

Bangkok Insurance Public Company Limited
Report and financial statements in which the equity method
is applied and separate financial statements
31 December 2024

Independent Auditor's Report

To the Shareholders of Bangkok Insurance Public Company Limited

Opinion

I have audited the accompanying financial statements in which the equity method is applied of Bangkok Insurance Public Company Limited ("the Company"), which comprise the statement of financial position in which the equity method is applied as at 31 December 2024, and the related statements of comprehensive income in which the equity method is applied, changes in owner's equity in which the equity method is applied and cash flows in which the equity method is applied for the year then ended, and notes to the financial statements in which the equity method is applied, including material accounting policy information, and have also audited the separate financial statements of Bangkok Insurance Public Company Limited for the same period (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Insurance Public Company Limited as at 31 December 2024, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matter

I draw attention to Note 1.2 to the financial statements regarding the restructuring plan, which describes that the common shares of BKI Holdings Public Company Limited were listed on the Stock Exchange of Thailand in place of the Company's shares, which delisted from the Stock Exchange of Thailand. My opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 19 February 2025

Bangkok Insurance Public Company Limited**Statement of financial position****As at 31 December 2024**

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Assets					
Cash and cash equivalents	6	289,651,036	317,357,337	289,651,036	317,357,337
Premium receivables	7	4,776,649,212	4,448,157,146	4,776,649,212	4,448,157,146
Accrued investment income		51,224,807	52,151,157	51,224,807	52,151,157
Reinsurance assets	8	10,178,076,306	15,443,764,214	10,178,076,306	15,443,764,214
Reinsurance receivables	9	637,609,873	577,700,651	637,609,873	577,700,651
Investment assets					
Investments in securities	10.1	50,174,554,689	51,008,790,790	50,174,554,689	51,008,790,790
Loans and interest receivables	11	1,147,590,765	1,075,040,457	1,147,590,765	1,075,040,457
Investment properties	12	48,964,221	66,241,055	48,964,221	66,241,055
Investments in associates	13.1	315,457,766	317,663,639	129,395,722	129,395,722
Premises and equipment	14	411,066,050	435,877,597	411,066,050	435,877,597
Right-of-use assets	15.1	821,089,458	816,192,862	821,089,458	816,192,862
Intangible assets	16	479,557,358	433,606,303	479,557,358	433,606,303
Other assets					
Corporate income tax awaiting refund		129,200,969	474,237,561	129,200,969	474,237,561
Others		483,230,051	538,514,759	483,230,051	538,514,759
Total assets		69,943,922,561	76,005,295,528	69,757,860,517	75,817,027,611

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

Bangkok Insurance Public Company Limited
Statement of financial position (continued)
As at 31 December 2024

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	17	24,644,034,106	28,736,482,951	24,644,034,106	28,736,482,951
Due to reinsurers	18	4,604,628,408	4,268,601,493	4,604,628,408	4,268,601,493
Income tax payable		301,702,245	288,457,820	301,702,245	288,457,820
Lease liabilities	15.2	847,705,387	806,961,111	847,705,387	806,961,111
Employee benefit obligations	19	943,197,522	789,101,289	943,197,522	789,101,289
Deferred tax liabilities	20.1	3,215,316,864	3,843,167,081	3,178,104,455	3,805,513,497
Other liabilities					
Premiums received in advance		1,550,464,862	1,541,364,537	1,550,464,862	1,541,364,537
Commission payables		572,149,140	577,584,789	572,149,140	577,584,789
Accrued expenses		737,340,407	767,572,809	737,340,407	767,572,809
Others		1,183,705,720	1,058,073,977	1,183,705,720	1,058,073,977
Total liabilities		38,600,244,661	42,677,367,857	38,563,032,252	42,639,714,273
Owners' equity					
Share capital					
Registered, issued and paid up					
106,470,000 ordinary shares of Baht 10 each		1,064,700,000	1,064,700,000	1,064,700,000	1,064,700,000
Share premium		1,442,500,000	1,442,500,000	1,442,500,000	1,442,500,000
Retained earnings					
Appropriated					
Statutory reserve	21	106,470,000	106,470,000	106,470,000	106,470,000
Other reserve		7,000,000,000	7,000,000,000	7,000,000,000	7,000,000,000
Unappropriated		3,989,625,202	3,852,277,382	3,817,713,777	3,680,691,274
Other component of owners' equity		17,740,382,698	19,861,980,289	17,763,444,488	19,882,952,064
Total owners' equity		31,343,677,900	33,327,927,671	31,194,828,265	33,177,313,338
Total liabilities and owners' equity		69,943,922,561	76,005,295,528	69,757,860,517	75,817,027,611

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

Directors

Bangkok Insurance Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2024

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2024	2023	2024	2023
Profit or loss:					
Revenues					
Gross premium written		31,736,068,725	29,915,707,554	31,736,068,725	29,915,707,554
Less: Premium ceded to reinsurers		(11,868,621,652)	(11,325,568,755)	(11,868,621,652)	(11,325,568,755)
Net premium written		19,867,447,073	18,590,138,799	19,867,447,073	18,590,138,799
Less: Unearned premium reserves increased from prior year		(481,199,468)	(993,701,538)	(481,199,468)	(993,701,538)
Earned premium		19,386,247,605	17,596,437,261	19,386,247,605	17,596,437,261
Fee and commission income		2,095,480,002	1,778,960,471	2,095,480,002	1,778,960,471
Investment revenue		1,418,602,094	1,136,287,652	1,435,311,984	1,140,061,558
Gains on investments		340,133,041	51,170,177	340,133,041	51,170,177
Share of profits in associates under the equity method	13.2	17,116,536	28,831,273	-	-
Other income		162,243,440	180,039,256	162,243,440	180,039,256
Total revenues		23,419,822,718	20,771,726,090	23,419,416,072	20,746,668,723
Expenses					
Gross claims		10,261,501,152	13,372,789,462	10,261,501,152	13,372,789,462
Add (less): Reversal claim (recovery) from reinsurers		1,100,174,864	(3,629,757,193)	1,100,174,864	(3,629,757,193)
Commissions and brokerages		4,025,016,611	3,789,900,314	4,025,016,611	3,789,900,314
Other underwriting expenses		2,992,012,659	2,601,061,572	2,992,012,659	2,601,061,572
Operating expenses	22	1,190,530,179	1,130,012,119	1,190,530,179	1,130,012,119
Investment expenses		95,234,583	92,274,110	95,234,583	92,274,110
Finance costs		41,449,447	41,313,986	41,449,447	41,313,986
Expected credit losses	23	43,027,985	4,575,657	43,027,985	4,575,657
Total expenses	24	19,748,947,480	17,402,170,027	19,748,947,480	17,402,170,027
Profit before income tax expenses		3,670,875,238	3,369,556,063	3,670,468,592	3,344,498,696
Less: Income tax expenses	20.2	(611,124,692)	(325,807,219)	(611,043,363)	(320,795,745)
Net profit		3,059,750,546	3,043,748,844	3,059,425,229	3,023,702,951
Other comprehensive income:					
Items to be recognised in profit or loss in subsequent periods:					
Shares of other comprehensive loss from associates	13.2	(2,612,519)	(8,413,252)	-	-
Losses on revaluation of available-for-sale investments which are measured at fair value through other comprehensive income		(2,649,384,470)	(178,630,923)	(2,649,384,470)	(178,630,923)
Total Items to be recognised in profit or loss in subsequent periods		(2,651,996,989)	(187,044,175)	(2,649,384,470)	(178,630,923)
Add: Income taxes		530,399,398	37,408,835	529,876,894	35,726,185
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(2,121,597,591)	(149,635,340)	(2,119,507,576)	(142,904,738)
Items not to be recognised in profit or loss in subsequent periods:					
Actuarial gains (losses)		(93,266,693)	1,865,703	(93,266,693)	1,865,703
Add (less): Income taxes		18,653,339	(373,141)	18,653,339	(373,141)
Items not to be recognised in profit or loss in subsequent periods - net of income taxes		(74,613,354)	1,492,562	(74,613,354)	1,492,562
Other comprehensive loss for the years		(2,196,210,945)	(148,142,778)	(2,194,120,930)	(141,412,176)
Total comprehensive income for the years		863,539,601	2,895,606,066	865,304,299	2,882,290,775
Basic earnings per share:	27				
Earnings per share (Baht per share)		28.74	28.59	28.74	28.40

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

Bangkok Insurance Public Company Limited

Statement of changes in owners' equity

For the year ended 31 December 2024

(Unit: Baht)

