

Tune Insurance Public Company Limited
Report and financial statements
31 December 2024

Independent Auditor's Report

To the Shareholders of Tune Insurance Public Company Limited

Opinion

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements; including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Bongkot Kriangphanamorn
Certified Public Accountant (Thailand) No. 6777

EY Office Limited
Bangkok: 26 February 2025

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



		(Unit: Baht)	
	Note	2024	2023
Assets			
Cash and cash equivalents	7	81,785,563	42,752,500
Premium receivables	8	43,769,975	82,027,035
Accrued investment income		568,187	901,210
Reinsurance assets	9	44,286,397	69,444,878
Receivables on reinsurance contracts	10	27,663,105	206,883,801
Debt financial assets	11	217,329,198	209,737,412
Equity financial assets	12	77,288,596	70,254,481
Equipments	14	3,411,691	6,645,834
Right-of-use assets	16.1	2,430,009	5,110,590
Intangible assets	15	12,348,349	11,982,747
Deferred tax assets	17.1	16,191,754	41,382,926
Other assets	18	31,795,529	24,214,636
Total assets		558,868,353	771,338,050

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

Tune Insurance Public Company Limited
Statement of financial position (Continued)
As at 31 December 2024

		(Unit: Baht)	
	Note	2024	2023
Liabilities and owners' equity			
Liabilities			
Insurance contract liabilities	19	163,464,301	190,468,045
Due to reinsurers	20	101,572,523	185,083,657
Employee benefit obligations	21	9,447,119	12,811,567
Premium received in advances		26,374,932	4,245,812
Lease liabilities	16.2	2,295,389	4,885,402
Other liabilities	22	87,765,179	102,041,025
Total liabilities		390,919,443	499,535,508
Owners' equity			
Share capital			
Registered, issued and fully paid-up			
30,000,000 ordinary shares of Baht 10 each	23	300,000,000	300,000,000
Retained earnings			
Appropriated - statutory reserve	24	16,997,780	16,997,780
Unappropriated		(169,912,847)	(60,431,923)
Other components of equity	13	20,863,977	15,236,685
Total owners' equity		167,948,910	271,802,542
Total liabilities and owner's equity		558,868,353	771,338,050

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

Directors



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

		(Unit: Baht)	
	Note	2024	2023
Profit or loss:			
Income			
Gross premium written		415,429,073	376,651,814
Less: Premium ceded to reinsurers		(152,638,998)	(181,700,043)
Net premium written		262,790,075	194,951,771
Add (less): Unearned premium reserves decreased (increased) from prior year		26,538,206	(41,692,759)
Net earned premium		289,328,281	153,259,012
Fee and commission incomes		56,438,299	51,532,635
Net investment income	25	5,754,080	5,442,711
Gain on financial instruments	26	34,353	88,534
Fair value gain from financial instruments	27	3,860,815	880,990
Other income		1,036,541	5,411,776
Total income		356,452,369	216,615,658
Expenses			
Claim expenses		95,554,283	17,851,922
Less: Claims recovery from reinsurance		(23,169,626)	(6,541,237)
Commission and brokerage expenses		65,714,505	62,382,763
Other underwriting expenses		123,625,818	55,755,246
Operating expenses	28	186,077,911	133,751,957
Financial cost		101,717	167,327
Expected credit loss (reversal)	29	(119,219)	(837,230)
Total expenses	30	447,785,389	262,530,748
Loss before income tax expenses		(91,333,020)	(45,915,090)
Less: Income tax expenses	17.2	(22,657,060)	(3,810,935)
Loss for the year		(113,990,080)	(49,726,025)

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

Tune Insurance Public Company Limited

Statement of comprehensive income (continued)

For the year ended 31 December 2024

		(Unit: Baht)	
	Note	2024	2023
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Gain (loss) on investments in equity designated at fair value through other comprehensive income		7,034,115	(10,672,296)
Actuarial gain		5,636,445	2,965,386
Add (less): Income tax effect		(2,534,112)	1,541,382
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		10,136,448	(6,165,528)
Other comprehensive income for the year (loss)		10,136,448	(6,165,528)
Total comprehensive income for the year (loss)		(103,853,632)	(55,891,553)
Loss per share :	32		
Basic loss per share			
Loss for the year		(3.80)	(1.66)

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

Tune Insurance Public Company Limited
Statement of changes in owners' equity
For the year ended 31 December 2024

(Unit: Baht)

	Other component of owners' equity				
	Issued and fully paid-up share capital	Retained earnings		Revaluation surplus on investments in equity designated at fair value through other comprehensive income - net of income tax	Total
		Appropriated	Unappropriated		
Balance as at 1 January 2023	300,000,000	16,997,780	(13,078,207)	23,774,522	327,694,095
Loss for the year	-	-	(49,726,025)	-	(49,726,025)
Other comprehensive income for the year (loss)	-	-	2,372,309	(8,537,837)	(6,165,528)
Total comprehensive income for the year (loss)	-	-	(47,353,716)	(8,537,837)	(55,891,553)
Balance as at 31 December 2023	300,000,000	16,997,780	(60,431,923)	15,236,685	271,802,542
Balance as at 1 January 2024	300,000,000	16,997,780	(60,431,923)	15,236,685	271,802,542
Loss for the year	-	-	(113,990,080)	-	(113,990,080)
Other comprehensive income for the year	-	-	4,509,156	5,627,292	10,136,448
Total comprehensive income for the year (loss)	-	-	(109,480,924)	5,627,292	(103,853,632)
Balance as at 31 December 2024	300,000,000	16,997,780	(169,912,847)	20,863,977	167,948,910

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

Tune Insurance Public Company Limited**Statement of cash flows****For the year ended 31 December 2024**

(Unit: Baht)

	2024	2023
Cash flows from operating activities		
Direct premium written	475,305,693	363,588,494
Cash received from (paid for) reinsurance	137,840,154	(135,110,206)
Interest income	5,749,859	6,450,831
Dividend income	1,249,679	40,500
Other income	1,034,649	5,411,777
Loss incurred on direct insurance	(61,586,403)	(62,266,652)
Commissions and brokerages on direct insurance	(76,094,266)	(59,891,063)
Other underwriting expenses	(124,329,216)	(61,670,895)
Operating expenses	(312,356,808)	(109,866,269)
Income tax revenues (expenses)	1,295,460	(1,478,543)
Cash received from debt and equity securities	246,600,008	283,300,000
Cash paid for debt and equity securities	(251,241,239)	(243,734,455)
Net cash flows from (used in) operating activities	43,467,570	(15,226,481)
Cash flows from investing activities		
Purchase of equipments	(740,847)	(2,037,220)
Purchase of intangible assets	(1,121,900)	(4,167,456)
Net cash flows used in investing activities	(1,862,747)	(6,204,676)
Cash flows from financing activities		
Repayment of lease liabilities	(2,574,904)	(2,956,904)
Net cash flows used in financing activities	(2,574,904)	(2,956,904)
Net increased (decreased) in cash and cash equivalents	39,029,919	(24,388,061)
Increased in allowance for expected credit loss	3,144	1,732
Cash and cash equivalents at beginning of year	42,752,500	67,138,829
Cash and cash equivalents at end of year	81,785,563	42,752,500

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

Tune Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2024

1. General information

Tune Insurance Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Tune Protect Group Berhad, a company is incorporated in Malaysia, is the major shareholder of the Company and holds 49 percent of total ordinary shares. The Company is principally engaged in providing non-life insurance. The registered office of the Company is at 3199 Maleenont Tower 14th Floor, Rama IV Road, Klongton Sub-district, Klongtoey District, Bangkok.

2. Basis of 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 guidelines as prescribed by the Office of Insurance Commission ("OIC") and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission ("OIC") regarding criteria, procedures, conditions and terms for preparation and submission of financial statements of 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 the Thai language financial statements.

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

3 New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 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 does not have any significant impact on the Company's financial statements.

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

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements, except for TFRS 17 Insurance Contracts which will supersede TFRS 4 Insurance Contracts, which changes 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 the 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 is in the process of assessment of the impact to the financial statements for the year in which such financial reporting standard will be effective.

4. Accounting policies

4.1 Insurance contracts classification

The Company classifies insurance and reinsurance contracts based on the nature of the contract. An insurance contract is contract which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the Company classifies it as an investment contract. Investment contracts are insurance contracts in legal form that transfer significant financial risk but not significant insurance risk. The financial risk is the risk of a possible future change in interest rate, foreign exchange rate and financial instrument price risk.

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

4.2 Revenue recognition

(a) Gross premium income

Gross premium income consists of direct premium and reinsurance premium written less premium of canceled policies and premiums refunded to policy holders, and adjusted with unearned premium reserve.

