

THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED

EQUITY METHOD AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2024

Independent auditor's report

To the Shareholders and the Board of Directors of Thaire Life Assurance Public Company Limited

My opinion

In my opinion, the equity method financial statements and the separate financial statements present fairly, in all material respects, the equity method financial position of Thaire Life Assurance Public Company Limited (the Company) and separate financial position of the Company as at 31 December 2024, and its equity method and separate financial performance and its equity method and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The equity method financial statements and the separate financial statements comprise:

- the equity method and separate statements of financial position as at 31 December 2024;
- the equity method and separate statements of comprehensive income for the year then ended;
- the equity method and separate statements of changes in equity for the year then ended;
- the equity method and separate statements of cash flows for the year then ended; and
- the notes to the equity method and separate financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the equity method and separate 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 (TFAC Code) that are relevant to my audit of the equity method and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. 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 equity method and separate financial statements of the current period. I determine one key audit matter: Long-term insurance policy reserves. The matter was addressed in the context of my audit of the equity method and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><i>Long-term insurance policy reserves</i></p> <p>Refer to Note 5.8 a), critical accounting estimates and judgements in relation to long-term insurance policy reserves and Note 17.1, long-term insurance policy reserves.</p> <p>As at 31 December 2024, Long-term insurance policy reserves of Baht 422.3 million, represents 23.4 percent of total liabilities, was presented in the financial statements. The management has assessed the insurance policy reserves by using actuarial methods, based on the best estimate of historical data, current economic situation and trends in life insurance business for considering the expected claims that may arise during the remaining coverage periods. Management applied the inherent uncertainty of assumptions such as mortality and morbidity rate, discounted rate, lapse or surrender rate, and selling and administrative expense ratio. Estimation process is complex and involves significant judgements. Management's expert is engaged to estimate the reserves.</p> <p>I focused on the adequacy for the valuation of long-term insurance policy reserves because of the significant balance of reserves to total liabilities, the inherent uncertainty of assumptions and significant judgements applied.</p>	<p>I evaluated the appropriateness of the management's methods and assumptions for calculation in relation to the long-term insurance policy reserves which included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process and the calculation method used to estimate the long-term insurance policy reserves setting in accordance with actuarial methodology. • Obtained an understanding, assessed the design and tested operating effectiveness of key controls activities of the long-term insurance policy reserves and calculation setting processes including accounting records. • Randomly tested insurance contracts to determine whether there are any significant insurance risks in accordance with TFRS4. • Tested the appropriateness of data input used in the actuarial reserve calculations by reconciling with source data such as claim data, sum assured, premium and relevant policy administrative data. • Performed analytical procedures on movements of long-term insurance policy reserves. • Evaluated the competence and capabilities of the actuary, who is management's expert. • Evaluated whether the Company's actuarial methodologies were reasonable and consistent with those used in the industry. Obtained an understanding of the assumptions involved when determining the calculation of long-term insurance policy reserves and assessed whether those assumptions represent the best estimates. • Evaluated auditor's expert within my network firms to carry out independent modelling to assess if the best estimate of long-term insurance policy reserves fell into estimated reasonable ranges for randomly selected insurance contract. <p>Based on all of the above procedures, I considered that the management's methods and assumptions used for calculation of long-term insurance policy reserves were acceptable based on available evidence.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of management for the equity method and separate financial statements

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

In preparing the equity method and separate 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.

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

Auditor's responsibilities for the audit of the equity method and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the equity method and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 equity method and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the equity method and separate financial statements, including the disclosures, and whether the equity method and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
24 February 2025

Thaire Life Assurance Public Company Limited
Statements of Financial Position
As at 31 December 2024

	Notes	Equity method financial statements		Separate financial statements	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Assets					
Cash and cash equivalents	7	37,207,753	12,765,213	37,207,753	12,765,213
Accrued investment income		11,338,310	10,438,779	11,338,310	10,438,779
Reinsurance assets	8	137,748,688	5,915,057	137,748,688	5,915,057
Amount due from reinsurance	9	329,905,185	266,332,845	329,905,185	266,332,845
Debt financial assets	10.1	1,897,805,591	1,542,835,902	1,897,805,591	1,542,835,902
Equity financial assets	10.2	290,237,051	567,650,511	290,237,051	567,650,511
Investment in associate	11	6,612,856	8,102,338	11,678,798	16,467,595
Assets held for sale	12	-	39,146,710	-	39,146,710
Buildings, leasehold improvements and equipment	13	22,836,132	5,491,021	22,836,132	5,491,021
Intangible assets	14	41,716,281	36,097,659	41,716,281	36,097,659
Deferred tax assets	15.1	113,943,944	89,056,321	112,930,755	87,383,270
Deferred acquisition costs	16	149,237,332	145,695,230	149,237,332	145,695,230
Other assets		8,959,571	7,631,536	8,959,571	7,631,536
Total assets		3,047,548,694	2,737,159,122	3,051,601,447	2,743,851,328

Director _____ Director _____

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

Thaire Life Assurance Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2024

		Equity method		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Liabilities					
Insurance contract liabilities	17	1,178,271,198	1,193,361,255	1,178,271,198	1,193,361,255
Amount due to reinsurance	18	587,567,936	139,655,940	587,567,936	139,655,940
Lease liabilities	19	10,373,944	2,859,875	10,373,944	2,859,875
Employee benefit obligations	20	19,546,533	22,094,684	19,546,533	22,094,684
Other liabilities					
Accrued expenses		3,635,211	5,421,782	3,635,211	5,421,782
Others		6,365,545	5,887,265	6,365,545	5,887,265
Total liabilities		1,805,760,367	1,369,280,801	1,805,760,367	1,369,280,801
Equity					
Share capital	21				
Authorised share capital					
620,000,000 ordinary shares					
at par value of Baht 1 per share					
(2023 : 610,000,000 ordinary shares					
at par value of Baht 1 per share)					
		620,000,000	610,000,000	620,000,000	610,000,000
Issued and paid-up share capital					
620,000,000 ordinary shares					
at par value of Baht 1 per share					
(2023 : 609,998,247 ordinary shares					
at par value of Baht 1 per share)					
		620,000,000	609,998,247	620,000,000	609,998,247
Ordinary share premium		79,166,741	79,162,825	79,166,741	79,162,825
Retained earnings					
Appropriated - legal reserve	22	62,000,000	61,000,000	62,000,000	61,000,000
Unappropriated		534,596,209	744,266,617	529,433,674	742,041,183
Other components of equity		(53,974,623)	(126,549,368)	(44,759,335)	(117,631,728)
Total equity		1,241,788,327	1,367,878,321	1,245,841,080	1,374,570,527
Total liabilities and equity		3,047,548,694	2,737,159,122	3,051,601,447	2,743,851,328

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

Thaire Life Assurance Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2024

		Equity method financial statements		Separate financial statements	
		2024	2023	2024	2023
Notes		Baht	Baht	Baht	Baht
Revenues					
		4,559,203,645	3,455,281,289	4,559,203,645	3,455,281,289
		(184,077,340)	(29,222,483)	(184,077,340)	(29,222,483)
		4,375,126,305	3,426,058,806	4,375,126,305	3,426,058,806
		75,828,724	(124,757,432)	75,828,724	(124,757,432)
		4,450,955,029	3,301,301,374	4,450,955,029	3,301,301,374
		2,970,025	3,531,565	2,970,025	3,531,565
	23	71,826,576	73,305,142	71,826,576	73,305,142
	24	541,406	(411,998)	(4,247,392)	(2,855,303)
		(1,725,542)	1,413,866	(1,725,542)	1,413,866
	11.3	(1,117,422)	(174,818)	-	-
		2,590,306	837,360	2,590,306	837,360
Total revenues		4,526,040,378	3,379,802,491	4,522,369,002	3,377,534,004
Expenses					
		(65,049,976)	(6,232,095)	(65,049,976)	(6,232,095)
		3,726,282,307	2,397,605,706	3,726,282,307	2,397,605,706
		(95,788,157)	(11,213,130)	(95,788,157)	(11,213,130)
		897,470,529	756,811,637	897,470,529	756,811,637
		41,646,825	54,557,768	41,646,825	54,557,768
	26	130,673,793	116,718,708	130,673,793	116,718,708
	19	485,380	113,366	485,380	113,366
		141,614	54,754	141,614	54,754
Total expenses		4,635,862,315	3,308,416,714	4,635,862,315	3,308,416,714
Profit (Loss) before income tax		(109,821,937)	71,385,777	(113,493,313)	69,117,290
	15.2	25,188,501	(9,272,735)	25,922,776	(8,819,037)
Net profit (loss) for the year		(84,633,436)	62,113,042	(87,570,537)	60,298,253