Financial statements in which the equity method is applied

	Note	Issued and paid-up		Retained earnings			Other component of owners' equity			Total owners' equity
		share capital	Share premium	Appropriated		Unappropriated	Share of other comprehensive loss from associates - net of income taxes	Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Total of owners' equity of other component	
				Statutory reserve	Other reserve					
Balance as at 1 January 2023		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	2,537,167,764	(14,241,173)	20,025,856,802	20,011,615,629	32,162,453,393
Dividend paid	28	-	-	-	-	(1,730,131,788)	-	-	-	(1,730,131,788)
Net profit		-	-	-	-	3,043,748,844	-	-	-	3,043,748,844
Other comprehensive income (loss) for the year		-	-	-	-	1,492,562	(6,730,602)	(142,904,738)	(149,635,340)	(148,142,778)
Balance as at 31 December 2023		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>7,000,000,000</u>	<u>3,852,277,382</u>	<u>(20,971,775)</u>	<u>19,882,952,064</u>	<u>19,861,980,289</u>	<u>33,327,927,671</u>
Balance as at 1 January 2024		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	3,852,277,382	(20,971,775)	19,882,952,064	19,861,980,289	33,327,927,671
Dividend paid	28	-	-	-	-	(2,847,789,372)	-	-	-	(2,847,789,372)
Net profit		-	-	-	-	3,059,750,546	-	-	-	3,059,750,546
Other comprehensive loss for the year		-	-	-	-	(74,613,354)	(2,090,015)	(2,119,507,576)	(2,121,597,591)	(2,196,210,945)
Balance as at 31 December 2024		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>7,000,000,000</u>	<u>3,989,625,202</u>	<u>(23,061,790)</u>	<u>17,763,444,488</u>	<u>17,740,382,698</u>	<u>31,343,677,900</u>

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

Bangkok Insurance Public Company Limited
Statement of changes in owners' equity (continued)
For the year ended 31 December 2024

(Unit: Baht)

		Separate financial statements					Other component of owners' equity		
		Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Total owners' equity	
Note	Statutory reserve			Other reserve					
Balance as at 1 January 2023		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	2,385,627,549	20,025,856,802	32,025,154,351	
Dividend paid	28	-	-	-	-	(1,730,131,788)	-	(1,730,131,788)	
Net profit		-	-	-	-	3,023,702,951	-	3,023,702,951	
Other comprehensive income (loss) for the year		-	-	-	-	1,492,562	(142,904,738)	(141,412,176)	
Balance as at 31 December 2023		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>7,000,000,000</u>	<u>3,680,691,274</u>	<u>19,882,952,064</u>	<u>33,177,313,338</u>	
Balance as at 1 January 2024		1,064,700,000	1,442,500,000	106,470,000	7,000,000,000	3,680,691,274	19,882,952,064	33,177,313,338	
Dividend paid	28	-	-	-	-	(2,847,789,372)	-	(2,847,789,372)	
Net profit		-	-	-	-	3,059,425,229	-	3,059,425,229	
Other comprehensive loss for the year		-	-	-	-	(74,613,354)	(2,119,507,576)	(2,194,120,930)	
Balance as at 31 December 2024		<u>1,064,700,000</u>	<u>1,442,500,000</u>	<u>106,470,000</u>	<u>7,000,000,000</u>	<u>3,817,713,777</u>	<u>17,763,444,488</u>	<u>31,194,828,265</u>	

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

Bangkok Insurance Public Company Limited

Statement of cash flows

For the year ended 31 December 2024

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2024	2023	2024	2023
Cash flows from operating activities				
Direct premium written	29,071,179,506	26,962,522,838	29,071,179,506	26,962,522,838
Cash paid for reinsurance	(3,982,483,178)	(5,223,137,232)	(3,982,483,178)	(5,223,137,232)
Interest income	417,508,388	267,332,426	417,508,388	267,332,426
Dividend income	1,022,735,810	842,847,241	1,022,735,810	842,847,241
Other investment income	152,241,533	156,962,854	152,241,533	156,962,854
Other income	8,020,098	22,642,269	8,020,098	22,642,269
Losses incurred on direct insurance	(13,731,127,823)	(10,667,453,769)	(13,731,127,823)	(10,667,453,769)
Commissions and brokerages on direct insurance	(3,635,972,922)	(3,347,814,397)	(3,635,972,922)	(3,347,814,397)
Other underwriting expenses	(3,471,805,812)	(3,073,249,995)	(3,471,805,812)	(3,073,249,995)
Operating expenses	(842,063,332)	(1,199,036,200)	(842,063,332)	(1,199,036,200)
Investment expenses	(52,334,401)	(51,285,962)	(52,334,401)	(51,285,962)
Income taxes	(331,000,872)	(183,816,113)	(331,000,872)	(183,816,113)
Cash received on financial assets	37,817,544,779	30,014,386,996	37,817,544,779	30,014,386,996
Cash paid for financial assets	(39,412,144,263)	(32,858,611,586)	(39,412,144,263)	(32,858,611,586)
Net cash provided by operating activities	3,030,297,511	1,662,289,370	3,030,297,511	1,662,289,370
Cash flows from investing activities				
Disposals of premises and equipment	1,463,520	478,187	1,463,520	478,187
Disposals of intangible assets	40	-	40	-
Purchases of premises and equipment	(49,905,185)	(23,691,822)	(49,905,185)	(23,691,822)
Purchases of intangible assets	(97,959,333)	(176,550,508)	(97,959,333)	(176,550,508)
Net cash used in investing activities	(146,400,958)	(199,764,143)	(146,400,958)	(199,764,143)
Cash flows from financing activities				
Repayments of lease liabilities	(63,366,355)	(65,638,430)	(63,366,355)	(65,638,430)
Dividends paid	(2,848,236,499)	(1,727,719,464)	(2,848,236,499)	(1,727,719,464)
Net cash used in financing activities	(2,911,602,854)	(1,793,357,894)	(2,911,602,854)	(1,793,357,894)
Net decrease in cash and cash equivalents	(27,706,301)	(330,832,667)	(27,706,301)	(330,832,667)
Cash and cash equivalents at beginning of the years	317,357,337	648,190,004	317,357,337	648,190,004
Cash and cash equivalents at end of the years	289,651,036	317,357,337	289,651,036	317,357,337

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

Bangkok Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2024

1. General information

1.1 Corporate information

Bangkok Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Since 12 June 2024, the Company has BKI Holdings Public Company Limited, a public company incorporated in Thailand, is a parent company and such parent company was listed on the Stock Exchange of Thailand (“SET”) on 18 June 2024. As at 31 December 2024, the parent company holds 97.72% of the issued and paid-up ordinary shares of the Company.

Prior to 12 June 2024, the Company’s major shareholder was Bangkok Bank Public Company Limited held 9.97% of the issued and paid-up ordinary shares of the Company.

The Company is principally engaged in the provision of non-life insurance. The Company’s registered office is located at No. 25, Bangkok Insurance Building, South Sathon Road, Tung Ma Ha Mek, Sathon, Bangkok.

1.2 The restructuring plan

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

On 22 March 2024, the Company received a tender offer from BKI Holdings, to acquire securities of the Company. BKI Holdings is to issue and offer securities of the same type in exchange for the Company's securities at a ratio of one to one, meaning one new ordinary share of BKI Holdings for each ordinary share of the Company. The tender offer will be made for a total of 106,470,000 ordinary shares, representing 100% of the Company's issued and paid-up shares. The tender offer period will span 45 business days, from 25 March 2024 to 5 June 2024, and this period is considered final and will not be extended. The tender offer period ended and the shareholders of the Company accepted the tender offer for a total of 104,044,168 shares, accounting for 97.72% of the Company's issued and paid-up shares. As a result, the tender offer was successfully completed, and the Company has currently become a subsidiary of BKI Holdings since 12 June 2024.

On 18 June 2024, BKI Holdings's ordinary shares were listed on the SET in place of the Company's shares, which delisted from the SET on the same date.

2. Basis for preparation of financial statements

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

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

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

2.1 The financial statements in which the equity method is applied

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

2.2 Separate financial statements

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current period

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2025

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 2025. 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 Company believes that adoption of these amendment will not have any significant impact on the Company's financial statements, except for the following financial reporting standards, which involved changes to key principles, as summarised below.

TFRS 17 Insurance Contracts (which will supersede TFRS 4 Insurance Contracts)

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

Upon measurement of initial recognition, this standard requires the adoption of the General Measurement Model, the Variable Fee Approach, or Premium Allocation Approach if contracts meet certain requirements under this standard. In measuring value by the General Measurement Model, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the estimates of future cash flows, which arise from substantive rights and obligations that exist during the reporting period, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit that the entity will recognise as it provides insurance contract services in the future. In addition, this standard requires the entity to present and disclose more information related both qualitative and quantitative information.