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

Reinsurance premium written is recognised as income on the date the insurance policy comes into effect, or when the reinsurer places the statement of accounts with the Company.

(b) Commission and brokerage incomes

Commission and brokerage incomes from ceded premium are recognised as income when services have been rendered.

Commission and brokerage incomes from ceded premium with coverage periods of longer than 1 year are recorded as received in advance and recognised as income over the coverage period in each year.

(c) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial 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).

(d) Dividends received

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

(e) Gain (loss) on financial instruments

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

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

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

4.3 Expenses recognition

(a) Premium ceded to reinsurers

Premium ceded to reinsurers is recognised as expense when the insurance risk is transferred to another reinsurer as amounts specified in policies.

For reinsurance policies with coverage period of longer than 1 year, ceded premium is recorded as prepaid expense and recognised as expense over the coverage period in each year.

(b) Claim and loss adjustment expenses

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

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

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

(c) Claim recovery from reinsurance

Claims recovery from reinsurance is recognised when claims and loss adjustment expenses are recognised. They are estimated as proportion and condition relevant to reinsurance contracts. The Company presents the claims recoverable amount as a deduction from gross claims.

(d) Commission and brokerage expenses

Commission and brokerage expenses are recognised as expense when incurred.

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

(e) 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.

(f) Operating expenses

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

(g) Finance cost

Interest expense from financial liabilities measured 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 investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Premium receivables and allowance for doubtful accounts

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

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

4.6 Reinsurance assets and allowance for impairment

Reinsurance assets are stated at insurance reserves refundable from reinsurers, which are estimated based on the related reinsurance contracts of loss reserve and outstanding claims in accordance with the law regarding insurance reserve calculation and unearned premium reserves less allowance for impairment (if any).

At the end of the reporting period, the Company performed impairment reviews in respect of the reinsurance assets. Reinsurance assets are considered to be impaired whenever there are object evidences as a result of events that occurred after initial recognition of the reinsurance assets, and the Company may not receive whole of reinsurance assets according to reinsurance conditions and the effect of such amount can be measured with reliability.

An impairment loss is recognised in profit or loss (if any).

4.7 Receivables on reinsurance contracts and due to reinsurers

- (a) Receivables on reinsurance contracts consist of amounts due from reinsurers and amounts deposits on reinsurance.

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

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

- (b) Amounts due to reinsurers consist of the outstanding balance payable from reinsurance and amounts withheld on reinsurance.

The outstanding balance payable from reinsurance consist of reinsurance premiums and other items payable to reinsurers, excluding loss reserves from reinsurance contract.

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

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

4.8 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, income receivables and other receivable, that do not contain a significant financing component, are measured at the transaction price.

Classification and measurement of financial assets and financial liabilities

Financial assets - debt instruments

The Company classified its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets, on the basis of the facts and circumstances in existence on the date of acquisition, with classifications as follows:

- (a) Financial assets measured at amortised cost

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

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

Gain and loss from derecognition, change or impairment from such assets will be recognised in profit or loss.

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

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

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

Financial assets - equity instruments

All equity instruments are financial assets designated at fair value through other comprehensive income.

Investment in equity instruments that not held for trading but held for strategic purposes or for securities with potential for low market volatility. The Company has classified the financial asset measured at fair value through other comprehensive income, where a classification cannot subsequently change. Such classification is determined on an instrument-by-instrument basis.

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

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

In addition, Investments in equity instruments designated at fair value through other comprehensive income is not been required impairment assessment.

Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flow techniques. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the Thai Bond Market Association.

Investment income and disposal of investments

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

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

Changes in classification of investments in debt instruments

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

Impairment of financial assets

The Company recognises expected credit loss on its financial assets that are debt instruments by applying the general approach as follows:

Measurement of expected credit loss on financial assets

An expected credit loss (ECL) represents the present value of expected cash shortfalls over the residual term of a financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Estimates of expected cash shortfalls of investments in debt instruments are determined by multiplying the probability of default (PD) with the loss given default (LGD) and the expected exposure at the time of default (EAD). The estimates calculate the probability of default and potential loss when a counterparty defaults, based on information from the Thai Bond Market Association (In case of investment in debt instruments), adjusted for current observable data and forecasts of future events that are supportable and reasonable. The Company reviews and revises of the methods, assumptions and forecasts of future events on a regular basis.

For ECL recognition, financial assets are classified in any of the below 3 stages. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

Stage 1 Financial assets without a significant increase in credit risk

Financial assets that have not had a significant increase in credit risk since initial recognition (i.e. no stage 2 or 3 triggers apply) or debt instrument that considered to have low credit risk at each reporting date. An allowance for expected credit losses are recognised at the amount equivalent to the expected credit losses in the next 12 months.

The Company identifies government and state enterprise securities and private debt instruments with a credit rating not lower than BBB- as low credit risk and classified them as investment grade. Debt instruments with a credit rating lower than BBB- and/or subject to any event which negatively affects their credit quality are classified as non-investment grade, and investment officer is to closely monitor and review the quality of these assets to determine whether the credit risk has increased significantly.

Stage 2 Financial assets with a significant increase in credit risk

When financial assets have a significant increase in credit risk since initial recognition but not credit-impaired, expected credit losses are recognised for possible default events over the lifetime of the financial assets. A significant increase in credit risk is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk.

Quantitative factors include an assessment of whether there has been a significant increase in the probability of default (PD) since origination, such as downgrade of counterparty credit rating. If the changes exceed the thresholds, the financial assets are considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the counterparties' or debt instrument issuers' ability to repay. Qualitative indicators include operating results, financial liquidity and other reliable indicators.

Financial assets can be transferred to stage 1 in case they have proven that their ability to repay are back to normal.

Stage 3 Credit impairment financial assets

Financial assets are considered to be credit-impaired where the counterparties or debt instrument issuers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets. Evidence that a financial asset is credit-impaired include observable information such as significant financial difficulty of counterparties or debt instrument issuers, a breach of contract or past due event and probability that the borrower will enter bankruptcy or other financial reorganisation and so on.

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

Increase (decrease) in allowance for expected credit loss is recognised as expenses during the year in profit or loss in statement of comprehensive income. The Company has a policy to write off any financial assets when it is believed that they will not be collected from the debtor.

Classification and measurement of financial liabilities

At initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost.

Derecognition of financial instruments

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Offsetting of financial instruments

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

4.9 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to its cost on a straight-line basis over the estimated useful life of 5 years.

Depreciations is recorded as expenses in profit or loss.

No depreciation is provided on assets under installation.

An item of 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.

4.10 Intangible assets and amortisation

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

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The useful life of intangible assets, computer software, with finite useful lives is 5 years.

4.11 Insurance contract liabilities

Insurance contract liabilities consist of loss reserves, outstanding claims and unearned premium reserves.

(a) Loss reserves and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserve is 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 is however, not to exceed the sum-insured under the relevant policy.

Claim reserves were calculated by using an actuarial method based on a best estimate of the claims, that are expected to be paid in respect of loss that occur before or as at the reporting date, covering both reported and not reported loss, and including claim handling expenses, after deducting salvage values and other recoverable values. Difference between the calculation claims reserves and the claims already recognised are recorded as incurred but not yet reported claims (IBNR).

(b) Unearned premium reserves

Premium reserve consists of unearned premium reserve and unexpired risk reserve.

(1) Unearned premium reserve

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

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Monthly average basis (the one-three hundred sixty fifth basis)

Unearned premium reserve of reinsurance is calculated based on ceded premium for reinsurer as the same method with direct insurance that transfer insurance risk to reinsurer throughout the period of insurance coverage.

(2) Unexpired risk reserve

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

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

4.12 Leases

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

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

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.

Building	3	years
Vehicle	4	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.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments are only fixed payments.

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

Short-term leases and leases of low-value assets

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

4.13 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 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.

4.14 Foreign currency

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

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

Gains and losses on exchange are included in profit or loss.

4.15 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

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

4.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gain and loss arising from defined benefit plans are recognised immediately in other comprehensive income.

4.17 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.

4.18 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.19 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgments and estimates

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

5.1 Recognition and derecognition of assets and liabilities

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

5.2 Allowance for doubtful accounts

In determining an allowance for doubtful accounts on premium receivables and receivable on reinsurance contracts, the management needs to make judgment and estimates expected loss to be incurred for each debtor based upon, among other things, debt collection experience, aging profile of outstanding debts and the prevailing economic condition.

