

CHUBB LIFE ASSURANCE PUBLIC COMPANY LIMITED

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2023



Independent Auditor's Report

To the shareholders of Chubb Life Assurance Public Company Limited

My opinion

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

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, 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.

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



Auditor's responsibilities for the audit of the 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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism 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 the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Paiboon Tunkoon', written over a horizontal line.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
10 April 2024

Chubb Life Assurance Public Company Limited
Statement of Financial Position
As at 31 December 2023

		2023	(Reclassified) 2022
	Notes	Baht	Baht
Assets			
Cash and cash equivalents	9	969,212,072	1,052,089,620
Premium receivable	10	634,588,286	545,891,422
Accrued investment income		99,767,640	105,726,988
Amounts due from reinsurance	11	30,531,764	5,507,881
Invested assets			
Investments in securities	12, 32, 33	17,571,808,595	15,413,654,383
Loans and accrued interest receivables	13	517,341,185	453,327,181
Leasehold improvements and equipment	14	132,181,485	158,988,214
Intangible assets	15	430,257,376	349,582,389
Deferred tax assets	20	20,948,374	7,683,186
Other assets	3.4, 16, 30	411,040,070	578,445,511
Total assets		20,817,676,847	18,670,896,775

CHUBB

Chubb Life Assurance Public Company Limited
บริษัท ชับบ์ไลฟ์ แอสซิวรันซ์ จำกัด (มหาชน)



Ms. Cholticha Thongthai



Mr. Sang Lee

Directors

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2023

		2023	(Reclassified) 2022
	Notes	Baht	Baht
Liabilities and equity			
Liabilities			
Insurance liabilities	17	17,439,073,709	15,666,886,504
Amounts due to reinsurance	18, 30	153,379,069	107,475,958
Employee benefit obligations	19, 30	186,093,685	187,850,655
Other liabilities	3.4, 22, 30	310,715,808	294,785,683
Other creditors	30	270,248,306	111,452,658
Accrued commission expenses	30	272,485,180	488,647,364
Accrued expenses	30	480,693,669	446,054,906
Total liabilities		<u>19,112,689,426</u>	<u>17,303,153,728</u>
Equity			
Share capital	28		
Registered			
187,625,000 ordinary shares of Baht 10 per share		<u>1,876,250,000</u>	<u>1,876,250,000</u>
Issued and fully paid-up			
187,625,000 ordinary shares of Baht 10 per share		1,876,250,000	1,876,250,000
Deficits		(425,466,191)	(124,688,895)
Other components of equity			
Remeasurements of investments measured at fair value through other comprehensive income - net of tax		178,848,186	(430,485,970)
Remeasurements of employment benefit obligations - net of tax		(2,077,918)	(9,002,305)
Other reserve	30	<u>77,433,344</u>	<u>55,670,217</u>
Total equity		<u>1,704,987,421</u>	<u>1,367,743,047</u>
Total liabilities and equity		<u>20,817,676,847</u>	<u>18,670,896,775</u>

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

		(Reclassified)
		2023
	Notes	2022
		Baht
		Baht
Revenues		
Gross written premiums		8,066,846,559
<u>Less</u> premiums ceded to reinsurers	30	(246,294,881)
Net written premiums		7,820,551,678
<u>Less</u> net change in unearned premium reserve		(363,464,403)
Net earned premiums		7,457,087,275
Fee and commission income		64,634,292
Investment income		625,867,316
Realised gain on investment	12.1	-
Total revenues		8,147,588,883
Expenses		
Change in long-term technical reserve		1,355,674,104
Gross benefits and claim paid		2,646,532,381
<u>Less</u> benefits and claim paid recovered from reinsurers		(144,508,029)
Commissions and brokerages	3.4, 30	3,469,563,769
Other underwriting expenses	3.4	98,832,219
Operating expenses	3.4, 23, 30	1,023,183,095
Other expenses		31,913,306
Finance cost	22.1	7,911,520
Reversal of expected credit loss	25	(431,031)
Total expenses		8,488,671,334
Loss before income tax		(341,082,451)
Income tax credited	26	40,305,155
Net loss		(300,777,296)

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2023

		(Reclassified)	
	Notes	2023 Baht	2022 Baht
Other comprehensive income (loss)			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Gain (loss) on remeasurement of post-employment benefit obligations	19	8,655,483	(6,491,927)
Income tax relating to items that will not be reclassified subsequently to profit or loss	20, 27	(1,731,096)	2,250,576
Total items that will not be reclassified subsequently to profit or loss		6,924,387	(4,241,351)
<u>Items that will be reclassified subsequently to profit or loss</u>			
Gain (loss) on remeasuring investments measured at fair value through other comprehensive income	12.2	634,643,027	(1,544,223,269)
Realised gain on investments measured at fair value through other comprehensive income transferred to profit or loss	12.2	-	(86,109,544)
Income tax relating to items that will be reclassified subsequently to profit or loss	20, 27	(25,308,871)	224,446,829
Total items that will be reclassified subsequently to profit or loss		609,334,156	(1,405,885,984)
Other comprehensive profit (loss) for the year, net of tax		616,258,543	(1,410,127,335)
Total comprehensive profit (loss) for the year		315,481,247	(1,429,463,909)
Earnings gain (loss) per share	29		
Basic earnings loss per share		(1.60)	(0.10)