The Company's management had classified its insurance contracts into a group and selected the valuation method for each group of contract and currently in the process of assessment of the impact to financial statements for the year in which such financial reporting standard will be effective.

TFRS 9 Financial Instruments (Revised 2023) and TFRS 7 Financial Instruments: Disclosures (which will supersede Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business)

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

Currently, the Company's management has evaluated the impact of classification and measurement of financial assets on the financial statements in the year initially adopted this standard and opted to adjust the cumulative effect, against retained earnings or other components of owners' equity as at 1 January 2025, and the comparative information was not restated. The adoption of this standard will not have any significant impact on the retained earnings and other components of owners' equity.

4. Accounting policies

4.1 Product classification

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

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

4.2 Revenue recognition

(a) Gross premium written

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

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

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

(b) Commission and brokerage fee income

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

(c) Investment revenues

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

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

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

(d) Gains (losses) on investments

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

4.3 Expenses recognition

(a) Premium ceded to reinsurers

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

(b) Gross claims

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

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

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

(c) Commission and brokerage expenses

Commission and brokerage expenses are expended when incurred.

(d) Other underwriting expenses

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

(e) Operating expenses

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

(f) Finance costs

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

4.4 Cash and cash equivalents

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

4.5 Premium receivables and allowance of doubtful accounts

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

4.6 Reinsurance assets and allowance for impairment

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

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

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

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

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

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

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

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

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

4.8 Investment assets

(a) Investments in securities

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

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

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

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

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

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

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

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

(b) Loans and interest receivables

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

(c) Investment properties

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

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

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

4.9 Investment in associates

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

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

4.10 Premises and equipment and depreciation

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

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

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

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

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

4.11 Intangible assets and amortisation

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

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

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

4.12 Impairment of assets

(a) Financial assets

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

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

(b) Non-financial assets

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

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

4.13 Leases

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

The Company as a lessee

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

(a) Right-of-use assets

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

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

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

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

(b) Lease liabilities

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

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

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

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

The Company as a lessor

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

4.14 Insurance contract liabilities

Insurance contract liabilities consist of loss reserve and premium reserves.

(a) Loss reserves

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

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

(b) Premium reserves

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

(1) Unearned premium reserves

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

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

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

(2) Unexpired risk reserves

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

4.15 Employee benefits

(a) Defined contribution plan

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

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

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

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

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

4.16 Provisions

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

4.17 Income taxes

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

(a) Current income taxes

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

(b) Deferred income taxes

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

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

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

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

4.18 Related party transactions

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

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

4.19 Foreign currencies

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

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

4.20 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

5.1 Classification of reinsurance contracts

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

5.2 Recognition and derecognition of assets and liabilities

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

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

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

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

5.4 Allowances for doubtful accounts and impairment

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

5.5 Premises and equipment and depreciation

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

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

5.6 Intangible assets and allowance for impairment

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

5.7 Deferred tax assets

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

5.8 Loss reserves

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

5.9 Unexpired risk reserves

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

5.10 Leases

The Company as a lessee

Determining the lease term with extension and termination options

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

Estimating the incremental borrowing rate

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

The Company as a lessor

Lease classification

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

5.11 Employee benefit obligations

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

5.12 Litigation

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

5.13 Fair value of financial instruments

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

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2024	31 December 2023
Cash on hand	2,312	2,363
Deposits at banks with no fixed maturity date	287,339	314,994
Cash and cash equivalents	289,651	317,357

As at 31 December 2024 and 2023, deposits at banks carried interests at the rates between 0.05 and 0.55 percent per annum and 0.05 and 0.60 percent per annum, respectively.

7. Premium receivables

As at 31 December 2024 and 2023, the balances of premium receivables from direct insurance were classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2024	31 December 2023
Not yet due	3,425,673	3,344,218
Overdue not longer than 30 days	229,334	329,701
Overdue 31 days to 60 days	316,239	263,607
Overdue 61 days to 90 days	258,078	182,253
Overdue 91 days to 1 year	547,325	328,378
Overdue longer than 1 year	47,707	39,174
Total	4,824,356	4,487,331
Less: Allowance for doubtful accounts	(47,707)	(39,174)
Premium receivables - net	4,776,649	4,448,157

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

8. Reinsurance assets

(Unit: Thousand Baht)

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

	31 December 2024	31 December 2023
Insurance reserves refundable from reinsurers		
Loss reserves	5,321,739	10,790,597
Unearned premium reserves	4,856,337	4,653,167
Reinsurance assets	<u>10,178,076</u>	<u>15,443,764</u>

9. Reinsurance receivables

(Unit: Thousand Baht)

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

	31 December 2024	31 December 2023
Amounts deposited on reinsurance	66,321	66,424
Amounts due from reinsurers	571,435	511,280
Total	637,756	577,704
Less: Allowance for doubtful accounts	(146)	(3)
Receivables on reinsurance contracts - net	<u>637,610</u>	<u>577,701</u>

As at 31 December 2024 and 2023, amounts due from reinsurers were classified by aging as follows:

(Unit: Thousand Baht)

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

	31 December 2024	31 December 2023
Not over 12 months	554,802	503,031
Overdue from 1 year to 2 years	12,758	2,876
Overdue longer than 2 years	3,875	5,373
Total	571,435	511,280
Less: Allowance for doubtful accounts	(146)	(3)
Amounts due from reinsurers - net	<u>571,289</u>	<u>511,277</u>

10. Investments in securities

10.1 Classified by type of investment

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	31 December 2024		31 December 2023	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments measured at fair value through other comprehensive income				
Government and state enterprise securities	7,507,476	7,518,050	7,815,047	7,792,750
Private sector debt securities	788,050	753,600	1,105,000	1,043,825
Common stocks	8,577,074	30,953,712	8,325,883	33,389,060
Unit trusts	1,368,025	1,116,447	1,186,326	943,759
Total	18,240,625	40,341,809	18,432,256	43,169,394
Add: Unrealised gains	22,204,306		24,853,690	
Less: Allowance for impairment	(62,452)		(62,452)	
Less: Allowance for expected credit losses	(40,670)		(54,100)	
Available-for-sale investments measured at fair value through other comprehensive income - net	<u>40,341,809</u>		<u>43,169,394</u>	
Held-to-maturity investments measured at amortised cost				
Deposits at financial institutions which matured over 3 months	9,833,515		7,840,501	
Less: Allowance for expected credit losses	(769)		(1,104)	
Held-to-maturity investments measured at amortised cost - net	<u>9,832,746</u>		<u>7,839,397</u>	
Investment in securities - net	<u>50,174,555</u>		<u>51,008,791</u>	

10.2 Classified by stage of credit risk

(Unit: Thousand Baht)

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

	31 December 2024		31 December 2023	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
Available-for-sale investments measured at fair value through other comprehensive income				
Stage 1 - Debt securities without a significant increase of credit risk	8,221,770	(399)	8,778,187	(749)
Stage 3 - Credit impaired debt securities	49,880	(40,271)	58,388	(53,351)
Total	8,271,650	(40,670)	8,836,575	(54,100)

(Unit: Thousand Baht)

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

	31 December 2024		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	9,833,515	(769)	9,832,746
Total	9,833,515	(769)	9,832,746

(Unit: Thousand Baht)

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

	31 December 2023		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	7,840,501	(1,104)	7,839,397
Total	7,840,501	(1,104)	7,839,397

10.3 Remaining periods to maturity of debt securities

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements								
31 December 2024				31 December 2023				
Period to maturity				Period to maturity				
1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total	
Available-for-sale investments measured at fair value through other comprehensive income								
Government and state enterprise securities	5,857,384	1,450,092	200,000	7,507,476	6,921,473	794,498	99,076	7,815,047
Private enterprise debt securities	245,000	422,550	120,500	788,050	450,000	500,000	155,000	1,105,000
Unit trusts	-	-	142,000	142,000	-	-	-	-
Total	6,102,384	1,872,642	462,500	8,437,526	7,371,473	1,294,498	254,076	8,920,047
Add (less): Unrealised gains (losses)	5,199	(724)	12,319	16,794	(1,892)	(22,720)	(4,760)	(29,372)
Less: Allowance for expected credit losses	(111)	(3,960)	(36,599)	(40,670)	(477)	(238)	(53,385)	(54,100)
Available-for-sale investments measured at fair value through other comprehensive income - net								
	6,107,472	1,867,958	438,220	8,413,650	7,369,104	1,271,540	195,931	8,836,575
Held-to-maturity investments measured at amortised cost								
Deposits at financial institutions with maturity of longer than 3 months								
	9,833,515	-	-	9,833,515	7,840,501	-	-	7,840,501
Less: Allowance for expected credit losses	(769)	-	-	(769)	(1,104)	-	-	(1,104)
Held-to-maturity investments measured at amortised cost								
	9,832,746	-	-	9,832,746	7,839,397	-	-	7,839,397

