

Thaivivat Insurance Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of Thaivivat Insurance Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thaivivat Insurance Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thaivivat Insurance Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thaivivat Insurance Public Company Limited and its subsidiaries and of Thaivivat Insurance Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Insurance premiums recognition

In 2022, the Group had revenue from insurance premiums amounting to Baht 7,314 million, which were derived from retail insured and had a large number of policies. The insurance premiums are collected from variety customers and insurance premiums amount rely on the processing of information technology system. I therefore focused on examining that gross premium written was correctly recognised as actually incurred.

I have gained an understanding, assessed and tested the internal controls of information technology system and its internal controls with respect to underwriting, insurance premiums calculation and revenue recognition of insurance premiums by making enquiry of responsible executives to gain an understanding and selecting representative samples to test the operation of the designed controls in financial statements. In addition, I selected representative samples of insurance policies and related supporting documents to assess whether revenue recognition was consistent with conditions specified in the insurance policies and whether it was in compliance with the Group's policy. I reviewed the insurance policies and endorsement transactions occurring during the accounting period, before and after period-end, which were recognised as revenues of the Group. Moreover, I performed analytical procedures to compare insurance premiums recognised throughout the period and examined on sampling basis for accounting entries related to insurance premiums made through journal vouchers.

Insurance contract liabilities - claim reserves and outstanding claims

As described in Note 20 to the financial statements, as at 31 December 2022, the Group had claim reserves and outstanding claims amounted to Baht 2,598 million (representing 33 percent of total liabilities). Claim reserves and outstanding claims included both claims incurred and reported and claims incurred but not reported, which were calculated by the Group's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves so I addressed the adequacy of claim reserves and outstanding claims as a key audit matter. In addition, such claim reserves and outstanding claims are directly relevant to the claim reserves and outstanding claims refundable from reinsurers which were also calculated by the Group's management using actuarial techniques. As at 31 December 2022, the Group had claim reserves and outstanding claims refundable from reinsurers amounting to Baht 121 million.

I gained an understanding, assessed and tested the internal controls relevant to claims, loss adjustments, estimation of claim reserves and outstanding claims and reinsurance, by making enquiry of responsible executives regarding the criteria and assumptions used in the estimates made by the actuary. I selected, on a sampling basis, and tested claim transactions against documents of major claims file, and performed analytical procedures on the frequency of claims and average loss per claim. In addition, I reviewed the actuarial report to assess whether it was consistent with the reserve recognised in the accounts, assessed the assumptions and methods used in the calculation, tested the data used by the actuary, and compared the assumptions to those used in the prior year. Moreover, I reviewed the estimates of claim reserves and outstanding claims refundable from reinsurers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

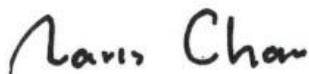
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 28 February 2023

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Cash and cash equivalents	7	304,922,385	745,844,663	301,919,162	737,770,587
Premium receivables	8	870,630,107	947,144,113	869,561,253	946,772,264
Accrued investment income		83,243,992	17,124,975	78,243,214	12,903,066
Reinsurance assets	9	406,722,683	386,029,716	406,722,683	386,029,716
Receivables from reinsurance contracts	10	59,897,191	46,871,177	60,723,298	48,318,967
Financial assets - debt instruments	11	5,446,605,688	4,380,655,300	5,414,620,418	4,338,515,916
Financial assets - equity instruments	12	843,263,075	756,017,811	843,263,075	756,017,811
Derivative assets		2,378,620	-	2,378,620	-
Loans and interest receivables	14	3,183,664	4,071,757	3,183,664	4,071,757
Investment in subsidiaries	15	-	-	90,150,000	87,200,000
Property, buildings and equipment	16	346,739,546	326,551,230	346,124,657	325,308,603
Goodwill		12,000,000	15,840,000	-	-
Intangible assets - computer software	17	39,553,994	29,703,059	23,267,277	22,398,244
Deferred tax assets	18.1	227,292,040	210,408,991	227,292,040	210,408,991
Other assets	19	1,053,034,973	978,786,601	1,061,550,902	976,960,059
Total assets		9,699,467,958	8,845,049,393	9,729,000,263	8,852,675,981

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of financial position (Continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and equity					
Liabilities					
Insurance contract liabilities	20	6,411,446,241	5,461,598,022	6,405,932,591	5,457,074,493
Amount due to reinsurers	21	318,819,460	355,748,382	318,819,460	355,748,382
Derivative liabilities		-	764,195	-	764,195
Income tax payable		28,945,278	115,185,052	28,945,278	115,185,052
Employee benefit obligations	22	88,194,679	101,765,624	87,923,140	101,765,624
Other liabilities	23	1,037,138,941	1,009,135,572	1,032,544,910	999,371,605
Total liabilities		7,884,544,599	7,044,196,847	7,874,165,379	7,029,909,351
Equity					
Share capital					
Registered					
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000
Issued and paid-up					
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000
Premium on share capital		163,800,007	163,800,007	163,800,007	163,800,007
Surplus on change in proportion shareholding					
in a subsidiary		3,622,664	-	-	-
Retained earnings					
Appropriated - statutory reserve	24	30,300,000	30,300,000	30,300,000	30,300,000
Unappropriated		1,115,562,878	1,113,476,840	1,145,515,953	1,133,960,004
Other components of equity					
Surplus on changes in value of investments	13	212,218,924	191,706,619	212,218,924	191,706,619
Exchange differences on translation of financial statements in foreign currency		(24,521,169)	(13,829,382)	-	-
Equity attributable to shareholders of the Company		1,803,983,304	1,788,454,084	1,854,834,884	1,822,766,630
Non-controlling interests of the subsidiaries	15.2	10,940,055	12,398,462	-	-
Total equity		1,814,923,359	1,800,852,546	1,854,834,884	1,822,766,630
Total liabilities and equity		9,699,467,958	8,845,049,393	9,729,000,263	8,852,675,981

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




Directors



Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Income					
Gross premium written		7,313,640,780	6,332,882,249	7,307,223,393	6,329,647,718
Less: Premium ceded to reinsurers		(635,352,986)	(615,882,070)	(635,352,986)	(615,882,070)
Net premium written		6,678,287,794	5,717,000,179	6,671,870,407	5,713,765,648
Less: Unearned premium reserves increase from prior year		(421,686,266)	(299,810,442)	(419,847,926)	(299,832,869)
Net earned premium		6,256,601,528	5,417,189,737	6,252,022,481	5,413,932,779
Fee and commission income		173,452,613	127,528,424	173,452,613	127,528,424
Net investment income	25	98,393,311	88,755,975	96,353,177	86,038,814
Gain (loss) on financial instruments	26	(95,396,683)	103,773,397	(95,396,683)	103,773,397
Gain (loss) on fair value valuation of financial instruments	27	(61,426,761)	3,797,172	(61,426,761)	3,797,172
Other income		23,758,676	13,105,006	24,765,445	13,370,714
Total income		6,395,382,684	5,754,149,711	6,389,770,272	5,748,441,300
Expenses					
Claims and loss adjustment expenses		3,996,274,248	3,248,860,868	3,993,331,616	3,246,117,309
Less: Claim recovery from reinsurance		(232,775,937)	(197,167,371)	(232,775,937)	(197,167,371)
Commission and brokerage expenses		1,187,361,349	1,004,188,196	1,186,877,997	1,003,839,516
Other underwriting expenses		317,478,557	321,031,697	317,982,375	320,749,662
Operating expenses	28	869,897,941	786,674,517	855,916,634	771,836,918
Financial cost		83,317	95,320	-	-
Expected credit loss (reversal)	30	(2,416,396)	688,983	(2,461,192)	660,497
Total expenses	29	6,135,903,079	5,164,372,210	6,118,871,493	5,146,036,531
Profit before income tax		259,479,605	589,777,501	270,898,779	602,404,769
Income tax expenses	18.2	(54,655,415)	(117,773,084)	(54,655,415)	(117,773,084)
Profit for the year		204,824,190	472,004,417	216,243,364	484,631,685

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

Thaivivat Insurance Public Company Limited and its subsidiaries
Statements of comprehensive income (continued)
For the year ended 31 December 2022

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Other comprehensive income:				
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods				
Exchange differences on translation of				
financial statements in foreign currency (loss)	(13,628,267)	(4,103,384)	-	-
Loss on change in value of debt instruments				
measured at fair value through other comprehensive income	(9,907,391)	(6,054,527)	(9,907,391)	(6,054,527)
Add: Income tax effect	1,981,478	1,210,906	1,981,478	1,210,906
Other comprehensive income to be reclassified to profit or loss				
in subsequent periods - net of income tax (loss)	(21,554,180)	(8,947,005)	(7,925,913)	(4,843,621)
Other comprehensive income not to be reclassified				
to profit or loss in subsequent periods				
Gain on change in value of equity instruments				
designated at fair value through other comprehensive income	35,836,059	49,573,950	35,836,059	49,573,950
Actuarial gains	8,976,920	16,221,496	8,976,920	16,221,496
Less: Income tax effect	(8,962,596)	(13,159,089)	(8,962,596)	(13,159,089)
Other comprehensive income not to be reclassified to profit or loss				
in subsequent periods - net of income tax	35,850,383	52,636,357	35,850,383	52,636,357
Other comprehensive income for the year				
	14,296,203	43,689,352	27,924,470	47,792,736
Total comprehensive income for the year				
	219,120,393	515,693,769	244,167,834	532,424,421
Profit for the year attributable to:				
Equity holders of the Company				
	206,773,453	472,227,910	216,243,364	484,631,685
Non-controlling interests of the subsidiaries (loss)				
15.2	(1,949,263)	(223,493)		
	204,824,190	472,004,417		
Total comprehensive income for the year attributable to:				
Equity holders of the Company				
	224,006,136	516,860,277	244,167,834	532,424,421
Non-controlling interests of the subsidiaries (loss)				
	(4,885,743)	(1,166,508)		
	219,120,393	515,693,769		
Earnings per share				
32				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.68	1.56	0.71	1.60

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from (used in) operating activities				
Direct premium written	7,342,413,424	6,142,291,818	7,335,529,935	6,137,354,740
Cash paid for reinsurance	(240,499,221)	(245,562,258)	(239,514,366)	(244,224,291)
Interest income	5,332,492	44,490,975	5,095,856	44,144,090
Dividend income	24,843,873	41,754,697	24,843,873	41,754,697
Other income	26,796,482	6,282,847	25,601,945	6,301,122
Claim incurred on direct insurance	(3,229,436,226)	(2,991,512,851)	(3,226,766,200)	(2,989,731,357)
Loss adjustment expenses on direct insurance	(65,155,551)	(55,389,538)	(65,110,208)	(55,349,029)
Commission and brokerage on direct insurance	(1,206,729,593)	(960,046,129)	(1,205,957,625)	(959,481,299)
Other underwriting expenses	(320,683,471)	(315,621,139)	(320,557,308)	(315,339,103)
Operating expenses	(1,058,763,722)	(663,737,825)	(1,050,802,031)	(655,230,020)
Income tax	(164,701,699)	(77,911,685)	(164,701,699)	(77,911,598)
Cash received from investment assets	8,016,991,687	3,714,362,875	8,016,991,687	3,713,446,663
Cash paid for investment assets	(9,309,476,431)	(4,129,667,300)	(9,309,476,431)	(4,129,667,300)
Net cash from (used in) operating activities	(179,067,956)	509,734,487	(174,822,572)	516,067,315
Cash flows from (used in) investing activities				
Investment in subsidiaries	-	-	(7,950,000)	(20,000,000)
Net cash received from disposals of investment in subsidiaries	5,000,000	-	5,000,000	-
Cash paid for purchases of equipment	(43,210,541)	(20,339,267)	(42,927,423)	(19,730,067)
Cash paid for purchase of intangible assets	(13,019,308)	(15,753,767)	(3,703,600)	(8,812,578)
Cash received from disposals of equipment	1,459	765,135	1,459	765,135
Net cash used in investing activities	(51,228,390)	(35,327,899)	(49,579,564)	(47,777,510)
Cash flows from (used in) financial activities				
Repayment of lease liabilities	(593,464)	(589,466)	-	-
Cash received from issuance of the ordinary shares of the subsidiary to non-controlling interests	2,050,000	-	-	-
Dividend paid	(212,099,580)	(60,599,980)	(212,099,580)	(60,599,980)
Net cash used in financial activities	(210,643,044)	(61,189,446)	(212,099,580)	(60,599,980)
Translation adjustments	(587,049)	(155,935)	-	-
Unrealised exchange rate change	141,425	801,749	141,425	801,749
Net increase (decrease) in cash and cash equivalents	(441,385,014)	413,862,956	(436,360,291)	408,491,574
Decrease (increase) in allowance for expected credit loss	462,736	(695,751)	508,866	(669,584)
Cash and cash equivalents at beginning of year	745,844,663	332,677,458	737,770,587	329,948,597
Cash and cash equivalents at end of year	304,922,385	745,844,663	301,919,162	737,770,587
	-	-	-	-