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2023

	Other components of equity									
	Other comprehensive income (loss)									
	Notes	Issued and paid-up share capital	Deficits	Remeasurements of investments measured at fair value through other comprehensive income, net of tax	Remeasurement of post-employment benefit obligations - net of tax	Other reserve	Total other components of equity	Total	Baht	Baht
Beginning balance as at 1 January 2023		1,876,250,000	(124,688,895)	(430,485,970)	(9,002,305)	55,670,217	(383,818,058)	1,367,743,047		
Net loss for the year		-	(300,777,296)	-	-	-	-	(300,777,296)		
Equity-settled share-based payment	30	-	-	-	-	21,763,127	21,763,127	21,763,127		
Gain on remeasurement of post-employment benefit obligations		-	-	-	6,924,387	-	6,924,387	6,924,387		
Gain on remeasuring investments measured at fair value through other comprehensive income		-	-	609,334,156	-	-	609,334,156	609,334,156		
Ending balance as at 31 December 2023		1,876,250,000	(425,466,191)	178,848,186	(2,077,918)	77,433,344	254,203,612	1,704,987,421		
Beginning balance as at 1 January 2022		1,876,250,000	(105,352,321)	975,400,014	(4,760,954)	37,883,993	1,008,523,053	2,779,420,732		
Net loss for the year		-	(19,336,574)	-	-	-	-	(19,336,574)		
Equity-settled share-based payment		-	-	-	-	17,786,224	17,786,224	17,786,224		
Loss on remeasurement of post-employment benefit obligations		-	-	-	(4,241,351)	-	(4,241,351)	(4,241,351)		
Loss on remeasuring investments measured at fair value through other comprehensive income		-	-	(1,336,998,349)	-	-	(1,336,998,349)	(1,336,998,349)		
Realised gain from investments measured at fair value through other comprehensive income transferred to profit or loss		-	-	(68,887,635)	-	-	(68,887,635)	(68,887,635)		
Ending balance as at 31 December 2022		1,876,250,000	(124,688,895)	(430,485,970)	(9,002,305)	55,670,217	(383,818,058)	1,367,743,047		

The accompanying notes are an integral part of this financial statement.

Chubb Life Assurance Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2023

	<u>Notes</u>	<u>2023 Baht</u>	<u>2022 Baht</u>
Cash flows from operating activities			
Written premium received from direct insurance		7,910,758,381	7,290,603,511
Cash paid to reinsurance		(16,273,332)	(49,426,115)
Investment income		653,930,438	578,660,979
Other income (expense)		1,314,735	(1,103,582)
Gross benefits and claim paid from direct insurance		(2,590,342,317)	(2,386,373,756)
Commissions and brokerages from direct insurance		(3,673,430,514)	(2,901,830,060)
Other underwriting expenses		(98,120,487)	(75,210,152)
Operating expenses		(514,126,743)	(812,863,944)
Income tax expense		(6,849,209)	(6,058,674)
Cash received in relation to investment in securities		209,000,000	3,102,611,660
Cash paid in relation to investment in securities		(1,749,847,190)	(4,244,939,360)
Cash received in relation to loan repayments		164,499,629	157,108,417
Cash paid in relation to loan drawdowns		(167,316,609)	(124,576,310)
Net cash provided by operating activities		<u>123,196,782</u>	<u>526,602,614</u>
Cash flows from investing activities			
Cash received in relation to equipment		-	75,269
Cash paid in relation to equipment		(3,795,899)	(123,861,773)
Cash paid in relation to computer software	15	(164,220,467)	(166,266,235)
Net cash used in investing activities		<u>(168,016,366)</u>	<u>(290,052,739)</u>
Cash flows from financing activities			
Cash paid for lease liabilities		(30,146,444)	(32,801,304)
Cash paid for finance cost		(7,911,520)	(4,879,521)
Net cash used in financing activities		<u>(38,057,964)</u>	<u>(37,680,825)</u>
Net increase (decrease) in cash and cash equivalents		(82,877,548)	198,869,050
Cash and cash equivalents at beginning of the year	9	<u>1,052,089,620</u>	<u>853,220,570</u>
Cash and cash equivalents at the end of the year		<u><u>969,212,072</u></u>	<u><u>1,052,089,620</u></u>

Non-cash transaction

The Company had the significant non-cash transactions as follows:

Payable from purchasing equipment	-	266,858
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The accompanying notes are an integral part of this financial statement.

1 General information

Chubb Life Assurance Public Company Limited ("the Company") was registered as a limited company under the law of Thailand on 23 June 1997. The Company was converted to a public company limited and registered with the Ministry of Commerce on 16 October 2012.

The address of its registered office is as follows:

21st - 22nd floor, 130 - 132 Sindhorn Tower 3, Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

The principal business operation of the Company is to provide life insurance.

The major shareholder of the Company is Eksupsiri Company Limited, a local Thai affiliate of Chubb Limited, which is incorporated in Switzerland.

The financial statements were authorised by the Board of Directors on 10 April 2024.

2 Basis of preparation

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

The financial statements have been prepared under the historical cost convention except certain investments which are presented at fair value as disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management's judgement in applying the Company's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

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

3 New and amended financial reporting standards

3.1 Financial reporting standards that are effective for current accounting period, but the Company elected to apply temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures

The Company passes criteria and elect to apply temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 Insurance Contracts. The Company applies the 'Financial Instruments and Disclosure for Insurance Companies' accounting guidelines' ('The Accounting Guidance') for financial statement preparation.

For assessment of impact if the Company applied TFRS 9 Financial Instruments, financial assets of the Company are separated into (i) financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) on specified dates and are not held for trading in accordance with TFRS 9 or managed by the Company and performance evaluated on fair value basis and (ii) all financial assets other than those specified in (i).