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

Thaire Life Assurance Public Company Limited
Statements of Comprehensive Income (Cont'd)
For the year ended 31 December 2024

	Notes	Equity method financial statements		Separate financial statements	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Other comprehensive income (loss)					
<u>Items not to be reclassified to subsequently to profit or loss:</u>					
Actuarial losses on defined employee benefit plans	20	(894,591)	(2,005,559)	(894,591)	(2,005,559)
<u>Add</u> Income taxes		178,918	401,112	178,918	401,112
Actuarial losses on defined employee benefit plans - net of income taxes		(715,673)	(1,604,447)	(715,673)	(1,604,447)
Gains (Losses) on investments in equity securities measured at fair value through other comprehensive income		2,771,044	(120,023,569)	2,771,044	(120,023,569)
<u>Add (less)</u> Income taxes		(554,209)	24,004,714	(554,209)	24,004,714
Gains (Losses) on investments in equity securities measured at fair value through other comprehensive income - net of income taxes		2,216,835	(96,018,855)	2,216,835	(96,018,855)
<u>Items not to be reclassified to subsequently to profit or loss - net of income taxes</u>		1,501,162	(97,623,302)	1,501,162	(97,623,302)
<u>Items reclassified to subsequently to profit or loss</u>					
Translation adjustments of the financial statements in foreign currency of an associate		(372,060)	(1,729,914)	-	-
<u>Add</u> Income taxes		74,412	345,983	-	-
Translation adjustments of the financial statements in foreign currency of an associate - net of income taxes		(297,648)	(1,383,931)	-	-
<u>Items to be reclassified to subsequently to profit or loss</u>		(297,648)	(1,383,931)	-	-
Other comprehensive income (loss) for the year - net of income taxes		1,203,514	(99,007,233)	1,501,162	(97,623,302)
Total comprehensive loss for the year		(83,429,922)	(36,894,191)	(86,069,375)	(37,325,049)
Earnings (losses) per share	29				
Basic earnings (losses) per share		(0.14)	0.10	(0.14)	0.10

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

Thaire Life Assurance Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2024

Equity method financial statements								
					Other components of equity			
					Revaluation surplus (deficit) on	Translation adjustments		
					equity securities measured	of the financial statements		
					at fair value through other	in foreign currency		
					comprehensive income	of an associate		
					- net of income taxes	- net of income taxes		
						Total other components		
						of equity		
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Balance as at 1 January 2023	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
Proceeds from shares issued	9,998,247	-	-	-	-	-	-	9,998,247
Transfer loss on disposals of equity securities measured								
at fair value through other comprehensive income to retained earnings	-	-	-	(52,459,587)	52,459,587	-	52,459,587	-
Dividends	30	-	-	(52,000,000)	-	-	-	(52,000,000)
Reversal of dividend payable due to ineligibility of shareholders	-	-	-	10,998	-	-	-	10,998
Transferred to legal reserve	-	-	1,000,000	(1,000,000)	-	-	-	-
Net profit for the year	-	-	-	62,113,042	-	-	-	62,113,042
Other comprehensive loss for the year	-	-	-	(1,604,447)	(96,018,855)	(1,383,931)	(97,402,786)	(99,007,233)
Total comprehensive income (loss) for the year	-	-	-	60,508,595	(96,018,855)	(1,383,931)	(97,402,786)	(36,894,191)
Balance as at 31 December 2023	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
Balance as at 1 January 2024	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
Proceeds from shares issued	21	10,001,753	3,916	-	-	-	-	10,005,669
Transfer loss on disposals of equity securities measured								
at fair value through other comprehensive income to retained earnings	10.2.2	-	-	(70,655,558)	70,655,558	-	70,655,558	-
Dividends	30	-	-	(52,699,877)	-	-	-	(52,699,877)
Reversal of dividend payable due to ineligibility of shareholders	-	-	-	34,136	-	-	-	34,136
Transferred to legal reserve	22	-	-	1,000,000	(1,000,000)	-	-	-
Net loss for the year	-	-	-	(84,633,436)	-	-	-	(84,633,436)
Other comprehensive income (loss) for the year	-	-	-	(715,673)	2,216,835	(297,648)	1,919,187	1,203,514
Total comprehensive income (loss) for the year	-	-	-	(85,349,109)	2,216,835	(297,648)	1,919,187	(83,429,922)
Balance as at 31 December 2024	620,000,000	79,166,741	62,000,000	534,596,209	(44,759,335)	(9,215,288)	(53,974,623)	1,241,788,327

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

Thaire Life Assurance Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2024

Separate financial statements								
	Notes	Issued and paid-up share capital Baht	Ordinary share premium Baht	Retained earnings		Other component of equity	Total equity Baht	
				Appropriated - legal reserve Baht	Unappropriated Baht	Revaluation surplus (deficit) on equity securities measured at fair value through other comprehensive income - net of income taxes		
								Baht
Balance as at 1 January 2023		600,000,000	79,162,825	60,000,000	788,795,966	(74,072,460)	1,453,886,331	
Proceeds from shares issued		9,998,247	-	-	-	-	9,998,247	
Transfer loss on disposals of equity securities measured at fair value through other comprehensive income to retained earnings		-	-	-	(52,459,587)	52,459,587	-	
Dividends	30	-	-	-	(52,000,000)	-	(52,000,000)	
Reversal of dividend payable due to ineligibility of shareholders		-	-	-	10,998	-	10,998	
Transferred to legal reserve		-	-	1,000,000	(1,000,000)	-	-	
Net profit for the year		-	-	-	60,298,253	-	60,298,253	
Other comprehensive loss for the year		-	-	-	(1,604,447)	(96,018,855)	(97,623,302)	
Total comprehensive income (loss) for the year		-	-	-	58,693,806	(96,018,855)	(37,325,049)	
Balance as at 31 December 2023		609,998,247	79,162,825	61,000,000	742,041,183	(117,631,728)	1,374,570,527	
Balance as at 1 January 2024		609,998,247	79,162,825	61,000,000	742,041,183	(117,631,728)	1,374,570,527	
Proceeds from shares issued	21	10,001,753	3,916	-	-	-	10,005,669	
Transfer loss on disposals of equity securities measured at fair value through other comprehensive income to retained earnings	10.2.2	-	-	-	(70,655,558)	70,655,558	-	
Dividends	30	-	-	-	(52,699,877)	-	(52,699,877)	
Reversal of dividend payable due to ineligibility of shareholders		-	-	-	34,136	-	34,136	
Transferred to legal reserve	22	-	-	1,000,000	(1,000,000)	-	-	
Net loss for the year		-	-	-	(87,570,537)	-	(87,570,537)	
Other comprehensive income (loss) for the year		-	-	-	(715,673)	2,216,835	1,501,162	
Total comprehensive loss for the year		-	-	-	(88,286,210)	2,216,835	(86,069,375)	
Balance as at 31 December 2024		620,000,000	79,166,741	62,000,000	529,433,674	(44,759,335)	1,245,841,080	

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

Thaire Life Assurance Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2024

	Notes	Equity method financial statements		Separate financial statements	
		2024	2023	2024	2023
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Cash received from reinsurance		224,951,781	95,555,389	224,951,781	95,555,389
Interest income		37,948,044	42,489,054	37,948,044	42,489,054
Dividend income		33,985,323	42,362,507	33,985,323	42,362,507
Other investment expenses		(2,731,864)	(114,876)	(2,731,864)	(114,876)
Other income		1,085,699	822,781	1,085,699	822,781
Other underwriting expenses		(41,200,093)	(54,328,054)	(41,200,093)	(54,328,054)
Operating expenses		(123,909,646)	(102,062,786)	(123,909,646)	(102,062,786)
Income tax expenses		(787,684)	(16,571,835)	(787,684)	(16,571,835)
Cash received on financial assets		1,830,685,050	1,972,193,772	1,830,685,050	1,972,193,772
Cash paid for financial assets		(1,905,057,207)	(2,002,184,773)	(1,905,057,207)	(2,002,184,773)
Net cash provided by (used in) operating activities		54,969,403	(21,838,821)	54,969,403	(21,838,821)
Cash flows from investing activities					
Proceeds from disposal of assets held for sale		38,172,500	2,500,000	38,172,500	2,500,000
Purchases of equipment		(12,184,234)	(1,220,288)	(12,184,234)	(1,220,288)
Purchases of intangible assets		(10,237,461)	(6,070,539)	(10,237,461)	(6,070,539)
Net cash provided by (used in) investing activities		15,750,805	(4,790,827)	15,750,805	(4,790,827)
Cash flows from financing activities					
Proceeds from odd lot issued		7,832	-	7,832	-
Repayment of lease liabilities		(3,570,224)	(375,571)	(3,570,224)	(375,571)
Dividend paid	30	(42,702,040)	(42,001,753)	(42,702,040)	(42,001,753)
Net cash used in financing activities		(46,264,432)	(42,377,324)	(46,264,432)	(42,377,324)
Net increase (decrease) in cash and cash equivalents		24,455,776	(69,006,972)	24,455,776	(69,006,972)
Cash and cash equivalents at beginning of the year		12,765,213	81,723,706	12,765,213	81,723,706
(Increase) decrease in expected credit loss		(13,236)	48,479	(13,236)	48,479
Cash and cash equivalents at end of the year	7	37,207,753	12,765,213	37,207,753	12,765,213
Non-cash item					
Increase of right-of-use assets under lease contracts	13	10,598,913	-	10,598,913	-

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

1 General 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 is Thai Reinsurance Public Company Limited which holds 10.10% of the issued and paid-up capital.