5.3 Allowance for impairment on reinsurance assets

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

5.4 Allowances for expected credit loss of financial assets

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

5.5 Fair value of financial instruments

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

5.6 Equipment and depreciation

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

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

5.7 Intangible assets and amortisation

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

5.8 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 judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.9 Insurance contracts classification

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

5.10 Loss reserves and outstanding claim

At the end of each reporting period, the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, and the claims incurred but not reported (IBNR). The IBNR reserve is calculating by using an international standard actuarial method. The key assumptions underlying these techniques relate to historical experience, including loss development factors, ultimate loss ratio and unallocated loss adjustment expenses and so on.

The Company uses independent actuary to perform calculating loss reserves based on the type of insurance. The estimation requires the management's judgements reflecting the best estimates available at that time. Nevertheless such estimates are forecasts of future outcomes, and actual results could differ.

5.11 Unexpired risk reserve

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

5.12 Post-employment benefits under defined benefit plans

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

6. Classification of Financial assets and financial liabilities

As at 31 December 2024 and 2023, the carrying value of the financial assets and financial liabilities are classified as follows:

(Unit: Baht)

2024			
	Financial instruments measured at fair value through profit or loss	Equity instruments designated at fair value through other comprehensive income	Financial Instruments measured at amortised cost
			Total
Financial assets			
Cash and cash equivalents	-	-	81,785,563
Accrued investment income	-	-	568,187
Debt financial assets	160,993,425	-	56,335,773
Equity financial assets	-	77,288,596	-
Other assets - financial assets	-	-	7,308,069
Financial liabilities			
Other liabilities - financial liabilities	-	-	45,078,729
Lease liabilities	-	-	2,295,389

(Unit: Baht)

2023			
	Financial instruments measured at fair value through profit or loss	Equity instruments designated at fair value through other comprehensive income	Financial Instruments measured at amortised cost
			Total
Financial assets			
Cash and cash equivalents	-	-	42,752,500
Accrued investment income	-	-	901,210
Debt financial assets	133,498,966	-	76,238,446
Equity financial assets	-	70,254,481	-
Other assets - financial assets	-	-	8,463,957
Financial liabilities			
Other liabilities - financial liabilities	-	-	46,123,601
Lease liabilities	-	-	4,885,402

7. Cash and cash equivalents

	(Unit: Baht)	
	2024	2023
Cash	62,763	61,263
Deposits at banks with no fixed maturity date	81,399,226	42,367,661
Deposits at banks with fixed maturity date and certificates deposits at bank	330,429	327,287
Total	81,792,418	42,756,211
Less: Allowance for expected credit loss	(6,855)	(3,711)
Cash and cash equivalents	81,785,563	42,752,500

As at 31 December 2024, bank deposits in saving accounts, fixed deposits and certificate of deposits carried interest at the rates between 0.15 to 0.75 percent per annum (2023: 0.45 to 1.00 percent per annum).

8. Premium receivables

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

	(Unit: Baht)	
	2024	2023
Not yet due	25,200,365	34,487,525
Not over 30 days	6,206,968	23,880,248
Over due 30 days to 60 days	6,663,279	5,727,732
Over due 60 days to 90 days	1,923,626	9,048,256
Overdue longer than 90 year	17,871,558	24,790,438
Total	57,865,796	97,934,199
Less: Allowance for doubtful accounts	(14,095,821)	(15,907,164)
Premium receivables, net	43,769,975	82,027,035

For premiums receivables uncollected from agents and brokers, the Company has established collection guidelines in accordance with the regulatory requirement for premium collection. For overdue premium receivables, the Company is pursuing legal proceedings against such agents and brokers.

9. Reinsurance assets

	(Unit: Baht)	
	2024	2023
Insurance reserve refundable from reinsurers		
Loss reserves	20,211,555	16,033,651
Unearned premium reserves	24,074,842	53,411,227
Reinsurance assets, net	44,286,397	69,444,878

10. Receivables on reinsurance contracts

	(Unit: Baht)	
	2024	2023
Amounts due from reinsurers	27,663,105	336,480,140
Less: Allowance for doubtful accounts	-	(129,596,339)
Receivables from reinsurance contracts, net	27,663,105	206,883,801

As at 31 December 2024 and 2023, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	2024	2023
Not yet due	8,227,924	5,892,844
Not over 1 year	15,437,856	11,314,353
Over 1 year to 2 years	2,981,862	90,388,585
Over 2 years	1,015,463	228,884,358
Total	27,663,105	336,480,140
Less: Allowance for doubtful accounts	-	(129,596,339)
Receivables from reinsurance contracts, net	27,663,105	206,883,801

As of 31 December 2023, the Company has receivables from reinsurance contracts amounting to Baht 259.2 million, respectively, which is the outstanding amount from entering into a reinsurance contract with a reinsurance broker. In November 2022, the Company filed a lawsuit with the Central Intellectual Property and International Trade Court against the reinsurance broker and its associate.

Then, in March 2023, reinsurance broker and its associate filed a statement of defense and counterclaim against the Company for damages amounting to Baht 111.2 million.

In December 2023, the Central Intellectual Property and International Trade Court (“the Court”) ruled that the Company is entitled to receive a refund of reinsurance premiums of Baht 78.2 million plus interest from the date of filing the lawsuit. Furthermore, the Company is not obligated to be responsible for damage of the mentioned reinsurance broker and its associates from counterclaims. In addition, the Court ordered the reinsurance broker to pay Baht 1.0 million plus interest from the date of filing the lawsuit to the Company due to the breach of the reinsurance brokerage contract. However, the broker is not required to pay the claim recovery because it is not an agent of the reinsurer.

In May 2024, the Company, together with the reinsurance broker and its associate, engaged in negotiations to reach a compromise. They entered into an agreement in which the reinsurance broker and its associate agreed to make installment payments totaling Baht 91.5 million. The Company has received all payments from the reinsurance broker and its associates in July 2024.

11. Debt financial assets

11.1 Classified by type of financial assets

	2024		2023	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Debt instruments measured at fair value through profit or loss				
Government and state enterprise securities	107,904,108	111,620,606	75,105,814	76,469,712
Private enterprise debt securities	48,777,151	49,372,819	57,941,801	57,029,254
Total	156,681,259	160,993,425	133,047,615	133,498,966
Add: Unrealised gain	4,312,166	-	451,351	-
Total	160,993,425	160,993,425	133,498,966	133,498,966
Debt instruments measured at amortised cost				
Government and state enterprise securities	56,174,059		56,080,413	
Private enterprise debt securities	-		20,000,000	
Fixed deposits and certificates of deposits	162,463		161,022	
Total	56,336,522		76,241,435	
Less: Allowance for expected credit loss	(749)		(2,989)	
Total	56,335,773		76,238,446	
Total debt financial assets - net	217,329,198		209,737,412	

11.2 Classified by stage of credit risk

(Unit: Baht)

	2024			2023		
	Allowance for		Carrying value - net	Allowance for		Carrying value - net
	Carrying value - gross	expected credit loss		Carrying value - gross	expected credit loss	
Debt instruments measured at amortised cost						
Stage 1 - Debt securities without a significant increase in credit risk	56,336,522	(749)	56,335,773	76,241,435	(2,989)	76,238,446
Total	56,336,522	(749)	56,335,773	76,241,435	(2,989)	76,238,446

11.3 Investments subject to restrictions

As at 31 December 2024 and 2023, the Company has placed government securities at amortised cost as securities and reserves with the Registrar of the Office of Insurance Commission under the Non-life Insurance Act as follows:

(Unit: Million Baht)

	2024		2023	
	Cost	Fair value	Cost	Fair value
Securities pledged				
Government bonds	17.1	17.6	17.0	16.7
Securities reserve				
Government bonds	29.1	28.7	29.1	27.7
Total	46.2	46.3	46.1	44.4

12. Equity financial assets

12.1 Classified by type financial assets

	(Unit: Baht)			
	2024		2023	
	Cost	Fair value	Cost	Fair value
Equity instruments designated at fair value through other comprehensive income				
Non-listed domestic equity instruments	728,830	16,648,734	728,830	12,973,898
Non-listed foreign equity instruments	50,479,792	60,639,862	50,479,792	57,280,583
Total	51,208,622	77,288,596	51,208,622	70,254,481
Add: Unrealised gain	26,079,974	-	19,045,859	-
Total equity financial assets - net	77,288,596	77,288,596	70,254,481	70,254,481

12.2 Investments derecognition

During the years ended 31 December 2024 and 2023, the Company did not dispose off its investments in equity instruments designated at fair value through other comprehensive income from the accounts.