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of changes in equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements												
Equity attributable to equity holders of the Company												
					Other components of equity							
					Surplus (deficit) on changes in fair value of investments							
					Debt instruments	Equity instruments	Exchange		Equity			
					measured at fair	designated at fair	differences		Total equity	attributable to		
					value through other	value through other	on translation of		attributable to	non-controlling		
					comprehensive	comprehensive	financial statements		shareholders of	interests of		
					income	income	in foreign currency		the Company	the subsidiaries	Total equity	
		Surplus	Retained earnings									
		on change										
		in proportion										
Issued and paid-up	Premium on	shareholding in	Appropriated -									
share capital	share capital	a subsidiary	statutory reserve	Unappropriated								
Balance as at 1 January 2021	303,000,000	163,800,007	-	30,300,000	690,278,577	17,402,824	138,081,392	155,484,216	(10,669,013)	1,332,193,787	13,564,970	1,345,758,757
Profit (loss) for the year	-	-	-	-	472,227,910	-	-	-	-	472,227,910	(223,493)	472,004,417
Other comprehensive income for the year (loss)	-	-	-	-	12,977,197	(4,843,621)	39,659,160	34,815,539	(3,160,369)	44,632,367	(943,015)	43,689,352
Total comprehensive income for the year (loss)	-	-	-	-	485,205,107	(4,843,621)	39,659,160	34,815,539	(3,160,369)	516,860,277	(1,166,508)	515,693,769
Transfer to retained earning (Note 12.3)	-	-	-	-	(1,406,864)	-	1,406,864	1,406,864	-	-	-	-
Dividend paid during the year (Note 33)	-	-	-	-	(60,599,980)	-	-	-	-	(60,599,980)	-	(60,599,980)
Balance as at 31 December 2021	303,000,000	163,800,007	-	30,300,000	1,113,476,840	12,559,203	179,147,416	191,706,619	(13,829,382)	1,788,454,084	12,398,462	1,800,852,546
												-
Balance as at 1 January 2022	303,000,000	163,800,007	-	30,300,000	1,113,476,840	12,559,203	179,147,416	191,706,619	(13,829,382)	1,788,454,084	12,398,462	1,800,852,546
Profit (loss) for the year	-	-	-	-	206,773,453	-	-	-	-	206,773,453	(1,949,263)	204,824,190
Other comprehensive income for the year (loss)	-	-	-	-	7,181,536	(7,925,913)	28,668,847	20,742,934	(10,691,787)	17,232,683	(2,936,480)	14,296,203
Total comprehensive income for the year (loss)	-	-	-	-	213,954,989	(7,925,913)	28,668,847	20,742,934	(10,691,787)	224,006,136	(4,885,743)	219,120,393
Sales of investment in subsidiary (Note 15.1)	-	-	3,912,282	-	-	-	-	-	-	3,912,282	1,087,718	5,000,000
Increased in share capital of subsidiary (Note15.1)	-	-	-	-	-	-	-	-	-	-	2,050,000	2,050,000
Changing in percentage of shareholding												
in the subsidiary (Note 15.1)	-	-	(289,618)	-	-	-	-	-	-	(289,618)	289,618	-
Transfer to retained earning (Note 12.3)	-	-	-	-	230,629	-	(230,629)	(230,629)	-	-	-	-
Dividend paid during the year (Note 33)	-	-	-	-	(212,099,580)	-	-	-	-	(212,099,580)	-	(212,099,580)
Balance as at 31 December 2022	303,000,000	163,800,007	3,622,664	30,300,000	1,115,562,878	4,633,290	207,585,634	212,218,924	(24,521,169)	1,803,983,304	10,940,055	1,814,923,359
	-	-	-	-	-	-	-	-	-	-	-	-

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Statements of changes in equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements							
					Other components of equity - surplus (deficit)			
					on changes in value of investments			
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Debt instruments measured at fair value through other comprehensive income	Equity instruments designated at fair value through other comprehensive income	Total	Total equity
Appropriated - statutory reserve			Unappropriated					
Balance as at 1 January 2021	303,000,000	163,800,007	30,300,000	698,357,966	17,402,824	138,081,392	155,484,216	1,350,942,189
Profit for the year	-	-	-	484,631,685	-	-	-	484,631,685
Other comprehensive income for the year (loss)	-	-	-	12,977,197	(4,843,621)	39,659,160	34,815,539	47,792,736
Total comprehensive income for the year (loss)	-	-	-	497,608,882	(4,843,621)	39,659,160	34,815,539	532,424,421
Transfer to retained earning (Note 12.3)	-	-	-	(1,406,864)	-	1,406,864	1,406,864	-
Dividend paid during the year (Note 33)	-	-	-	(60,599,980)	-	-	-	(60,599,980)
Balance as at 31 December 2021	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>1,133,960,004</u>	<u>12,559,203</u>	<u>179,147,416</u>	<u>191,706,619</u>	<u>1,822,766,630</u>
Balance as at 1 January 2022	303,000,000	163,800,007	30,300,000	1,133,960,004	12,559,203	179,147,416	191,706,619	1,822,766,630
Profit for the year	-	-	-	216,243,364	-	-	-	216,243,364
Other comprehensive income for the year (loss)	-	-	-	7,181,536	(7,925,913)	28,668,847	20,742,934	27,924,470
Total comprehensive income for the year (loss)	-	-	-	223,424,900	(7,925,913)	28,668,847	20,742,934	244,167,834
Transfer to retained earning (Note 12.3)	-	-	-	230,629	-	(230,629)	(230,629)	-
Dividend paid during the year (Note 33)	-	-	-	(212,099,580)	-	-	-	(212,099,580)
Balance as at 31 December 2022	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>1,145,515,953</u>	<u>4,633,290</u>	<u>207,585,634</u>	<u>212,218,924</u>	<u>1,854,834,884</u>
	-	-	-	-	-	-	-	-

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

Thaivivat Insurance Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2022

1. General information

Company information

Thaivivat Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is MAFAM Co., Ltd., which was incorporated in Thailand whereby as at 31 December 2022, such major shareholder held 48.07% of the issued and paid-up share capital of the Company. The Company is principally engaged in non-life insurance. The registered office of the Company is at 71 Thaivivat Insurance Building, Dindaeng Road, Samsen Nai, Phayathai, Bangkok.

2. Basis for preparation of the financial statements

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated 4 April 2019.

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

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

2.2 Basis for consolidation financial statements

- (a) The consolidated financial statements include the financial statements of Thaivivat Insurance Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			%	%
Laovivat Insurance Co., Ltd.	Non-life insurance	Lao PDR	70.0	70.0
Motor AI Recognition Solution Co., Ltd.	Non-life insurance technology service	Thailand	76.5	100.0

- (b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- (e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in equity.
- (f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- (g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Basis for preparation of separate financial statements

The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

(a) Premium income

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

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

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

(b) Commission and brokerage fees income

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

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

(c) Net investment income

Interest income

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

Dividends

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

(d) Gain (loss) on financial instruments

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

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

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

4.2 Expenses recognition

(a) Ceded premium

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

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

(b) Claim and loss adjustment expenses

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

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

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

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

(c) Commission and brokerage expenses

Commission and brokerage are expended when incurred.

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

(d) Other underwriting expenses

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

(e) Operating expenses

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

(f) Finance cost

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

4.3 Product classification

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

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

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

4.4 Cash and cash equivalents

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

4.5 Premium receivables and allowance for doubtful accounts

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

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

4.6 Reinsurance assets

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

The Group set up an allowance for doubtful accounts of reinsurance assets when had indicator for impairment, based on losses that may be incurred due to uncollectible, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting periods.

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

4.7 Reinsurance receivables and amount due to reinsurers

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

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

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

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

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

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

4.8 Financial instruments

Investment in debt and equity instruments

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

Financial assets - debt instruments

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

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

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

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

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

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

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

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

(c) Financial assets measured at amortised cost

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

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

Financial assets - equity instruments

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

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

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

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

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

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

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

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

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

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

Fair value

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

Investment income and disposal of investments

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

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

Changes in classification of investments in debt instruments

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

Loans and interest receivables

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

Allowance for expected credit loss of financial assets

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

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

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

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Offsetting of financial instruments

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

4.9 Derivatives

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

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

4.10 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method and net of allowance for impairment (if any). Loss on impairment is recognised as expense in the statement of comprehensive income.

4.11 Property, buildings and equipment and depreciation

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

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

Buildings	-	20 years
Furniture and equipment	-	2 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and work in process.

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

4.12 Intangible assets and amortisation

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

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

The intangible assets with finite useful lives which are computer software are 2 and 10 years.

4.13 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired.

Goodwill is carried at cost less any accumulated impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment loss relating to goodwill cannot be reversed in future periods.

4.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment review in respect of the property, buildings 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.

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

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

4.15 Insurance contract liabilities

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

(a) Claim reserves and outstanding claims

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

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

(b) Premium reserves

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

(1) Unearned premium reserve

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

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

(2) Unexpired risk reserve

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

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

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

4.16 Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

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

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

4.17 Provisions

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

4.18 Leases

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

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

Right-of-use assets

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

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

Buildings	2 - 7 years
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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 and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.

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

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.

4.19 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

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

4.20 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.21 Related party transactions

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

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

4.22 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 Group applies a quoted market price in an active market to measure their assets and liabilities. In case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

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

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

5. Significant accounting judgements and estimates

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

5.1 Recognition and derecognition of assets and liabilities

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

5.2 Allowances for expected credit loss of financial assets

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

5.3 Allowance for impairment of non-financial assets

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

5.4 Allowance for doubtful accounts

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

5.5 Property, buildings and equipment/Depreciation

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

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

5.6 Deferred tax assets

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

5.7 Loss reserves and outstanding claims

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

5.8 Unexpired risk reserve

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

5.9 Post-employment benefits under defined benefit plans

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

5.10 Litigation

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

5.11 Fair value of financial instruments

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

6. Classification of financial assets and financial liabilities

As at 31 December 2022 and 2021, carrying amount of financial assets and financial liabilities are classified as follow:

(Unit: Baht)

	Consolidated financial statements				Total
	2022				
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	
Financial assets					
Cash and cash equivalents	-	-	-	304,922,385	304,922,385
Accrued investment income	-	-	-	83,243,992	83,243,992
Financial assets - debt instruments	981,041,567	3,560,334,119	-	905,230,002	5,446,605,688
Financial assets - equity instruments	467,721,163	-	375,541,912	-	843,263,075
Derivative assets	2,378,620	-	-	-	2,378,620
Loan and interest receivables	-	-	-	3,183,664	3,183,664
Other assets - claim receivables from litigants	-	-	-	541,204,765	541,204,765
Other assets - cash equivalents which subject to restrictions	-	-	-	9,078,890	9,078,890
Financial liabilities					
Other liabilities - Lease liabilities	-	-	-	3,084,121	3,084,121

(Unit: Baht)

Consolidated financial statements

	2021				Total
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	
Financial assets					
Cash and cash equivalents	-	-	-	745,844,663	745,844,663
Accrued investment income	-	-	-	17,124,975	17,124,975
Financial assets - debt instruments	1,466,259,935	1,806,066,299	-	1,108,329,066	4,380,655,300
Financial assets - equity instruments	412,646,589	-	343,371,222	-	756,017,811
Loan and interest receivables	-	-	-	4,071,757	4,071,757
Other assets - claim receivables from litigants	-	-	-	562,444,379	562,444,379
Other assets - cash equivalents which subject to restrictions	-	-	-	9,039,892	9,039,892
Financial liabilities					
Derivative liabilities	764,195	-	-	-	764,195
Other liabilities - Lease liabilities	-	-	-	3,205,385	3,205,385

(Unit: Baht)

Separate financial statements

	2022				Total
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	
Financial assets					
Cash and cash equivalents	-	-	-	301,919,162	301,919,162
Accrued investment income	-	-	-	78,243,214	78,243,214
Financial assets - debt instruments	981,041,567	3,560,334,119	-	873,244,732	5,414,620,418
Financial assets - equity instruments	467,721,163	-	375,541,912	-	843,263,075
Derivative assets	2,378,620	-	-	-	2,378,620
Loan and interest receivables	-	-	-	3,183,664	3,183,664
Other assets - claim receivables from litigants	-	-	-	541,174,765	541,174,765
Other assets - cash equivalents which subject to restrictions	-	-	-	9,078,890	9,078,890

(Unit: Baht)

	Separate financial statements				Total
	2021				
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	
Financial assets					
Cash and cash equivalents	-	-	-	737,770,587	737,770,587
Accrued investment income	-	-	-	12,903,066	12,903,066
Financial assets - debt instruments	1,466,259,935	1,806,066,299	-	1,066,189,682	4,338,515,916
Financial assets - equity instruments	412,646,589	-	343,371,222	-	756,017,811
Loan and interest receivables	-	-	-	4,071,757	4,071,757
Other assets - claim receivables from litigants	-	-	-	562,357,661	562,357,661
Other assets - cash equivalents which subject to restrictions	-	-	-	9,039,892	9,039,892
Financial liabilities					
Derivative liabilities	764,195	-	-	-	764,195

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Cash on hand	1,299,847	6,254,511	1,259,884
Deposits at banks with no fixed maturity date	299,580,415	736,900,031	296,515,740	728,786,597
Deposits at banks and certificate of deposit with fixed maturity date	4,480,880	3,609,305	4,480,880	3,609,305
Total cash and cash equivalents	305,361,142	746,763,847	302,256,504	738,616,795
Less: Allowance for expected credit loss	(438,757)	(919,184)	(337,342)	(846,208)
Cash and cash equivalents	304,922,385	745,844,663	301,919,162	737,770,587

As at 31 December 2022, saving deposits and fixed deposits carried interest between 0.00% and 1.00% per annum (Separate financial statements: 0.00% and 0.30% per annum) (2021: between 0.00% and 1.00% per annum for the consolidated financial statements and between 0.00% and 0.65% per annum for the separate financial statements).