The Company operates in Thailand with principally engaged in the provision of life reinsurance services. Since 2 April 2024, the Company has changed its registered office to No. 92/7 Sathorn Thani 2 Building, 6th Floor, North Sathorn Road, Silom Sub-district, Bang Rak District, Bangkok (Formerly, the Company was located at No. 48/15 Soi Ratchadapisek 20, Ratchadapisek Road, Samsennok Sub-district, Huaykwang District, Bangkok).

These equity method and separate financial statements were authorised for issue by the Company’s Board of the Directors on 24 February 2025.

2 Basis of preparation

The equity method and separate financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards (TFRS) issued under the Accounting Profession Act B.E. 2547. In addition, the equity method and separate financial statements presentation are based on the formats of life insurance financial statements attached in an Office of Insurance Commission’s notification “Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for life insurance company B.E. 2566” dated on 8 February 2023 (“OIC Notification”).

The equity method and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in assumptions and estimates are disclosed in Note 5.

During the period ended 2024, the Company has revised the presentation of financial performance statements. Previously, the Company reported its financial results through two separate statements which were the statements of income and the statements of comprehensive income. The Company has currently adopted a single statement of comprehensive income format.

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

3 New and amended financial reporting standards

3.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2024

- a) **Amendment to TAS 1 Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how the Company should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- c) **Amendments to TAS 12 Income taxes** require the Company to recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

- d) **Amendment to Accounting Guidance related to financial instruments and disclosures applicable to insurance business** revised the disclosures in 'material accounting policies' to align with Amendment to TAS 1 Presentation of financial statements.

3.2 New and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2025 which are relevant and have significant impacts on the Company

The following amended TFRS was not mandatory for the current reporting period and the Company has not early adopted them.

a) TFRS 17 Insurance Contracts TFRS 17 has replaced TFRS 4 Insurance Contracts.

It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under TFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

Adopting TFRS 17, the entity can choose to recognise any cumulative negative impacts from insurance contract liabilities in retained earnings by applying the straight-line method, using no more than a three-year period from the transition date.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Management has assessed the effect of the initial adoption of TFRS 17 involves the use of judgements and assumptions. This includes the approach to transition setting of actuarial assumptions and selection of valuation methodologies, and the models deployed in the measurement of fulfilment cash flows. It is expected that the effect on the statement of financial position on transition to TFRS 17 as at 1 January 2024 will result in a decrease in shareholders' equity under this TFRS.

The Company's management is currently preparing of the 2024 comparatives under TFRS 17 which is progressing as planned.

4 Material accounting policies

4.1 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.

4.2 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.

4.3 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, cannot 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.

4.4 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.

4.5 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 consist of 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.

4.6 Financial Instruments

Investment in securities and allowance for expected credit losses

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 at the acquisition date, 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, 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 financial instrument 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. In addition, the Company presents its investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand as equity investments and measures them at FVOCI following the TFAC's clarification, "Interpretation of investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand" dated 25 June 2020. The fund and trust are required to distribute benefits of not less than 90% of its adjusted net profit. The Company has measured the value of these investments 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, it is 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.

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.

4.7 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) and losses on impairment are recorded as an expenses in statements of income.

4.8 Buildings, leasehold improvements and equipment

Buildings, leasehold improvements and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Buildings	20 years
Leasehold improvements	10 years
Furniture, fixture and equipment	5 years
Computers	3 years

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

4.9 Intangible assets

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 software, have an estimated economic useful life of 10 years.

4.10 Impairment of assets

a) Financial assets

The Company recognises expected credit loss on its financial assets measured at amortised cost and financial assets that are debt instruments classified as debt instruments measured at fair value through other comprehensive income without requiring a credit-impaired event to have occurred prior to the recognition. The Company 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, buildings leasehold improvements 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.

4.11 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) 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 to be incurred during the remaining coverage period, based on historical claim data.

4.12 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 labour 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.

Past-service costs are recognised immediately in profit or loss.

4.13 Leases

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.

Vehicles	5 years
Rental building	3 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 buildings, leasehold improvements and equipment in the statement of financial position.

The Company determined the impairment of right-of-use assets as described in Note 4.10 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company determined the present value of the lease payments, discounted by the interest rate implicit in the lease. 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.

4.14 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 Critical accounting estimates and judgements

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

5.1 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.

5.2 Impairment on reinsurance assets

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

5.3 Allowances for expected credit loss of financial assets

The management is required to use judgement in estimating allowance for expected credit loss for financial assets. The Company's calculation of allowance for expected credit loss depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the 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.

5.4 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.

5.5 Buildings, leasehold improvements and equipment and depreciation

In determining depreciation of buildings, leasehold improvements 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 buildings, leasehold improvements 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.

5.6 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.

5.7 Deferred tax assets

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

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

5.8 Insurance contract liabilities

a) Long-term insurance policy reserves

Long-term insurance policy reserves use gross premium valuation reserves which 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.

b) 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.

c) 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.

5.9 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.

5.10 Recognition and derecognition of assets and liabilities

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

5.11 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management 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.

6 Classification of financial assets

As at 31 December 2024, carrying amounts of financial assets were classified as follows.

	Equity method and Separate financial statements			
	Financial instruments measured at fair value through profit or loss Thousand Baht	Equity instruments measured at fair value through other comprehensive income Thousand Baht	Financial instruments measured at amortised cost Thousand Baht	Total Thousand Baht
Financial assets				
Cash and cash equivalents	-	-	37,208	37,208
Accrued investment income	-	-	11,338	11,338
Debt financial assets	142,000	-	1,755,806	1,897,806
Equity financial assets	-	290,237	-	290,237

7 Cash and cash equivalents

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Cash	18	19
Deposits at banks with no fixed maturity date	37,210	12,753
Total	37,228	12,772
<u>Less</u> Allowance for expected credit loss	(20)	(7)
Cash and cash equivalents - net	37,208	12,765

8 Reinsurance assets

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	2,908	3,096
Unearned premium reserves	134,841	2,819
Total reinsurance assets	137,749	5,915

9 Amount due from reinsurance

	Equity method and Separate financial statements	
	2024	2023
	Thousand	Thousand
	Baht	Baht
Amounts deposited on reinsurance	155,123	70,978
Amounts due from reinsurers	174,782	195,355
Total amount due from reinsurance	329,905	266,333

At 31 December 2024 and 2023, the balances of amounts due from reinsurers, classified by overdue periods of principal, were as follows:

	Equity method and Separate financial statements	
	2024	2023
	Thousand	Thousand
	Baht	Baht
Not yet due	174,736	194,586
Overdue not longer than 12 months	46	769
Total amounts due from reinsurance	174,782	195,355

10 Financial assets

	Equity method and Separate financial statements	
	2024	2023
	Thousand	Thousand
	Baht	Baht
Debt financial assets	1,897,806	1,542,836
Equity financial assets	290,237	567,651
Total	2,188,043	2,110,487

10.1 Debt financial assets

10.1.1 Classified by type of debt financial assets as at 31 December 2024 and 2023

	Equity method and Separate financial statements	
	Fair value/ Amoritized cost	Fair value/ Amoritized cost
	2024	2023
	Thousand	Thousand
	Baht	Baht
Debt instruments measured at fair value through profit or loss		
Unit trust	142,000	-
Debt instruments measured at fair value through profit or loss	142,000	-
Debt instruments measured at amortised cost		
Government and state enterprise securities	1,027,600	797,497
Private debt securities	697,009	736,014
Deposits at financial institutions which amounts maturing in over 3 months	32,000	10,000
Total	1,756,609	1,543,511
<u>Less</u> Allowance for expected credit loss	(803)	(675)
Debt instruments measured at amortised cost - net	1,755,806	1,542,836
Debt financial assets - net	1,897,806	1,542,836