13. Other components of equity

	(Unit: Baht)	
	2024	2023
Equity securities designated at fair value through other comprehensive income		
Balance - beginning of the year	19,045,857	29,718,153
Unrealised gain (loss) during the year	7,034,115	(10,672,296)
Total	26,079,972	19,045,857
Related income taxes	(5,215,995)	(3,809,172)
Balance - ending of the year	20,863,977	15,236,685

14. Equipment

	(Unit: Baht)			
	Leasehold improvement	Furniture and fixtures	Office Equipment	Total
Cost				
1 January 2023	10,598,600	609,559	18,026,841	29,235,000
Additions	-	-	2,193,220	2,193,220
Disposal/ write-off	-	-	(156,000)	(156,000)
31 December 2023	10,598,600	609,559	20,064,061	31,272,220
Additions	-	-	742,247	742,247
Adjustment during the year	-	-	(1,400)	(1,400)
31 December 2024	10,598,600	609,559	20,804,908	32,013,067
Accumulated depreciation				
1 January 2023	6,438,060	365,663	13,895,025	20,698,748
Depreciation for the year	2,117,423	121,778	1,807,891	4,047,092
Depreciation for disposal/ write-off	-	-	(119,454)	(119,454)
31 December 2023	8,555,483	487,441	15,583,462	24,626,386
Depreciation for the year	1,953,438	112,102	1,909,450	3,974,990
31 December 2024	10,508,921	599,543	17,492,912	28,601,376
Net book value				
31 December 2023	2,043,117	122,118	4,480,599	6,645,834
31 December 2024	89,679	10,016	3,311,996	3,411,691
Depreciation included in profit or loss for the year ended				
31 December 2023				4,047,092
31 December 2024				3,974,990

As at 31 December 2024 and 2023, certain equipment items have been fully depreciated but are still in use. The original costs, before deducting accumulated depreciation of those assets amounted to approximately Baht 24.6 million and Baht 10.5 million, respectively.

15. Intangible assets

The net book values of intangible assets as at 31 December 2024 and 2023 are presented below.

(Unit: Baht)

	Program Computer	Program Computer under installation	Total
Cost			
1 January 2023	4,631,513	7,737,989	12,369,502
Additions	585,055	3,718,100	4,303,155
Transfer in (out)	2,968,800	(2,968,800)	-
Adjustment during the year	-	(135,700)	(135,700)
31 December 2023	8,185,368	8,351,589	16,536,957
Additions	133,500	282,500	416,000
Adjustment during the year	-	705,900	705,900
31 December 2024	8,318,868	9,339,989	17,658,857
Accumulated amortisation:			
1 January 2023	4,326,888	-	4,326,888
Amortisation for the year	227,322	-	227,322
31 December 2023	4,554,210	-	4,554,210
Amortisation for the year	756,298	-	756,298
31 December 2024	5,310,508	-	5,310,508
Net book value:			
31 December 2023	3,631,158	8,351,589	11,982,747
31 December 2024	3,008,360	9,339,989	12,348,349
Amortisation included in profit or loss for the year ended			
31 December 2023			227,322
31 December 2024			756,298

As at 31 December 2024 and 2023, certain computer software items were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 4.4 million.

16. Lease

The Company has entered into lease agreement of office building space and vehicle. The term of agreement is 3 years and 4 years, respectively.

16.1 Right-of-use assets

Movement for right-of-use assets during the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Baht)		
	Building	Vehicle	Total
Right-of-use assets as at 1 January 2023	7,501,334	557,187	8,058,521
Depreciation for the year	(2,535,662)	(412,269)	(2,947,931)
Net book value as at 31 December 2023	4,965,672	144,918	5,110,590
Contract termination during the year	-	(107,440)	(107,440)
Depreciation for the year	(2,535,663)	(37,478)	(2,573,141)
Net book value as at 31 December 2024	2,430,009	-	2,430,009

16.2 Lease liabilities

Movement of lease liabilities for the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Baht)		
	Building	Vehicle	Total
Lease liabilities as at 1 January 2023	7,118,045	564,234	7,682,279
Financial cost	156,650	3,377	160,027
Lease payments	(2,536,704)	(420,200)	(2,956,904)
Lease liabilities as at 31 December 2023	4,737,991	147,411	4,885,402
Contract termination during the year	-	(109,332)	(109,332)
Financial cost	94,102	121	94,223
Lease payments	(2,536,704)	(38,200)	(2,547,904)
Lease liabilities as at 31 December 2024	2,295,389	-	2,295,389

	2024			2023		
	Building	Vehicle	Total	Building	Vehicle	Total
Undiscounted lease liabilities						
Payable within 1 year	2,325,300	-	2,325,300	2,536,704	147,707	2,684,411
Payable more than 1 year	-	-	-	2,325,312	-	2,325,312
Total undiscounted lease liabilities	2,325,300	-	2,325,300	4,862,016	147,707	5,009,723
Less: Financial cost	(29,911)	-	(29,911)	(124,025)	(296)	(124,321)
Total lease liabilities	2,295,389	-	2,295,389	4,737,991	147,411	4,885,402

16.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Baht)	
	2024	2023
Depreciation of right-of-use assets	2,573,141	2,947,931
Interest expense on lease liabilities	94,223	160,027
Expenses related short-term contracts	416,664	435,816

The Company had total cash outflows for leases for the year ended 31 December 2024 and 2023 of Baht 3.0 million and Baht 3.4 million, respectively, including the cash outflow related to short-term lease, leases of low-value assets.

17. Deferred tax assets/liabilities and income tax expenses

17.1 Deferred tax assets/liabilities

As at 31 December 2024 and 2023, the components of deferred tax assets and deferred tax liabilities are as follows.

	(Unit: Baht)			
			Change in Deferred tax assets/liabilities for the years ended 31 December	
	2024	2023	2024	2023
Deferred tax assets				
Provision for loss incurred but not yet reported	5,309,293	3,424,306	1,884,987	(4,717,847)
Loss reserves	6,226,919	3,173,318	3,053,601	(1,749,632)
Premium reserves	-	1,977,780	(1,977,780)	1,977,780
Allowance for doubtful accounts	2,819,164	29,100,701	(26,281,537)	302,873
Employee benefit obligations	1,889,424	2,562,313	(672,889)	126,457
Allowance for impairment of investments	2,772,042	2,772,042	-	-
Expected credit loss	3,251,693	2,270,299	981,394	(167,445)
Unrealised losses on changes in value of financial assets measured at fair value through profit or loss	-	-	-	(85,405)
Total	22,268,535	45,280,759		
Deferred tax liabilities				
Unrealised gains on changes in value of financial assets measured at fair value through profit or loss	862,918	90,793	772,125	90,793
Unrealised gains on changes in value of equity instruments designated at fair value through other comprehensive income	5,213,863	3,807,040	1,406,823	(2,134,459)
Total	6,076,781	3,897,833		
Deferred tax assets - net	16,191,754	41,382,926		
Total change			(25,191,172)	(2,269,553)
Recognition of changes:				
- Profit or loss			(22,657,060)	(3,810,935)
- Other comprehensive income			(2,534,112)	1,541,382
			(25,191,172)	(2,269,553)

17.2 Income tax expenses

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

	(Unit: Baht)	
	2024	2023
Current income tax:		
Current income tax charge for the year	-	-
Deferred income tax:		
Deferred income tax relating to origination and reversal of temporary differences	22,657,060	3,810,935
Income tax expenses reported in the profit or loss	22,657,060	3,810,935

Reconciliation between income tax expenses and product of accounting losses multiplied by the applicable tax rate for the years ended 31 December 2024 and 2023 are shown below.