10.4 Fair values of investments in debt instruments

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements				
31 December 2024				
	Pass the SPPI tests		Fail the SPPI tests	
	Fair value	Changes in fair value during the year	Fair value	Changes in fair value during the year
Available-for-sale investments measured at fair value through other comprehensive income				
Government and state enterprise securities	7,518,050	32,871	-	-
Private enterprise debt securities	753,600	26,725	-	-
Unit trusts	-	-	142,000	-
Held-to-maturity investments measured at amortised cost				
Deposits at financial institutions with maturity of longer than 3 months	9,833,515	-	-	-
Total	18,105,165	59,596	142,000	-

(Unit: Thousand Baht)

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

10.5 Investments subject to restriction and commitment

As at 31 December 2024 and 2023, the Company placed certain assets as securities and insurance reserves with the Registrar in accordance with the Non-life Insurance Act and placed with the bank to secure bank overdraft facilities and others as required in the normal course of business of the Company as described below.

(Unit: Million Baht)

Financial statements in which the equity method is applied and Separate financial statements				
	31 December 2024		31 December 2023	
	Cost	Fair value	Cost	Fair value
Placed as securities				
State enterprise bonds	14.0	14.5	15.4	15.2
Placed as insurance reserves				
Ordinary shares	35.2	144.4	35.2	149.7
Government bonds and state enterprise bonds	1,680.0	1,675.0	1,400.0	1,372.4
Debentures	290.0	289.1	335.0	329.4
	2,005.2	2,108.5	1,770.2	1,851.5
Placed to secure bank overdraft facilities				
Deposits at financial institutions	30.0	30.0	30.0	30.0
Placed as performance bonds				
State enterprise bonds	0.6	0.6	0.6	0.6
Placed to secure bank guarantees				
Deposits at financial institutions	20.0	20.0	20.0	20.0

11. Loans and interest receivables

As at 31 December 2024 and 2023, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

(Unit: Thousand Baht)

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

Classification	31 December 2024		
	Mortgaged loans	Others	Total
Stage 1 - Loans without a significant increase of credit risk	756,657	7,225	763,882
Stage 3 - Credit impairment loans	505,750	-	505,750
Total	1,262,407	7,225	1,269,632
Less: Allowance for expected credit losses	(122,041)	-	(122,041)
Loans and interest receivables - net	1,140,366	7,225	1,147,591

(Unit: Thousand Baht)

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

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

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

As at 31 December 2024 and 2023, the balances of employee loans were Baht 191.3 million and Baht 180.8 million, respectively.

12. Investment properties

As at 31 December 2024 and 2023, the investment properties were presented below.

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2024	31 December 2023
Cost	533,653	533,653
Less: Accumulated depreciation	(484,689)	(467,412)
Net book value	<u>48,964</u>	<u>66,241</u>

Reconciliations of the net book value of investment properties for the years ended 31 December 2024 and 2023 were presented below.

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Net book value at beginning of the years	66,241	83,471
Depreciation charged for the years	(17,277)	(17,230)
Net book value at end of the years	<u>48,964</u>	<u>66,241</u>

The fair values of the investment properties as at 31 December 2024 and 2023 were stated as below:

	(Unit: Million Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>31 December 2024</u>	<u>31 December 2023</u>
Office building for rent	589.6	607.6

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

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	<u>For the year ended 31 December</u>	
	<u>2024</u>	<u>2023</u>
Rental income	<u>151,775</u>	<u>155,578</u>
Operating expenses directly related to generated rental income	<u>94,015</u>	<u>92,655</u>
Total expenses	<u>94,015</u>	<u>92,655</u>

13. Investments in associates

13.1 Details of associates

Company's name	Nature of business	Country of incorporation	Paid-up share capital as at		Shareholding	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
			(USD)	(USD)	(%)	(%)
Asian Insurance International (Holding) Limited	Holding company	Bermuda	5,740,000	5,740,000	41.70	41.70
Bangkok Insurance (Cambodia) Plc.	Non-life insurance	Cambodia	7,000,000	7,000,000	22.92	22.92
Bangkok Insurance (Lao) Company Limited	Non-life insurance	Lao	2,000,000	2,000,000	38.00	38.00

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Asian Insurance International (Holding) Limited	142,955	148,658	72,054
Bangkok Insurance (Cambodia) Plc.	100,961	104,237	30,202	30,202
Bangkok Insurance (Lao) Company Limited	71,542	64,768	27,140	27,140
Total	315,458	317,663	129,396	129,396

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

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profits (loss) from investments in associates		Share of other comprehensive loss from investments in associates		Dividend received	
	For the years ended 31 December		For the years ended 31 December		For the years ended 31 December	
	2024	2023	2024	2023	2024	2023
Asian Insurance International (Holding) Limited	11,304	12,558	(2,612)	(8,413)	14,395	-
Bangkok Insurance (Cambodia) Plc.	(961)	4,315	-	-	2,315	3,774
Bangkok Insurance (Lao) Company Limited	6,774	11,958	-	-	-	-
Total	17,117	28,831	(2,612)	(8,413)	16,710	3,774

13.3 Financial information of associates

Summarised information from statements of financial position

(Unit: Million Baht)

	Asian Insurance International (Holding) Limited		Bangkok Insurance (Cambodia) Plc.		Bangkok Insurance (Lao) Company Limited	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Total assets	404.6	438.3	935.3	950.6	383.7
Total liabilities	-	-	(464.2)	(462.0)	(271.7)	(141.2)
Net assets	404.6	438.3	471.1	488.6	112.0	98.2
Shareholding percentage (%)	41.7	41.7	22.9	22.9	38.0	38.0
Shares of net assets of the associates	168.7	182.8	108.0	112.0	42.6	37.3
Carrying values based on the equity method	143.0	148.7	101.0	104.2	71.5	64.8

Summarised information from statements of comprehensive income

(Unit: Million Baht)

	Asian Insurance International (Holding) Limited		Asia Insurance (Cambodia) Plc.		Bangkok Insurance (Lao) Company Limited	
	For the years ended 31 December		For the years ended 31 December		For the years ended 31 December	
	2024	2023	2024	2023	2024	2023
Revenues	29.7	32.4	110.0	108.4	85.0	154.3
Net profits (losses) for the years	27.1	30.1	(4.2)	18.8	17.8	31.5
Other comprehensive loss for the years	(6.3)	(20.2)	-	-	-	-
Total comprehensive income (loss) for the years	20.8	9.9	(4.2)	18.8	17.8	31.5

As at 31 December 2024 and 2023, the Company recorded investment in associates under the equity method (in the financial statements in which the equity method is applied) based on financial information prepared by the associates' management, which were unaudited by their auditors.

14. Premises and equipment

(Unit: Thousand Baht)

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

	Land	Buildings	Condominium units	Furniture, fixture and office equipment	Vehicles	Assets under installment	Total
Cost							
1 January 2023	221,159	833,074	8,723	2,066,407	26,449	12,046	3,167,858
Additions	-	-	-	21,564	133	1,995	23,692
Transfers in (out)	-	-	-	11,563	-	(11,563)	-
Disposals	-	-	-	(22,995)	(466)	-	(23,461)
31 December 2023	221,159	833,074	8,723	2,076,539	26,116	2,478	3,168,089
Additions	-	-	-	40,578	5,344	3,983	49,905
Transfers in (out)	-	-	-	2,163	-	(2,163)	-
Disposals	-	-	-	(79,817)	(1,299)	-	(81,116)
31 December 2024	221,159	833,074	8,723	2,039,463	30,161	4,298	3,136,878
Accumulated depreciation							
1 January 2023	-	691,060	8,721	1,962,976	17,697	-	2,680,454
Depreciation for the year	-	25,815	-	44,940	4,419	-	75,174
Accumulated depreciation on disposals	-	-	-	(22,975)	(442)	-	(23,417)
31 December 2023	-	716,875	8,721	1,984,941	21,674	-	2,732,211
Depreciation for the year	-	25,232	-	46,349	3,059	-	74,640
Accumulated depreciation on disposals	-	-	-	(79,783)	(1,256)	-	(81,039)
31 December 2024	-	742,107	8,721	1,951,507	23,477	-	2,725,812
Net book value							
31 December 2023	221,159	116,199	2	91,598	4,442	2,478	435,878
31 December 2024	221,159	90,967	2	87,956	6,684	4,298	411,066
Depreciation for the years:							
2023							75,174
2024							74,640

As at 31 December 2024 and 2023, certain buildings and equipment items were fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 1,990.4 million and Baht 2,015.0 million, respectively.