The fair value and change in fair value of these two groups of investments are disclosed in Note 12.5

3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and have significant impacts on the Company

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

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

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

3 New and amended financial reporting standards (Cont'd)

3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and have significant impacts on the Company (Cont'd)

c) Amendments to TAS 12 - Income taxes (Cont'd)

- c.1) Companies must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations (Cont'd)

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

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

- c.2) Companies must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2021, the OECD released the Pillar Two model rules to apply the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the rules' scope must calculate the GloBE effective tax rates for each territory in which they operate and pay a top-up tax for the differences between these and the 15% minimum rate.

In December 2023, the amendments to TAS 12 provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

Earlier application is permitted.

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

The Company's management is currently assessing the impact on the amendments of these standards.

3 New and amended financial reporting standards (Cont'd)

3.3 Amended financial reporting standards that is effective for the accounting period beginning on or after 1 January 2025 and has significant impacts on the Company

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

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

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

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

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

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

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

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

3 New and amended financial reporting standards (Cont'd)

3.4 Reclassification

The comparative balance have been reclassified to conform to the current year presentation of the financial statements for the current year as follows:

	31 December 2022		
	As previously reported Baht	Reclassification Baht	Reclassified Baht
Statement of financial position			
Other assets	595,472,829	(17,027,318)	578,445,511
Other liabilities	311,813,001	(17,027,318)	294,785,683
	For the year ended 31 December 2022		
	As previously reported Baht	Reclassification Baht	Reclassified Baht
Statement of comprehensive income			
Commissions and brokerages	3,204,202,359	87,072,557	3,291,274,916
Other underwriting expenses	76,237,740	1,034,309	77,272,049
Operating expenses	881,778,475	(88,106,866)	793,671,609

4 Accounting policies

4.1 Recognition of revenues and expenses

Ordinary premium income is recognised as revenue when premium is received and on the effective date of the insurance policies for the first year premium. For the renewal year premium, premium income is recognised as revenue when premium is due. Premium receivable is additionally recognised as revenue when the policy is still in force and in the process of collection.

Group premium income is recognised as revenue when the policies are effective and issued.

Benefits payments to life policy and insurance claims are recorded when notices of claims have been received or the policyholders request to surrender the policy. Other benefits are recognised when due or on maturity.

Expenses relating to the sale of life insurance policies i.e. commissions and brokerages are recognised when incurred.

Interest income is recognised on an accrual basis. Dividends on securities are recognised on the dividend declaration date.

Other income and expenses are recognised on an accrual basis.

4 Accounting policies (Cont'd)

4.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

4.3 Premium receivable

Premium receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amount at the year end. Bad debts are written-off during the year in which they are identified.

4.4 Reinsurance transactions

Reinsurance transactions are recorded based on estimates of amounts to be received or paid from reinsurers in accordance with term and condition in agreements. Premiums ceded and claims reimbursed are presented on a gross basis in profit or loss and net basis by reinsurer in statement of financial position. The Company presents net of reinsurance to the same entity when the following criteria for offsetting are met.

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

Amount due from reinsurance are subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss.

4 Accounting policies (Cont'd)

4.5 Investments in securities

a) Classification

The Company classifies its financial assets as investments measured at fair value through other comprehensive income (FVOCI).

TAS 32 and the Accounting Guidance require the Company to classify financial instruments as equity instruments or debt instruments.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

d) Debt instruments

Subsequent measurement of debt instruments is classified into four measurement categories:

- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss from subsequent measurement is recognised in profit or loss in the period in which it arises.
- **FVOCI:** Financial assets that are held for collection of contractual cash flows; and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment losses, interest income using the effective interest method, and foreign exchange gains/losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gains (losses) on investment. Interest income is included in finance income. Impairment expenses are presented separately in the statement of comprehensive income.
- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVO:** Financial assets irrevocably designated at fair value through profit or loss in order to eliminate or significantly reduce a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains or losses on them on different bases. A gain or loss on these investments is recognised in profit or loss and presented net within fair value gains (losses) in the period in which it arises.

The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investment at the time of the purchase and re-evaluates such designation on a regular basis.

4 Accounting policies (Cont'd)

4.5 Investments in securities (Cont'd)

e) Equity instruments

The Company measures all equity investments at fair value where the Company has elected to present fair value gains and losses on equity instruments in OCI. Dividends from such investments continue to be recognised in profit or loss as investment income when the right to receive payments is established.

f) Impairment

Debt instruments

The Company assesses expected credit loss on a forward-looking basis for its financial assets which are debt securities carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk from initial recognition. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

The expected credit loss will be recognised in profit or loss.

Equity instruments

A test for impairment of equity instruments is carried out quarterly or when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

4 Accounting policies (Cont'd)

4.6 Leasehold improvements and equipment

Leasehold improvements and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Leasehold improvements and equipment are presented in the statement of financial position at cost less any accumulated depreciation and any allowance for the decrease in value (if any).

The Company includes in cost of leasehold improvements, an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located, when the Company has obligation to do. The Company calculates depreciation expense on the straight-line basis over the remaining contractual period. The estimated useful life, residual value and method of depreciation are revised at least at each financial year-end.

Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Leasehold improvements	3 - 9 years
Office equipment	5 years
Furniture and fixtures	5 - 9 years
Computers	3 - 7 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

When long-term asset is disposed, the Company will write off both the asset account and its related accumulated depreciation, and recognised any gain or loss from disposal of the asset in profit or loss.

The cost of leasehold improvements under operating lease is capitalised and depreciated using straight-line method over the remaining life of the lease or the useful life of the improvement, whichever is shorter.

4.7 Computer software

Computer software is stated at cost less accumulated amortisation and is amortised using straight-line method over the estimated useful life of 5 - 7 years.