	(Unit: Baht)	
	2024	2023
Accounting losses before income tax	(91,333,020)	(45,915,090)
Applicable tax rate	20%	20%
Income tax at the applicable tax rate	(18,266,604)	(9,183,018)
Tax losses incurred during the period which is not recognised as deferred tax assets	40,000,961	12,659,964
Tax effect of:		
Net effect of exempted income and non-deductible expenses	922,703	341,989
Income tax expenses as reported in profit or loss	22,657,060	3,810,935

As at 31 December 2024, the Company has unused tax losses totaling Baht 519.0 million, on which will expire by 2029. The Company has not recognised as deferred tax asset since Company believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

18. Other assets

	(Unit: Baht)	
	2024	2023
Other assets - financial assets		
Other receivables	20,216,025	16,237,282
Less: Allowance for expected credit loss	(15,358,793)	(11,344,606)
Other receivables - net	4,857,232	4,892,676
Deposits	2,193,860	3,315,073
Advance payment	256,977	256,208
Total	7,308,069	8,463,957
Other assets - other		
Prepaid commission and brokerages expenses	4,593,567	528,060
Prepaid expenses	1,543,698	2,910,230
Prepaid insurance premium expenses	9,175,280	122,408
Input tax not due	4,856,971	3,625,543
Revenue department receivables	-	4,675,770
Others	4,317,944	3,888,668
Total	24,487,460	15,750,679
Total other assets	31,795,529	24,214,636

19. Insurance contract liabilities

	(Unit: Baht)		
	2024		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
- Claims incurred and reported	45,581,781	(14,447,184)	31,134,597
- Claims incurred but not yet reported	32,310,837	(5,764,371)	26,546,466
Premium reserves			
- Unearned premium reserves	85,571,683	(24,074,842)	61,496,841
Total	163,464,301	(44,286,397)	119,177,904

	(Unit: Baht)		
	2023		
	Insurance	Reinsurance on	
	contract liabilities	liabilities	Net
Loss reserves			
- Claims incurred and reported	22,787,765	(6,921,176)	15,866,589
- Claims incurred but not yet reported	26,234,006	(9,112,475)	17,121,531
Premium reserves			
- Unearned premium reserves	141,446,274	(53,411,227)	88,035,047
Total	190,468,045	(69,444,878)	121,023,167

19.1 Loss reserves

	(Unit: Baht)	
	2024	2023
Balance - beginning of the year	49,021,771	94,468,002
Claim expenses for the year	89,191,067	69,642,634
Change in loss reserves and assumptions	(330,722)	(59,112,124)
Claim expenses paid during the year	(59,989,498)	(55,976,741)
Balance - end of the year	77,892,618	49,021,771

As at 31 December 2024 and 2023, the Company had loss reserves under reinsurance contracts of Baht 2.8 million and Baht 3.2 million, respectively.

Loss development table

(a) Gross loss reserves table

Accident Year / Reporting Year	Before 2018	2018	2019	2020	2021	2022	2023	2024	(Unit: Baht) Total
Estimate of ultimate claims incurred									
- At end of accident year	1,956,171,521	72,692,581	146,782,693	181,299,093	435,429,833	482,365,250	66,968,851	90,837,468	
- One year later	1,674,205,057	53,461,442	142,657,548	182,722,193	388,194,099	425,716,643	55,455,333		
- Two years later	1,562,836,749	51,892,938	97,177,842	181,952,983	390,160,951	425,102,949			
- Three years later	1,481,161,417	51,894,102	55,948,664	182,190,377	393,393,627				
- Four years later	1,389,532,403	51,844,013	55,681,862	182,395,579					
- Five years later	1,393,699,405	51,813,512	55,670,954						
Estimate of cumulative ultimate claims incurred	1,394,121,206	51,813,512	55,670,954	182,395,579	393,393,627	425,102,949	55,455,333	90,837,468	
Cumulative payments to date	1,394,121,206	51,815,512	55,079,654	182,395,579	392,880,277	424,264,046	49,677,590	35,775,913	
Total gross loss reserves	-	(2,000)	591,300	-	513,350	838,903	5,777,743	55,061,555	62,780,851
Unallocated loss adjustment expense reserves									8,168,155
Others									6,943,612
Total loss reserves									77,892,618

(b) Net loss reserves table

Accident Year / Reporting Year	Before 2018	2018	2019	2020	2021	2022	2023	2024	(Unit: Baht) Total
Estimate of ultimate claims incurred									
- At end of accident year	2,994,180,986	43,536,496	38,278,265	32,794,618	162,351,190	302,656,879	44,181,609	72,561,455	
- One year later	341,782,856	33,668,043	35,954,464	35,953,097	163,319,799	266,425,802	39,132,968		
- Two years later	317,902,349	32,236,747	34,371,072	35,072,916	161,852,301	266,020,790			
- Three years later	310,570,449	32,226,625	34,213,677	34,687,134	163,886,298				
- Four years later	302,976,427	32,177,316	33,768,474	34,865,659					
- Five years later	302,286,331	32,146,815	33,767,388						
Estimate of cumulative ultimate									
claims incurred	400,003,863	32,146,815	33,767,388	34,865,659	163,886,298	266,020,790	39,132,968	72,561,455	
Cumulative payments to date	400,003,863	32,148,815	33,181,758	34,865,659	163,384,963	265,560,647	34,857,901	28,298,255	
Total gross loss reserves	-	(2,000)	585,630	-	501,335	460,142	4,275,067	44,263,200	50,083,374
Unallocated loss adjustment expense									
reserves									8,168,155
Others									(570,466)
Total loss reserves									57,681,063

Assumptions

The key assumptions used in estimating loss reserves and loss adjustment expenses under insurance contracts are based on the expectation that future loss development will be similar historical loss development patterns. The key assumptions used in the estimation of these reserves are as follows:

(a) Initial expected ultimate loss ratio for the most recent accident year

Initial expected ultimate loss ratio for the most recent accident year is a preliminary estimate of the ratio of the ultimate loss and earned premium for the most recent accident year, based on historical claims data, industry data and assumptions used in estimating premiums.

(b) First claims development factor

First claims development factor is the ratio of cumulative incurred claims as at the second development period to those of the first development period. This factor is selected primarily based on historical averages. The factor has an impact on the estimation of incurred but not reported claim liabilities for the most recent accident quarter.

(c) Unallocated loss adjustment expense ratio

Unallocated loss adjustment expense ratio is the ratio of claim-related expenses that cannot be allocated to a particular claim, such as salaries and other operating expense of the claim department, and claims paid during the year. The ratio is calculated using actual historical claims data of the Company.

19.2 Unearned premium reserves

	(Unit: Baht)	
	2024	2023
Balance - beginning of the year	141,446,274	93,783,984
Premium written for the year	415,429,073	376,651,814
Premium earned for the current year	(471,303,664)	(328,989,524)
Balance - end of the year	85,571,683	141,446,274

20. Due to reinsurers

	(Unit: Baht)	
	2024	2023
Amounts withheld on reinsurance	11,122,483	17,031,994
Amount due to reinsurers	90,450,040	168,051,663
Total	101,572,523	185,083,657

21. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Baht)	
	2024	2023
Provision for long-term employee benefits at beginning of year	12,811,567	12,179,279
To be recognised in profit or loss		
Current service cost	1,974,800	3,237,167
Interest cost	297,197	360,507
To be recognised in other comprehensive income		
Actuarial (gain) loss arising from		
- Demographic assumptions changes	-	(694,247)
- Financial assumptions changes	99,659	196,618
- Experience adjustments	(5,736,104)	(2,467,757)
Provision for long-term employee benefits at end of year	9,447,119	12,811,567

The Company expects that the payment of long-term employee benefits is not been incurred during the next year.

As at 31 December 2024 and 2023, the weighted average duration of the liabilities for long-term employee benefit is 13 years and 12 years, respectively.

Significant actuarial assumptions are summarised as follows:

	2024	2023
	Percent per annum	Percent per annum
Discount rate	2.54	2.74
Future salary increasing rate	5.0	5.0
Staff turnover rate	3.8 - 25.8	3.8 - 25.8
Mortality rate	Mortality rate of 2017	Mortality rate of 2017

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

2024				
	Assumption	Amount increase	Assumption	Amount increase
	increase	(decrease)	decrease	(decrease)
		Baht		Baht
Discount rate	+1%	(517,965)	-1%	584,422
Salary increase rate	+1%	558,293	-1%	(505,664)
Staff turnover rate	+20%	(515,299)	-20%	608,249
	of the assumption used		of the assumption used	
2023				
	Assumption	Amount increase	Assumption	Amount increase
	increase	(decrease)	decrease	(decrease)
		Baht		Baht
Discount rate	+1%	(792,117)	-1%	884,426
Salary increase rate	+1%	824,419	-1%	(754,394)
Staff turnover rate	+20%	(751,546)	-20%	872,114
	of the assumption used		of the assumption used	

22. Other liabilities

	(Unit: Baht)	
	2024	2023
Other liabilities - financial liabilities		
Accrued expenses	40,437,067	38,644,200
Other payables	4,641,662	7,479,401
Total	45,078,729	46,123,601
Other liabilities - other		
Accrued commission expenses	12,233,222	19,340,551
Accrued marketing expenses	5,312,042	2,425,810
Deposits for insurance premium	1,099,938	15,784,452
Revenue department payable	5,134,625	3,979,590
Other payables	10,944,929	10,587,412
Others	7,961,694	3,799,609
Total	42,686,450	55,917,424
Total other liabilities	87,765,179	102,041,025

23. Share capital

As at 31 December 2024 and 2023, the Company has registered share capital consisting of 30 million ordinary shares of Baht 10 each and has issued and fully paid-up share capital consisting of 30 million ordinary shares of Baht 10 each, totalling Baht 300 million.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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.