15. Right-of-use assets/ Lease liabilities

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

15.1 Right-of-use assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Land	Buildings	Office		Total
			equipment	Vehicles	
1 January 2023	777,158	23,542	8,823	52,279	861,802
New leases during the year	-	972	-	10,825	11,797
Depreciation for the year	(22,311)	(12,793)	(3,114)	(19,188)	(57,406)
31 December 2023	754,847	11,721	5,709	43,916	816,193
New leases during the year	-	32,404	19,108	14,599	66,111
Cancelled during the year	-	-	(2,855)	-	(2,855)
Depreciation for the year	(22,311)	(12,781)	(3,053)	(20,215)	(58,360)
31 December 2024	732,536	31,344	18,909	38,300	821,089

15.2 Lease liabilities

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Land	Buildings	Office		Total
			equipment	Vehicles	
1 January 2023	737,944	20,394	6,431	54,748	819,517
New leases during the year	-	972	-	10,825	11,797
Financial costs recognised during the year	37,526	777	315	2,698	41,316
Leases paid during the year	(27,330)	(12,983)	(3,450)	(21,906)	(65,669)
31 December 2023	748,140	9,160	3,296	46,365	806,961
New leases during the year	-	32,404	19,108	14,599	66,111
Financial costs recognised during the year	38,048	726	234	2,441	41,449
Leases paid during the year	(27,331)	(13,031)	-	(23,004)	(63,366)
Cancelled during the year	-	-	(3,450)	-	(3,450)
31 December 2024	758,857	29,259	19,188	40,401	847,705

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements							
	31 December 2024				31 December 2023			
	Within	1 - 5	Over	Total	within	1 - 5	Over	Total
	1 year	years	5 years		1 year	years	5 years	
Future minimum lease payments	66	290	1,367	1,723	60	255	1,402	1,717
Deferred interest expenses	(42)	(151)	(682)	(875)	(40)	(153)	(717)	(910)
Present value of future minimum lease payments	24	139	685	848	20	102	685	807

15.3 Expenses relating to leases recognised in profit or loss

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2024	31 December 2023
	Depreciation of right-of-use assets	58,360
Interest expense on lease liabilities	41,449	41,314
Profit from cancelling lease liabilities	(595)	-
Total	99,214	98,692

The Company has total cash outflows of lease contracts for the year ended 31 December 2024 and 2023 of Baht 63.4 million and Baht 65.7 million, respectively.

15.4 Leases of the Company as a lessor

As at 31 December 2024 and 2023, the Company has entered into operating leases for its investment property of the lease terms are between 2 and 3 years with future minimum rentals receivable under non-cancellable operating leases as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2024	31 December 2023
	Within 1 year	92,391
Over 1 year and up to 3 years	139,434	33,308
Total	231,825	102,884

16. Intangible assets

(Unit: Thousand Baht)

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

	Computer softwares	Computer softwares under development	Total
Cost			
1 January 2023	569,237	244,635	813,872
Addition	23,242	153,308	176,550
31 December 2023	592,479	397,943	990,422
Addition	13,243	84,716	97,959
Disposals/ Write off	(7,650)	-	(7,650)
Transfer in (out)	386,299	(386,299)	-
31 December 2024	984,371	96,360	1,080,731
Accumulated amortisation			
1 January 2023	537,492	-	537,492
Amortisation for the year	19,324	-	19,324
31 December 2023	556,816	-	556,816
Amortisation for the year	52,008	-	52,008
Accumulated amortisation on disposals	(7,650)	-	(7,650)
31 December 2024	601,174	-	601,174
Net book value			
31 December 2023	35,663	397,943	433,606
31 December 2024	383,197	96,360	479,557
Amortisation for the years			
2023			19,324
2024			52,008

As at 31 December 2024 and 2023, certain computer softwares were fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets amounted to Baht 483.6 million and Baht 449.7 million, respectively.

17. Insurance contract liabilities

(Unit: Thousand Baht)

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

	31 December 2024		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	9,579,630	(5,342,945)	4,236,685
Claims incurred but not reported	430,764	21,206	451,970
Premium reserves			
Unearned premium reserves	14,633,640	(4,856,337)	9,777,303
Total	<u>24,644,034</u>	<u>(10,178,076)</u>	<u>14,465,958</u>

(Unit: Thousand Baht)

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

	31 December 2023		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	14,372,060	(10,842,202)	3,529,858
Claims incurred but not reported	415,152	51,605	466,757
Premium reserves			
Unearned premium reserves	13,949,271	(4,653,167)	9,296,104
Total	<u>28,736,483</u>	<u>(15,443,764)</u>	<u>13,292,719</u>

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

17.1 Loss reserves

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Beginning balances	14,787,211	13,751,929
Claims incurred during the years	14,297,339	12,194,647
Changes in loss reserves of claims incurred in prior years	(3,668,774)	1,292,528
Changes in assumptions in calculating loss reserves	(172,836)	(8,874)
Claims and loss adjustment expenses paid during the years	(15,232,546)	(12,443,019)
Ending balances	<u>10,010,394</u>	<u>14,787,211</u>

As at 31 December 2024 and 2023, the Company, which is a reinsurer under the reinsurance contracts, had loss reserves under such contracts totaling Baht 599.7 million and Baht 545.5 million, respectively.

17.2 Claim development table

(a) Gross claims table

(Unit: Million Baht)

Accident year	Prior to											
/Reporting year	2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Loss reserves:												
- as at accident year		7,101	7,157	8,454	8,246	9,431	11,471	13,512	25,877	12,195	14,273	
- Next one year		7,382	7,407	8,004	8,239	9,687	11,024	13,579	26,261	12,272		
- Next two years		6,947	7,295	7,564	8,113	9,528	10,899	13,548	21,409			
- Next three years		6,949	7,130	7,501	8,142	9,501	10,859	13,479				
- Next four years		6,870	7,099	7,535	8,097	9,500	10,814					
- Next five years		6,857	7,076	7,534	8,062	9,489						
- Next six years		6,853	7,069	7,519	8,044							
- Next seven years		6,851	7,055	7,399								
- Next eight years		6,849	7,052									
- Next nine years		6,826										
Cumulative ultimate claim		6,826	7,052	7,399	8,044	9,489	10,814	13,479	21,399	12,210	14,571	
Cumulative payments		(6,760)	(7,050)	(7,345)	(7,966)	(9,401)	(10,354)	(13,370)	(20,038)	(11,190)	(8,630)	
Total	26	66	2	54	78	88	460	109	1,361	1,020	5,941	9,205
Inward treaty												659
Unallocated loss adjustment expenses												146
Gross loss reserves												10,010

(b) Net claims table

(Unit: Million Baht)

Accident year	Prior to											
/Reporting year	2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Loss reserves:												
- as at accident year		5,414	5,415	5,724	5,491	6,972	7,721	10,436	16,266	8,604	10,727	
- Next one year		5,720	5,549	5,736	5,403	7,163	7,607	10,522	16,448	8,642		
- Next two years		5,389	5,275	5,554	5,406	7,053	7,582	10,507	16,401			
- Next three years		5,383	5,272	5,547	5,402	7,052	7,564	10,487				
- Next four years		5,363	5,267	5,542	5,395	7,042	7,551					
- Next five years		5,358	5,252	5,538	5,381	7,038						
- Next six years		5,356	5,253	5,532	5,378							
- Next seven years		5,354	5,242	5,532								
- Next eight years		5,353	5,242									
- Next nine years		5,351										
Cumulative ultimate claim		5,351	5,242	5,532	5,378	7,038	7,551	10,487	16,400	8,626	10,991	
Cumulative payments		(5,349)	(5,241)	(5,527)	(5,375)	(7,024)	(7,519)	(10,459)	(16,302)	(8,482)	(7,438)	
Total	4	2	1	5	3	14	32	28	98	144	3,553	3,884
Inward treaty												659
Unallocated loss adjustment expenses												146
Net loss reserves												4,689

17.3 Assumptions

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

(a) Assumptions of claim experiences

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

(b) Assumptions of related expenses

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

17.4 Unearned premium reserves

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Beginning balances	13,949,271	12,322,334
Premium written during the years	31,736,069	29,915,708
Premium earned during the years	(31,051,700)	(28,288,771)
Ending balances	<u>14,633,640</u>	<u>13,949,271</u>