10.1.2 Classified by stage of credit risk

Equity method and Separate financial statements			
2024			
	Gross carrying value Thousand Baht	Allowance for expected credit loss Thousand Baht	Net carrying value Thousand Baht
Debt instruments measured at amortised cost			
Debt instruments without a significant increase in credit risk (Stage 1)	1,756,609	(803)	1,756,806
Debt instruments with a significant increase in credit risk (Stage 2)	-	-	-
Credit-impaired debt instruments (Stage 3)	-	-	-
Total	1,756,609	(803)	1,756,609

Equity method and Separate financial statements			
2023			
	Gross carrying value Thousand Baht	Allowance for expected credit loss Thousand Baht	Net carrying value Thousand Baht
Debt instruments measured at amortised cost			
Debt instruments without a significant increase in credit risk (Stage 1)	1,543,511	(675)	1,542,836
Debt instruments with a significant increase in credit risk (Stage 2)	-	-	-
Credit-impaired debt instruments (Stage 3)	-	-	-
Total	1,543,511	(675)	1,542,836

10.2 Equity financial assets

10.2.1 Classified by type of equity financial assets as at 31 December 2024 and 2023

	Equity method and Separate financial statements			
	2024		2023	
	Cost	Fair value	Cost	Fair value
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Equity instruments measured at fair value through other comprehensive income				
Domestic equity securities	346,186	290,237	714,690	567,651
<u>Less</u> Unrealised losses	<u>(55,949)</u>		<u>(147,039)</u>	
 Equity instruments measured at fair value through other comprehensive income - net	 290,237		 567,651	

10.2.2 Derecognition of investments in equity securities

During the year ended 31 December 2024, the Company derecognised its investments in equity securities measured 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:

	Equity method and Separate financial statements			
	2024			Reason for derecognition
	Fair value on the derecognition date	Dividend received	Fair value loss previously recognised in other comprehensive income - net of income taxes	
	Thousand Baht	Thousand Baht	Thousand Baht	
Derecognition of investments in equity securities				
Common stock	258,907	11,488	(45,707)	Disposals
Unit trusts	32,223	1,759	(24,949)	Disposals
Total	291,130	13,247	(70,656)	

10.3 Investments subject to restriction

As at 31 December 2024 and 2023, the Company placed some investments as securities with the registrar as described in Note 32.

11 Investment in an associate

11.1 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	
			2024	2023	2024	2023
			Thousand Baht	Thousand Baht	(%)	(%)
TKI Investment Company Limited ⁽¹⁾	Investment ⁽²⁾	Laos	66,118	66,118	32.50	32.50

⁽¹⁾TKI Life Insurance Company Limited registered the change of its name to TKI Investment Company Limited on 25 September 2024.

⁽²⁾The Company is in the process of changing its objectives to be investment in other business.

Company's name	Equity method financial statements		Separate financial statements					
	Investment value under equity method		Cost		Allowance for impairment		Investment value under cost method	
	2024	2023	2024	2023	2024	2023	2024	2023
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
TKI Investment Company Limited	6,613	8,102	21,684	21,684	(10,005)	(5,216)	11,679	16,468

11.2 Financial information of an associate

Summarised information of statements of financial position

	TKI Investment Company Limited	
	2024 Thousand Baht	2023 Thousand Baht
Total assets	20,378	31,989
Total liabilities	(30)	(7,059)
Net assets	20,348	24,930
Shareholding percentage (%)	32.50	32.50
Carrying amount of an associate under equity method	6,613	8,102

Summarised information of statements of comprehensive income

	TKI Investment Company Limited	
	2024 Thousand Baht	2023 Thousand Baht
Total revenues	3,671	9,766
Profit for the year	174	304
Total comprehensive income for the year	174	304

11.3 Share of loss and other comprehensive income and dividend income

During the year, the Company recognised shares of loss 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.

Associate	Equity method financial statements				Separate financial statements	
	Share of gain (loss) from investment in an associate		Share of other comprehensive income from investment in an associate		Dividends received	
	2024	2023	2024	2023	2024	2023
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
TKI Investment Company Limited	(1,117)	(175)	-	-	-	-
Total	(1,117)	(175)	-	-	-	-

During the period, the Company has considered the application of hyperinflation accounting to the operation of the associate in Lao PDR due to the three-year cumulative inflation in Lao PDR exceeded 100% in 2024. The Company's management has assessed the impact of this hyperinflation and found that there is no significant impact on the Company. As a result, the Company does not apply TAS29 Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2024.

As at 31 December 2024 and 2023, 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 2023 financial statements of the associate which were audited by the associate's auditor and the auditor expressed an unqualified opinion under their report dated 10 April 2024. 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.

12 Assets held for sale

	Equity method and Separate financial statements		
	2024		
	Land Thousand Baht	Buildings and others Thousand Baht	Total Thousand Baht
Net book value - beginning of year	17,640	21,507	39,147
Sale and transferring ownership to the buyer	(17,640)	(21,507)	(39,147)
Net book value - ending of year	-	-	-

On 26 October 2023, the Company entered into an agreement to purchase and sale the Company's land and office buildings and deliver such assets to the buyer on 29 April 2024.

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13 Buildings, leasehold improvements and equipment

	Equity method and Separate financial statements						
	Land	Buildings and leasehold improvements	Furniture, fixture and equipment	Computers	Right-of-use assets	Work in progress	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 January 2023							
Cost	17,640	44,205	9,074	14,834	2,164	-	87,917
<u>Less</u> Accumulated depreciation	-	(21,423)	(7,465)	(9,648)	(2,164)	-	(40,700)
Net book amount	17,640	22,782	1,609	5,186	-	-	47,217
For the year ended 31 December 2023							
Opening net book amount	17,640	22,782	1,609	5,186	-	-	47,217
Additions	-	-	-	1,033	3,122	188	4,343
Write-off	-	-	-	(783)	(2,164)	-	(2,947)
Transfer to assets held for sale	(17,640)	(44,205)	(6,646)	(229)	-	-	(68,720)
Depreciation charge for the year	-	(1,811)	(877)	(3,923)	(312)	-	(6,923)
Accumulated depreciation on write-off	-	-	-	783	2,164	-	2,947
Accumulated depreciation for assets classified as held for sale	-	23,234	6,115	225	-	-	29,574
Closing net book amount	-	-	201	2,292	2,810	188	5,491
At 31 December 2023							
Cost	-	-	2,427	14,854	3,122	188	20,591
<u>Less</u> Accumulated depreciation	-	-	(2,226)	(12,562)	(312)	-	(15,100)
Net book amount	-	-	201	2,292	2,810	188	5,491

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	Equity method and Separate financial statements					
	Leasehold	Furniture, fixture and	Computers	Right-of-use assets	Work in progress	Total
	improvements	equipment				
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended						
31 December 2024						
Opening net book amount	-	201	2,292	2,810	188	5,491
Additions	-	1,360	553	10,599	11,157	23,669
Transfer in (out) during the period - at cost	10,929	416	-	-	(11,345)	-
Write-off	-	(83)	-	-	-	(83)
Depreciation charge for the year	(821)	(378)	(1,850)	(3,274)	-	(6,323)
Accumulated depreciation on write-off	-	82	-	-	-	82
Closing net book amount	10,108	1,598	995	10,135	-	22,836
At 31 December 2024						
Cost	10,929	4,120	15,407	13,721	-	44,177
<u>Less</u> Accumulated depreciation	(821)	(2,522)	(14,412)	(3,586)	-	(21,341)
Net book amount	10,108	1,598	995	10,135	-	22,836

As at 31 December 2024 and 2023, 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 15.1 million and Baht 4.6 million, respectively.

14 Intangible assets

	Equity method and Separate financial statements		
	Computer softwares Thousand Baht	Computer softwares under development Thousand Baht	Total Thousand Baht
As at 1 January 2023			
Cost	48,190	11,994	60,184
<u>Less</u> Accumulated amortisation	(25,050)	-	(25,050)
Net book value	23,140	11,994	35,134
For the year ended 31 December 2023			
Opening net book amount	23,140	11,994	35,134
Additions	923	5,206	6,129
Transfer in (out)	2,887	(2,887)	-
Amortisation charge	(5,165)	-	(5,165)
Closing net book amount	21,785	14,313	36,098
As at 31 December 2023			
Cost	52,000	14,313	66,313
<u>Less</u> Accumulated amortisation	(30,215)	-	(30,215)
Net book value	21,785	14,313	36,098
For the year ended 31 December 2024			
Opening net book amount	21,785	14,313	36,098
Additions	140	10,639	10,779
Amortisation charge	(5,161)	-	(5,161)
Closing net book amount	16,764	24,952	41,716
As at 31 December 2024			
Cost	52,140	24,952	77,092
<u>Less</u> Accumulated amortisation	(35,376)	-	(35,376)
Net book value	16,764	24,952	41,716

15 Deferred tax assets and income tax expense

15.1 Deferred tax assets

As at 31 December 2024 and 2023, the components of deferred tax assets were as follows:

	Equity method financial statements		Separate financial statements	
	2024	2023	2024	2023
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred tax assets	143,760	118,177	142,747	116,504
Deferred tax liabilities	(29,816)	(29,121)	(29,816)	(29,121)
Deferred tax assets, net	113,944	89,056	112,931	87,383

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As at 31 December 2024 and 2023, the components of deferred tax assets (liabilities) were as follows:

	Equity method financial statements								
	Claim liability for reported claim and claim incurred but not report Thousand Baht	Commission payable on reinsurance Thousand Baht	Employee benefit obligations Thousand Baht	Unrealised losses on investments Thousand Baht	Deferred acquisition costs Thousand Baht	Allowance for impairment on investment Thousand Baht	Loss carry forward Thousand Baht	Others Thousand Baht	Total Thousand Baht
<u>Deferred tax assets (liabilities)</u>									
As at 1 January 2024	12,554	44,408	4,419	29,408	(29,121)	928	22,218	4,242	89,056
Recognised in profit or loss	(1,209)	(11,416)	(689)	-	(695)	(763)	57,220	405	42,853
Charged directly to other comprehensive income	-	-	179	(554)	-	-	-	74	(301)
Charged directly to retained earnings	-	-	-	(17,664)	-	-	-	-	(17,664)
As at 31 December 2024	11,345	32,992	3,909	11,190	(29,816)	165	79,438	4,721	113,944
As at 1 January 2023	14,458	37,691	3,477	29,412	(24,369)	9,252	-	3,656	73,577
Recognised in profit or loss	(1,904)	6,717	542	(10,894)	(4,752)	(8,324)	22,218	239	3,842
Charged directly to other comprehensive income	-	-	400	24,005	-	-	-	347	24,752
Charged directly to retained earnings	-	-	-	(13,115)	-	-	-	-	(13,115)
As at 31 December 2023	12,554	44,408	4,419	29,408	(29,121)	928	22,218	4,242	89,056

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	Separate financial statements								
Claim liability for reported claim and claim incurred but not report	Commission payable on reinsurance	Employee benefit obligations	Unrealised losses on investments	Deferred acquisition costs	Allowance for impairment on investment	Loss carry forward	Others	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<u>Deferred tax assets (liabilities)</u>									
As at 1 January 2024	12,554	44,408	4,419	29,408	(29,121)	1,971	22,218	87,383	
Recognised in profit or loss	(1,209)	(11,416)	(689)	-	(695)	195	57,220	43,587	
Charged directly to other comprehensive income	-	-	179	(554)	-	-	-	(375)	
Charged directly to retained earnings	-	-	-	(17,664)	-	-	-	(17,664)	
As at 31 December 2024	11,345	32,992	3,909	11,190	(29,816)	2,166	79,438	112,931	
As at 1 January 2023	14,458	37,691	3,477	29,412	(24,369)	9,807	-	71,797	
Recognised in profit or loss	(1,904)	6,717	542	(10,894)	(4,752)	(7,836)	22,218	4,296	
Charged directly to other comprehensive income	-	-	400	24,005	-	-	-	24,405	
Charged directly to retained earnings	-	-	-	(13,115)	-	-	-	(13,115)	
As at 31 December 2023	12,554	44,408	4,419	29,408	(29,121)	1,971	22,218	87,383	

15.2 Income tax revenue (expense)

	Equity method financial statements		Separate financial statements	
	2024	2023	2024	2023
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Current income taxes:				
Corporate income tax charge for the year	-	-	-	-
Deferred income taxes:				
Relating to origination and reversal of temporary differences	42,853	3,842	43,587	4,296
Relating to sale of financial assets measured through other comprehensive income	(17,664)	(13,115)	(17,664)	(13,115)
Income tax revenue (expense) reported in the statements of income	25,189	(9,273)	25,923	(8,819)

Reconciliations between income tax revenue (expense) and the product of accounting profits for the years ended 31 December 2024 and 2023 and the applicable tax rate were as follows:

	Equity method financial statements		Separate financial statements	
	2024	2023	2024	2023
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Accounting profit (loss) before income tax expense	(109,822)	71,386	(113,493)	69,117
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	21,965	(14,278)	22,699	(13,824)
Tax effects of:				
Non-taxable revenues	3,202	4,979	3,202	4,979
Non-tax deductible expenses	(5)	(4)	(5)	(4)
Additional tax-deductible expenses allowed	113	129	113	129
Others	(86)	(99)	(86)	(99)
Total	3,224	5,005	3,224	5,005
Income tax revenue (expense) reported in the statements of income	25,189	(9,273)	25,923	(8,819)
The weighted average applicable tax rate	23%	13%	23%	13%

16 Deferred acquisition costs

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Beginning balance for the year	145,695	121,931
Acquisition costs during the year	762,556	619,114
Amortisation of acquisition costs	(759,014)	(595,350)
Closing balance at the end of year	149,237	145,695

17 Insurance contract liabilities

	Equity method and Separate financial statements		
	2024		
	Insurance contract liabilities Thousand Baht	Liabilities on reinsurance Thousand Baht	Net Thousand Baht
Long-term insurance policy reserves	422,303	(2,908)	419,395
Long-term claim liability			
Claims incurred but not reported	30,012	-	30,012
Short-term claim liability			
Claims incurred and reported	236	-	236
Claims incurred but not reported	26,477	-	26,477
Premium liabilities			
Unearned premium reserves	699,243	(134,841)	564,402
Total	1,178,271	(137,749)	1,040,522

	Equity method and Separate financial statements		
	2023		
	Insurance contract liabilities Thousand Baht	Liabilities on reinsurance Thousand Baht	Net Thousand Baht
Long-term insurance policy reserves	487,541	(3,096)	484,445
Long-term claim liability			
Claims incurred but not reported	23,392	-	23,392
Short-term claim liability			
Claims incurred and reported	264	-	264
Claims incurred but not reported	39,114	-	39,114
Premium liabilities			
Unearned premium reserves	643,050	(2,819)	640,231
Total	1,193,361	(5,915)	1,187,446

17.1 Long-term insurance policy reserves

	Equity method and Separate financial statements	
	2024 Thousand Baht	2023 Thousand Baht
Beginning balances	487,541	493,816
Reserves increased from new policies and enforced policies	123,784	76,043
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(92,849)	(94,159)
Assumptions changes	(96,173)	11,841
Ending balances	422,303	487,541

17.2 Long-term claim liability

	Equity method and Separate financial statements	
	2024 Thousand Baht	2023 Thousand Baht
Beginning balances	23,392	47,503
Claims incurred for the year	871,441	505,998
Changes in loss reserve	6,620	(24,111)
Claims paid during the year	(871,441)	(505,998)
Ending balances	30,012	23,392

17.3 Short-term claim liability

	Equity method and Separate financial statements	
	2024 Thousand Baht	2023 Thousand Baht
Beginning balances	39,378	24,788
Claims incurred for the year	2,856,377	1,898,583
Changes in loss reserve	4,666	57,036
Changes in assumptions for calculating loss reserves	(17,303)	(42,459)
Claims paid during the year	(2,856,405)	(1,898,570)
Ending balances	26,713	39,378

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17.4 Claim development tables

a) Gross claims table

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Underwriting year/Reporting year	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Outstanding claim provision:											
- as at underwriting year/ reporting year	294,603	358,552	363,690	621,132	681,955	707,285	1,084,030	1,157,963	1,418,714	1,766,637	
- Next one year	390,863	476,859	685,189	931,172	1,015,004	1,008,976	1,548,069	1,673,233	2,467,741		
- Next two years	392,782	476,702	682,515	919,935	1,017,718	1,011,359	1,552,101	1,731,943			
- Next three years	392,782	476,702	682,515	924,122	1,017,846	1,011,359	1,561,002				
- Next four years	392,778	476,702	682,515	924,122	1,017,813	1,011,203					
- Next five years	392,778	476,702	682,515	924,088	1,017,813						
- Next six years	392,778	476,702	682,515	924,088							
- Next seven years	392,778	476,702	682,515								
- Next eight years	392,778	476,702									
- Next nine years	392,778										
Cumulative ultimate claim estimates	392,778	476,702	682,515	924,088	1,017,813	1,011,203	1,561,002	1,731,943	2,467,741	1,766,637	
Cumulative payments to date	392,778	476,702	682,515	924,088	1,017,813	1,011,203	1,561,002	1,731,943	2,467,741	1,739,924	
Loss reserves	-	-	-	-	-	-	-	-	-	26,713	26,713

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b) Net claims table

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Underwriting year/Reporting year	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Outstanding claim provision:											
- as at underwriting year/ reporting year	294,603	358,552	363,690	621,132	681,955	707,285	1,079,305	1,152,880	1,414,280	1,751,798	
- Next one year	390,863	476,859	685,189	931,172	1,015,004	1,008,912	1,542,545	1,667,113	2,459,957		
- Next two years	392,782	476,702	682,515	919,935	1,017,718	1,011,295	1,546,568	1,726,121			
- Next three years	392,782	476,702	682,515	924,122	1,017,846	1,011,295	1,554,316				
- Next four years	392,778	476,702	682,515	924,122	1,017,813	1,011,139					
- Next five years	392,778	476,702	682,515	924,088	1,017,813						
- Next six years	392,778	476,702	682,515	924,088							
- Next seven years	392,778	476,702	682,515								
- Next eight years	392,778	476,702									
- Next nine years	392,778										
Cumulative ultimate claim estimates	392,778	476,702	682,515	924,088	1,017,813	1,011,139	1,554,316	1,726,121	2,459,957	1,751,798	
Cumulative payments to date	392,778	476,702	682,515	924,088	1,017,813	1,011,139	1,554,316	1,726,121	2,459,957	1,725,085	
Loss reserves	-	-	-	-	-	-	-	-	-	26,713	26,713

17.5 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.