8. Premium receivables

The balances as at 31 December 2022 and 2021 of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Not yet due	768,371,286	759,288,503	768,053,378	759,181,034
Not over 30 days	55,483,032	102,184,129	55,138,619	102,009,298
Over 30 days to 60 days	20,334,842	47,215,310	20,233,618	47,170,764
Over 60 days to 90 days	8,712,737	15,038,619	8,592,556	15,018,354
Over 90 days	18,656,278	24,576,838	18,471,150	24,552,100
Total premium receivables	871,558,175	948,303,399	870,489,321	947,931,550
Less: Allowance for doubtful accounts	(928,068)	(1,159,286)	(928,068)	(1,159,286)
Total premium receivables, net	<u>870,630,107</u>	<u>947,144,113</u>	<u>869,561,253</u>	<u>946,772,264</u>

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

9. Reinsurance assets

(Unit: Baht)

	Consolidated and separate	
	financial statements	
	2022	2021
Insurance reserves refundable from reinsurers		
Claim reserves and outstanding claims	121,480,441	154,685,007
Unearned premium reserves	285,242,242	231,344,709
Reinsurance assets	<u>406,722,683</u>	<u>386,029,716</u>

10. Receivables from reinsurance contracts

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Amounts deposited on reinsurance	-	-	90,040	63,831
Amounts due from reinsurers	77,478,053	64,452,039	78,214,120	65,835,998
Total	77,478,053	64,452,039	78,304,160	65,899,829
Less: Allowance for doubtful accounts	(17,580,862)	(17,580,862)	(17,580,862)	(17,580,862)
Receivables from reinsurance contracts - net	59,897,191	46,871,177	60,723,298	48,318,967

As at 31 December 2022 and 2021, the balances of amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Not yet due	39,165,307	20,532,191	39,165,307	20,532,191
Not over 1 year	38,095,233	43,702,335	38,831,300	45,086,294
Over 1 year to 2 years	217,513	217,513	217,513	217,513
Total	77,478,053	64,452,039	78,214,120	65,835,998
Less: Allowance for doubtful accounts	(17,580,862)	(17,580,862)	(17,580,862)	(17,580,862)
Total amounts due from reinsurers - net	59,897,191	46,871,177	60,633,258	48,255,136

11. Financial assets - debt instruments

11.1 Classified by type of financial assets

(Unit: Baht)

	Consolidated financial statements			
	2022		2021	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Debt instruments measured at FVTPL				
Government and state enterprise securities	46,198,243	45,946,222	29,965,916	29,764,552
Private debt securities	15,409,596	15,145,459	-	-
Unit trusts	1,003,028,129	919,949,886	1,490,226,711	1,436,495,383
Total	1,064,635,968	981,041,567	1,520,192,627	1,466,259,935
Less: Unrealised loss	(83,594,401)		(53,932,692)	
Total	981,041,567		1,466,259,935	
Debt instruments measured at FVOCI				
Government and state enterprise securities	718,122,760	719,837,297	80,004,673	80,311,963
Private debt securities	2,837,537,862	2,840,496,822	1,712,301,946	1,725,754,336
Total	3,555,660,622	3,560,334,119	1,792,306,619	1,806,066,299
Add: Unrealised gain	5,791,612		15,699,003	
Less: Allowance for expected credit loss	(1,118,115)		(1,939,323)	
Total	3,560,334,119		1,806,066,299	
Debt instruments measured at amortised cost				
Government and state enterprise securities	845,369,806		178,509,920	
Private debt securities	841,000		841,000	
Foreign debt instruments	15,000,000		25,000,000	
Deposits at financial institutions which amounts maturing in over 3 months	46,621,807		907,700,179	
Total	907,832,613		1,112,051,099	
Less: Allowance for expected credit loss	(2,602,611)		(3,722,033)	
Total	905,230,002		1,108,329,066	
Total financial assets - debt instruments - net	5,446,605,688		4,380,655,300	

(Unit: Baht)

	Separate financial statements			
	2022		2021	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Debt instruments measured at FVTPL				
Government and state enterprise securities	46,198,243	45,946,222	29,965,916	29,764,552
Private debt securities	15,409,596	15,145,459	-	-
Unit trusts	1,003,028,129	919,949,886	1,490,226,711	1,436,495,383
Total	1,064,635,968	981,041,567	1,520,192,627	1,466,259,935
Less: Unrealised loss	(83,594,401)		(53,932,692)	
Total	981,041,567		1,466,259,935	
Debt instruments measured at FVOCI				
Government and state enterprise securities	718,122,760	719,837,297	80,004,673	80,311,963
Private debt securities	2,837,537,862	2,840,496,822	1,712,301,946	1,725,754,336
Total	3,555,660,622	3,560,334,119	1,792,306,619	1,806,066,299
Add: Unrealised gain	5,791,612		15,699,003	
Less: Allowance for expected credit loss	(1,118,115)		(1,939,323)	
Total	3,560,334,119		1,806,066,299	
Debt instruments measured at amortised cost				
Government and state enterprise securities	845,369,806		178,509,920	
Private debt securities	841,000		841,000	
Foreign debt instruments	15,000,000		25,000,000	
Deposits at financial institutions which amounts maturing in over 3 months	14,623,548		865,540,390	
Total	875,834,354		1,069,891,310	
Less: Allowance for expected credit loss	(2,589,622)		(3,701,628)	
Total	873,244,732		1,066,189,682	
Total financial assets - debt instruments - net	5,414,620,418		4,338,515,916	

As at 31 December 2022 and 2021, certain investments of the Group has been placed and reserved as insurance reserves with the Registrar, and placed as other collateral in respect of certain performance as required in the normal course of business as described in Note 36 to the financial statements.

11.2 Classified by stage of credit risk

(Unit: Baht)

	Consolidated and separate financial statements			
	2022		2021	
	Fair value	Allowance for	Fair value	Allowance for
		expected		expected
	credit loss		credit loss	
Debt instruments measured at FVOCI				
Stage 1 - Debt securities without a significant increase in credit risk	3,560,334,119	1,024,175	1,806,066,299	1,845,383
Stage 3 - Debt securities with credit impaired	-	93,940	-	93,940
Total	3,560,334,119	1,118,115	1,806,066,299	1,939,323

(Unit: Baht)

	Consolidated financial statements					
	2022			2021		
	Carrying value - gross	Allowance for	Carrying value	Carrying value - gross	Allowance for	Carrying value
		expected credit			expected credit	
	loss			loss		
Debt instruments measured at amortised cost						
Stage 1 - Debt securities without a significant increase in credit risk	891,991,613	69,276	891,922,337	1,086,210,099	501,711	1,085,708,388
Stage 2 - Debt securities with a significant increase in credit risk	15,000,000	1,692,335	13,307,665	25,000,000	2,379,322	22,620,678
Stage 3 - Debt securities with credit impaired	841,000	841,000	-	841,000	841,000	-
Total	907,832,613	2,602,611	905,230,002	1,112,051,099	3,722,033	1,108,329,066

(Unit: Baht)

	Separate financial statements					
	2022			2021		
	Carrying value - gross	Allowance for expected credit loss	Carrying value	Carrying value - gross	Allowance for expected credit loss	Carrying value
Debt instruments measured at amortised cost						
Stage 1 - Debt securities						
without a significant						
increase in credit risk	859,993,354	56,287	859,937,067	1,044,050,310	481,306	1,043,569,004
Stage 2 - Debt securities						
with a significant						
increase in credit risk	15,000,000	1,692,335	13,307,665	25,000,000	2,379,322	22,620,678
Stage 3 - Debt securities						
with credit impaired	841,000	841,000	-	841,000	841,000	-
Total	<u>875,834,354</u>	<u>2,589,622</u>	<u>873,244,732</u>	<u>1,069,891,310</u>	<u>3,701,628</u>	<u>1,066,189,682</u>

12. Financial assets - equity instruments

12.1 Classified by type of financial assets

(Unit: Baht)

	Consolidated and separate financial statements			
	2022		2021	
	Cost	Fair value	Cost	Fair value
Equity instruments measured at FVTPL				
Domestic listed equity instruments	412,430,969	407,770,159	342,806,892	353,037,286
Foreign listed equity instruments	81,555,325	59,951,004	65,382,652	59,609,303
Total	493,986,294	467,721,163	408,189,544	412,646,589
Add (less): Unrealised gain (loss)	(26,265,131)		4,457,045	
Total	<u>467,721,163</u>		<u>412,646,589</u>	
Equity instruments designated at FVOCI				
Domestic listed equity instruments	31,037,196	81,245,599	31,296,397	80,200,293
Non-listed equity instruments	3,720,650	176,267,564	3,720,650	143,523,049
Domestic unit trusts	81,302,023	118,028,749	84,419,905	119,647,880
Total	116,059,869	375,541,912	119,436,952	343,371,222
Add: Unrealised gain	259,482,043		223,934,270	
Total	<u>375,541,912</u>		<u>343,371,222</u>	
Total financial assets - equity instruments - net	<u>843,263,075</u>		<u>756,017,811</u>	

12.2 Equity instruments designated at FVOCI

(Unit: Baht)

	Consolidated and separate financial statements			
	2022		2021	
	Fair value	Dividend received	Fair value	Dividend received
Equity instruments designated at FVOCI				
Domestic listed equity instruments	81,245,599	3,205,965	80,200,293	2,205,086
Non-listed equity instruments	176,267,564	30,375	143,523,049	30,375
Domestic unit trusts	118,028,749	6,371,300	119,647,880	9,824,841
Total	<u>375,541,912</u>	<u>9,607,640</u>	<u>343,371,222</u>	<u>12,060,302</u>

12.3 Investments derecognition

During the years ended 31 December 2022 and 2021, the Company disposed of its investments in equity instruments designated at fair value through other comprehensive income from the accounts. The Company therefore transferred the previous recognised changes in the fair value of these investments in other comprehensive income, to be recognised in retained earnings as follows:

(Unit: Baht)

	Consolidated and separate financial statements			
	For the year ended 31 December 2022			
	Fair value at the derecognition date	Dividend received	Retained earnings (loss) from disposal	Reason for derecognition
Domestic listed equity instruments	5,760,453	48,630	288,286	Disposal
Total	<u>5,760,453</u>	<u>48,630</u>	288,286	
Less: Related tax			<u>(57,657)</u>	
			<u>230,629</u>	

(Unit: Baht)

	Consolidated and separate financial statements			
	For the year ended 31 December 2021			
	Fair value at the derecognition date	Dividend received	Retained earnings (loss) from disposal	Reason for derecognition
Domestic listed equity instruments	16,661,580	7,801,920	(1,758,580)	Disposal
Total	<u>16,661,580</u>	<u>7,801,920</u>	(1,758,580)	
Add: Related tax			<u>351,716</u>	
			<u>(1,406,864)</u>	

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

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2022	2021
Debt instruments measured at FVOCI		
Balance - beginning of the year	12,559,203	17,402,824
Changes during the year		
Loss on revaluation during the year	(9,907,391)	(6,054,527)
Related income tax	1,981,478	1,210,906
Net comprehensive income for the year (loss)	(7,925,913)	(4,843,621)
Balance - end of the year	4,633,290	12,559,203
Equity instruments designated at FVOCI		
Balance - beginning of the year	179,147,416	138,081,392
Changes during the year		
Gains on revaluation during the year	35,836,059	49,573,950
Loss (gain) on sales recognised in retained earnings during the year	(288,286)	1,758,580
Total	35,547,773	51,332,530
Related income tax	(7,109,555)	(10,266,506)
Net comprehensive income for the year	28,438,218	41,066,024
Balance - end of the year	207,585,634	179,147,416
Total	212,218,924	191,706,619