25. Net investment income

	(Unit: Baht)	
	2024	2023
Interest income	5,144,192	6,135,993
Dividend income	1,249,679	40,500
Investment expenses	(639,791)	(733,782)
Total	5,754,080	5,442,711

26. Net gain on financial instruments

	(Unit: Baht)	
	2024	2023
Gain from disposal and derecognition		
Debt instruments classified and measured at fair value through profit or loss	34,353	88,534
Total	34,353	88,534

27. Fair value gain from financial instruments

	(Unit: Baht)	
	2024	2023
Debt instruments measure at fair value through profit or loss	3,860,815	880,990
Total	3,860,815	880,990

28. Operating expenses

	(Unit: Baht)	
	2024	2023
Personnel expenses	81,637,160	88,598,960
Premises and equipment expenses	28,238,810	26,951,440
Bad debts and doubtful accounts	45,457,469	1,514,365
Other operating expenses	30,744,472	16,687,192
Total operating expenses	186,077,911	133,751,957

29. Expected credit loss (reversal)

	(Unit: Baht)	
	2024	2023
Expected credit loss (reversal) from		
Cash and cash equivalents	3,144	(1,732)
Debt instruments measured at amortised cost	(2,240)	(355,131)
Accrued investment incomes	(123)	(367)
Other financial assets	(120,000)	(480,000)
Total	(119,219)	(837,230)

30. Expenses by nature

Expense by nature are comprised significant expense as follows:

	(Unit: Baht)	
	2024	2023
Claims expenses	65,700,194	3,990,273
Commissions and brokerages expenses	65,714,505	62,382,763
Other underwriting expenses	119,805,814	51,141,670
Personnel expenses	92,141,627	100,532,948
Premises and equipment expenses	28,238,810	26,951,440
Bad debt and doubtful accounts	45,457,469	1,514,365
Other operating expenses	30,726,970	16,017,289
Total expenses by nature	447,785,389	262,530,748

31. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. During the year 2024 and 2023, the Company contributed Baht 1.8 million and Baht 2.5 million, respectively to the fund.

32. Loss per share

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

33. Related party transactions

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

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

Name of related parties	Relationship with the Company
Tune Protect Group Berhad	Related by way of common directors and shareholding
Tune Protect Group Malaysia	Related by way of common directors
White Label Sdn. Bhd	Related by way of common directors
Thai Air Asia Co., Ltd.	Related by way of common directors
Thai Air Asia X Co., Ltd.	Related by way of common directors

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

	(Unit: Million Baht)		
	2024	2023	Pricing policy
Transactions with its related companies			
Premium written			
Thai Air Asia Co., Ltd.	43.7	48.4	According to term of underwriting agreements
Thai Air Asia X Co., Ltd.	4.3	5.4	According to term of underwriting agreements
Operating expenses - service expenses			
Tune Protect Group Berhad	2.0	0.8	As actually paid
Tune Protect Group Malaysia	0.7	-	As actually paid
White Label Sdn. Bhd	2.9	6.6	As actually paid

As at 31 December 2024 and 2023, outstanding balances with those related companies are as follows:

	(Unit: Baht)	
	2024	2023
Premium receivables		
Thai Air Asia Co., Ltd.	1,900,839	9,247,427
Thai Air Asia X Co., Ltd.	408,332	3,089,244
Deposits		
Thai Air Asia Co., Ltd.	20,000,000	20,000,000
Other liabilities - Accrued expenses		
Tune Protect Group Berhad	3,487,986	1,453,014
Tune Protect Group Malaysia	653,609	-
White Label Sdn. Bhd	9,431,653	6,576,202

Directors and key management's remuneration

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

	(Unit: Million Baht)	
	2024	2023
Short-term benefits	32.4	42.7
Post-employment benefits	1.1	1.3
Total	33.5	44.0

34. Contribution to General Insurance Fund

	(Unit: Baht)	
	2024	2023
Accumulated General Insurance fund at the beginning of the year	12,749,221	11,466,360
Contribution during the year	2,065,213	1,282,861
Accumulated General Insurance fund at the end of the year	14,814,434	12,749,221

35. Commitments and contingent liabilities

35.1 Operating lease and service commitments

As at 31 December 2024 and 2023, the Company has entered into several lease agreements in respect of office equipment and other services. The lease agreements consist of short-term lease and leases of low-value assets, lease term 1 - 4 years. The future minimum payments required under these agreements were as follows:

	(Unit: Million Baht)	
	2024	2023
Payable within:		
Within 1 year	7.4	5.8
More than 1 year	4.2	2.0

The Company has entered into service agreement to obtain notification claims services for travel insurance policy at the rate 0.7% of insurance premium per month.

35.2 Litigation

As at 31 December 2024, the Company has been sued for damages as an insurer. The total exposure of litigation cases amounts to Baht 10.0 million (2023: Baht 64.8 million). However, the Company is obligated under the insurance liabilities totaling Baht 4.1 million (2023: Baht 141.5 million). The outcomes of the cases have not yet been finalized, since the case is in the step of further appointment. Therefore, the Company has set aside provision for potential losses in the financial statement amounting to Baht 1.2 million (2023: Baht 0.9 million) and the Company's management believes that upon the conclusion from litigation, the remaining amount will not be material to the Company's financial positions and operating result.

35.3 Capital commitments

As at 31 December 2024 and 2023, the Company had capital commitments of approximately Baht 9.1 million and Baht 8.9 million, respectively relating to computer software development.

36. Capital management

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

37. Risk and risk management policies

37.1 Insurance risk

Insurance risk is the risk that the frequency, severity and timing of losses may deviate from the assumptions used in determining the premium rates, reserve calculations, insurance underwriting and reinsurance, particularly losses arising from unusual external factors such as substantial geographical, social and cultural changes. These may put the Company in a situation where it has to pay a large amount of claims, which could negatively impact on both the Company's performance and financial position.

The Company systematically manages the risk, starting with the underwriting process which gives priority to low-risk insurance by taking into account the nature of the insured persons, properties, and business operations, as well as geographical areas that may be affected by natural disasters. The Company considers these factors based on historical data, and determines premium rates that reflect the level of risk. In addition, the Company manages high-risk insurance by transferring the risks through reinsurance with foreign and local reinsurers that are financially stable, in various forms, such as treaty reinsurance, facultative reinsurance and excess of loss reinsurance, taking in account its risk capacity and risk tolerance for each type of insurance. Moreover, the Company rigorously manages the claims process in a way that corresponds to actual risks.

Details of insurance contract liabilities as at 31 December 2024 and 2023 by type of insurance are as follows:

	2024			2023		
	Premium reserves			Premium reserves		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Fire	3.5	(1.5)	2.0	3.7	(1.6)	2.1
Marine and transportation	1.0	(0.5)	0.5	8.5	(2.5)	6.0
Motor	46.5	(0.2)	46.3	42.7	(0.2)	42.5
Personal accident and health	0.3	(0.1)	0.2	1.6	(0.9)	0.7
Miscellaneous	34.3	(21.8)	12.5	84.9	(48.2)	36.7
Total	85.6	(24.1)	61.5	141.4	(53.4)	88.0

(Unit: Million Baht)

	2024			2023		
	Loss reserves			Loss reserves		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Fire	1.6	0.3	1.9	1.8	(0.4)	1.4
Marine and transportation	0.6	0.7	1.3	6.6	(2.2)	4.4
Motor	38.4	(0.4)	38.0	15.4	(0.4)	15.0
Personal accident and health	1.2	(0.4)	0.8	2.3	(1.0)	1.3
Miscellaneous	36.1	(20.4)	15.7	22.9	(12.1)	10.8
Total	77.9	(20.2)	57.7	49.0	(16.1)	32.9

The Company performed analysis of the sensitivity of insurance liabilities to fluctuate based on fluctuation of the assumptions used in the calculation, which will affect the claims obligation, both before and after reinsurance. This is a risk that the frequency and severity of loss events on the related claims management expenses may differ from expectation.

