certified by independent actuarial fellows. Moreover, the Company periodically analyses and monitors deviations between the reserve calculation assumptions and actual experience to ensure reserves adequately cover the Company’s obligations.

f. Reinsurance concentration risk

Reinsurance concentration risk is the risk arising from a concentration of business written within a particular type of contracts. Reinsurance contracts can be divided into short-term and long-term, which have different obligations. Long-term reinsurance contract obliges the Company to provide ongoing coverage without changing premiums or benefits or canceling the contract and the present value of the obligation will be fluctuated due to change in interest rate whereas short-term contract obliges the Company on a yearly basis and enables the Company to adjust reinsurance conditions when renewal is made and there are no discounted over time required.

Hence, in order to prevent any volatility to the Company’s financial position, the Company has the policy to balance the portfolio mix of long-term and short-term contracts. The proportion of reinsurance premium written under short-term and long-term agreements for the years ended 31 December 2023 and 2022 was as follows;

(Unit: Percent)

	For the years ended 31 December	
	2023	2022
Long-term contracts	23	30
Short-term contracts	77	70
Total	100	100

As at 31 December 2023 and 2022, the proportion of insurance contract liabilities under short-term and long-term agreements was as follows;

	(Unit: Percent)	
	31 December 2023	31 December 2022
Long-term contracts	48	55
Short-term contracts	52	45
Total	100	100

g. Sensitivity analysis

Sensitivity analysis is performed to analyse the risk that insurance contract liabilities will increase or decrease as a result of changes in the assumptions used in calculating, gross and net reserves, profits before taxes, and owner's equity. The risk may occur because the frequency of claims, value of claims, or loss adjustment expenses may not be as expected.

(1) Sensitivity analysis on long-term insurance policy reserves

As at 31 December 2023 and 2022, impacts from changes in assumptions on long-term insurance policy reserves were shown below:

		Financial statements in which the equity method is applied and Separate financial statements			
		31 December 2023			
Change in assumption ⁽¹⁾	%	Increase (decrease) in long-term policy reserves before retrocession	Increase (decrease) in long-term policy reserves after retrocession	Increase (decrease) in profits before income taxes	Increase (decrease) in owner's equity
		Baht	Baht	Baht	Baht
Mortality rate	+5.0	28,174,066	28,174,066	(28,174,066)	(22,539,253)
Mortality rate	-5.0	(27,720,333)	(27,720,333)	27,720,333	22,176,266
Lapse rate	+5.0	3,133,093	3,133,093	(3,133,093)	(2,506,474)
Lapse rate	-5.0	(2,350,416)	(2,350,416)	2,350,416	1,880,333
Discount rate	+5.0	(5,717,486)	(5,717,486)	5,717,486	4,573,988
Discount rate	-5.0	5,828,020	5,828,020	(5,828,020)	(4,662,416)

⁽¹⁾ % of each assumed rate.

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31 December 2022

	Change in assumption ⁽¹⁾	Increase (decrease) in long-term policy reserves before retrocession	Increase (decrease) in long-term policy reserves after retrocession	Increase (decrease) in profits before income taxes	Increase (decrease) in owner's equity
		%	Baht	Baht	Baht
Mortality rate	+5.0	29,911,311	29,911,311	(29,911,311)	(23,929,048)
Mortality rate	-5.0	(28,872,974)	(28,872,974)	28,872,974	23,098,379
Lapse rate	+5.0	3,412,461	3,412,461	(3,412,461)	(2,729,969)
Lapse rate	-5.0	(2,031,870)	(2,031,870)	2,031,870	1,625,496
Discount rate	+5.0	(5,736,122)	(5,736,122)	5,736,122	4,588,898
Discount rate	-5.0	5,847,184	5,847,184	(5,847,184)	(4,677,747)

⁽¹⁾ % of each assumed rate.

(2) Sensitivity analysis on short-term insurance policy reserves

As at 31 December 2023 and 2022, impacts from changes in assumptions on loss reserves were shown below:

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

31 December 2023

	Change in assumption	Increase (decrease) in loss reserves before retrocession	Increase (decrease) in loss reserves after retrocession	Increase (decrease) in profits before income taxes	Increase (decrease) in owner's equity
		%	Baht	Baht	Baht
Ultimate loss ratio	+5.0	17,197,414	17,197,414	(17,197,414)	(13,757,932)
Ultimate loss ratio	-5.0	(9,368,193)	(9,368,193)	9,368,193	7,494,554