14. Loans and interest receivables

As at 31 December 2022 and 2021, loans and interest receivables classified by stage of credit risk as follows:

(Unit: Baht)

Staging	Consolidated and separate financial statements		
	2022		
	Mortgage loans	Other loans	Total
Stage 1 - Loans without a significant increase in credit risk	2,573,974	609,690	3,183,664
Stage 3 - Loans with credit impaired	753,812	-	753,812
Total	3,327,786	609,690	3,937,476
Less: Allowance for expected credit loss	(753,812)	-	(753,812)
Loans and interest receivables - net	2,573,974	609,690	3,183,664

(Unit: Baht)

Staging	Consolidated and separate financial statements		
	2021		
	Mortgage loans	Other loans	Total
Stage 1 - Loans without a significant increase in credit risk	3,572,140	499,617	4,071,757
Stage 3 - Loans with credit impaired	753,812	-	753,812
Total	4,325,952	499,617	4,825,569
Less: Allowance for expected credit loss	(753,812)	-	(753,812)
Loans and interest receivables - net	3,572,140	499,617	4,071,757

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

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

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

15. Investments in subsidiaries

15.1 Detail of investments in subsidiaries as presented in separate financial statements is as follow:

Company's name	Paid up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
	Baht	Baht	%	%	Baht	Baht
Laovivat Insurance Co., Ltd. (engaged in non-life insurance business)	67,200,000	67,200,000	70.0	70.0	67,200,000	67,200,000
Motor AI Recognition Solution Co., Ltd. (engaged in non-life insurance technology service)	30,000,000	20,000,000	76.5	100.0	22,950,000	20,000,000
					<u>90,150,000</u>	<u>87,200,000</u>

Sale of investments in subsidiary

On 26 January 2022, the Board of Directors meeting of the Company No. 1/2022 passed a resolution to approve sale of an investment in 50,000 shares of Motor AI Recognition Solution Co., Ltd. to two other project participants, the technology consultants, at a price of Baht 100 per share, or for a total of Baht 5,000,000. The Company received payment and transferred the shares in May 2022. Accordingly, the Company's shareholding in the subsidiary has decreased from 100 percent to 75 percent.

Increase in share capital of subsidiary

On 4 July 2022, the Extraordinary General Meeting of the shareholders No. 1/2022 of Motor AI Recognition Solution Co., Ltd. passed a resolution to approve an increase of Baht 5 million in the registered share capital, from Baht 20 million to Baht 25 million by issuing 50,000 new ordinary shares with a par value of Baht 100 per share. The subsidiary received full payment for the additional share capital in July 2022 and registered the increased in its registered share capital with the Ministry of Commerce on 20 July 2022.

The Company has exercised its rights to purchase the additional shares of its subsidiary in proportion to its existing shareholding. As a result, its shareholding in the subsidiary remains the same at 75 percent of the issued and paid-up share capital of the subsidiary.

Subsequently, on 5 October 2022, the Extraordinary General Meeting of the shareholders No. 2/2022 of Motor AI Recognition Solution Co., Ltd. passed a resolution approving an increase of Baht 5 million in the registered share capital, from Baht 25 million to Baht 30 million by issuing 50,000 new ordinary shares with a par value of Baht 100 per share offered to the existing shareholders. The subsidiary received full payment for the additional share capital on 5 October 2022 and registered the increase in its registered share capital with the Ministry of Commerce on 7 October 2022.

The Company exercised its rights to purchase the additional shares of its subsidiary in proportion to its existing shareholding and remaining shares to which existing shareholders waived their rights, for a total of 42,000 shares with a par value of Baht 100 per share. As a result, its shareholding in the subsidiary increased from 75 percent to 76.5 percent of the issued and paid-up share capital of the subsidiary.

15.2 Details of investments in subsidiary that have material non-controlling interests

(Unit: Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the years	
	2022	2021	2022	2021	2022	2021
	%	%				
Laovivat Insurance Co., Ltd.	30.0	30.0	9,018,524	12,398,462	(443,458)	(223,493)
Motor AI Recognition Solution Co., Ltd.	23.5	-	1,921,531	-	(1,505,805)	-
			<u>10,940,055</u>	<u>12,398,462</u>	<u>(1,949,263)</u>	<u>(223,493)</u>

15.3 Summarised financial information about subsidiaries that based on amounts before inter-company elimination

(a) Summarised information about financial position

(Unit: Baht)

	Laovivat Insurance Co., Ltd.		Motor AI Recognition Solution Co., Ltd.	
	2022	2021	2022	2021
Assets	42,509,936	53,850,233	18,751,794	14,016,702
Liabilities	12,448,189	12,522,026	10,575,067	5,898,992
Net assets value	<u>30,061,747</u>	<u>41,328,207</u>	<u>8,176,727</u>	<u>8,117,710</u>

(b) Summarised information about comprehensive income

(Unit: Baht)

	For the years ended 31 December			
	Laovivat Insurance Co., Ltd.		Motor AI Recognition Solution Co., Ltd.	
	2022	2021	2022	2021
Revenue	5,861,373	6,001,170	632,600	77,748
Loss for the period	(1,478,192)	(744,976)	(9,940,983)	(11,882,290)
Other comprehensive income (loss)	(9,788,268)	(3,143,384)	-	-
Total comprehensive income (loss)	<u>(11,266,460)</u>	<u>(3,888,360)</u>	<u>(9,940,983)</u>	<u>(11,882,290)</u>

(c) Summarised information about cash flows

(Unit: Baht)

	For the years ended 31 December			
	Laovivat Insurance Co., Ltd.		Motor AI Recognition Solution Co., Ltd.	
	2022	2021	2022	2021
Cash flow from (used in) operating activities	102,599	220,808	(4,981,161)	(6,553,636)
Cash flow used in investing activities	(4,467)	-	(9,594,360)	(7,550,389)
Cash flow from (used in) financing activities	(593,464)	(589,466)	10,000,000	20,000,000
Net increase (decrease) in cash and cash equivalents	<u>(495,332)</u>	<u>(368,658)</u>	<u>(4,575,521)</u>	<u>5,895,975</u>

16. Property, buildings and equipment

(Unit: Baht)

	Consolidated financial statements						Total
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Work in process	
Cost							
As at 1 January 2021	211,950,180	238,276,548	52,019,476	107,603,731	93,209,568	1,760,774	704,820,277
Additions	-	-	153,040	6,372,173	-	14,014,922	20,540,135
Transfer in/(out)	-	-	452,000	776,335	-	(1,228,335)	-
Disposals	-	-	-	(2,186,412)	(10,386,659)	-	(12,573,071)
Exchange differences on translation of financial statements in foreign currency	-	-	(271,654)	(120,747)	(58,636)	-	(451,037)
As at 31 December 2021	211,950,180	238,276,548	52,352,862	112,445,080	82,764,273	14,547,361	712,336,304
Additions	-	-	366,769	5,991,787	4,415,318	33,225,909	43,999,783
Transfer in/(out)	-	34,957,659	12,347,255	468,356	-	(47,773,270)	-
Disposals	-	-	-	(2,491,146)	-	-	(2,491,146)
Exchange differences on translation of financial statements in foreign currency	-	-	(1,086,614)	(482,991)	(234,545)	-	(1,804,150)
As at 31 December 2022	211,950,180	273,234,207	63,980,272	115,931,086	86,945,046	-	752,040,791
Accumulated depreciation							
As at 1 January 2021	-	167,846,491	42,817,616	86,854,211	74,849,720	-	372,368,038
Depreciation for the year	-	5,134,082	4,426,510	11,037,914	5,756,786	-	26,355,292
Accumulated depreciation on disposals	-	-	-	(2,181,091)	(10,386,640)	-	(12,567,731)
Exchange differences on translation of financial statements in foreign currency	-	-	(257,403)	(75,960)	(37,162)	-	(370,525)
As at 31 December 2021	-	172,980,573	46,986,723	95,635,074	70,182,704	-	385,785,074
Depreciation for the year	-	5,602,759	3,353,676	9,730,481	4,955,179	-	23,642,095
Accumulated depreciation on disposals	-	-	-	(2,489,686)	-	-	(2,489,686)
Exchange differences on translation of financial statements in foreign currency	-	-	(1,127,041)	(313,639)	(195,558)	-	(1,636,238)
As at 31 December 2022	-	178,583,332	49,213,358	102,562,230	74,942,325	-	405,301,245
Net book value							
As at 31 December 2021	211,950,180	65,295,975	5,366,139	16,810,006	12,581,569	14,547,361	326,551,230
As at 31 December 2022	211,950,180	94,650,875	14,766,914	13,368,856	12,002,721	-	346,739,546
Depreciation for the year							
2021							26,355,292
2022							23,642,095

(Unit: Baht)

	Separate financial statements						Total
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Work in process	
Cost							
As at 1 January 2021	211,950,180	238,276,548	47,265,540	105,490,652	92,183,432	1,760,773	696,927,125
Additions	-	-	153,040	5,666,933	-	14,014,922	19,834,895
Transfer in/(out)	-	-	452,000	776,335	-	(1,228,335)	-
Disposals	-	-	-	(2,186,412)	(10,386,659)	-	(12,573,071)
As at 31 December 2021	211,950,180	238,276,548	47,870,580	109,747,508	81,796,773	14,547,360	704,188,949
Additions	-	-	366,769	5,804,708	4,415,318	33,225,910	43,812,705
Transfer in/(out)	-	34,957,659	12,347,255	468,356	-	(47,773,270)	-
Disposals	-	-	-	(2,491,146)	-	-	(2,491,146)
As at 31 December 2022	211,950,180	273,234,207	60,584,604	113,529,426	86,212,091	-	745,510,508
Accumulated depreciation							
As at 1 January 2021	-	167,846,491	38,313,056	85,524,900	74,199,382	-	365,883,829
Depreciation for the year	-	5,134,082	4,024,616	10,842,264	5,563,286	-	25,564,248
Accumulated depreciation on disposals	-	-	-	(2,181,091)	(10,386,640)	-	(12,567,731)
As at 31 December 2021	-	172,980,573	42,337,672	94,186,073	69,376,028	-	378,880,346
Depreciation for the year	-	5,602,759	3,336,975	9,222,113	4,833,344	-	22,995,191
Accumulated depreciation on disposals	-	-	-	(2,489,686)	-	-	(2,489,686)
As at 31 December 2022	-	178,583,332	45,674,647	100,918,500	74,209,372	-	399,385,851
Net book value							
As at 31 December 2021	211,950,180	65,295,975	5,532,908	15,561,435	12,420,745	14,547,360	325,308,603
As at 31 December 2022	211,950,180	94,650,875	14,909,957	12,610,926	12,002,719	-	346,124,657
Depreciation for the year							
2021							25,564,248
2022							22,995,191

As at 31 December 2022, certain building and equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 321.9 million (Separate financial statements: Baht 316.6 million) (2021: Baht 308.0 million in consolidated financial statements and Baht 303.8 million in separate financial statements).

17. Intangible assets - computer software

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Computer under development	Total	Computer software	Computer under development	Total
Cost						
As at 1 January 2021	57,543,920	5,652,378	63,196,298	57,193,365	5,652,378	62,845,743
Additions	719,400	15,397,992	16,117,392	719,400	8,093,178	8,812,578
Transfer in/(out)	8,907,875	(8,907,875)	-	8,907,875	(8,907,875)	-
Exchange differences on translation of financial statements in foreign currency	(20,032)	-	(20,032)	-	-	-
As at 31 December 2021	67,151,163	12,142,495	79,293,658	66,820,640	4,837,681	71,658,321
Additions	2,385,600	10,679,883	13,065,483	2,385,600	1,318,000	3,703,600
Transfer in/(out)	5,654,165	(5,654,165)	-	1,118,000	(1,118,000)	-
Exchange differences on translation of financial statements in foreign currency	(64,952)	-	(64,952)	-	-	-
As at 31 December 2022	75,125,976	17,168,213	92,294,189	70,324,240	5,037,681	75,361,921
Accumulated amortisation						
As at 1 January 2021	47,229,754	-	47,229,754	46,879,199	-	46,879,199
Amortisation for the year	2,380,877	-	2,380,877	2,380,878	-	2,380,878
Exchange differences on translation of financial statements in foreign currency	(20,032)	-	(20,032)	-	-	-
As at 31 December 2021	49,590,599	-	49,590,599	49,260,077	-	49,260,077
Amortisation for the year	3,214,548	-	3,214,548	2,834,567	-	2,834,567
Exchange differences on translation of financial statements in foreign currency	(64,952)	-	(64,952)	-	-	-
As at 31 December 2022	52,740,195	-	52,740,195	52,094,644	-	52,094,644
Net book value						
As at 31 December 2021	17,560,564	12,142,495	29,703,059	17,560,563	4,837,681	22,398,244
As at 31 December 2022	22,385,781	17,168,213	39,553,994	18,229,596	5,037,681	23,267,277
Amortisation for the year						
2021			2,380,877			2,380,878
2022			3,214,548			2,834,567

As at 31 December 2022, certain computer software items of the Group has been fully amortisation but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 43.5 million (Separate financial statements: Baht 43.3 million) (2021: Baht 40.6 million in consolidated financial statements and Baht 40.3 million in separate financial statements).