18. Due to reinsurers

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2024	31 December 2023
Amounts withheld on reinsurance	1,889,393	1,824,803
Amounts due to reinsurers	2,715,235	2,443,798
Due to reinsurers	<u>4,604,628</u>	<u>4,268,601</u>

19. Employee benefit obligations

Changes in employee benefit obligations, which were compensations on employee retirement, for the years ended 31 December 2024 and 2023 were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Employee benefit obligations at beginning of the years	789,101	752,431
Included in profit or loss:		
Current service costs	70,704	62,665
Interest costs	19,728	23,325
Included in other comprehensive income or loss:		
Actuarial (gains) losses arising from:		
- Demographic assumptions changes	6,658	8,632
- Financial assumption changes	85,577	(9,007)
- Experience adjustments	1,032	(1,491)
Benefits paid during the years	<u>(29,602)</u>	<u>(47,454)</u>
Employee benefit obligations at end of the years	<u>943,198</u>	<u>789,101</u>

As at 31 December 2024 and 2023, the Company expected to pay long-term employee benefits of Baht 41.1 million and Baht 19.6 million, respectively, over the next 1-year period.

As at 31 December 2024 and 2023, the weighted average durations of the liabilities on long-term employee benefits were 11.9 years and 11.8 years, respectively.

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

	Financial statements in which the equity method is applied and Separate financial statements	
	31 December 2024	31 December 2023
	(%)	(%)
Discount rate	2.5	3.1
Future salary incremental rate	6.0	6.0
Employee turnover rates (depending on age)	0.7 - 13.0	0.8 - 14.0

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

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	Increase (decrease) in employee benefit obligations as at 31 December 2024		Increase (decrease) in employee benefit obligations as at 31 December 2023	
	+ 1 %	- 1 %	+ 1 %	- 1 %
	Discount rate	(99.0)	117.5	(82.3)
Future salary incremental rate	103.9	(89.5)	88.4	(76.4)
Employee turnover rates	(39.9)	38.7	(32.0)	32.4

20. Deferred tax liabilities and income tax expenses

20.1 Deferred tax liabilities

As at 31 December 2024 and 2023, the components of deferred tax assets and liabilities consisted of tax effects arising from the following transactions.

	(Unit: Thousand Baht)			
	Financial statements in which the equity method is applied		Changes in deferred tax assets or liabilities	
	31 December 2024	31 December 2023	For the years ended 31 December	
	2024	2023	2024	2023
Deferred tax assets arose from:				
Allowance for expected credit losses	33,466	24,860	8,606	915
Allowance for impairment on investments	12,491	12,491	-	(526)
Premium reserves	366,065	372,010	(5,945)	68,516
Loss reserves of claims incurred and reported	556,480	498,547	57,933	64,438
Loss reserves of claims incurred but not yet reported	90,394	93,351	(2,957)	(3,219)
Lease liabilities	169,541	161,392	8,149	(2,511)
Employee benefit obligations	188,639	157,820	30,819	7,334
Others	9,899	7,992	1,907	(1,164)
Total	1,426,975	1,328,463		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	4,440,861	4,970,738	529,877	35,726
Right-of-use assets	164,218	163,239	(979)	9,121
Shares of profits from investments in associates	37,213	37,653	440	(3,328)
Total	4,642,292	5,171,630		
Deferred tax liabilities	3,215,317	3,843,167		
Total changes			627,850	175,302
Changes were recognised in:				
- Profit or loss			78,797	138,266
- Other comprehensive income			549,053	37,036
			627,850	175,302

(Unit: Thousand Baht)

	Separate financial statements		Changes in deferred tax assets or liabilities	
	31 December	31 December	For the years ended 31 December	
	2024	2023	2024	2023
Deferred tax assets arose from:				
Allowance for expected credit losses	33,466	24,860	8,606	915
Allowance for impairment on investments	12,491	12,491	-	(526)
Premium reserves	366,065	372,010	(5,945)	68,516
Loss reserves of claims incurred and reported	556,480	498,547	57,933	64,438
Loss reserves of claims incurred but not yet reported	90,394	93,351	(2,957)	(3,219)
Lease liabilities	169,541	161,392	8,149	(2,511)
Provision for long-term employee benefits	188,639	157,820	30,819	7,334
Others	9,899	7,992	1,907	(1,164)
Total	1,426,975	1,328,463		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	4,440,861	4,970,738	529,877	35,726
Right-of-use assets	164,218	163,239	(979)	9,121
Total	4,605,079	5,133,977		
Deferred tax liabilities	3,178,104	3,805,514		
Total changes			627,410	178,630
Changes were recognised in:				
- Profit or loss			78,879	143,277
- Other comprehensive income			548,531	35,353
			627,410	178,630

20.2 Income tax expenses

Income tax expenses for the years ended 31 December 2024 and 2023 were made up as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2024	2023	2024	2023
Current income taxes:				
Corporate income tax charge	(689,922)	(464,073)	(689,922)	(464,073)
Deferred income taxes:				
Deferred income taxes relating to origination and reversal of temporary differences	78,797	138,266	78,879	143,277
Income tax expenses reported in profit or loss	<u>(611,125)</u>	<u>(325,807)</u>	<u>(611,043)</u>	<u>(320,796)</u>

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial Statements	
	For the years ended 31 December		For the years ended 31 December	
	2024	2023	2024	2023
Accounting profits before income tax expenses	<u>3,670,875</u>	<u>3,369,556</u>	<u>3,670,469</u>	<u>3,344,499</u>
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(734,175)	(673,911)	(734,093)	(668,900)
Net tax effect on tax-exempted revenues/ non-tax-deductible expenses	123,050	348,104	123,050	348,104
Income tax expenses reported in profit or loss	<u>(611,125)</u>	<u>(325,807)</u>	<u>(611,043)</u>	<u>(320,796)</u>

21. 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.

Currently, the statutory reserve has fully been set aside.

22. Operating expenses

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Personnel expenses	660,566	622,443
Premises and equipment expenses	254,027	229,476
Taxes and duties	1,040	646
Bad debts and doubtful accounts (reversal)	7,598	(2,560)
Other operating expenses	267,299	280,007
Operating expenses	<u>1,190,530</u>	<u>1,130,012</u>

23. Expected credit losses

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Expected credit losses increased (decreased) during the year:		
Accrued investment income	55	1,524
Investments in securities	(13,765)	1,594
Loans and interest receivables	56,738	1,458
Expected credit losses	<u>43,028</u>	<u>4,576</u>

24. Expenses by nature

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Net claims	10,794,850	9,213,569
Commissions and brokerage expenses	4,025,017	3,789,900
Other underwriting expenses	1,007,365	914,637
Personnel expenses	1,762,226	1,674,888
Premises and equipment expenses	591,931	546,345
Other operating expenses	1,482,107	1,216,157
Investment expenses	975	784
Finance costs	41,449	41,314
Expected credit losses	43,028	4,576
Total expenses	19,748,948	17,402,170

25. Provident fund

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

During the years ended 31 December 2024 and 2023, the Company recognised the contributed Baht 132.8 million and Baht 126.3 million, respectively, to the fund.

26. Contribution to the General Insurance Fund

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Accumulated contribution at beginning of the years	628,255	540,430
Contributions during the years	147,051	87,825
Accumulated contribution at end of the years	<u>775,306</u>	<u>628,255</u>

27. Basic earnings per share

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

28. Dividends paid

Dividends declared during the years 2024 and 2023 were as follow:

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
The second interim dividend for 2024	Meeting No. 7/24 of the Company's Board of Directors on 8 November 2024	745.29	7.00
The first interim dividend for 2024	Meeting No. 6/24 of the Company's Board of Directors on 2 September 2024	1,517.20	14.25
Final dividend for 2023	Annual General Meeting No. 31 of the Shareholders on 19 April 2024	585.58	5.50
Dividends for the year 2024		2,848.07	26.75
	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
The third interim dividend for 2023	Meeting No. 4/23 of the Company's Board of Directors on 10 November 2023	399.26	3.75
The second interim dividend for 2023	Meeting No. 3/23 of the Company's Board of Directors on 11 August 2023	399.26	3.75
The first interim dividend for 2023	Meeting No. 2/23 of the Company's Board of Directors on 12 May 2023	399.26	3.75
Annual dividend for 2022	Annual General Meeting No. 30 of the Shareholders on 21 April 2023	532.35	5.00
Dividends for the year 2023		1,730.13	16.25

29. Related party transactions

29.1 Nature of relationship

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

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

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

⁽¹⁾ Since June 2024, it is a parent company.