The impact of changes to assumptions that are significant to the claims obligations recorded as of 31 December 2024 and 2023 is as follows:

(Unit: Million Baht)

		2024			
		Claim liabilities		Profit before tax	Owners' equity
	Change in assumptions	Increase on gross	Increase on net	decrease	decrease
Ultimate loss ratio for the					
most recent accident year	+10% (additive)	12.9	6.6	(6.6)	(6.6)
First Claims Development					
Factor	+10% (multiplicative)	3.0	2.8	(2.8)	(2.8)
Unallocated loss adjustment					
expense ratio	+1% (additive)	0.5	0.5	(0.5)	(0.5)

(Unit: Million Baht)

		2023			
		Claim liabilities		Profit before tax	Owners' equity
	Change in assumptions	Increase on gross	Increase on net	decrease	decrease
Ultimate loss ratio for the					
most recent accident year	+10% (additive)	9.2	5.3	(5.3)	(5.3)
First Claims Development					
Factor	+10% (multiplicative)	2.2	1.3	(1.3)	(1.3)
Unallocated loss adjustment					
expense ratio	+1% (additive)	0.3	0.3	(0.3)	(0.3)

(Unit: Million Baht)

		2024			
		Claim liabilities		Profit before tax increase	Owners' equity increase
	Change in assumptions	Decrease on gross	Decrease on net		
Ultimate loss ratio for the most recent accident year	+10% (additive)	(9.2)	(7.8)	7.8	7.8
First Claims Development					
Factor	+10% (multiplicative)	(3.0)	(2.8)	2.8	2.8
Unallocated loss adjustment expense ratio	+1% (additive)	(0.5)	(0.5)	0.5	0.5

(Unit: Million Baht)

		2023			
		Claim liabilities		Profit before tax increase	Owners' equity increase
	Change in assumptions	Decrease on gross	Decrease on net		
Ultimate loss ratio for the most recent accident year	+10% (additive)	(7.1)	(4.7)	4.7	4.7
First Claims Development					
Factor	+10% (multiplicative)	(2.3)	(1.5)	1.5	1.5
Unallocated loss adjustment expense ratio	+1% (additive)	(0.3)	(0.3)	0.3	0.3

37.2 Financial risks

The Company's financial instruments principally comprise cash and cash equivalents, premium receivables, investments, reinsurance assets and reinsurance receivables. The financial risk associated with these financial instruments and how they are managed is described below.

(a) Credit risk

Credit risk is the risk that the Company may suffer a financial loss as a result of a counterparty's inability to comply with the terms of a financial instrument. The Company is exposed to credit risk primarily with respect to premium receivables, reinsurance assets, reinsurance receivables, debt instruments and other assets. The Company's maximum exposure to credit risk is limited to the book value less allowance for doubtful debt as presented in the statement of financial position. The Company separates the credit risk as follows:

Credit risk from insurance contracts

Credit risk for underwriting and reinsurance relating to premium receivables, reinsurance assets and receivables on reinsurance contracts is managed by adopting appropriate underwriting policies and procedures that meet the needs and income level of customers, following up on collection of premium receivables, and considering reinsurance with overseas reinsurers that are financially stable and have good credit ratings through constant update of their credit rating, and arranging reinsurance with local reinsurers that have an acceptable capital adequacy ratio. In addition, the credit concentration risk arising from the premium receivable is insignificant as the Company's insured are distributed across different industries and regions in Thailand.

Credit risk from financial instruments

Credit risk from financial instruments relates to investments in debt securities and other financial assets. Management of the Investment Department is responsible for monitoring, reviewing and managing counterparties credit risk and other environmental risks and reporting the investment situation to the Executive Committee and the Board of Directors. The Company manages and controls credit risk by determining an acceptable risk level for each counterparty and monitoring that risk does not exceed the acceptable level. The Company has a policy to invest in government and state enterprise bonds and debt securities issued by large private firms that are financially stable and high-quality financial instruments with credit rating not lower than BBB-. Therefore, the Company does not expect to have material exposure to credit risk.

Maximum exposure to credit risk

The maximum exposure to credit risk of financial assets by credit rating of counterparty is carrying amount as at 31 December 2024 and 2023 as follows:

	2024			2023		
	Non-			Non-		
	Investment grade	investment grade	Carrying amount	Investment grade	investment grade	Carrying amount
Cash and cash equivalents	81,786	-	81,786	42,752	-	42,752
Accrued investment income	568	-	568	901	-	901
Debt securities measured at amortised cost	56,336	-	56,336	76,238	-	76,238

Credit impairment assessment of financial assets

The Company's measurement and valuation method of the expected credit losses relating to financial assets are as follows:

Financial assets with a significant increase in credit risk

The Company continuously monitors and analyses the status of financial assets to assess whether there has been a significant increase in credit risk since initial recognition. In making these assessments, the Company compares the risk of non-compliance of financial assets at the end of reporting period with the risk of non-compliance of financial assets at the initial recognition date.

Determination of whether there has been a significant increase in credit risk since initial recognition is based on consideration of counterparty's contractual payment past due and or being downgraded in the credit rating. Moreover, financial assets are considered credit impaired when one or more events occur affecting the counterparty's future cashflow estimates. Evidence of a financial asset being credit impaired other than the counterparty's contractual payment past due includes observable information such as the issuer of a financial instrument facing significant financial difficulty, a high probability that the counterparty will be entered bankruptcy or undergo financial restructuring, and a significantly change in the counterparty's credit rating. The Company monitors and reports these changes of credit rating to Investment Committee to manage the risk.

Allowance for expected credit losses

The staging for financial assets is based on changes in credit risk since initial recognition, recognition expected credit losses within the next 12 months, lifetime expected credit losses and credit impairment as discussed in Note 4.8 to the financial statements.

The credit quality of financial assets exposed to credit risk is as follows:

(Unit: Thousand Baht)

	2024		
	Stage 1 Financial assets that have not had a significant increase in credit risk (12-mth ECL)	Stage 2 Financial assets that have a significant increase in credit risk (Lifetime ECL - not credit impaired)	Stage 3 Financial assets that are credit-impaired (Lifetime ECL - credit impaired)
			Total
Cash and cash equivalents			
Investment grade	81,793	-	81,793
Non-investment grade	-	-	-
Total	81,793	-	81,793
Expected credit losses	(7)	-	(7)
Net book value	81,786	-	81,786
Accrued investment income			
Investment grade	568	-	568
Non-investment grade	-	-	-
Total	568	-	568
Expected credit losses	-	-	-
Net book value	568	-	568
Debt instruments measured at amortised cost			
Investment grade	56,337	-	56,337
Non-investment grade	-	-	-
Total	56,337	-	56,337
Expected credit losses	(1)	-	(1)
Net book value	56,336	-	56,336

(Unit: Thousand Baht)

2023

	Stage 1 Financial assets that have not had a significant increase in credit risk (12-mth ECL)	Stage 2 Financial assets that have a significant increase in credit risk (Lifetime ECL - not credit impaired)	Stage 3 Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Cash and cash equivalents				
Investment grade	42,756	-	-	42,756
Non-investment grade	-	-	-	-
Total	42,756	-	-	42,756
Expected credit losses	(4)	-	-	(4)
Net book value	42,752	-	-	42,752
Accrued investment income				
Investment grade	901	-	-	901
Non-investment grade	-	-	-	-
Total	901	-	-	901
Expected credit losses	-	-	-	-
Net book value	901	-	-	901
Debt instruments measured at amortised cost				
Investment grade	76,241	-	-	76,241
Non-investment grade	-	-	-	-
Total	76,241	-	-	76,241
Expected credit losses	(3)	-	-	(3)
Net book value	76,238	-	-	76,238

The significant movement in the allowance for expected credit losses for the year ended 31 December 2024 and 2023 are as below

(Unit: Thousand Baht)

2024				
	Financial assets that have not had a significant increase in credit risk (12-mth ECL)	Financial assets that have a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Cash and cash equivalents				
Beginning balance	4	-	-	4
Newly purchased or acquired financial assets	3	-	-	3
Ending balance	7	-	-	7
Debt instruments measured at amortised cost				
Beginning balance	3	-	-	3
Amounts written off	(2)	-	-	(2)
Ending balance	1	-	-	1

(Unit: Thousand Baht)

2023				
	Financial assets that have not had a significant increase in credit risk (12-mth ECL)	Financial assets that have a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Debt instruments measured at amortised cost				
Beginning balance	34	324	-	358
Amounts written off	(31)	(324)	-	(355)
Ending balance	3	-	-	3

(b) Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and security prices may affect the Company's financial position.

The Company has policy for management of market risk, which includes the risk management processes, its risk appetite in terms of market price volatility and a risk measurement index that is appropriate for the financial instruments held. The Company also carries out tests of the sensitivity, taking into account the impact of economic scenarios on the financial position, together with regular monitoring and reporting, in order to enable appropriate and adequate control and assessment of risk by the Company.

Risk and risk management policy are summarised below

- Interest rate risk

Interest rate risk is the risk that the value of assets and liabilities will fluctuate due to changes in market interest rates.

The Company manages interest rate risk relating to investments in debt securities by engaging qualified private fund managers to manage the risk relating to changes in market prices.