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

31 December 2022

	Change in assumption	Increase (decrease) in loss reserves before retrocession	Increase (decrease) in loss reserves after retrocession	Increase (decrease) in profits before income taxes	Increase (decrease) in owner's equity
		%	Baht	Baht	Baht
Ultimate loss ratio	+5.0	41,472,949	41,472,949	(41,472,949)	(33,178,359)
Ultimate loss ratio	-5.0	(11,587,754)	(11,587,754)	11,587,754	9,270,203

34.2 Financial risks

a. Credit risk

The Company is exposed to credit risk primarily with respect to reinsurance receivables and investments in debt securities. The Company manages the risk by regularly evaluating credit quality of its retrocessionaires and issuers of securities and assessing their ability to pay, considering their credit rating and monitoring of their financial positions. The Company has a policy to retrocede its business to foreign retrocessionaires and buy securities from issuers that have credit ratings of at least A- and therefore it is not expected to incur material financial losses from credit risk. The maximum exposure to credit risk is limited to the carrying amount of reinsurance receivables and investments in debt securities as presented in the statement of financial position.

The Company has policy to manage expected credit losses (ECL) related to debt instruments by determining if there has been a significant increase in credit risk of the securities since the first day of investment and considering credit quality of financial assets under the following criteria.

- (1) Financial asset without a significant increase in credit risk or low credit risk considering that the issuer's credit rating is rated as "Investment Grade" and there are no changes in related factor that significantly impact to issuer's cashflow. This stage of financial assets is subject to the 12-month ECL and interest income is calculated by applying the effective interest rate to the amortised cost before allowance for expected credit losses.
- (2) Financial asset with a significant increase in credit risk or higher credit risk considering that the issuer's credit rating is rated as "Non-investment Grade" and there are changes in related factors that significantly impact the issuer's cashflows. This stage of financial assets is subject to the life-time ECL and interest income is calculated by applying the effective interest rate to the amortised cost before allowance for expected credit losses.
- (3) Financial asset with credit-impaired or there is objective and apparently evidences of impairment considering that there is 1 day past due on its contractual payment, including default on other loan or debt of the same issuers. As a result, the issuer credit rating is rated as "Default Grade". This stage of financial assets is subject to the life-time ECL and interest income is calculated by applying the effective interest rate to the amortised cost after allowance for expected credit losses.

The following table showed the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets were net carrying value after deducting allowance for expected credit losses, which were also considered to be the maximum exposure of financial assets before both the effect of mitigation through the use of master netting and collateral arrangements.

(Unit: Baht)

	Financial statements in which the equity method is applied and			
	Separate financial statements			
	31 December 2023			
	Financial assets			
Financial assets	with significant	Financial assets		
without	increase in	with credit-		
significant	credit risk	impaired		
increase in	(Lifetime ECL -	(Lifetime ECL -		
credit risk	not credit	credit impaired)		
(12-mth ECL)	impaired)	credit impaired)		Total
Cash and cash equivalents				
Investment grade	12,772,114	-	-	12,772,114
Less: Allowance for expected credit loss	(6,901)	-	-	(6,901)
Net carrying value	<u>12,765,213</u>	<u>-</u>	<u>-</u>	<u>12,765,213</u>
Debt instruments measured at amortised cost				
Investment grade	1,543,510,624	-	-	1,543,510,624
Less: Allowance for expected credit loss	(674,722)	-	-	(674,722)
Net carrying value	<u>1,542,835,902</u>	<u>-</u>	<u>-</u>	<u>1,542,835,902</u>

(Unit: Baht)

Financial statements in which the equity method is applied and

Separate financial statements

31 December 2022

	Financial assets			Total
	Financial assets without significant increase in credit risk (12-mth ECL)	with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets with credit-impaired (Lifetime ECL - credit impaired)	
Cash and cash equivalents				
Investment grade	81,779,086	-	-	81,779,086
Less: Allowance for expected credit loss	(55,380)	-	-	(55,380)
Net carrying value	<u>81,723,706</u>	<u>-</u>	<u>-</u>	<u>81,723,706</u>
Held-to-maturity investments measured at amortised cost				
Investment grade	1,376,740,588	-	-	1,376,740,588
Less: Allowance for expected credit loss	(571,488)	-	-	(571,488)
Net carrying value	<u>1,376,169,100</u>	<u>-</u>	<u>-</u>	<u>1,376,169,100</u>

The following table showed the movement of the allowance for expected credit losses for the year ended 31 December 2023 and 2022.