⁽²⁾ Since December 2024, it is a related company

⁽³⁾ Since March 2023, it is a related company.

29.2 Significant related party transactions

During the years ended 31 December 2024 and 2023, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties were as follows:

(Unit: Thousand Baht)

	For the year ended 31 December		Pricing policy
	2024	2023	
<u>Transactions with parent companies</u>			
Owner's equity			
Dividend paid	2,210,939	-	The declared amount
<u>Transactions with associates companies</u>			
Revenues			
Premium written	112,412	125,039	Normal commercial terms for underwriting
Expenses			
Claims	46,576	8,082	As actually incurred
Commissions and brokerages	21,453	23,226	Normal commercial terms for underwriting by type of insurance
<u>Transactions with related companies</u>			
Revenues			
Premium written	704,101	713,354	Normal commercial terms for underwriting
Fee and commission income	281,372	265,920	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Interest income ⁽¹⁾	104,607	48,080	Similar rates those related party financial institutions and companies offered to their general customers
Dividend income ⁽¹⁾	835,530	663,645	The declared amount
Rental income ⁽²⁾	12,275	12,340	Rate on agreements
Expenses			
Premium ceded to reinsurers	787,523	789,276	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Net claims	(93,810)	(153,963)	As actually incurred
Commissions and brokerages	461,818	467,264	Normal commercial terms for underwriting by type of insurance
Rental expenses ⁽³⁾	5,330	5,167	Rate on agreements
Medical expenses ⁽⁴⁾	19,659	32,232	Same rates offers to its general customers
Insurance expenses ⁽³⁾	1,387	1,001	Same rates offers to its general customers
Bank Fee ⁽³⁾	4,931	10,640	Same rates offers to its general customers
Fee for trading securities ⁽³⁾	896	460	Same rates offers to its general customers
Owner's equity			
Dividend paid	69,614	226,233	The declared amount

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

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

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

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

29.3 Outstanding balances

As at 31 December 2024 and 2023, the Company had the following significant balances with its related companies.

	(Unit: Thousand Baht)	
	<u>31 December 2024</u>	<u>31 December 2023</u>
<u>Associates</u>		
Investment in associates - cost	129,396	129,396
Reinsurance receivables		
Amount due from reinsurers	12,347	13,226
<u>Related companies</u>		
Deposits at financial institutions	7,398,904	4,941,426
Premium receivables	40,470	38,461
Accrued interest income ⁽¹⁾	31,175	27,659
Reinsurance receivables		
Amounts due from reinsurers	4,731	48,576
Available-for-sale investments measured at fair value through other comprehensive income		
Equity securities	27,970,774	30,308,287
Debt securities	8,809	8,607
Loans and interest receivables	5,000	6,000
Other assets		
Deposits and golf club membership fees ⁽²⁾	33,892	34,414
Due to reinsurers		
Amounts withheld on reinsurance	115,809	165,856
Amounts due to reinsurers	40,024	69,995
Insurance contract liabilities		
Loss reserve	87,534	139,301
Commissions and brokerages payables	34,370	33,614

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

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

29.4 Directors' and key management's benefits

During the years ended 31 December 2024 and 2023, the Company had employee benefit expenses incurred on their directors and key management as below.

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Short-term benefits	111.7	111.9
Post-employment benefits	20.3	15.0
Total	<u>132.0</u>	<u>126.9</u>

30. Commitments and contingent liabilities

30.1 Capital Commitments

As at 31 December 2024 and 2023, there were outstanding capital commitments contracted for decoration and renovation of building, totaling to Baht 2.3 million and Baht 0.7 million, respectively, and there were outstanding capital commitments contracted for computer software development totaling to Baht 127.5 million and Baht 172.1 million, respectively.

30.2 Litigation

As at 31 December 2024 and 2023, the Company had litigation claims totaling approximately Baht 4,438.8 million and Baht 2,832.2 million, respectively, as an insurer. The outcomes of the cases have not yet been finalised whereby the maximum responsibility of such claims limits at the lower of the sum insured or the sum sued totaling Baht 1,842.3 million and Baht 770.9 million, respectively. However, the Company has considered and estimated for losses that may arise from those cases amounting to approximately Baht 808.8 million and Baht 365.8 million, respectively, which were already recognised in "Insurance contract liabilities" in the statements of financial position as at those dates.

31. Risks and risk management policies

31.1 Insurance risk

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

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

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements						
31 December 2024						
	Gross premium reserves	Outward premium reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	1,116,121	(287,124)	828,997	688,062	(112,672)	575,390
Marine and transportation	181,037	(71,697)	109,340	131,122	(74,547)	56,575
Motor	6,682,273	(307,206)	6,375,067	2,644,885	(224,186)	2,420,699
Miscellaneous	6,654,209	(4,190,310)	2,463,899	6,546,325	(4,910,334)	1,635,991
Total	14,633,640	(4,856,337)	9,777,303	10,010,394	(5,321,739)	4,688,655

(Unit: Thousand Baht)

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

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

(Unit: Million Baht)

Financial statements in which the equity method is applied and Separate financial statements				
31 December 2024				
Assumption change	Increase (decrease)	Increase (decrease)	Increase (decrease) in profit before taxes	Increase (decrease) in owner's equity
	in provision for gross claim liabilities	in provision for net claim liabilities		
Average claim expenses +10 %	1,427.3	1,072.7	(1,072.7)	(858.2)
Average claim expenses -10 %	(1,427.3)	(1,072.7)	1,072.7	858.2
Average number of claim +10 %	1,427.3	1,072.7	(1,072.7)	(858.2)
Average number of claim -10 %	(1,427.3)	(1,072.7)	1,072.7	858.2

(Unit: Million Baht)

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

31.2 Credit risk

Insurance assets

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

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

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

Financial assets

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

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

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

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

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

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

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

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	31 December 2024			
	Stage 1 - Financial assets without a significant increase in credit risk	Stage 2 - Financial assets with a significant increase in credit risk	Stage 3 - Credit - impaired financial assets	Total
Cash and cash equivalents				
Investment grade	289,651	-	-	289,651
Less: Allowance for expected credit losses	-	-	-	-
Net book value	<u>289,651</u>	<u>-</u>	<u>-</u>	<u>289,651</u>
Accrued investment income				
Investment grade	50,873	-	-	50,873
Non-investment grade	-	-	4,199	4,199
Total	<u>50,873</u>	<u>-</u>	<u>4,199</u>	<u>55,072</u>
Less: Allowance for expected credit losses	<u>(8)</u>	<u>-</u>	<u>(3,839)</u>	<u>(3,847)</u>
Net book value	<u>50,865</u>	<u>-</u>	<u>360</u>	<u>51,225</u>
Available-for-sale investments measured at fair value through other comprehensive income				
Investment grade	8,221,770	-	-	8,221,770
Non-investment grade	-	-	49,880	49,880
Total fair value	<u>8,221,770</u>	<u>-</u>	<u>49,880</u>	<u>8,271,650</u>
Allowance for expected credit losses recognised in profit or loss	<u>(399)</u>	<u>-</u>	<u>(40,271)</u>	<u>(40,670)</u>
Held-to-maturity investments measured at amortised cost				
Investment grade	9,833,515	-	-	9,833,515
Less: Allowance for expected credit losses	<u>(769)</u>	<u>-</u>	<u>-</u>	<u>(769)</u>
Net book value	<u>9,832,746</u>	<u>-</u>	<u>-</u>	<u>9,832,746</u>
Loans and interest receivables				
Not yet due	746,237	-	-	746,237
Over due				
Less than 3 months	17,645	-	-	17,645
3 - 6 months	-	-	2,713	2,713
6 - 12 months	-	-	347,850	347,850
Longer than 12 months	-	-	155,187	155,187
Total	<u>763,882</u>	<u>-</u>	<u>505,750</u>	<u>1,269,632</u>
Less: Allowance for expected credit losses	<u>(834)</u>	<u>-</u>	<u>(121,207)</u>	<u>(122,041)</u>
Net book value	<u>763,048</u>	<u>-</u>	<u>384,543</u>	<u>1,147,591</u>

(Unit: Thousand Baht)

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

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

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

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

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

(Unit: Thousand Baht)