4.8 Policy loan

Policy loan is stated at the principal amount.

Policy loan has cash surrender value as collateral. In case of cash surrender value less than the policy loan amount, the Company has a right to offset loan balance with cash surrender value automatically.

4 Accounting policies (Cont'd)

4.9 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.10 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Company recognised right-of-use assets as a part of other assets in the statement of financial position.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

4 Accounting policies (Cont'd)

4.10 Leases (Cont'd)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise the underlying asset value equal or less than USD 5,000.

4.11 Employee benefits

4.11.1 Provident fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 13 January 1997.

Under the plan, the provident fund is funded by payments from employees and by contribution from the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions as prescribed in the Ministerial Regulations under Provident Fund Act B.E. 2530.

The Company's contributions to the provident fund are charged to profit or loss in the year to which they relate.

4.11.2 Retirement benefit

A defined benefit plan is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Under Labour Laws applicable in Thailand and the Company's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of final salary.

4 Accounting policies (Cont'd)

4.11 Employee benefits (Cont'd)

4.11.2 Retirement benefit (Cont'd)

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Gains or losses on remeasurement of employee benefit obligation are charged or credited to other components of equity through other comprehensive income (loss) in the period which they arise.

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

4.11.3 Share-based payment

The Company's parent company operates equity-settled share-based compensation plans. The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied and is determined by reference to the fair value on the date of the grant. The Company presents it under other components of equity and recognises the recharge from parent company as employee benefit obligations.

4.12 Insurance liabilities

4.12.1 Product classification

The Company classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Company classified all its policies as insurance contracts, owing to the significant insurance risk present in all of the contracts.

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the Company to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. Once a contract has been classified as an insurance or investment contract, no reclassification is subsequently performed unless the terms of the agreement are later amended.

Some insurance contracts have discretionary participation features, "DPF", which may entitle the customer to receive, as a supplement to guaranteed benefits, additional non-guaranteed policyholder bonus. The DPF benefits in question are not significant portion of the total contractual benefits and cannot be unbundled from the underlying insurance contracts. As such the Company continues its existing accounting policies for the recognition and measurement of for these insurance contracts and does not report the DPF benefits separately, as permitted by TFRS 4.

4 Accounting policies (Cont'd)

4.12 Insurance liabilities (Cont'd)

4.12.2 Liability adequacy test

The purpose of LAT is to verify the adequacy of life insurance liabilities provisions. The test consists of comparing the insurance contract provisions with the gross premium valuation of the insurance liabilities without a provision for the risk of adverse deviation, calculated from the future expected contractual and other cash flows on a best estimate basis as at the valuation date. The LAT test is performed on the company level. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

4.12.3 Long-term and short-term insurance contracts

Long-term insurance contracts are insurance contracts which the term of contract is more than 1 year or the contract which have automatic approve of renewal which the Company cannot terminate and cannot increase or decrease premium including the change in other benefit throughout the contract term.

Short term insurance contracts are insurance contracts which do not have terms and conditions as long-term insurance contracts.

The mentioned classification of long-term and short-term insurance contracts is in accordance with approach for Risk-based Capital.

4.12.4 Life policy reserves

Life policy reserves represent the accumulated total net premium valuation reserves under actuarial principle for future insurance claims and benefits paid for life policies in force as at the statement of financial position date. This method uses assumptions approved by OIC without a provision for adverse deviation. These assumptions are set at the policy inception date remained locked-in thereafter.

4.12.5 Loss reserve and outstanding claims

The loss reserve and outstanding claims include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs.

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 does not exceed the sum-insured under the relevant policy.

The ultimate cost of outstanding claims is established using a range of standard actuarial claims projection techniques, the Company is using the Bornhuetter-Ferguson Technique for short-term insurance. IBNR reserve for long-term insurance is calculated using actuarial techniques and based on best estimate of claims which are expected to be paid in respect of losses occurring prior to the reporting date.

4.12.6 Unearned premium reserves

Unearned premium reserves for group insurance and short-term riders are calculated on a proportionate of underwriting period basis.

4 Accounting policies (Cont'd)

4.12 Insurance liabilities (Cont'd)

4.12.7 Unpaid policy benefit

Provisions are made for the benefits unpaid at the date of the statement of financial position, recorded when due or on maturity.

4.13 Provisions

Provisions, excluding provisions for employee benefits, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

4.14 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4.15 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4 Accounting policies (Cont'd)

4.15 Current and deferred income taxes (Cont'd)

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

5 Risk management

As an insurer, the Company's activities expose it to a variety of insurance risks and financial risks. The Company applies a consistent risk management policy that is embedded in management processes and controls such that both existing and emerging risks are considered and addressed. In addition, the Company has established the enterprise risk management function for managing and monitoring the enterprise wide risks.

The Company has no policy to speculate or trade in any derivative financial instruments.

The following section summarises the Company's risk management.

5.1 Insurance risk management

Insurance risk is risks undertaken by life insurance companies through contracts they underwrite. The risks within this category are associated with the perils covered (e.g. death, accident, illnesses) and with the specific processes associated with the conduct of life insurance business.

The Company prepared product pricing guidelines following actuarial principle, underwriting guidelines, underwriting authorities and claims approval and settlement authorities to mitigate the insurance risks that are associated with product design, pricing and underwriting and claims management.

5 Risk management (Cont'd)

5.1 Insurance risk management (Cont'd)

Concentration

The management considers the concentration risk of insurance products from various perspectives to avoid a concentration risk when the event of loss occurs. The Company has maintained a broad range and well-mixes of insurance products such as whole life, saving, protection, accident and health, and credit life to various group of customers in order to ensure portfolio diversification. The Company considered proportion of various products and monitored the concentration risk by the management.