18. Deferred tax assets/Income tax expenses

18.1 Deferred tax assets

As at 31 December 2022 and 2021, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	Consolidated and separate		Changes in deferred tax	
	financial statements		assets or liabilities	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit loss	21,164,203	23,085,539	(1,921,336)	3,427,595
Allowance for doubtful accounts	4,831,747	4,877,990	(46,243)	3,586,542
Allowance for impairment of investments	1,562,618	1,562,618	-	-
Unearned premium reserves	171,139,447	163,818,242	7,321,205	29,527,875
Provision for claim incurred but not yet reported and outstanding claim	42,738,569	35,597,922	7,140,647	7,896,522
Loss on changes in value of investments measured at FVTPL	23,169,793	9,895,129	13,274,664	(912,274)
Loss on change in value of derivatives	-	152,839	(152,839)	152,839
Unrealised loss on foreign exchange	-	-	-	(128,899)
Post employee benefit obligations	17,584,628	20,353,127	(2,768,499)	(3,002,484)
Total	282,191,005	259,343,406		
Deferred tax liabilities				
Gain on changes in value of investments measured at FVOCI	53,054,731	47,926,654	5,128,077	9,055,600
Gain on change in value of derivatives	475,724	-	475,724	-
Unrealised gain on foreign exchange	1,368,510	1,007,761	360,749	1,007,761
Total	54,898,965	48,934,415		
Deferred tax assets, net	227,292,040	210,408,991		
Total changes			16,883,049	30,484,355
Recognition of changes:				
- Profit or loss			23,806,510	42,784,254
- Other comprehensive income			(6,981,118)	(11,948,183)
- Retained earnings from disposal of investments measured at FVOCI (Note 12.3)			57,657	(351,716)
Total changes			16,883,049	30,484,355

As at 31 December 2022, the subsidiaries have temporary differences and unused tax losses totaling Baht 25.1 million (2021: Baht 16.7 million), on which deferred tax assets have not been recognised as the subsidiaries believe that there is an uncertainty to allow utilisation of temporary differences and unused tax losses.

Such unused tax losses will gradually expire within 2023 until 2027.

18.2 Income tax expenses

The income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2022	2021
Current income tax:		
Corporate income tax charge in accordance with Revenue Code	78,706,728	160,410,620
Adjustments in respect of income tax of previous year	(187,146)	(204,998)
Deferred tax:		
Relating to origination and reversal of temporary differences	(23,806,510)	(42,784,254)
Relating to disposals of equity instruments designated at fair value through other comprehensive income during the year	(57,657)	351,716
Income tax expenses reported in profit or loss	54,655,415	117,773,084

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2022	2021
Deferred tax relating to:		
Loss on changes in value of debt instruments measured at fair value through other comprehensive income	1,981,478	1,210,906
Gains on changes in value of equity instruments designated at fair value through other comprehensive income	(7,167,212)	(9,914,790)
Actuarial gains	(1,795,384)	(3,244,299)
Total	(6,981,118)	(11,948,183)

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Accounting profit before income tax expenses	259,479,605	589,777,501	270,898,779	602,404,769
Applicable corporate income tax rate	20%, 24%	20%, 24%	20%	20%
Income tax at the applicable tax rate	51,836,793	117,925,702	54,179,756	120,480,954
Adjustments in respect of income tax				
of previous year	(187,146)	(204,998)	(187,146)	(204,998)
Tax effects of:				
Temporary differences and tax loss which				
are not recognised as deferred tax assets	2,114,096	2,492,986	-	-
Tax-exempted revenues	(2,706,985)	(5,583,984)	(2,706,985)	(5,583,984)
Additional expenses deductions allowed	(742,772)	(788,764)	(742,772)	(788,764)
Non-deductible expenses	4,341,429	3,932,142	4,112,562	3,869,876
Income tax expenses reported in profit or loss	54,655,415	117,773,084	54,655,415	117,773,084

19. Other assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Claim receivables from litigants, net	541,204,765	562,444,379	541,174,765	562,357,661
Prepaid payment of ceded premium	167,713,383	109,046,403	167,713,383	109,046,403
Deposits on rice field insurance scheme	125,052,091	201,168,922	125,052,091	201,168,922
Prepaid commission expenses	71,852,687	50,605,880	71,852,687	50,605,880
Receivable from sale of investments	4,508,758	365,006	4,508,758	365,006
Right-of-use assets	1,651,944	2,665,136	-	-
Cash equivalents which subject to				
restrictions, net	9,078,890	9,039,892	9,078,890	9,039,892
Others	131,972,455	43,450,983	142,170,328	44,376,295
Total other assets	1,053,034,973	978,786,601	1,061,550,902	976,960,059

As at 31 December 2022 and 2021, the Group has pledged deposit at financial institutions mature within 3 months as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence as described in Notes 36 to the financial statements.

20. Insurance contract liabilities

	(Unit: Baht)		
	Consolidated financial statements		
	2022		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	2,450,603,347	59,047,461	2,391,555,886
- Provision for claim incurred but not reported	147,612,753	62,432,980	85,179,773
Premium reserves			
- Unearned premium reserves	3,813,230,141	285,242,242	3,527,987,899
Total	6,411,446,241	406,722,683	6,004,723,558

	(Unit: Baht)		
	Consolidated financial statements		
	2021		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,938,212,009	50,772,689	1,887,439,320
- Provision for claim incurred but not reported	185,029,524	103,912,318	81,117,206
Premium reserves			
- Unearned premium reserves	3,338,356,489	231,344,709	3,107,011,780
Total	5,461,598,022	386,029,716	5,075,568,306

(Unit: Baht)

	Separate financial statements		
	2022		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	2,448,871,776	59,047,461	2,389,824,315
- Provision for claim incurred but not reported	147,373,177	62,432,980	84,940,197
Premium reserves			
- Unearned premium reserves	3,809,687,638	285,242,242	3,524,445,396
Total	<u>6,405,932,591</u>	<u>406,722,683</u>	<u>5,999,209,908</u>

(Unit: Baht)

	Separate financial statements		
	2021		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,937,116,282	50,772,689	1,886,343,593
- Provision for claim incurred but not reported	184,016,032	103,912,318	80,103,714
Premium reserves			
- Unearned premium reserves	3,335,942,179	231,344,709	3,104,597,470
Total	<u>5,457,074,493</u>	<u>386,029,716</u>	<u>5,071,044,777</u>

During the years 2022 and 2021, the management of the Group entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, insurance contract liabilities disclosures have been made on both a gross and net basis in order to provide a comprehensive set of disclosures.

20.1 Claim reserves and outstanding claims

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Balance - beginning of the year	2,123,241,533	1,972,570,981	2,121,132,314	1,971,338,456
Claim incurred and loss adjustment expenses for the year	4,511,723,090	3,649,268,495	4,508,571,257	3,648,096,648
Changes in claim reserves and outstanding claims of prior year	(355,192,551)	(172,569,700)	(355,192,551)	(172,569,700)
Changes in claim reserves and assumptions	(37,025,780)	(11,194,847)	(36,642,855)	(11,641,240)
Claim and loss adjustment expenses paid during the year	(3,643,823,859)	(3,314,732,752)	(3,641,623,212)	(3,314,091,850)
Exchange differences on translation of financial statements in foreign currency	(706,333)	(100,644)	-	-
Balance - end of the year	<u>2,598,216,100</u>	<u>2,123,241,533</u>	<u>2,596,244,953</u>	<u>2,121,132,314</u>

As at 31 December 2022, the Group has claim reserves and outstanding claims under reinsurance contracts of Baht 6.3 million (Separate financial statements: Baht 6.4 million) (2021: Baht 2.7 million in consolidated financial statements and Baht 2.8 million in separate financial statements).

20.2 Unearned premium reserves

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Balance - beginning of the year	3,338,356,489	3,050,591,014	3,335,942,179	3,048,578,670
Premium written for the year	7,313,640,780	6,332,882,249	7,307,223,393	6,329,647,718
Premium earned for the current year	(6,838,077,306)	(6,044,960,246)	(6,833,477,934)	(6,042,284,209)
Exchange differences on translation of financial statements in foreign currency	(689,822)	(156,528)	-	-
Balance - end of the year	<u>3,813,230,141</u>	<u>3,338,356,489</u>	<u>3,809,687,638</u>	<u>3,335,942,179</u>

20.3 Claims development table

(a) Gross claims table

(Unit: Million Baht)

Consolidated financial Statements											
Reporting year / Accident year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Claim provision:											
- as at accident year	1,662	1,773	1,684	1,820	1,969	2,258	2,862	3,288	3,339	4,021	
- Next one year	1,484	1,653	1,644	1,775	1,784	2,223	2,585	2,974	3,126		
- Next two years	1,556	1,599	1,630	1,759	1,677	2,079	2,526	2,857			
- Next three years	1,531	1,589	1,631	1,761	1,676	2,077	2,520				
- Next four years	1,529	1,585	1,627	1,763	1,674	2,075					
- Next five years	1,525	1,584	1,626	1,762	1,674						
- Next six years	1,508	1,584	1,626	1,762							
- Next seven years	1,508	1,584	1,626								
- Next eight years	1,508	1,584									
- Next nine years	1,508										
Ultimate claim reserves	1,508	1,584	1,626	1,762	1,674	2,075	2,520	2,857	3,126	4,021	22,753
Cumulative payment to date	1,508	1,584	1,626	1,762	1,672	2,071	2,511	2,822	2,827	2,425	20,808
Net	-	-	-	-	2	4	9	35	299	1,596	1,945
Adjusted claim incurred but not reported											584
Unallocated loss adjustment expenses											69
Total claim reserves and outstanding claims before reinsurance											2,598

(Unit: Million Baht)

Separate financial Statements											
Reporting year / Accident year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Claim provision:											
- as at accident year	1,662	1,773	1,684	1,820	1,969	2,255	2,859	3,285	3,336	4,017	
- Next one year	1,484	1,653	1,644	1,775	1,784	2,221	2,582	2,971	3,125		
- Next two years	1,556	1,599	1,630	1,759	1,677	2,077	2,523	2,856			
- Next three years	1,531	1,589	1,631	1,761	1,676	2,075	2,518				
- Next four years	1,529	1,585	1,627	1,763	1,674	2,074					
- Next five years	1,525	1,584	1,626	1,762	1,674						
- Next six years	1,508	1,584	1,626	1,762							
- Next seven years	1,508	1,584	1,626								
- Next eight years	1,508	1,584									
- Next nine years	1,508										
Ultimate claim reserves	1,508	1,584	1,626	1,762	1,674	2,074	2,518	2,856	3,125	4,017	22,744
Cumulative payment to date	1,508	1,584	1,626	1,762	1,672	2,070	2,509	2,821	2,826	2,423	20,801
Net	-	-	-	-	2	4	9	35	299	1,594	1,943
Adjusted claim incurred but not reported											584
Unallocated loss adjustment expenses											69
Total claim reserves and outstanding claims before reinsurance											2,596

(b) Net claims table

(Unit: Million Baht)

Consolidated financial Statements											
Reporting year /	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Accident year											
Claim provision:											
- as at accident year	1,317	1,403	1,346	1,494	1,511	1,739	2,089	2,681	3,022	3,670	
- Next one year	1,173	1,321	1,314	1,465	1,416	1,699	1,914	2,517	2,903		
- Next two years	1,239	1,287	1,316	1,456	1,325	1,567	1,866	2,405			
- Next three years	1,213	1,279	1,317	1,459	1,325	1,565	1,862				
- Next four years	1,212	1,276	1,313	1,459	1,324	1,564					
- Next five years	1,208	1,275	1,312	1,458	1,323						
- Next six years	1,192	1,275	1,313	1,458							
- Next seven years	1,191	1,275	1,313								
- Next eight years	1,191	1,275									
- Next nine years	1,191										
Ultimate claim reserves	1,191	1,275	1,313	1,458	1,323	1,564	1,862	2,405	2,903	3,670	18,964
Cumulative payment to date	1,191	1,275	1,313	1,458	1,321	1,560	1,853	2,373	2,615	2,177	17,136
Net	-	-	-	-	2	4	9	32	288	1,493	1,828
Adjusted claim incurred but not reported											580
Unallocated loss adjustment expenses											69
Total claim reserves and outstanding claims after reinsurance											2,477

(Unit: Million Baht)