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

	For the years ended 31 December 2024			
	Stage 1 - Financial assets without a significant increase in credit risk	Stage 2 - Financial assets with a significant increase in credit risk	Stage 3 - Credit - impaired financial assets	Total
Available-for-sale investments				
measured at fair value through				
other comprehensive income				
Beginning balance - 1 January 2024	749	-	53,351	54,100
Change due to remeasurement of allowance for expected credit losses	(22)	-	(9)	(31)
Newly purchased or acquired financial assets	149	-	-	149
Amounts derecognised	(477)	-	(13,071)	(13,548)
Ending balance - 31 December 2024	<u>399</u>	<u>-</u>	<u>40,271</u>	<u>40,670</u>
Held-to-maturity investments				
measured at amortised cost				
Beginning balance - 1 January 2024	1,104	-	-	1,104
Change due to remeasurement of allowance for expected credit losses	36	-	-	36
Newly purchased or acquired financial assets	654	-	-	654
Amounts derecognised	(1,025)	-	-	(1,025)
Ending balance - 31 December 2024	<u>769</u>	<u>-</u>	<u>-</u>	<u>769</u>
Loans and interest receivables				
Beginning balance - 1 January 2024	438	-	64,865	65,303
Change due to remeasurement of allowance for expected credit losses	(419)	-	56,342	55,923
Newly purchased or acquired financial assets	834	-	-	834
Amounts derecognised	(19)	-	-	(19)
Ending balance - 31 December 2024	<u>834</u>	<u>-</u>	<u>121,207</u>	<u>122,041</u>

(Unit: Thousand Baht)

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

For the years ended 31 December 2023

	Stage 1 - Financial assets without a significant increase in credit risk	Stage 2 - Financial assets with a significant increase in credit risk	Stage 3 - Credit - impaired financial assets	Total
Available-for-sale investments				
 measured at fair value through				
 other comprehensive income				
Beginning balance - 1 January 2024	819	-	51,841	52,660
Change due to remeasurement of allowance for expected credit losses	3	-	1,510	1,513
Newly purchased or acquired financial assets	24	-	-	24
Amounts derecognised	(97)	-	-	(97)
Ending balance - 31 December 2024	<u>749</u>	<u>-</u>	<u>53,351</u>	<u>54,100</u>
Held-to-maturity investments				
 measured at amortised cost				
Beginning balance - 1 January 2024	951	-	-	951
Newly purchased or acquired financial assets	1,100	-	-	1,100
Amounts derecognised	(947)	-	-	(947)
Ending balance - 31 December 2024	<u>1,104</u>	<u>-</u>	<u>-</u>	<u>1,104</u>
Loans and interest receivables				
Beginning balance - 1 January 2024	-	-	63,845	63,845
Change due to remeasurement of allowance for expected credit losses	438	-	1,020	1,458
Ending balance - 31 December 2024	<u>438</u>	<u>-</u>	<u>64,865</u>	<u>65,303</u>

31.3 Market risk

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

(a) Interest rate risk

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

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

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

As at 31 December 2024 and 2023, significant assets and liabilities classified by type of interest rate were summarised below;

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and Separate financial statements							
31 December 2024							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Maturity date or repricing date						
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	246,334	43,317	289,651	0.05 - 0.55
Accrued investment income	49,598	-	-	-	1,627	51,225	0.40 - 3.61
Investments in securities							
Government and state enterprise securities	5,862,480	1,448,454	207,116	-	-	7,518,050	1.34 - 3.20
Private enterprise debt securities	244,992	419,504	89,104	-	-	753,600	1.50 - 3.61
Common stocks	-	-	-	-	30,953,712	30,953,712	-
Unit trusts	-	-	-	-	1,116,447	1,116,447	-
Deposits at financial institutions	9,832,746	-	-	-	-	9,832,746	0.90 - 2.55
Loans and interest receivables	1,028	10,511	180,489	955,563	-	1,147,591	2.50 - 7.00
Financial liabilities							
Lease liabilities	23,998	138,638	685,069	-	-	847,705	5.00 - 5.58
Assets under insurance contracts							
Premium receivables	-	-	-	-	4,776,649	4,776,649	-
Reinsurance assets - loss reserves	-	-	-	-	5,321,739	5,321,739	-
Reinsurance receivables	-	-	-	-	637,610	637,610	-
Liabilities under insurance contracts							
Insurance contract liabilities - loss reserves	-	-	-	-	10,010,394	10,010,394	-
Due to reinsurers	-	-	-	-	4,604,628	4,604,628	-

(Unit: Thousand Baht)

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

31 December 2023

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

The changes in interest rates affected on the Company's profit and loss and owners' equity as at 31 December 2024 and 2023 were summarised below:

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements		
	31 December 2024		
	Interest rate change increased (decreased) (%)	Profit before income tax increased (decreased)	Owners' equity increased (decreased)
Investments in debt instruments	0.25 (0.25)	- -	(13.4) 13.5
Deposits at financial institutions	0.25 (0.25)	22.3 (22.3)	17.8 (17.8)
Loans and interest receivables	0.50 (0.50)	2.9 (2.9)	2.3 (2.3)

(Unit: Million Baht)

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

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

(b) Foreign currency risk

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

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

As at 31 December 2024 and 2023, the Company did not enter into any forward foreign exchange contracts to mitigate possible foreign exchange risk.

As at 31 December 2024 and 2023, the Company had ending balance of assets and liabilities denominated in foreign currency, as follows:

Foreign currency	Assets		Liabilities		Average exchange rate	
	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 foreign currency unit)	
US dollar	179.6	718.0	-	525.3	33.949	34.178
China yuan	56.9	30.3	-	-	4.644	4.790
HK dollar	13.1	12.6	-	-	4.372	4.374
Euro	5.4	8.2	-	-	35.389	37.981
Korean won	3.1	-	-	-	0.023	0.026
Japan yen	1.7	0.2	-	0.1	0.215	0.242
Vietnam dong	0.8	3.0	-	-	0.001	0.001
Lao kip	0.1	-	-	-	0.002	0.002
Taiwan dollar	-	-	79.0	84.7	1.035	1.108
Philippine peso	-	47.4	29.8	46.6	0.581	0.611
Pakistan rupee	-	-	0.5	0.6	0.122	0.121
Poundsterling	-	2.1	0.3	2.4	42.703	43.776
Australia dollar	-	-	0.1	0.2	21.156	23.426

(c) Equity position risk

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

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

As at 31 December 2024 and 2023, the Company had risk from its investments in equity securities of which the price would change with reference to market conditions.

31.4 Liquidity risk

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

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements					
	31 December 2024					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	289,651	-	-	-	-	289,651
Accrued investment income	-	51,225	-	-	-	51,225
Investments in securities	-	15,940,218	1,867,958	296,220	32,070,159	50,174,555
Loans and interest receivables	80,122	301,036	575,618	190,815	-	1,147,591
Financial liabilities						
Lease liabilities	-	66,144	289,655	1,367,281	-	1,723,080
Assets under insurance contracts						
Premium receivables	-	4,776,649	-	-	-	4,776,649
Reinsurance assets - loss reserves	-	3,422,850	1,898,889	-	-	5,321,739
Reinsurance receivables	-	600,036	17,199	20,375	-	637,610
Liabilities under insurance contracts						
Insurance contract liabilities - loss reserves	-	6,438,511	3,571,883	-	-	10,010,394
Due to reinsurers	-	4,604,628	-	-	-	4,604,628

(Unit: Thousand Baht)

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

31 December 2023

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

32. Fair value of financial assets

As of 31 December 2024 and 2023, the Company had the following financial assets that were measured at fair value or cost but fair value were disclosed by using different levels of inputs as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				Carrying Value
	31 December 2024				
	Fair Value			Total	
Level 1	Level 2	Level 3			
Financial assets					
measured at fair value					
Investments in securities					
Government and state					
enterprise securities	-	7,518,050	-	7,518,050	7,518,050
Private enterprise debt					
securities	-	753,600	-	753,600	753,600
Equity securities	28,385,858	-	3,684,301	32,070,159	32,070,159
Financial asset for which					
fair value are disclosed					
Cash and cash equivalent	289,651	-	-	289,651	289,651
Accrued investment income	39,505	11,720	-	51,225	51,225
Investment in securities					
Held-to-maturity					
investments	9,832,746	-	-	9,832,746	9,832,746
Loans and interest					
receivables	-	-	1,119,088	1,119,088	1,147,591
Investment properties - net	-	-	589,576	589,576	48,964

(Unit: Thousand Baht)

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

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

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

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

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

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements	
	For the years ended 31 December	
	2024	2023
Balances - beginning of the years	3,511,291	3,414,588
Gains on revaluation during the years	173,010	96,703
Balances - end of the years	3,684,301	3,511,291

33. Capital management

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

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Executive Directors on 19 February 2025.