(Unit: Baht)

Financial statements in which the equity method is applied and

Separate financial statements

31 December 2023

	Financial assets			Total
	Financial assets without significant increase in credit risk (12-mth ECL)	with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets with credit-impaired (Lifetime ECL - credit impaired)	
Cash and cash equivalents				
Beginning balance	55,380	-	-	55,380
Change due to remeasurement of allowance for expected credit losses	(48,479)	-	-	(48,479)
Ending balance	<u>6,901</u>	<u>-</u>	<u>-</u>	<u>6,901</u>
Debt instruments measured at amortised cost				
Beginning balance	571,488	-	-	571,488
Newly purchased or acquired financial assets	192,167	-	-	192,167
Change due to remeasurement of allowance for expected credit losses	(88,933)	-	-	(88,933)
Ending balance	<u>674,722</u>	<u>-</u>	<u>-</u>	<u>674,722</u>

(Unit: Baht)

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

31 December 2022

	Financial assets			Total
	Financial assets without significant increase in credit risk (12-mth ECL)	with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets with credit- impaired (Lifetime ECL - credit impaired)	
Cash and cash equivalents				
Beginning balance	105,523	-	-	105,523
Change due to remeasurement of allowance for expected credit losses	(50,143)	-	-	(50,143)
Ending balance	55,380	-	-	55,380
Held-to-maturity investments measured at amortised cost				
Beginning balance	583,666	-	-	583,666
Newly purchased or acquired financial assets	386,787	-	-	386,787
Change due to remeasurement of allowance for expected credit losses	(398,965)	-	-	(398,965)
Ending balance	571,488	-	-	571,488

b. Market risk

Market risk is the risk that change in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position. The Company had no significant financial assets denominated in foreign currencies; market risk is therefore confined only to interest rate risk and equity position risk.

(1) Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and investments in debt securities.

The Company has managed interest rate risk by closely monitoring interest rate movement and incorporating it into investment allocation decision making.

Significant assets and liabilities classified by type of interest rate were summarised in the table below, with those assets and liabilities that carried fixed interest rates further classified based on the maturity date, or the repricing date if this occurred before the maturity date.

(Unit: Thousand Baht)

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

31 December 2023

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	12,746	19	12,765	0.5
Accrued investment income	-	-	-	-	10,439	10,439	-
Debt financial assets	455,064	865,078	222,694	-	-	1,542,836	1.9 - 3.1
Equity financial assets	-	-	-	-	567,650	567,650	-
Financial liabilities							
Lease liabilities	555	2,305	-	-	-	2,860	7.5
Assets under insurance contracts							
Reinsurance assets							
- Long-term insurance policy reserves	-	-	-	-	3,096	3,096	-
Reinsurance receivables	-	-	-	-	266,333	266,333	-
Liabilities under insurance contracts							
Insurance contract liabilities							
- Long-term insurance policy reserves	-	-	-	-	487,541	487,541	-
- Loss reserves	-	-	-	-	39,378	39,378	-
Due to reinsurers	-	-	-	-	139,656	139,656	-

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements							
31 December 2022							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	81,717	7	81,724	0.2 - 0.35
Accrued investment income	-	-	-	-	20,456	20,456	-
Investments in securities							
Government and state enterprise securities	419,661	273,529	125,121	-	-	818,311	1.35
Private enterprise debt securities	34,925	325,349	147,649	-	-	507,923	2.94
Equity securities	-	-	-	-	824,865	824,865	-
Deposits at financial institutions	49,934	-	-	-	-	49,934	1.00
Assets under insurance contracts							
Reinsurance assets							
- Long-term insurance policy reserves	-	-	-	-	3,139	3,139	-
Reinsurance receivables	-	-	-	-	273,321	273,321	-
Liabilities under insurance contracts							
Insurance contract liabilities							
- Long-term insurance policy reserves	-	-	-	-	493,816	493,816	-
- Loss reserves	-	-	-	-	24,788	24,788	-
Due to reinsurers	-	-	-	-	304,191	304,191	-

(2) Securities price risk

Securities price risk is the risk that change in the market prices of securities will result in fluctuations in revenues and in the value of assets.

The Company manages the price risk by continually analysing and monitoring changes in any factors that might lead to adverse movement in the market price of the invested securities. The Company has adopted a prudent investment policy and avoids speculative investments that would jeopardise its capital. The Company invests in high quality securities that are expected to generate reasonable and consistent returns.

As at 31 December 2023 and 2022, the Company had risk from holding securities, the price of which would change following market conditions.

c. 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 position through prudent investment decisions, cash flow matching of assets and liabilities, and diversification of assets and liabilities to ensure that adequate cash is available when needed. Moreover, the Company sets its liquidity position at a higher than that required by the Office of Insurance Commission.