The following table presents the concentration of insurance liabilities separated by product for the years ended 31 December 2023 and 2022.

	2023			
	Ordinary individual life and riders Baht	Personal accident Baht	Group Baht	Total Baht
Long-term technical reserves	13,610,213,495	-	1,935,902,283	15,546,115,778
Loss reserve and outstanding claims	122,272,343	5,440,863	217,561,521	345,274,727
Total	13,732,485,838	5,440,863	2,153,463,804	15,891,390,505
	2022			
	Ordinary individual life and riders Baht	Personal accident Baht	Group Baht	Total Baht
Long-term technical reserves	12,407,896,873	-	1,782,544,801	14,190,441,674
Loss reserve and outstanding claims	92,875,831	5,601,575	189,152,390	287,629,796
Total	12,500,772,704	5,601,575	1,971,697,191	14,478,071,470

Lapse

Experience study on lapse is carried out on an annual basis using statistical method. Lapse assumptions vary by product type and policy duration. The lapse rates for riders are assumed to follow the same lapse rates as the attached base products. For new products that still do not have credible lapse experience, best estimates from experience of comparable products will be used. The lapse assumption is reviewed annually.

Expenses

The expense assumptions were set in line with actual expenses. The Company derived unit costs assumptions from actual expenses varied by product type and expenses assumption is inflated annually to reflect higher cost of underwriting, issuing and maintaining the policies. The expense assumption is reviewed annually.

5 Risk management (Cont'd)

5.1 Insurance risk management (Cont'd)

Mortality and Morbidity

The deviation of actual claims experience and mortality and morbidity assumption used can significantly impact the operating result. The experience is volatile at the individual product level, particularly for smaller products such as basic term assurances. Experience study on mortality and morbidity rates is carried out on an annual basis. The mortality and morbidity rates are in line with actual experience and are compared with other life insurers. The Company's mortality and morbidity assumptions vary by product type and considered to be adequate. The mortality and morbidity assumptions are reviewed annually.

5.2 Financial risk management

5.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk consists of three types of risks: foreign exchange risk, interest rate risk and price risk.

Foreign exchange risk

As of 31 December 2023 and 2022, the Company had no significant foreign currency risks.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk relates primarily to investments in debt securities and deposit at financial institutions. The majority of the Company's financial assets bear fixed interest rate and are long term and, therefore, their value may fluctuate due to changes in market interest rate.

The outstanding balances of significant financial assets as of 31 December 2023 and 2022 are summarised by interest rate types as follows:

	2023						
	Fixed interest rate			Floating interest rate	No interest rate	Total	Rate %
	< 1 year	1 - 5 years	> 5 years				
Baht	Baht	Baht	Baht	Baht	Baht		
Financial assets							
Cash and cash equivalents	-	-	-	433,601,818	535,610,254	969,212,072	0.01 - 0.65
Accrued Investment income	-	-	-	-	99,767,640	99,767,640	-
Investments in securities	409,239,217	2,840,550,840	14,308,388,759	-	-	17,558,178,816	2.50 - 7.99
Other assets	-	-	-	-	22,301,644	22,301,644	-
	<u>409,239,217</u>	<u>2,840,550,840</u>	<u>14,308,388,759</u>	<u>433,601,818</u>	<u>657,679,538</u>	<u>18,649,460,172</u>	

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.1 Market risk (Cont'd)

	2022						Total Baht	Rate %
	Fixed interest rate			Floating interest rate Baht	No interest rate Baht			
	< 1 year Baht	1 - 5 years Baht	> 5 years Baht					
Financial assets								
Cash and cash equivalents	-	-	-	521,182,921	530,906,699	1,052,089,620	0.01 - 0.65	
Investments in debt securities	229,581,598	2,153,124,367	13,015,063,819	-	-	15,397,769,784	2.50 - 7.99	
Other assets	-	-	-	-	38,658,976	38,658,976	-	
	<u>229,581,598</u>	<u>2,153,124,367</u>	<u>13,015,063,819</u>	<u>521,182,921</u>	<u>569,565,675</u>	<u>16,488,518,380</u>		

Sensitivity

Profit or loss may be sensitive to higher or lower interest income from bank deposits as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of investment in securities measured at fair value through other comprehensive income.

Interest income from bank deposits are immaterially sensitive to the changes in interest rate. The table below shows the interest rate sensitivity for the investments measured at FVOCI held as at reporting date.

	Impact to other components of equity increase (decrease)	
	2023 Baht	2022 Baht
Interest rate - increase 0.5%*	(1,120,620,344)	(935,884,822)
Interest rate - decrease 0.5%*	1,305,660,792	1,035,517,165

* Holding all other variables constant

Equity price risk

Equity price risk refers to the loss affecting income and/or equity from a movement in equity price. The Company's exposure to equity securities price risk arises from investments held by the Company which are classified either as at fair value through other comprehensive income (FVOCI).

To manage its price risk arising from investments in equity securities, the Company invested in equity investments which are publicly traded and are included in SET100 Index.

Sensitivity

The table below summarises the impact of increase/decrease of the equity index on the Company's equity for the year. The analysis is based on the assumption that the equity price had increased by 0.5% or decreased by 0.5%, respectively.

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.1 Market risk (Cont'd)

Equity price risk (Cont'd)

	Impact to other components of equity increase (decrease)	
	2023 Baht	2022 Baht
Thailand Stock Exchange		
Equity prices increase 0.5%*	68,149	79,423
Equity prices decrease 0.5%*	(68,149)	(79,423)
* Holding all other variables constant		

As of 31 December 2023, entire equity portfolio of the Company is classified as investment measured at FVOCI, equity price risk does not impact post-tax profit. Other components of equity would increase or decrease as a result of gains/losses on equity securities.