Separate financial Statements											
Reporting year /	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Accident year											
Claim provision:											
- as at accident year	1,317	1,403	1,346	1,494	1,511	1,737	2,087	2,679	3,020	3,667	
- Next one year	1,173	1,321	1,314	1,465	1,416	1,697	1,912	2,516	2,902		
- Next two years	1,239	1,287	1,316	1,456	1,325	1,565	1,864	2,404			
- Next three years	1,213	1,279	1,317	1,459	1,325	1,563	1,860				
- Next four years	1,212	1,276	1,313	1,459	1,324	1,562					
- Next five years	1,208	1,275	1,312	1,458	1,323						
- Next six years	1,192	1,275	1,313	1,458							
- Next seven years	1,191	1,275	1,313								
- Next eight years	1,191	1,275									
- Next nine years	1,191										
Ultimate claim reserves	1,191	1,275	1,313	1,458	1,323	1,562	1,860	2,404	2,902	3,667	18,955
Cumulative payment to date	1,191	1,275	1,313	1,458	1,321	1,558	1,852	2,372	2,614	2,175	17,129
Net	-	-	-	-	2	4	8	32	288	1,492	1,826
Adjusted claim incurred but not reported											580
Unallocated loss adjustment expenses											69
Total claim reserves and outstanding claims after reinsurance											2,475

20.4 Methodology and assumptions

The methodology and assumptions adopted by the Group for the gross and net valuations of insurance liabilities as at 31 December 2022 are presented as follows:

(1) Estimation method for best estimate of claims liabilities

Direct and Inward Facultative Business

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

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

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

Inward Treaty Business

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

(2) Assumptions of relevant expenses

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

2.1 Allocated Loss Adjustment Expenses - ALAE

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

2.2 Unallocated Loss Adjustment Expenses - ULAE

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

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

2.3 Maintenance Expenses

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

2.4 Reinsurance Cost

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

21. Amount due to reinsurers

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2022	2021
Amounts withheld on reinsurances	266,985,590	266,752,816
Outward premium payable	51,833,870	88,995,566
Total amounts due to reinsurers	<u>318,819,460</u>	<u>355,748,382</u>

22. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, for the years ended 31 December 2022 and 2021 was as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provision for employee benefits at beginning of year	101,765,624	116,778,057	101,765,624	116,778,057
Recognised in profit or loss				
Current service cost	8,566,224	9,431,951	8,300,002	9,431,951
Interest cost	2,854,755	1,868,449	2,849,438	1,868,449
Recognised in other comprehensive income				
Actuarial loss (gain)				
Financial assumptions changes	(7,509,857)	(14,603,163)	(7,509,857)	(14,603,163)
Experience adjustments	(1,467,063)	(1,618,333)	(1,467,063)	(1,618,333)
Benefits paid during the year	<u>(16,015,004)</u>	<u>(10,091,337)</u>	<u>(16,015,004)</u>	<u>(10,091,337)</u>
Provision for employee benefits at end of year	<u>88,194,679</u>	<u>101,765,624</u>	<u>87,923,140</u>	<u>101,765,624</u>

The Group expects to pay Baht 3.9 million of long-term employee benefits during the next year (2021: Baht 16.1 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 16 - 23 years (Separate financial statements: 16 years) (2021: 16 years in consolidated and separate financial statements).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	% per annum	% per annum	% per annum	% per annum
Discount rate	3.5, 3.8	2.8	3.5	2.8
Salary increase rate	5.0	5.0	5.0	5.0
Staff turnover rate (depending on age)	0.0 - 12.0	0.0 - 12.0	0.0 - 12.0	0.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below.

(Unit: Million Baht)

	Change increase (decrease)	Consolidated and separate financial statements	
		Amount increase (decrease)	
		2022	2021
Discount rate	+0.5%	(5.3)	(5.8)
	-0.5%	5.2	5.3
Salary increase rate	+0.5%	5.2	5.3
	-0.5%	(5.4)	(5.9)
Staff turnover rate	+0.5%	(1.5)	(1.8)
	-0.5%	1.0	0.9

23. Other liabilities

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Premium received in advance	443,663,094	349,990,369	443,663,094	349,990,369
Accrued commissions	154,084,039	156,077,325	153,902,199	155,788,411
Accrued operating expenses	148,341,803	192,764,987	146,861,437	186,632,269
Payables on purchase of investments	10,077,740	3,615,365	10,077,740	3,615,365
Commission received in advance	88,463,687	56,078,383	88,463,687	56,078,384
Other payable	71,287,164	96,111,920	71,584,024	96,137,250
Lease liabilities	3,084,121	3,205,385	-	-
Others	118,137,293	151,291,838	117,992,729	151,129,557
Total other liabilities	<u>1,037,138,941</u>	<u>1,009,135,572</u>	<u>1,032,544,910</u>	<u>999,371,605</u>

24. Statutory reserve

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

25. Net investment income

During the years ended 31 December 2022 and 2021, the Group had net investment income as below.

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest income from financial assets	73,485,085	47,005,266	71,444,951	44,288,105
Dividend from financial assets	24,908,226	41,750,709	24,908,226	41,750,709
Total	<u>98,393,311</u>	<u>88,755,975</u>	<u>96,353,177</u>	<u>86,038,814</u>

26. Gain (loss) on financial instruments

	(Unit: Baht)	
	Consolidated and separate	
	financial statements	
	For the years ended 31 December	
	2022	2021
Gain (loss) from disposals of investments measured at FVTPL		
Debt instruments	(125,722,535)	32,996,725
Equity instruments	5,314,394	70,776,672
Gain from disposals of investment in debt instruments measured at amortised cost	32,025,210	-
Derivatives	(7,013,752)	-
Total	<u>(95,396,683)</u>	<u>103,773,397</u>

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

	(Unit: Baht)	
	Consolidated and separate	
	financial statements	
	For the years ended 31 December	
	2022	2021
Gain (loss) on fair value valuation of investments measured at FVTPL		
Debt and equity instruments	(66,373,321)	4,561,367
Derivatives	3,142,815	(764,195)
Gain on foreign exchange	1,803,745	-
Total	<u>(61,426,761)</u>	<u>3,797,172</u>

28. Operating expenses

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Personal expenses	136,470,551	131,585,540	130,641,180	129,161,708
Property and equipment expenses	116,045,851	93,046,402	114,321,072	90,693,333
Taxes and duties	4,190,295	3,203,014	4,145,636	3,173,533
Bad debts and doubtful accounts (reversal)	(90,766)	17,932,714	(90,766)	17,932,714
Support services expenses	475,159,461	431,321,119	475,157,962	431,319,435
Advertising and promotion expenses	81,766,384	52,352,678	81,534,884	52,243,484
Other operating expenses	56,356,165	57,233,050	50,206,666	47,312,711
Total	869,897,941	786,674,517	855,916,634	771,836,918

29. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Net claims and loss adjustment expenses	3,600,256,444	2,892,762,023	3,597,915,307	2,890,764,832
Commissions and brokerage expenses	1,187,361,349	1,004,188,196	1,186,877,997	1,003,839,516
Personnel expenses	440,303,791	425,425,298	433,746,762	421,973,063
Other underwriting expenses	169,807,186	179,318,413	170,437,166	179,318,413
Support services expenses	475,159,461	431,321,120	475,157,962	431,319,435
Premises and equipment expenses	116,045,851	93,046,401	114,321,072	90,693,333
Advertise and promotion expenses	81,766,383	52,352,678	81,534,884	52,243,484
Other operating expenses	56,359,307	57,233,102	50,206,666	47,312,711
Financial cost	83,317	95,320	-	-
Expected credit loss	(2,416,396)	688,983	(2,461,192)	660,497
Others	11,176,386	27,940,676	11,134,869	27,911,247
Total	6,135,903,079	5,164,372,210	6,118,871,493	5,146,036,531

30. Expected credit loss

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Expected credit loss from:				
Cash and cash equivalents	(462,736)	695,774	(508,866)	669,584
Accrued investment income	(17,214)	7,674	(18,350)	4,921
Debt instruments measured at FVOCI	(821,208)	687,177	(821,208)	687,177
Debt instruments measured at amortised cost	(1,114,476)	(701,536)	(1,112,006)	(701,079)
Cash equivalents which subject to restrictions	(762)	(106)	(762)	(106)
Total	(2,416,396)	688,983	(2,461,192)	660,497

31. Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by the employees on a monthly basis at rate of 5%, 10% and 15% of the employees' basic salaries, and by the Company on a monthly basis at rate of 7.5% of the employees' basic salaries. The fund is managed by a fund manager which has been approved by the Ministry of Finance. The contributions for the year 2022 amounting to approximately Baht 13.2 million (2021: Baht 13.1 million) were recognised as expenses.

32. Earnings per share

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

33. Dividend paid

Dividend declared during the years consists of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 28 April 2022	212.10	0.70
Final dividends for 2020	Annual General Meeting of the shareholders on 28 April 2021	60.60	0.20

34. Related party transactions

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

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

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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policies
	For the years ended 31 December				
	2022	2021	2022	2021	
<u>Transactions with major shareholder</u>					
MAFAM Co., Ltd.					
Premium written	50	76	50	76	Underwriting rates depending on type of insurance
Claim expenses (reversal)	(24)	60	(24)	60	As actually incurred
Dividend paid	101,959	29,131	101,959	29,131	As declared

(Unit: Thousand Baht)

	Consolidated financial		Separate financial		Pricing policies
	statements		statements		
	For the years ended 31 December				
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
Laovivat Insurance Co., Ltd.					
(eliminated from the consolidated financial statements)					
Reinsurance premium written	-	-	1,253	1,858	Reinsurance rates depending on type of insurance and reinsurance contracts
Commission expenses	-	-	252	371	As stated in the agreement
Claim expenses (reversal)	-	-	(107)	348	As actually incurred, in proportions per agreement
Motor AI Recognition Solution Co., Ltd.					
Other underwriting expenses	-	-	629	-	According to normal commercial terms
<u>Transactions with related parties</u>					
Thai Reinsurance Plc.					
Premium ceded	123,990	137,931	123,990	137,931	Reinsurance rates depending on type of insurance and reinsurance contracts
Commission income	18,654	15,821	18,654	15,821	As stated in the agreement
Claims refunded	66,204	55,009	66,204	55,009	As actually incurred, in proportions per agreement
Dividend income	-	147	-	147	As declared
Reversal commission	(77)	-	(77)	-	As stated in the agreement
Claim expenses (reversal)	32	(41)	32	(41)	As actually incurred, in proportions per agreement
Road Accident Victims Protection Co., Ltd.					
Contribution expenses	19,516	17,086	19,516	17,086	12.25% of premium written received from insurers under the Public Protection of Traffic Injury Act B.E. 2535
Other income	4,542	4,034	4,542	4,034	As stated in the agreement
T.I.I. Co., Ltd.					
Dividend income	30	30	30	30	As declared
J&A Jewelry Co., Ltd.					
Premium written	232	82	232	82	Underwriting rates depending on type of insurance
Encourage Co., Ltd.					
Commission expenses	74,548	74,281	74,548	74,281	As stated in the agreement
Force Co., Ltd.					
Commission expenses	65,027	57,512	65,027	57,512	As stated in the agreement

As at 31 December 2022 and 2021, the Group had the following significant balances of assets and liabilities with its related parties:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Major shareholder</u>				
MAFAM Co., Ltd.				
Premium receivables	27,529	-	27,529	-
Outstanding claims	34,738	59,588	34,738	59,588
<u>Subsidiaries</u>				
Laovivat Insurance Co., Ltd.				
Receivables from reinsurance contracts	-	-	826,108	1,447,790
Insurance contract liabilities	-	-	611,440	1,794,352
Other assets	-	-	1,588,822	1,402,472
Other liabilities	-	-	47,646	47,646
Motor AI Recognition Solution Co., Ltd.				
Other assets	-	-	9,570,020	-
<u>Related parties</u>				
Thai Reinsurance Plc.				
Receivables from reinsurance contracts	16,928,115	18,382,564	16,928,115	18,382,564
Investments in equity instruments measured at FVTPL	728,828	839,257	728,828	839,257
Investments in equity instruments designated at FVOCI	2,903,999	3,343,998	2,903,999	3,343,998
Amounts due to reinsurers	50,542,338	74,304,432	50,542,338	74,304,432
Road Accident Victims Protection Co., Ltd.				
Investments in equity instruments designated at FVOCI	175,330,523	142,657,464	175,330,523	142,657,464
Other assets	4,542,030	4,033,520	4,542,030	4,033,520
Other liabilities	5,555,153	9,236,870	5,555,153	9,236,870
T.I.I. Co., Ltd.				
Investments in equity instruments designated at FVOCI	937,041	865,585	937,041	865,585
Thaivivat Holdings Plc.				
Other assets	441,604	-	441,604	-
Vichitbhan Palmoil Plc.				
Investments in equity instruments measured at FVTPL	120,000	177,000	120,000	177,000
Encourage Co., Ltd.				
Premium receivables	60,853,417	72,139,626	60,853,417	72,139,626
Accrued commission	10,475,009	12,111,724	10,475,009	12,111,724
Other liabilities	1,232,728	1,616,910	1,232,728	1,616,910
Force Co., Ltd.				
Premium receivables	46,161,232	62,710,305	46,161,232	62,710,305
Accrued commission	7,613,559	10,425,249	7,613,559	10,425,249
Other liabilities	1,031,320	2,035,661	1,031,320	2,035,661

Directors and management's remuneration

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses to their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2022	2021	2022	2021
Short-term employee benefits	110,104,673	100,056,522	108,571,341	99,556,522
Post-employee benefits	5,835,102	6,256,621	5,835,102	6,256,621
Total	115,939,775	106,313,143	114,406,443	105,813,143

35. Segment information

The Company is principally engaged in the provision of all types of non-life insurance products and for the purpose of operation management, the Company has divided into business units that correspond to the types of insurance product offered i.e. Fire, Marine and transportation, Motor and Miscellaneous. The operating segment information presented below is consistent with the internal reports that the Company's Chief Operating Decision Maker (who is granted authority by the Board of Directors) regularly receives and reviews for use in making decisions about the allocation of resources to the segment and assess its performance. The Chairman of the Executive Board has been identified as Chief Operating Decision Maker, with decisions passing through the Board of Directors.

Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

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

Segment revenue and profit information of the Group for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Baht)

Consolidate financial statements								
For the year end 31 December 2022								
Total of the Company								
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiaries	Elimination	Total
Underwriting income								
Premium written	236,724,619	8,453,705	6,094,136,887	967,908,182	7,307,223,393	7,670,640	(1,253,253)	7,313,640,780
Less: Premium ceded	(164,945,746)	(358,293)	(31,547,985)	(438,500,962)	(635,352,986)	(1,253,253)	1,253,253	(635,352,986)
Net premium written	71,778,873	8,095,412	6,062,588,902	529,407,220	6,671,870,407	6,417,387	-	6,678,287,794
Add (Less): Unearned premium reserves (increase) decrease from prior year	(3,437,213)	226,674	(355,199,905)	(61,437,482)	(419,847,926)	(1,838,340)	-	(421,686,266)
Earned premium	68,341,660	8,322,086	5,707,388,997	467,969,738	6,252,022,481	4,579,047	-	6,256,601,528
Fee and commission income	89,402,597	-	7,334,473	76,715,543	173,452,613	251,582	(251,582)	173,452,613
Total underwriting income	157,744,257	8,322,086	5,714,723,470	544,685,281	6,425,475,094	4,830,629	(251,582)	6,430,054,141
Underwriting expenses								
Claims and loss adjustment expenses	16,108,547	218,961	3,525,878,010	218,350,161	3,760,555,679	2,942,632	-	3,763,498,311
Commission and brokerage expenses	54,077,265	1,085,390	1,022,456,037	109,259,305	1,186,877,997	734,934	(251,582)	1,187,361,349
Other underwriting expenses	6,126,275	408,179	259,105,619	52,342,302	317,982,375	126,162	(629,980)	317,478,557
Total underwriting expenses before operating expenses	76,312,087	1,712,530	4,807,439,666	379,951,768	5,265,416,051	3,803,728	(881,562)	5,268,338,217
Profit from underwriting before operating expenses	81,432,170	6,609,556	907,283,804	164,733,513	1,160,059,043	1,026,901	629,980	1,161,715,924
Operating expenses					(855,916,634)	(13,981,307)	-	(869,897,941)
Profit (loss) from underwriting					304,142,409	(12,954,406)	629,980	291,817,983
Investment income					96,353,177	2,040,134	-	98,393,311
Loss on financial instruments					(95,396,683)	-	-	(95,396,683)
Loss on fair value adjustments of financial instruments					(61,426,761)	-	-	(61,426,761)
Other income (expenses)					24,765,445	(376,789)	(629,980)	23,758,676
Financial Cost					-	(83,317)	-	(83,317)
Reversal of expected credit loss (expenses)					2,461,192	(44,796)	-	2,416,396
Profit (loss) before income tax expenses					270,898,779	(11,419,174)	-	259,479,605
Income tax expenses					(54,655,415)	-	-	(54,655,415)
Profit (loss) for the year					216,243,364	(11,419,174)	-	204,824,190

Consolidate financial statements

For the year end 31 December 2021

	Total of the Company				Total	Total of subsidiaries	Elimination	Total
	Fire	Marine and transportation	Motor	Miscellaneous				
Underwriting income								
Premium written	177,779,553	10,591,633	5,236,938,730	904,337,802	6,329,647,718	5,092,808	(1,858,277)	6,332,882,249
Less: Premium ceded	(111,325,067)	(672,819)	(25,072,213)	(478,811,971)	(615,882,070)	(1,858,277)	1,858,277	(615,882,070)
Net premium written	66,454,486	9,918,814	5,211,866,517	425,525,831	5,713,765,648	3,234,531	-	5,717,000,179
Add (Less): Unearned premium reserves (increase) decrease from prior year	(1,779,050)	(89,009)	(298,047,104)	82,294	(299,832,869)	22,427	-	(299,810,442)
Earned premium	64,675,436	9,829,805	4,913,819,413	425,608,125	5,413,932,779	3,256,958	-	5,417,189,737
Fee and commission income	57,444,844	5,475	5,775,807	64,302,298	127,528,424	370,506	(370,506)	127,528,424
Total underwriting income	122,120,280	9,835,280	4,919,595,220	489,910,423	5,541,461,203	3,627,464	(370,506)	5,544,718,161
Underwriting expenses								
Claims and loss adjustment expenses	17,287,118	35,791	2,829,324,100	202,302,929	3,048,949,938	2,743,559	-	3,051,693,497
Commission and brokerage expenses	39,267,866	1,357,186	877,674,900	85,539,564	1,003,839,516	719,186	(370,506)	1,004,188,196
Other underwriting expenses	5,364,878	476,786	264,249,047	50,658,951	320,749,662	282,035	-	321,031,697
Total underwriting expenses before operating expenses	61,919,862	1,869,763	3,971,248,047	338,501,444	4,373,539,116	3,744,780	(370,506)	4,376,913,390
Profit (loss) from underwriting before operating expenses	60,200,418	7,965,517	948,347,173	151,408,979	1,167,922,087	(117,316)	-	1,167,804,771
Operating expenses					(771,836,918)	(14,837,599)	-	(786,674,517)
Profit (loss) from underwriting					396,085,169	(14,954,915)	-	381,130,254
Investment income					86,038,814	2,717,161	-	88,755,975
Gain on financial instruments					103,773,397	-	-	103,773,397
Gain on fair value adjustments of financial instruments					3,797,172	-	-	3,797,172
Other income (expenses)					13,370,714	(265,708)	-	13,105,006
Financial Cost					-	(95,320)	-	(95,320)
Expected credit loss					(660,497)	(28,486)	-	(688,983)
Profit (loss) before income tax expenses					602,404,769	(12,627,268)	-	589,777,501
Income tax expenses					(117,773,084)	-	-	(117,773,084)
Profit (loss) for the year					484,631,685	(12,627,268)	-	472,004,417

Segment assets and liabilities as at 31 December 2022 and 2021 are as follows:

(Unit: Baht)

		Consolidated financial statements								
		Total of the Company					Total of subsidiaries		Elimination	Total
		Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total			
Assets										
As at 31 December 2022		319,045,833	445,486	1,268,539,919	471,320,962	7,669,648,063	9,729,000,263	61,261,730	(90,794,035)	9,699,467,958
As at 31 December 2021		212,341,430	1,106,569	1,378,230,463	466,558,090	6,794,439,429	8,852,675,981	67,866,935	(75,493,523)	8,845,049,393
Liabilities										
As at 31 December 2022		556,383,201	2,104,948	5,840,374,014	983,183,102	492,120,114	7,874,165,379	23,023,255	(12,644,035)	7,884,544,599
As at 31 December 2021		341,626,235	2,677,334	5,013,466,818	952,756,887	719,382,077	7,029,909,351	18,421,019	(4,133,523)	7,044,196,847

Geographic information

Underwriting income is based on locations of the customers.

(Unit: Baht)

	2022	2021
Underwriting income		
Thailand	6,425,475,094	5,541,461,203
Lao	4,579,047	3,256,958
Total	6,430,054,141	5,544,718,161
Assets		
Thailand	9,656,958,022	8,791,199,160
Lao	42,509,936	53,850,233
Total	9,699,467,958	8,845,049,393

Major customer

For the years ended 31 December 2022 and 2021, the Company has premiums written of Baht 3,069.3 million and Baht 2,457.6 million, respectively, from three major brokers. Furthermore, the Company has premiums written from its two related brokerage companies amounting Baht 786.9 million and Baht 725.6 million, respectively.

36. Assets subject to restrictions

36.1 Assets pledged and assets reserved with the Registrar

As at 31 December 2022 and 2021, the Group had placed certain assets as securities and insurance reserves with the Registrar in accordance with the Non-life Insurance Act.

(Unit: Million Baht)

	Consolidated financial statements			
	2022		2021	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Fixed deposit	13.3	13.3	17.6	17.6
Government bonds	15.2	14.5	15.3	15.1
Total	28.5	27.8	32.9	32.7
Assets reserved				
Government bonds	746.5	750.0	122.2	125.3
Certificate of deposits	-	-	503.0	503.0
State enterprise debt securities	-	-	80.0	80.3
Private debt securities	30.0	31.0	100.0	102.1
Total	776.5	781.0	805.2	810.7
Total	805.0	808.8	838.1	843.4

(Unit: Million Baht)

	Separate financial statements			
	2022		2021	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Government bonds	15.2	14.5	15.3	15.1
Total	15.2	14.5	15.3	15.1
Assets reserved				
Government bonds	746.5	750.0	122.2	125.3
Certificate of deposits	-	-	503.0	503.0
State enterprise debt securities	-	-	80.0	80.3
Private debt securities	30.0	31.0	100.0	102.1
Total	776.5	781.0	805.2	810.7
Total	791.7	795.5	820.5	825.8

36.2 Assets pledged as other collateral

As at 31 December 2022 and 2021, the Group had pledged the following assets as collateral.

	(Unit: Baht)	
	Consolidated and separate financial statements	
	2022	2021
Government debt securities which pledged for		
Guarantee electricity use	1,005,494	1,011,090
Deposit at bank which pledged for		
Letter of bank guarantee	1,933,165	1,930,862
Bail bond in cases where insured drivers have been charged with criminal offense	239,420	338,662
Bank overdraft	10,299,169	10,290,704
Others	5,421,903	5,413,522
Total	<u>18,899,151</u>	<u>18,984,840</u>

37. Contribution to the General Insurance Fund

	(Unit: Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2022	2021
Accumulated contribution at the beginning of the year	110,189,274	94,405,240
Contribution during the year	18,222,083	15,784,034
Accumulated contribution at the end of the year	<u>128,411,357</u>	<u>110,189,274</u>

38. Commitments and contingent liabilities

38.1 Capital commitments

As at 31 December 2022, the Group has capital commitments of Baht 8.8 million, relating to the construction of buildings and equipment and implementation of computer software (2021: Baht 15.8 million).

38.2 Operating lease and service commitments

As at 31 December 2022, the Group has entered into several office equipment lease agreements which consist of low-value underlying assets and leases term within 1 year and other service agreements. The future minimum payments required under these lease agreements amounting to Baht 2.3 million (2021: Baht 2.4 million in consolidated financial statements and Baht 1.6 million in separate financial statements).

38.3 Bank guarantees

As at 31 December 2022 and 2021, there were outstanding bank guarantees of Baht 1.9 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

38.4 Litigation

As at 31 December 2022, the Company has been sued as insurer for damages totaling approximately Baht 308.0 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 95.0 million, with the recoverable portion from reinsurers amounting to Baht 2.2 million. The Company's management believes that such reserve is adequate (2021: Baht 223.0 million, Baht 96.9 million and Baht 2.1 million, respectively).

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

39.1 Insurance risk

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

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

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

In addition, the Group has the following policies.

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

As at 31 December 2022 and 2021, concentration of insurance contract liabilities segregated by insurance type are shown below.