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements					
	31 December 2023					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	12,746	-	-	-	19	12,765
Accrued investment income	-	10,439	-	-	-	10,439
Debt financial assets	-	455,064	865,078	222,694	-	1,542,836
Equity financial assets	566,067	-	-	-	1,583	567,650
Financial liabilities						
Lease liabilities	-	751	2,629	-	-	3,380
Assets under insurance contracts						
Reinsurance receivables	-	266,333	-	-	-	266,333
Liabilities under insurance contracts						
Due to reinsurers	-	139,656	-	-	-	139,656

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements						
31 December 2022						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	81,717	-	-	-	7	81,724
Accrued investment income	-	20,456	-	-	-	20,456
Investments in securities	821,742	504,520	598,878	272,770	3,123	2,201,033
Assets under insurance contracts						
Reinsurance receivables	-	273,321	-	-	-	273,321
Liabilities under insurance contracts						
Due to reinsurers	-	304,191	-	-	-	304,191

The Company's reinsurance contracts generated an annual reinsurance premium, net of underwriting expenses throughout term of contracts whereby remaining periods to maturity of insurance contract liabilities, counted from the statement of financial position as at 31 December 2023 and 2022, were presented as a percentage to total insurance contract liabilities as below:

	(Unit: Percent)	
<u>Remaining periods to maturity</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
1 year	24.0	21.5
1 year to 5 years	32.1	32.6
Over 5 years	43.9	45.9
Total	<u>100.0</u>	<u>100.0</u>

35. Fair value measurement

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

(Unit: Baht)

Financial statements in which the equity method is applied and separate financial statements					
31 December 2023					
Fair value					
	Level 1	Level 2	Level 3	Total	Carrying value
<u>Financial assets measured at fair value</u>					
Equity financial assets - Equity instruments designated at fair value through other comprehensive income					
- Listed equity instruments	566,067,009	-	-	566,067,009	566,067,009
- Non-listed equity instruments	-	-	1,583,502	1,583,502	1,583,502
<u>Financial assets for which fair values were disclosed</u>					
Cash and cash equivalents	12,772,114	-	-	12,772,114	12,765,213
Debt financial assets - measured at amortised cost					
- Government and state enterprise securities	-	796,574,755	-	796,574,755	797,472,190
- Private enterprise debt securities	-	732,497,763	-	732,497,763	735,369,117
- Deposits at financial institutions which amounts maturing over 3 months	10,000,000	-	-	10,000,000	9,994,595

(Unit: Baht)

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

31 December 2022

Fair value

	Level 1	Level 2	Level 3	Total	Carrying value
Financial assets measured at fair value					
Available-for-sale investments					
measured at fair value through other comprehensive income	562,726,919	259,015,411	3,122,783	824,865,113	824,865,113
Financial assets for which fair values were disclosed					
Cash and cash equivalents	81,779,086	-	-	81,779,086	81,723,706
Held-to-maturity investments measured at amortised cost					
Government and state enterprise securities	-	821,877,755	-	821,877,755	818,311,334
Private enterprise debt securities	-	505,395,933	-	505,395,933	507,923,375
Deposits at financial institutions	50,000,000	-	-	50,000,000	49,934,391

The fair value hierarchy of financial assets was presented according to Note 5.20 to financial statements. The methods and assumptions used by the Company in estimating the fair value of financial instruments were as follows:

- (a) Financial assets and liabilities having short-term maturity periods as cash and cash equivalents, and deposits at banks with an original maturity period of within 1 year were presented at fair values, which approximate their carrying amounts in the statement of financial position.
- (b) Investments in listed equity securities and investment units were presented at fair values using market price.
- (c) Investments in debts securities were presented at fair values, determined using the yield curves as announced by the Thai Bond Market Association.
- (d) Investments in non-listed equity securities were presented at fair values, determined using the discounted cash flow method. Investments in non-listed investment units were presented at fair values, using the net asset value per unit as announced by the fund managers.

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

36. Capital management for life insurance companies

The primary objectives of the Company's capital management are to ensure that it has ability to continue its business as a going concern and to maintain risk-based capital in accordance with the requirements of the Office of the insurance Commission.

37. Event after the reporting period

On 19 February 2024, the Meeting of the Company's Board of Directors passed resolutions approving the proposal to the Annual General Meeting of the Company's shareholders to be held in April 2024 for:

- (a) An increase of the Company's registered share capital from Baht 610 million to be Baht 620 million, comprising 620 million shares with a par value of Baht 1 each, by issuing 10 million newly-issued ordinary shares a par value of Baht 1 each to support stock dividend payments.
- (b) Allocation of profits for cash and stock dividend payments with details as follows:
 - 1) Cash dividend will be paid at the rate of Baht 0.07 per share to the existing shareholders amounting to Baht 42.7 million.
 - 2) Stock dividend will be paid at the ratio of 61 existing shares to 1 stock dividend, totaling 10 million ordinary shares at a par value of Baht 1 each or a total amount of Baht 10 million.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2024.



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