5.2.2 Credit risk

The Company has no significant concentrations of credit risk. The Company chooses to provide services to the customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Company's investments in debt instruments are considered to be low risk investments. The Company regularly monitors the credit ratings of the investments for credit deterioration.

a) Impairment of financial assets

The Company has cash and cash equivalents, accrued investment income, investment in debt securities measured at FVOCI and other assets as financial assets that are subject to the expected credit loss model.

While cash and cash equivalents and other assets are also subject to the impairment requirements of the Accounting Guidance, the identified impairment loss was immaterial.

Debt investments measured at fair value through other comprehensive income

The Company considers that debt investments measured at FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected credit losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency.

In some case, certain debt investments measured at FVOCI that have significant increase in credit risk relative to the initial recognition, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.

5 Risk management (Cont'd)

5.2 Financial risk management (Cont'd)

5.2.2 Credit risk (Cont'd)

a) Impairment of financial assets (Cont'd)

Debt investments measured at fair value through other comprehensive income (FVOCI) include listed debt securities. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

The reconciliation of allowances of expected credit loss for debt investments measured at FVOCI for the year ended 31 December 2023 are disclosed in Note 12.3

5.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's financial assets mainly comprised of cash and deposits with bank and investments in securities which are highly liquid and able to be sold quickly at close to their fair value when the Company wishes to raise fund.

a) **Maturity of financial liabilities**

The table below analyses the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2023				
Lease liabilities	37,817,964	141,060,606	87,637,410	266,515,980
Other liabilities	46,002,234	-	-	46,002,234
Other creditors	270,248,306	-	-	270,248,306
Total financial liabilities	<u>354,068,504</u>	<u>141,060,606</u>	<u>87,637,410</u>	<u>582,766,520</u>
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2022				
Lease liabilities	38,057,964	142,623,606	122,692,374	303,373,944
Other liabilities	7,063,739	-	-	7,063,739
Other creditors	111,452,658	-	-	111,452,658
Total financial liabilities	<u>156,574,361</u>	<u>142,623,606</u>	<u>122,692,374</u>	<u>421,890,341</u>

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Notes to the Financial Statements
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6 Fair value

6.1 Fair value estimation

The following table shows fair values and carrying amounts of financial assets and liabilities by category at 31 December 2023 and 2022.

	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
As at 31 December 2023				
<i>Financial assets measured at fair value</i>				
Investments measured at FVOCI	17,571,808,595	-	17,571,808,595	17,571,808,595
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	969,212,072	969,212,072	969,212,072
Accrued investment income	-	99,767,640	99,767,640	99,767,640
Other assets	-	22,301,644	22,301,644	22,301,644
<i>Financial liabilities not measured at fair value</i>				
Lease liabilities	-	234,568,042	234,568,042	234,568,042
Other liabilities	-	46,002,234	46,002,234	46,002,234
Other creditors	-	270,248,306	270,248,306	270,248,306
	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
As at 31 December 2022				
<i>Financial assets measured at fair value</i>				
Investments measured at FVOCI	15,413,654,383	-	15,413,654,383	15,413,654,383
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	1,052,089,620	1,052,089,620	1,052,089,620
Accrued investment income	-	105,726,988	105,726,988	105,726,988
Other assets	-	38,658,976	38,658,976	38,658,976
<i>Financial liabilities not measured at fair value</i>				
Lease liabilities	-	263,574,683	263,574,683	263,574,683
Other liabilities	-	7,063,739	7,063,739	7,063,739
Other creditors	-	111,452,658	111,452,658	111,452,658

Proportion of the financial instruments' contract value grouped by counterparties are as follows:

	2023 %	2022 %
Financial institutions	67	73
Others	33	27
Total	100	100

6 Fair value (Cont'd)

6.1 Fair value estimation (Cont'd)

The following table presents the Company's financial assets that are measured at fair value by their fair value hierarchy as at 31 December 2023 and 2022. (Cont'd)

	2023			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Assets				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	12,426,731,229	-	12,426,731,229
- Private enterprise securities	13,629,779	5,131,447,587	-	5,145,077,366
Total assets	13,629,779	17,558,178,816	-	17,571,808,595
	2022			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Investments measured at fair value through other comprehensive income				
- Government and state enterprise securities	-	10,646,782,736	-	10,646,782,736
- Private enterprise securities	15,884,599	4,750,987,048	-	4,766,871,647
Total assets	15,884,599	15,397,769,784	-	15,413,654,383

There were no transfers between levels during the year.

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

6.2 Valuation techniques used to derive Level 1 fair values

The fair value of financial instruments in level one is based on the closing price at the statement of financial position date. The closing price used for financial assets held by the Company is obtained from the Stock Exchange of Thailand.

6.3 Valuation techniques used to derive Level 2 fair values

Level 2 debt investments of marketable securities are fair valued based on the yield curve of the Thai Bond Market Association at the close of business on the statements of financial position date.

6 Fair value (Cont'd)

6.4 Fair value estimation of assets and liabilities not carried at fair value but for which the fair value is disclosed.

Other financial instruments not carried at fair value are typically short-term. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, accrued investment income, receivable from sale of investments, other assets, lease liabilities, other liabilities, other creditors and payable for purchase of investments.

7 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

7.1 Product classification

The Company issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Company exercises significant judgment to determine whether there is a scenario (other than those lacking commercial substance) in which an insured event would require the Company to pay significant additional benefits to its customers.