17.6 Unearned premium reserves

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Beginning balances	643,050	518,220
Premium written for the year	3,526,798	2,655,470
Premium earned during the year	(3,470,605)	(2,530,640)
Ending balances	699,243	643,050

18 Amount due to reinsurance

	Equity method and Separate financial statements	
	2024 Thousand Baht	2023 Thousand Baht
Due to reinsurers	587,568	139,656
Total amount due to reinsurance	587,568	139,656

19 Lease liabilities

Reconciliation of lease liabilities for the years ended 31 December 2024 and 2023 was as follows:

	Equity method and Separate financial statements	
	2024 Thousand Baht	2023 Thousand Baht
Lease liabilities - beginning balances	2,860	-
<u>Add</u> Additions during the year	10,599	3,123
<u>Add</u> Finance cost for the year	485	113
<u>Less</u> Lease payments during the year	(3,570)	(376)
Lease liabilities - ending balances	10,374	2,860

	Equity method and Separate financial statements		
	2024		
	Lease liabilities Thousand Baht	Deferred finance cost Thousand Baht	Lease liabilities - net Thousand Baht
Due within 1 year	4,510	416	4,094
Due over 1 year	6,576	296	6,280
Total	11,086	712	10,374

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Expenses relating to leases that were recognised in statement of income for the years ended 31 December 2024 and 2023 were as follows.

	Equity method and Separate financial statements	
	2024	2023
	Thousand	Thousand
	Baht	Baht
Depreciation of right-of-use assets	3,274	312
Finance cost on lease liabilities	485	113
Expenses relating to leases of low-value assets	74	135
Total	3,833	560

20 Employee benefit obligations

The movements of employee benefit obligations during the years ended 31 December 2024 and 2023 were as follows:

	Equity method and Separate financial statements	
	2024	2023
	Thousand	Thousand
	Baht	Baht
Employee benefit obligations at beginning of the year	22,095	17,383
Recognised in statements of income:		
Current service costs	2,474	2,135
Interest costs	551	571
Total items included in statements of income	3,025	2,706
Recognised in statements of comprehensive income:		
Actuarial (gains) losses due to		
- Demographic assumptions changes	1,306	2,364
- Financial assumptions changes	(60)	(370)
- Experience adjustments	(351)	12
Total items included in statements of comprehensive income	895	2,006
Benefits paid during the year	(6,468)	-
Employee benefit obligations at end of the year	19,547	22,095

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As at 31 December 2024, the weighted average duration of payments of employee benefits was 20 years (2023: 20 years).

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

	For the year ended 31 December	
	2024	2023
	%	%
Discount rate	2.6	2.9
Salary increasing rate	6.0	6.0
Staff turnover rate	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 2024 and 2023 were summarised below.

Equity method and Separate financial statements					
2024					
	Increase (decrease) in employee benefit obligations			Increase (decrease) in employee benefit obligations	
Assumption		Thousand	Assumption		Thousand
increase		Baht	decrease		Baht
% per annum			% per annum		
Discount rate	1.0	(1,937)	1.0		2,225
Salary increasing rate	1.0	2,126	1.0		(1,895)
Staff turnover rate	10.0 ⁽¹⁾	(1,198)	10.0 ⁽¹⁾		1,306

⁽¹⁾10% of assumed staff turnover rates

Equity method and Separate financial statements					
2023					
	Increase (decrease) in employee benefit obligations			Increase (decrease) in employee benefit obligations	
Assumption		Thousand	Assumption		Thousand
increase		Baht	decrease		Baht
% per annum			% per annum		
Discount rate	1.0	(1,748)	1.0		2,006
Salary increasing rate	1.0	1,923	1.0		(1,715)
Staff turnover rate	10.0 ⁽¹⁾	(1,064)	10.0 ⁽¹⁾		1,165

⁽¹⁾10% of assumed staff turnover rates

21 Share capital

	Ordinary share	
	Number of shares	Amount Baht
At 31 December 2023	609,998,247	609,998,247
Issue of shares	10,001,753	10,001,753
At 31 December 2024	620,000,000	620,000,000

On 26 April 2024, the 2024 Annual General Meeting of shareholders approved a decrease of the Company's registered share capital by eliminating 1,753 unpaid remaining ordinary shares, which is the number of odd lot issued, from Baht 610,000,000 (610,000,000 shares with a par of Baht 1 per share) to Baht 609,998,247 (609,998,247 shares with a par of Baht 1 per share). There is an approval of increasing the Company's registered capital from Baht 609,998,247 (609,998,247 ordinary shares with a par value of Baht 1 per share) to be Baht 620,000,000 (620,000,000 ordinary shares with a par value of Baht 1 per share) with newly issued ordinary shares in the amount of 10,001,753 shares with a par value of Baht1 per share for stock dividend payment to shareholders.

The Company registered the changes in its registered share capital with the Ministry of Commerce on 23 May 2024 and registered its issued and paid-up share capital on 5 June 2024.

In addition, the Company allocated 9,997,837 stock dividends to the existing shareholders and offered the remaining 2,163 shares from the dividend allocation along with 1,753 newly-issued ordinary shares, totaling 3,916 shares for sale to the Provident Fund of Thai Reinsurance Public Company Limited which is already registered, at a price of 2.0 baht per share. The shares were paid up on 24 May 2024.

22 Legal reserve

	Equity method financial statements		Separate financial statements	
	2024	2023	2024	2023
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
At 1 January	61,000	60,000	61,000	60,000
Appropriation during the year	1,000	1,000	1,000	1,000
At 31 December	62,000	61,000	62,000	61,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. This reserve is not available for dividend distribution.

23 Net investment revenue

During the years ended 31 December 2024 and 2023, the Company has the following net investment revenue.

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Interest income	38,945	32,729
Dividend income	33,985	42,198
Other investment expense	(1,103)	(1,622)
Total net investment revenue	71,827	73,305

24 Gains (Losses) on financial instruments

	Equity method financial statements		Separate financial statements	
	2024	2023	2024	2023
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gains (losses) from disposal and write off				
Debt instruments classified and measured at fair value through profit or loss	541	(412)	541	(412)
Loss on impairment of investment	-	-	(4,788)	(2,443)
Total gains (losses) on financial instruments	541	(412)	(4,247)	(2,855)

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 Managing Director.

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.

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.

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Operating segment information for the years ended 31 December 2024 and 2023 can be classified by type of products as follows:

	Equity method financial statements		
	2024		
	Conventional products Thousand Baht	Non- conventional products Thousand Baht	Total Thousand Baht
Underwriting revenues			
Reinsurance premium written	2,762,963	1,796,240	4,559,203
<u>Less</u> Reinsurance premium ceded	(181,907)	(2,170)	(184,077)
Net reinsurance premium written	2,581,056	1,794,070	4,375,126
<u>Add (Less)</u> Net changed in unearned premium reserved	106,714	(30,885)	75,829
Net earned premium	2,687,770	1,763,185	4,450,955
Underwriting expenses			
Change in long-term technical reserve	54,444	(119,494)	(65,050)
Benefits and claim, net	2,299,568	1,330,926	3,630,494
Commissions expense, net	428,401	466,099	894,500
Other underwriting expenses	25,239	16,408	41,647
Total underwriting expenses	2,807,652	1,693,939	4,501,591
Profit (loss) from underwriting	(119,882)	69,246	(50,636)
Operating expenses			(131,159)
Expected credit loss			(142)
Loss from operations			(181,937)
Share of loss from investment in associate			(1,117)
Net investment revenue			70,642
Other income			2,590
Loss before income tax			(109,822)
Income tax revenue			25,189
Net loss for the year			(84,633)