(Unit: Million Baht)

	2022			2021		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
The Company						
Fire	127.2	87.9	39.3	98.5	62.7	35.8
Marine and transportation	1.6	-	1.6	1.9	-	1.9
Motor	3,224.1	10.5	3,213.6	2,866.0	7.7	2,858.3
Personal accident	35.4	3.9	31.5	26.5	9.1	17.4
Miscellaneous	421.4	182.9	238.5	343.1	151.9	191.2
Total of the Company	3,809.7	285.2	3,524.5	3,336.0	231.4	3,104.6
Total of subsidiary	3.5	-	3.5	2.4	-	2.4
Total	3,813.2	285.2	3,528.0	3,338.4	231.4	3,107.0

(Unit: Million Baht)

	2022			2021		
	Gross loss	Outward loss	Net	Gross loss	Outward loss	Net
	reserves	reserves		reserves	reserves	
The Company						
Fire	38.0	24.3	13.7	16.2	9.8	6.4
Marine and transportation	0.4	-	0.4	0.7	0.1	0.6
Motor	2,370.7	2.3	2,368.4	1,887.5	8.4	1,879.1
Personal accident	16.0	6.9	9.1	5.9	2.4	3.5
Miscellaneous	171.2	88.0	83.2	210.8	133.9	76.9
Total of the Company	2,596.3	121.5	2,474.8	2,121.1	154.6	1,966.5
Total of subsidiary	1.9	-	1.9	2.1	-	2.1
Total	2,598.2	121.5	2,476.7	2,123.2	154.6	1,968.6

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation of claim liabilities, which will impact the claims liabilities both before and after reinsurance. The risk may occur because the frequency or severity of losses, or loss adjustment expenses are not in line with expectations.

As at 31 December 2022 and 2021, the impact on the best estimate of insurance liabilities of the changes in key variables assumptions is shown in the following table.

(Unit: Million Baht)

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

(Unit: Million Baht)

Consolidated and separate financial statements					
2021					
	Assumption	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
	change				
Ultimate loss ratio in latest					
accident year	+5%	183	165	(165)	(132)
	-5%	(183)	(164)	164	132
ALAE ratio	+10%	2	2	(2)	(2)
	-10%	(2)	(2)	2	2
ULAE ratio	+10%	6	6	(6)	(5)
	-10%	(6)	(6)	6	5

39.2 Risk management policy

39.2.1 Credit risk

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

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

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

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

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are carrying amount as at 31 December 2022 and 2021.

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Separate financial statements

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

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

(Unit: Thousand Baht)

Separate financial statements

	2021				
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
Cash and cash equivalents					
Investment grade	738,617	-	-	-	738,617
Less: Allowance for expected credit loss	(846)	-	-	-	(846)
Net book value	<u>737,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>737,771</u>
Accrued investment income					
Investment grade	12,769	-	-	-	12,769
Non-investment grade	-	185	-	-	185
Total	12,769	185	-	-	12,954
Less: Allowance for expected credit loss	(31)	(20)	-	-	(51)
Net book value	<u>12,738</u>	<u>165</u>	<u>-</u>	<u>-</u>	<u>12,903</u>
Debt instruments measured at FVOCI					
Investment grade	1,806,066	-	-	-	1,806,066
Default grade	-	-	-	-	-
Total	<u>1,806,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,806,066</u>
Allowance for expected credit loss	<u>1,845</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>1,939</u>
Debt instruments measured at amortised cost					
Investment grade	1,044,050	-	-	-	1,044,050
Non-investment grade	-	25,000	-	-	25,000
Default grade	-	-	841	-	841
Total	1,044,050	25,000	841	-	1,069,891
Less: Allowance for expected credit loss	(482)	(2,379)	(841)	-	(3,702)
Net book value	<u>1,043,568</u>	<u>22,621</u>	<u>-</u>	<u>-</u>	<u>1,066,189</u>

(Unit: Thousand Baht)

Separate financial statements

	2021				Total
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	
Loans and interest receivables					
Not yet due	4,072	-	-	-	4,072
Overdue	-	-	754	-	754
Total	4,072	-	754	-	4,826
Less: Allowance for expected credit loss	-	-	(754)	-	(754)
Net book value	4,072	-	-	-	4,072
Claim receivables from litigants					
Overdue	-	-	-	672,178	672,178
Less: Allowance for expected credit loss ⁽¹⁾	-	-	-	(109,820)	(109,820)
Net book value	-	-	-	562,358	562,358
Cash equivalents which subject to restrictions					
Investment grade	9,045	-	-	-	9,045
Less: Allowance for expected credit loss	(5)	-	-	-	(5)
Net book value	9,040	-	-	-	9,040

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

The table below shows the significant movement in the allowance for expected credit loss for the years ended 31 December 2022 and 2021.

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Separate financial statements				Total
	2021				
	Financial assets without a significant increase in credit risk (12-mth ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	
Claim receivables from litigants					
Beginning balance	-	-	-	93,342	93,342
Newly purchased or acquired financial assets	-	-	-	77,703	77,703
Change due to remeasurement of allowance	-	-	-	17,177	17,177
Amounts written off	-	-	-	(78,402)	(78,402)
Ending balance	-	-	-	109,820	109,820

Credit quality of financial assets of subsidiaries are mostly classified to be financial assets with no significant increase in credit risk (12-mth ECL) such as debt instruments measured at amortised cost.

As at 31 December 2022 and 2021, the maximum exposure to credit risk of financial assets (excluding insurance assets) is the gross carrying amounts after allowance for expected credit loss, before both the effect of mitigation through use of master netting and collateral arrangements. The details are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Cash and cash equivalents	304,922	745,845
Accrued investment income	83,244	17,125
Debt instruments measured at FVOCI	3,560,334	1,806,066
Debt instruments measured at amortised cost	905,230	1,108,329
Loans and interest receivables	3,184	4,072
Claim receivables from litigants	541,205	562,444
Cash equivalents which subject to restrictions	9,079	9,040
	5,407,198	4,252,921

	(Unit: Thousand Baht)	
	Separate financial statements	
	2022	2021
Cash and cash equivalents	301,919	737,771
Accrued investment income	78,243	12,903
Debt instruments measured at FVOCI	3,560,334	1,806,066
Debt instruments measured at amortised cost	873,245	1,066,189
Loans and interest receivables	3,184	4,072
Claim receivables from litigants	541,175	562,358
Cash equivalents which subject to restrictions	9,079	9,040
	5,367,179	4,198,399

39.2.2 Market risk

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

a. Interest rate risk

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

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

As at 31 December 2022 and 2021, significant assets and liabilities classified by type of interest rate are summarised in the table below, with those assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

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

(Unit: Million Baht)

Separate financial statements							
2021							
Fixed interest rates							
Remaining periods to repricing dates or maturity dates							
Within			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)	
1 year	1 - 5 years	Over 5 years					
Financial assets							
Cash and cash equivalents	3.6	-	-	728.0	6.2	737.8	0.00 - 0.65
Accrued investment income	-	-	-	-	12.9	12.9	-
Financial assets - debt instruments	1,960.7	772.5	168.8	-	1,436.5	4,338.5	0.00 - 5.35
Financial assets - equity instruments	-	-	-	-	756.0	756.0	-
Loans and interest receivables	0.1	1.7	2.3	-	-	4.1	5.50 - 14.50
Claim receivables from litigants	-	-	-	-	562.4	562.4	-
Insurance contract assets							
Premium receivables	-	-	-	-	946.8	946.8	-
Reinsurance assets - claim reserves	-	-	-	-	154.7	154.7	-
Receivables from reinsurance contracts	-	-	-	-	48.3	48.3	-
Insurance contract liabilities							
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	2,121.1	2,121.1	-
Amounts due to reinsurers	-	-	-	-	355.7	355.7	-
Financial liabilities							
Derivative liabilities	-	-	-	-	0.8	0.8	-

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

The following table demonstrates the sensitivity of a reasonable possible change in market interest rates which will effect to the fair value of debt instruments as at 31 December 2022 and 2021.

	Separate financial statements					
	2022			2021		
	Increase	Effect on	Effect on other	Increase	Effect on	Effect on other
	/(decrease)	profit or loss	comprehensive	/(decrease)	profit or loss	comprehensive
(%)	(Million Baht)	income	(%)	(Million Baht)	income	
		(Million Baht)			(Million Baht)	
Debt instruments	0.25	(0.2)	(12.6)	0.25	(0.4)	(6.2)
	(0.25)	0.2	12.8	(0.25)	0.4	6.1

Financial assets and liabilities and insurance contract assets and liabilities of subsidiaries are classified to be non-interest bearing, except for debt instrument measured at amortised cost which have fixed interest rate and its periods to maturity are within 1 year amounting Baht 32.0 million (2021: maturity are within 1 year amounting Baht 5.6 million and within 1 - 5 year amounting Baht 36.6 million).

b. Equity position risk

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

As at 31 December 2022 and 2021, the Company has risk from its investments in securities of which the price will change with reference to market conditions.

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

39.2.3 Liquidity risk

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

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

Counting from the financial position date, the periods to maturity of financial assets and liabilities held as at 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements				
	2021				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>					
Cash and cash equivalents	3.6	-	-	734.2	737.8
Accrued investment income	12.9	-	-	-	12.9
Financial assets - debt instruments	1,960.7	772.5	168.8	1,436.5	4,338.5
Financial assets - equity instruments	-	-	-	756.0	756.0
Loans and interest receivables	0.1	1.7	2.3	-	4.1
Claim receivables from litigants	562.4	-	-	-	562.4
<u>Insurance contract assets</u>					
Premium receivables	946.8	-	-	-	946.8
Reinsurance assets - claim reserves	140.0	14.7	-	-	154.7
Receivables from reinsurance contracts	48.3	-	-	-	48.3
<u>Insurance contract liabilities</u>					
Insurance contract liabilities - claim reserves and outstanding claims	1,383.1	738.0	-	-	2,121.1
Amounts due to reinsurers	355.7	-	-	-	355.7
<u>Financial liabilities</u>					
Derivative liabilities	0.8	-	-	-	0.8

As at 31 December 2022, financial assets and liabilities and insurance contract assets and liabilities of subsidiaries are matured within 1 year, including debt instrument measured at amortised cost which its periods to maturity are within 1 year amounting to Baht 32.0 million.

As at 31 December 2021, financial assets and liabilities and insurance contract assets and liabilities of subsidiaries are matured within 1 year, except for debt instrument measured at amortised cost which its periods to maturity are within 1 - 5 year amounting Baht 36.6 million and within 1 year amounting to Baht 5.6 million.

39.3 Fair value measurement for financial instruments

As at 31 December 2022 and 2021, the Group had the following financial assets and liabilities that were measured at fair value, and had financial assets and liabilities that were measured at cost but has to disclose fair value, using different levels of inputs as follows:

(Unit: Million Baht)

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

(Unit: Million Baht)

Separate financial statements					
2021					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Investments measured at FVTPL					
Financial assets - debt instruments	1,466.3	4.9	1,461.4	-	1,466.3
Financial assets - equity instruments	412.6	412.6	-	-	412.6
Investments measured at FVOCI					
Financial assets - debt instruments	1,806.1	-	1,806.1	-	1,806.1
Financial assets - equity instruments	343.4	199.9	-	143.5	343.4
<u>Financial liabilities measured at fair value</u>					
Derivative liabilities	0.8	0.8	-	-	0.8
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	737.8	738.6	-	-	738.6
Accrued investment income	12.9	-	12.9	-	12.9
Investment measured at amortised cost	1,066.2	865.5	205.3	-	1,070.8
Loans and interest receivables	4.1	-	-	4.1	4.1
Claim receivables from litigants	562.4	-	-	562.4	562.4

The subsidiaries have no financial asset measured at fair value but also have financial assets measured at amortised cost which fair value approximate to its book value from maturing in short-term.

The fair value hierarchy of financial assets as at 31 December 2022 and 2021 presents according to Note 4.22 to the financial statements.

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

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

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

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

	(Unit: Million Baht)
	Consolidated and separate financial statements
	Equity instrument
Balance as of 1 January 2021	90.6
Net gain recognised into other comprehensive income	52.9
Balance as of 31 December 2021	143.5
Net gain recognised into other comprehensive income	32.7
Balance as of 31 December 2022	176.2

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

(Unit: Million Baht)

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

(Unit: Million Baht)

		2021			
Financial instruments	Valuation technique	Significant unobservable inputs	Change in key assumptions		
			Rates	Increase/(decrease)	Effect on fair value
Investment in non-listed equity investments	Discounted future cash flows	Discount rate	10.5%	-1%	2.4

40. Capital management

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

41. Events after the reporting period

On 28 February 2023, there were the significant events as follows:

Company

The Board of Directors' meeting of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for approval dividends in respect of the operating results for the year 2022 at Baht 0.29 per share, or a total of Baht 88 million. Payment is scheduled to be made on 25 May 2023.

The Board of Directors' meeting of the Company approved the purchase of additional shares of Motor AI recognition Solution Co., Ltd., a subsidiary of the Company, in the proportion of the existing shareholding and the remaining shares to which existing shareholders waives their subscription rights totaling 40,000 shares at a par value of Baht 100 per share. As a result, the Company's shareholding in subsidiary increased from 76.5 percent to 77.0 percent of the issued and paid-up share capital of subsidiary.

Subsidiary

The Extraordinary General Meeting of the shareholders No.1/2023 of Motor AI Recognition Solution Co., Ltd. passed a resolution approving an increase of Baht 5 million in the subsidiary's registered share capital, from Baht 30 million to Baht 35 million issuing 50,000 new ordinary shares with a par value of Baht 100 per share offered to the existing shareholders.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2023.