As at 31 December 2024 and 2023, significant assets and liabilities classified by type of interest rates are summarised in the table below, with those assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2024						
	Fixed interest rates						
	Remaining periods to repricing date, or maturity date			Floating	None-interest		
	Within 1 year	Over 1 - 5 years	Over 5 years	interest rate	bearing	Total	Interest rate (% p.a.)
<u>Financial assets</u>							
Cash and cash equivalent	0.3	-	-	81.5	-	81.8	0.15 - 0.75
Accrued investment income	-	-	-	-	0.6	0.6	-
Debt financial assets							
Government and state enterprise securities	-	33.9	51.4	-	82.4	167.7	0.75 - 4.85
Private enterprises debt securities	2.9	23.7	22.8	-	-	49.4	1.83 - 4.12
Fixed deposits and certificates of deposits	0.2	-	-	-	-	0.2	0.08
Equity financial assets							
Equity securities	-	-	-	-	77.3	77.3	-
<u>Assets under insurance contracts</u>							
Premium receivables	-	-	-	-	43.8	43.8	-
Reinsurance assets							
- loss reserves	-	-	-	-	20.2	20.2	-
Receivables on reinsurance contracts	-	-	-	-	27.7	27.7	-
<u>Financial liabilities</u>							
Lease liabilities	2.3	-	-	-	-	2.3	2.60
<u>Liabilities under insurance contracts</u>							
Insurance contract liabilities							
- loss reserves	-	-	-	-	77.9	77.9	-
Amounts due to reinsurers	-	-	-	-	101.6	101.6	-

2023

	Fixed interest rates			Floating interest rate	None-interest bearing	Total	Interest rate (% p.a.)
	Remaining periods to repricing date, or maturity date						
	Within	Over	Over				
	1 year	1 - 5 years	5 years				
<u>Financial assets</u>							
Cash and cash equivalent	0.3	-	-	42.5	-	42.8	0.45 - 1.00
Accrued investment income	-	-	-	-	0.9	0.9	-
Debt financial assets							
Government and state							
enterprise securities	14.8	29.1	49.9	-	38.7	132.5	0.75 - 4.85
Private enterprises debt							
securities	20.4	19.1	37.5	-	-	77.0	1.08 - 4.16
Fixed deposits and							
certificates of deposits	0.2	-	-	-	-	0.2	0.80
Equity financial assets							
Equity securities	-	-	-	-	70.3	70.3	-
<u>Assets under insurance contracts</u>							
Premium receivables	-	-	-	-	82.0	82.0	-
Reinsurance assets							
- loss reserves	-	-	-	-	16.0	16.0	-
Receivables on reinsurance							
contracts	-	-	-	-	206.9	206.9	-
<u>Financial liabilities</u>							
Lease liabilities	2.6	2.3	-	-	-	4.9	0.98 - 2.60
<u>Liabilities under insurance contracts</u>							
Insurance contract liabilities							
- loss reserves	-	-	-	-	49.0	49.0	-
Amounts due to reinsurers	-	-	-	-	185.1	185.1	-

- **Foreign currency risk**

The Company's significant exposure to foreign currency risk arises mainly from business transactions with related parties that are denominated in foreign currencies. The Company does not utilise forward foreign currency contracts to mitigate its exposure to foreign currency risk. However, the management believes that impact of such risk would not be material. As at 31 December 2024 and 2023, the Company has insignificant balances of financial assets and liabilities in foreign currencies.

- **Equity position risk**

Equity position risk is the risk that changes in the market prices of equity securities may result in fluctuations in revenues and in the values of financial assets.

The Company manages the risk by requiring that the proportion of each type of investment comprising its investment portfolio does not exceed the proportions prescribed by the Office of Insurance Commission, defining criteria to be applied in selecting the fund managers, other equity investments, and stipulating the maximum acceptable level of risk when losses are incurred as a result of changes in the market prices of securities.

As at 31 December 2024 and 2023, the Company had exposure to equity position risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet commitments at maturity dates due to its failure to liquidate assets, or obtain sufficient funds in a timely manner, which could result in the occurrence of a financial loss.

The Company manages liquidity risk by reserving some bank deposits that are highly liquid to pay for operating expenses, determining with maturity dates that correspond to cash spending requirements per the cash management plan, and investing in securities that are traded on active markets, such as the Securities Exchange of Thailand or active bond markets, and easily converted to cash.

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

(Unit: Million Baht)

	2024					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash and cash equivalents	81.5	0.3	-	-	-	81.8
Accrued investment income	-	0.6	-	-	-	0.6
Debt financial assets	-	85.5	57.6	74.2	-	217.3
Equity financial assets	-	-	-	-	77.3	77.3
<u>Assets under insurance contracts</u>						
Premium receivables	-	43.8	-	-	-	43.8
Reinsurance assets - loss reserves	-	20.2	-	-	-	20.2
Receivables on reinsurance contracts	-	27.7	-	-	-	27.7
<u>Financial liabilities</u>						
Lease liabilities	-	2.3	-	-	-	2.3
<u>Liabilities under insurance contracts</u>						
Insurance contract liabilities						
- loss reserves	-	77.9	-	-	-	77.9
Amounts due to reinsurers	-	101.6	-	-	-	101.6

(Unit: Million Baht)

	2023					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash and cash equivalents	42.5	0.3	-	-	-	42.8
Accrued investment income	-	0.9	-	-	-	0.9
Debt financial assets	-	74.1	48.2	87.4	-	209.7
Equity financial assets	-	-	-	-	70.3	70.3
<u>Assets under insurance contracts</u>						
Premium receivables	-	82.0	-	-	-	82.0
Reinsurance assets - loss reserves	-	16.0	-	-	-	16.0
Receivables on reinsurance contracts	-	206.9	-	-	-	206.9
<u>Financial liabilities</u>						
Lease liabilities	-	2.7	2.3	-	-	5.0
<u>Liabilities under insurance contracts</u>						
Insurance contract liabilities						
- loss reserves	-	49.0	-	-	-	49.0
Amounts due to reinsurers	-	185.1	-	-	-	185.1

38. Fair value of financial instruments

As at 31 December 2024 and 2023, The Company had the following financial assets that were measured at fair value and financial assets and liabilities for which fair value are disclosed are classified by fair value level as follows:

(Unit: Million Baht)

	2024				
	Fair value				Carrying
	Level 1	Level 2	Level 3	Total	amount
Financial assets measured at fair value					
Debt instruments measured at fair value through profit or loss					
Government and state enterprise securities	-	111.6	-	111.6	111.6
Private enterprises debt securities	-	49.4	-	49.4	49.4
Equity instruments designated at fair value through other comprehensive income					
Non-listed domestic equity instruments	-	-	16.7	16.7	16.7
Non-listed foreign equity instruments	-	-	60.6	60.6	60.6
Financial assets for which fair value are disclosed					
Cash and cash equivalents	81.8	-	-	81.8	81.8
Accrued investment income	-	0.6	-	0.6	0.6
Debt instruments measured at amortised cost					
Government and state enterprise securities	-	56.1	-	56.1	56.1
Fixed deposits and certificates of deposits	0.2	-	-	0.2	0.2

(Unit: Million Baht)

	2023				
	Fair value				Carrying
	Level 1	Level 2	Level 3	Total	amount
Financial assets measured at fair value					
Debt instruments measured at fair value through profit or loss					
Government and state enterprise securities	-	76.5	-	76.5	76.5
Private enterprises debt securities	-	57.0	-	57.0	57.0
Equity instruments designated at fair value through other comprehensive income					
Non-listed domestic equity instruments	-	-	13.0	13.0	13.0
Non-listed foreign equity instruments	-	-	57.3	57.3	57.3
Financial assets for which fair value are disclosed					
Cash and cash equivalents	42.8	-	-	42.8	42.8
Accrued investment income	-	0.9	-	0.9	0.9
Debt instruments measured at amortised cost					
Government and state enterprise securities	-	53.7	-	53.7	56.1
Private enterprise debt securities	-	20.0	-	20.0	20.0
Fixed deposits and certificates of deposits	0.2	-	-	0.2	0.2

The fair value hierarchy of financial assets presents according to Note 4.19 to the financial statements. The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- a) Financial assets maturing in the short-term, which consist of cash and cash equivalents and bank deposits, their fair values are estimated based on the book value in the statement of financial position.
- b) Non-marketable securities, the fair values are determined by discounting expected future cash flow by rate of return and related risks.
- c) Investments in debt securities are presented at fair values based on prices determined using the yield curve as quoted by the Thai Bond Market Association.

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

	(Unit: Million Baht)
	2024
Balance as of the beginning	70
Gain recognised into other comprehensive income	7
Balance as of the ending	77

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

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2025.