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	Equity method financial statements		
	2023		
	Conventional products Thousand Baht	Non- conventional products Thousand Baht	Total Thousand Baht
Underwriting revenues			
Reinsurance premium written	1,999,664	1,455,617	3,455,281
<u>Less</u> Reinsurance premium ceded	(28,638)	(584)	(29,222)
Net reinsurance premium written	1,971,026	1,455,033	3,426,059
<u>Less</u> Net changed in unearned premium reserved	(45,278)	(79,480)	(124,758)
Net earned premium	1,925,748	1,375,553	3,301,301
Underwriting expenses			
Change in long-term technical reserve	(37,243)	31,011	(6,232)
Benefits and claim, net	1,428,690	957,703	2,386,393
Commissions expense, net	395,592	357,688	753,280
Other underwriting expenses	31,574	22,984	54,558
Total underwriting expenses	1,818,613	1,369,386	3,187,999
Profit from underwriting	107,135	6,167	113,302
Operating expenses			(116,832)
Expected credit loss			(55)
Loss from operations			(3,585)
Share of loss from investment in associate			(175)
Net investment revenue			74,309
Other income			837
Profit before income tax			71,386
Income tax expense			(9,273)
Net profit for the year			62,113

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 2024 and 2023, 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:

	Equity method and Separate financial statements	
	2024	2023
	Thousand	Thousand
	Baht	Baht
Reinsurance premium written	3,273,939	2,575,395
Number of major customers (Companies)	3	3

26 Operating expenses

	Equity method and Separate financial statements	
	2024	2023
	Thousand	Thousand
	Baht	Baht
Personnel expenses	75,396	64,120
Buildings, leasehold improvements and equipment expenses	30,044	26,555
Taxes and duties expenses	66	57
Other operating expenses	25,168	25,987
Total operating expenses	130,674	116,719

27 Expenses by nature

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Long-term insurance policy reserves decreased	(65,050)	(6,232)
Net benefits and claims	3,626,013	2,383,834
Commission expenses	897,471	756,812
Other underwriting expenses	11,998	13,535
Personnel expenses	108,176	106,182
Buildings, leasehold improvements and equipment expenses	30,044	26,555
Other expenses	27,210	27,731
Total expenses	4,635,862	3,308,417

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 2% to 15% 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 2024 and 2023, the Company contributed Baht 5.9 million and Baht 5.8 million, respectively, to the fund.

29 Earnings (losses) per share

Basic earnings (losses) per share is calculated by dividing net profit (loss) attributable to common shareholders by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares has been adjusted to reflect the impact of issuing stock dividends as described in Note 21 to the financial statements and the basic earnings (losses) per share of the previous period has been restated as if the issuance of stock dividends had been issued at the beginning of the first reporting period.

	Equity method financial statements		Separate financial statements	
	2024	2023	2024	2023
	Baht	Baht	Baht	Baht
Net profit (loss) attributable to shareholders (Baht)	(84,633,436)	62,113,042	(87,570,537)	60,298,253
Weighted average number of ordinary shares before stock dividend (Shares)	609,998,247	609,998,247	609,998,247	609,998,247
Number of stock dividend issued in 2024	9,997,837	9,997,837	9,997,837	9,997,837
Number of odd lot issued in 2024	2,375	-	2,375	-
Weighted average number of ordinary shares after stock dividend (Shares)	619,998,459	619,996,084	619,998,459	619,996,084
Basis earnings (losses) per share (Baht per share)	(0.14)	0.10	(0.14)	0.10

30 Dividends

Dividends declared during the years ended 31 December 2024 and 2023 consisted of the following:

	Approved by	Total dividend Baht	Dividend per share Baht
Dividend from 2023 net profit	Annual General Meeting of the Company's		
- Cash dividends	shareholders held on 26 April 2024	42,699,877	0.070000
- Stock dividends		10,000,000	0.016394
Total dividend paid during 2024		52,699,877	0.086394
Dividend from 2022 net profit	Annual General Meeting of the Company's		
- Cash dividends	shareholders held on 26 April 2023	42,000,000	0.070000
- Stock dividends		10,000,000	0.016666
Total dividend paid during 2023		52,000,000	0.086666

The Company offered the remaining 2,163 shares from the dividend allocation for sale to the Provident Fund of Thai Reinsurance Public Company Limited, which is already registered. The shares were paid up on 24 May 2024.

31 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.

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 Investment 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
Muang Thai Life Assurance Plc.	Related by way of having a common director
T Life Assurance Plc.	Related by way of having a common director
Thai Reinsurance Plc.	Related by way of having a common director and being the Company's 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
Poonpipat Co., Ltd.	Related by way of having a director being major shareholder of this entity

31.2 Significant related party transactions

During the years ended 31 December 2024 and 2023, 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:

	Equity method and Separate financial statements		
	2024	2023	
	Thousand	Thousand	
	Baht	Baht	Pricing policy
<u>Transaction with associates</u>			
Revenues			
Reinsurance premium written	11	232	Mutually agreed rates
Other income	-	276	According to terms of reinsurance contracts
Expenses			
Claim expenses	36	72	According to the ratios as specified in the reinsurance contracts
Commission expenses	2	49	According to terms of reinsurance contracts
<u>Transactions with related parties</u>			
Revenues			
Reinsurance premium written	2,664,376	2,218,365	According to terms of reinsurance contracts
Expenses			
Claim expenses	2,226,381	1,583,657	According to the ratios as specified in the reinsurance contracts
Commission expenses	512,466	498,269	According to terms of reinsurance contracts
Other underwriting expenses	1,434	2,692	According to the ratios as specified in the reinsurance contracts
Operating expenses and finance costs	11,274	8,383	Mutually agreed rates

31.3 Outstanding balances

As at 31 December 2024 and 2023, the Company had the outstanding balances with its related parties as follows:

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Associate		
Other receivables ⁽¹⁾	-	20
Related parties		
Other assets	940	940
Due from reinsurers ⁽²⁾	21,291	58,865
Amounts deposited on reinsurance ⁽²⁾	93,627	31,815
Claim liability ⁽³⁾	6,560	36,255
Amounts due to reinsurers ⁽⁴⁾	237,458	74,419
Lease liabilities	8,069	-
Other payables	375	-

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

⁽²⁾Included in "Amounts due from reinsurance" in statements of financial position

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

⁽⁴⁾Included in "Amount due to reinsurance" in statements of financial position

31.4 Directors' and key management's remuneration

During the years ended 31 December 2024 and 2023, the Company had salaries, bonuses, meeting allowances and post-employment benefits incurred in respect of its directors and key management personnel as follows:

	Equity method and Separate financial statements	
	2024	2023
	Thousand Baht	Thousand Baht
Short-term benefits	39,320	46,859
Post-employment benefits	4,146	4,812
Total	43,466	51,671

32 Assets subject to restrictions

As at 31 December 2024 and 2023, the Company had the following assets placed reserved with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act.

	Equity method and Separate financial statements			
	2024		2023	
	Cost	Fair value	Cost	Fair value
	Million Baht	Million Baht	Million Baht	Million Baht
Assets placed				
Government bonds	21.0	23.2	21.0	22.4
Assets reserved as insurance reserves				
Government and state enterprise bonds	303.0	307.6	280.0	279.4
Private enterprise debt securities	18.0	18.1	44.0	44.2

33 Commitments

33.1 Capital Commitments

As at 31 December 2024 and 2023, the Company had capital commitments in relation to installation of computer software amounting to Baht 2.4 million and Baht 10.3 million, respectively.

33.2 Service commitments

As at 31 December 2024 and 2023, the Company had outstanding service commitments and future minimum service fees amounting to Baht 10.8 million and Baht 16.5 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.