In the event the Company has to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. The accounting policy on product classification is described in Note 4.12.1

7.2 Insurance liabilities

The Company calculates the insurance contract liabilities for traditional life insurance using a net premium valuation method, whereby the liability represents the present value of estimated future policy benefits to be paid, less the present value of estimated future net premiums to be collected from policyholders. This method uses assumptions prescribed by OIC without a provision for the risk of adverse deviation. These assumptions are set at the policy inception date and remained locked in thereafter, unless a deficiency arises on liability adequacy testing. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

7.3 Loss reserve and outstanding claims

At the end of each reporting date, the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, based on the claims notified by the insured, other available information and management's own assessment and the claims incurred but not reported (IBNR). The ultimate cost of outstanding claims is established using a range of standard actuarial claims projection techniques, the Company is using the Bornhuetter-Ferguson Technique for short-term insurance. IBNR reserve for long-term insurance is calculated using actuarial techniques and based on best estimate of claims which are expected to be paid in respect of losses occurring prior to the reporting date.

7 Critical accounting estimates, assumptions and judgments (Cont'd)

7.3 Loss reserve and outstanding claims (Cont'd)

The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred losses, average costs per claim and claim numbers. To perform the calculation, it is necessary to perform analysis based on the type of insurance and to use the services of an actuary with expertise, experience, and an understanding of the insurance business and the Company's products.

Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

7.4 Liability adequacy testing

The Company evaluates the adequacy of its insurance contract liabilities quarterly. Significant judgment is exercised in determining the level of aggregation at which liability adequacy testing is performed and in selecting best estimate assumptions. Under liability adequacy testing, the insurance contract liabilities were calculated using a gross premium valuation method without a provision for the risk of adverse deviation. The discounting interest is the risk-free rate based on the yield curve of the Thai Bond Market Association, adjusted by illiquidity premium. Liability adequacy is assessed in accordance with the Company's manner of acquiring, servicing and measuring the profitability of its insurance contracts. The Company performs liability adequacy testing by considering all insurance contracts.

7.5 Employee benefits

The Company has legal commitment on post-retirement benefits to employee on reaching retirement age. The present value of employee benefit liabilities recognised in statements of financial position is determined on present value of defined benefit obligation which depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including discounting assumption. Any changes in these assumptions will have an impact on the carrying amount of defined benefit obligation. The assumptions used in determining the net year cost for employee benefits includes the salary and years of services of respective employees which are payable in the future year and interest rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

On a yearly basis, the Company revises the appropriate discount rate, which represents the discount rate that should be used to determine the present value of future cash flows to settle the nearly reach retired employee benefits. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are nominated in the currency in which the benefits will be paid and that have terms to maturity approximately the terms of the related pension liabilities.

Chubb Limited (Parent Company) has a Long-term Incentive Plan. The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied and is determined by reference to the fair value on the date of the grant. The weighted average fair value of options granted during the period are determined using the Black-Scholes option-pricing valuation model. The significant inputs into the model were exercise price at the grant date, volatility, dividend yield and an annual risk-free interest rate.

7 Critical accounting estimates, assumptions and judgments (Cont'd)

7.6 Deferred tax

Deferred tax liabilities are provided in full on all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Company considers future taxable income and tax loss carried forward in assessing whether to recognise deferred tax assets.

7.7 Determination of lease terms

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

7.8 Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

7.9 Impairment of financial assets

The loss allowances for financial assets are based on expected credit loss. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the existing market conditions at the end of each reporting period.

8 Capital risk management

The objectives when managing capital are to safeguard the ability to continue as a going concern in order to meet policyholder liabilities whilst provide returns for shareholders and benefits for other stakeholders.

The Company monitors solvency capital in compliance with the requirement of the Office of Insurance Commission under the Risk-Based Capital framework under Life Insurance Act B.E 2535 and amended by Life Insurance Act No.2 B.E 2551, No.3 B.E 2558 and No.4 B.E 2562 for the purpose of assessing the solvency capital requirement.

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9 Cash and cash equivalents

	2023	2022
	Baht	Baht
Cash	200,200	226,100
Deposits held at call with bank	969,011,872	1,051,863,520
Total cash and cash equivalents	<u>969,212,072</u>	<u>1,052,089,620</u>

10 Premium receivable

The balances of premium receivable are aged as follows:

	From direct insurance	
	2023	2022
	Baht	Baht
Current	634,588,286	545,891,422
Overdue not over 30 days	-	-
Overdue 31 - 60 days	-	-
Overdue 61 - 90 days	-	-
Overdue 91 days - 1 year	-	-
Overdue over 1 year	394,064	394,064
Total	634,982,350	546,285,486
<u>Less</u> Allowance for doubtful accounts	<u>(394,064)</u>	<u>(394,064)</u>
Total premium receivable	<u>634,588,286</u>	<u>545,891,422</u>

11 Amounts due from reinsurance

	2023	2022
	Baht	Baht
Due from reinsurers	30,531,764	5,507,881
Total amounts due from reinsurance	<u>30,531,764</u>	<u>5,507,881</u>

The amounts due from reinsurance are aged as follows:

	2023	2022
	Baht	Baht
<u>Due from (due to) reinsurers</u>		
Current	32,566,679	-
Overdue not over 12 months	(11,859,021)	-
Overdue 1 - 2 years	1,623,771	5,507,881
Overdue over 2 years	8,200,335	-
Total amounts due from reinsurance	<u>30,531,764</u>	<u>5,507,881</u>