The Company balances 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 2024 and 2023 was as follows;

	2024	2023
	%	%
Long-term contracts	23	23
Short-term contracts	77	77
Total	100	100

As at 31 December 2024 and 2023, the proportion of insurance contract liabilities under short-term and long-term agreements was as follows;

	2024	2023
	%	%
Long-term contracts	38	43
Short-term contracts	62	57
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 2024 and 2023, impacts from changes in assumptions on long-term insurance policy reserves were shown below:

Equity method and Separate financial statements					
2024					
	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 profit before income taxes	Increase (decrease) in owner's equity - net of income taxes
	%	Baht	Baht	Baht	Baht
Mortality rate	+5.0	27,878,636	27,878,636	(27,878,636)	(22,302,909)
Mortality rate	-5.0	(28,246,015)	(28,246,015)	28,246,015	22,596,812
Lapse rate	+5.0	3,394,559	3,394,559	(3,394,559)	(2,715,647)
Lapse rate	-5.0	(3,386,137)	(3,386,137)	3,386,137	2,708,910
Discount rate	+5.0	(5,274,091)	(5,274,091)	5,274,091	4,219,273
Discount rate	-5.0	5,376,292	5,376,292	(5,376,292)	(4,301,034)

⁽¹⁾ % of each assumed rate

Equity method and Separate financial statements					
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 profit before income taxes	Increase (decrease) in owner's equity - net of income taxes
	%	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	4,573,989
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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2) Sensitivity analysis on short-term insurance policy reserves

As at 31 December 2024 and 2023, impacts from changes in assumptions on loss reserves were shown below:

Equity method and Separate financial statements					
2024					
	Change in assumption	Increase (decrease) in loss reserves before retrocession	Increase (decrease) in loss reserves after retrocession	Increase (decrease) in profit before income taxes	Increase (decrease) in owner's equity - net of income taxes
	%	Baht	Baht	Baht	Baht
Ultimate loss ratio	+5.0	133,734,717	133,734,717	(133,734,717)	(106,987,774)
Ultimate loss ratio	-5.0	(21,433,906)	(21,433,906)	21,433,906	17,147,125

Equity method and Separate financial statements					
2023					
	Change in assumption	Increase (decrease) in loss reserves before retrocession	Increase (decrease) in loss reserves after retrocession	Increase (decrease) in profit before income taxes	Increase (decrease) in owner's equity - net of income taxes
	%	Baht	Baht	Baht	Baht
Ultimate loss ratio	+5.0	17,197,414	17,197,414	(17,197,414)	(13,757,931)
Ultimate loss ratio	-5.0	(9,368,193)	(9,368,193)	9,368,193	7,494,554

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 that have credit ratings of at least A- and buy securities from issuers that have credit ratings of at least BBB- 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.

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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.

	Equity method and Separate financial statements			
	2024			
	Financial assets without significant increase in credit risk (12-month ECL) Baht	Financial assets with significant increase in credit risk (Lifetime ECL - not Credit impaired) Baht	Financial assets with credit- impaired (Lifetime ECL - credit impaired) Baht	Total Baht
Cash and cash equivalents				
Investment grade	37,227,890	-	-	37,227,890
<u>Less</u> Allowance for expected credit loss	(20,137)	-	-	(20,137)
Net carrying value	37,207,753	-	-	37,207,753
Debt instruments measured at amortised cost				
Investment grade	1,756,608,689	-	-	1,756,608,689
<u>Less</u> Allowance for expected credit loss	(803,098)	-	-	(803,098)
Net carrying value	1,755,805,591	-	-	1,755,805,591

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

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The following table showed the movement of the allowance for expected credit losses for the year ended 31 December 2024 and 2023.

	Equity method and Separate financial statements			
	2024			
	Financial assets without significant increase in credit risk (12-month ECL) Baht	Financial assets with significant increase in credit risk (Lifetime ECL - not Credit impaired) Baht	Financial assets with credit- impaired (Lifetime ECL - credit impaired) Baht	Total Baht
Cash and cash equivalents				
Beginning balance	6,901	-	-	6,901
Change due to remeasurement of allowance for expected credit loss	13,236	-	-	13,236
Ending balance	20,137	-	-	20,137
Debt instruments measured at amortised cost				
Beginning balance	674,722	-	-	674,722
Newly purchased or acquired financial assets	45,282	-	-	45,282
Change due to remeasurement of allowance for expected credit loss	83,094	-	-	83,094
Ending balance	803,098	-	-	803,098

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	Equity method and Separate financial statements			
	2023			
	Financial assets without significant increase in credit risk (12-month ECL) Baht	Financial assets with significant increase in credit risk (Lifetime ECL - not Credit impaired) Baht	Financial assets with credit- impaired (Lifetime ECL - credit impaired) Baht	Total Baht
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	6,901	-	-	6,901
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	674,722	-	-	674,722

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.

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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.

	Equity method and Separate financial statements						
	2024						
	Fixed interest rates				Non-		
	Within	1 - 5	Over	Floating	interest	Total	Effective
	1 year	years	5 years	interest rate	bearing		interest rate
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	
	Baht	Baht	Baht	Baht	Baht	Baht	% per annum
Financial assets							
Cash and cash equivalents	-	-	-	37,190	18	37,208	0.4 - 0.5
Accrued investment income	-	-	-	-	11,338	11,338	-
Debt financial assets	589,751	928,478	237,577	-	142,000	1,897,806	2.1 - 3.1
Equity financial assets	-	-	-	-	290,237	290,237	-
Financial liabilities							
Lease liabilities	4,094	6,280	-	-	-	10,374	4.1 - 7.5
	Equity method and Separate financial statements						
	2023						
	Fixed interest rates				Non-		
	Within	1 - 5	Over	Floating	interest	Total	Effective
	1 year	years	5 years	interest rate	bearing	Thousand	interest rate
	Thousand	Thousand	Thousand	Thousand	Thousand	Total	Effective
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
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

2) Equity price risk

Equity price risk is the risk that change in the market prices of equity 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 2024 and 2023, the Company had risk from investment in equities, the price of which would change following market conditions.

Sensitivity analysis

The table below summarises the impact of increase/decrease of these securities indices on the Company's other components of equity and net profit for the period. The analysis is based on the assumption that the securities price had increased by 10% or decreased by 10%, respectively.

	Equity method and Separate financial statements	
	2024	
	Impact to net profit Increase (decrease) Thousand Baht	Impact to other components of equity Increase (decrease) - net of income taxes Thousand Baht
Equity price increase 10%*	-	23,219
Equity price decrease 10%*	-	(23,219)

	Equity method and Separate financial statements	
	2023	
	Impact to net profit Increase (decrease) Thousand Baht	Impact to other components of equity Increase (decrease) - net of income taxes Thousand Baht
Equity price increase 10%*	-	45,412
Equity price decrease 10%*	-	(45,412)

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

Net profit for the period would increase or decrease as a result of gains/losses on equity instrument carried at fair value through profit or loss (FVPL). Other components of equity would increase or decrease as a result of gains/losses on equity instrument carried at fair value through other comprehensive income (FVOCI).

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.

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Counting from the financial position date, the periods to maturity of financial liabilities held as at 31 December 2024 and 2023 were as follows:

Equity method and Separate financial statements					
2024					
	At call	Within	1 - 5 years	Over 5 years	Total
	Thousand	1 year	Thousand	Thousand	Thousand
	Baht	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht
Financial liabilities					
Lease liabilities	-	4,510	6,576	-	11,086
Equity method and Separate financial statements					
2023					
	At call	Within	1 - 5 years	Over 5 years	Total
	Thousand	1 year	Thousand	Thousand	Thousand
	Baht	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht
Financial liabilities					
Lease liabilities	-	751	2,629	-	3,380

35 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.

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31 December 2024 and 2023, 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:

Equity method and Separate financial statements					
2024					
Fair value					Carrying
Level 1	Level 2	Level 3	Total	Value	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
Baht	Baht	Baht	Baht	Baht	Baht
<u>Financial assets measured at</u>					
<u>fair value</u>					
Debt instruments measured at fair value					
through profit or loss					
- Unit trust	-	142,000	-	142,000	142,000
Equity financial assets - Equity					
instruments designated at fair value					
through other comprehensive income					
- Listed equity instruments	288,302	-	-	288,302	288,302
- Non-listed equity instruments	-	-	1,935	1,935	1,935
<u>Financial assets for which fair values</u>					
<u>were disclosed</u>					
Cash and cash equivalents	37,228	-	-	37,228	37,208
Debt financial assets - measured at					
amortised cost					
- Government and state enterprise securities	-	1,038,218	-	1,038,218	1,027,556
- Private enterprise debt securities	-	701,991	-	701,991	696,267
- Deposits at financial institutions which					
amounts maturing over 3 months	32,000	-	-	32,000	31,983

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	Equity method and Separate financial statements				
	2023				
	Fair value				Carrying
	Level 1	Level 2	Level 3	Total	Value
	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht
<u>Financial assets measured at</u>					
<u>fair value</u>					
Equity financial assets - Equity					
instruments designated at fair value					
through other comprehensive income					
- Listed equity instruments	566,067	-	-	566,067	566,067
- Non-listed equity instruments	-	-	1,584	1,584	1,584
<u>Financial assets for which fair values</u>					
<u>were disclosed</u>					
Cash and cash equivalents	12,772	-	-	12,772	12,765
Debt financial assets - measured at					
amortised cost					
- Government and state enterprise securities	-	796,575	-	796,575	797,472
- Private enterprise debt securities	-	732,498	-	732,498	735,369
- Deposits at financial institutions which					
amounts maturing over 3 months	10,000	-	-	10,000	9,995

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

- 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.
- Investments in listed equity securities and investment units were presented at fair values using market price.
- Investments in debts securities were presented at fair values, determined using the yield curves as announced by the Thai Bond Market Association.
- 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 year, the Company had 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.