12 Investments in securities

12.1 Investments measured at fair value through other comprehensive income

The details of investments in securities are as follows:

	2023		
	Cost Baht	Unrealised gain (loss) Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>			
Government and state enterprise securities			
Government bonds	12,144,707,545	282,023,684	12,426,731,229
Debentures	-	-	-
Private enterprise debt securities			
Debentures	5,191,970,589	(60,523,002)	5,131,447,587
Equity securities	18,250,000	(4,620,221)	13,629,779
Total investments measured at fair value through other comprehensive income	<u>17,354,928,134</u>	<u>216,880,461</u>	<u>17,571,808,595</u>
	2022		
	Cost Baht	Unrealised gain(loss) Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>			
Government and state enterprise securities			
Government bonds	10,937,960,588	(340,363,539)	10,597,597,049
Debentures	30,000,000	19,185,687	49,185,687
Private enterprise debt securities			
Debentures	4,845,637,392	(94,650,344)	4,750,987,048
Equity securities	18,250,000	(2,365,401)	15,884,599
Total investments measured at fair value through other comprehensive income	<u>15,831,847,980</u>	<u>(418,193,597)</u>	<u>15,413,654,383</u>

The Company disclosed information regarding the restricted amount of investments in Notes 32 and 33.

During the year 2023, the Company has no sales of investments. (2022: Baht 1,784,147,134 and gain from selling such investment amounted to Baht 86,109,544).

During the year 2023, the Company has no early redemption of investments (2022: the Company had no early redemption of investments).

12 Investments in securities

12.2 Amounts recognised in profit or loss and other comprehensive income

The following gains (losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	2023 Baht	2022 Baht
Gains (losses) recognised in other comprehensive income	634,643,027	(1,544,223,269)
Gains (losses) reclassified from other comprehensive income to profit or loss on the sale of investments measured at FVOCI	-	86,109,544
Interest income from debt instruments at FVOCI recognised in profit or loss	641,545,355	573,648,907
Reversal of expected credit losses for debt investments measured at FVOCI in profit or loss	(431,031)	(8,025,706)

12.3 Expected credit loss

	31 December 2023		31 December 2022	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities credit risk has not significantly increased (Stage 1)	16,888,147,752	1,938,074	14,723,468,250	1,474,995
Investment in debt securities which credit risk has significantly increased (Stage 2)	670,031,064	4,741,697	674,301,534	5,635,807
Credit-impaired investments in debt securities (Stage 3)	-	-	-	-
Total	17,558,178,816	6,679,771	15,397,769,784	7,110,802

12 Investments in securities (Cont'd)

12.3 Expected credit loss (Cont'd)

The reconciliations of expected credit loss for debt securities that are measured at fair value through other comprehensive income for the years are as follows:

	Expected credit loss measured at amount equal to			Total Baht
	12 months expected credit losses Baht	Lifetime Expected credit losses Baht	Lifetime expected credit losses (credit- impaired investments) Baht	
Opening loss allowance as at 1 January 2023				
- Calculated under the Accounting Guidance	1,474,995	5,635,807	-	7,110,802
Increase (Decrease) in loss allowance recognized in profit or loss during the year	463,079	(894,110)	-	(431,031)
As of 31 December 2023	<u>1,938,074</u>	<u>4,741,697</u>	<u>-</u>	<u>6,679,771</u>
Opening loss allowance as at 1 January 2022				
- Calculated under the Accounting Guidance	3,267,322	11,869,186	-	15,136,508
Decrease in loss allowance recognised in profit or loss during the year	(1,792,327)	(6,233,379)	-	(8,025,706)
As of 31 December 2022	<u>1,474,995</u>	<u>5,635,807</u>	<u>-</u>	<u>7,110,802</u>

12 Investments in securities (Cont'd)

12.4 Maturity of debt securities

Investments in debt securities will be due as follows:

	2023			Total Baht
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities				
Government bonds	216,844,969	1,024,441,802	10,903,420,774	12,144,707,545
Debentures	-	-	-	-
<u>Add Unrealised gains on changes in fair value of investments</u>	1,516,719	56,245,167	224,261,798	282,023,684
Total government and state enterprise securities	218,361,688	1,080,686,969	11,127,682,572	12,426,731,229
Private enterprise securities				
Debentures	190,025,365	1,760,822,835	3,241,122,389	5,191,970,589
<u>Add Unrealised gains (losses) on changes in fair value of investments</u>	852,164	(958,964)	(60,416,202)	(60,523,002)
Total private enterprise securities	190,877,529	1,759,863,871	3,180,706,187	5,131,447,587
Total investments measured at fair value through other comprehensive income	409,239,217	2,840,550,840	14,308,388,759	17,558,178,816
	2022			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities				
Government bonds	-	870,124,829	10,067,835,759	10,937,960,588
Debentures	30,000,000	-	-	30,000,000
<u>Add Unrealised gains (loss) on changes in fair value of investments</u>	19,185,687	60,051,865	(400,415,404)	(321,177,852)
Total government and state enterprise securities	49,185,687	930,176,694	9,667,420,355	10,646,782,736
Private enterprise securities				
Debentures	179,000,000	1,202,064,229	3,464,573,163	4,845,637,392
<u>Add Unrealised gains (loss) on changes in fair value of investments</u>	1,395,911	20,883,444	(116,929,699)	(94,650,344)
Total private enterprise securities	180,395,911	1,222,947,673	3,347,643,464	4,750,987,048
Total investments measured at fair value through other comprehensive income	229,581,598	2,153,124,367	13,015,063,819	15,397,769,784

12 Investments in securities (Cont'd)

12.5 Additional information on investment in securities that met SPPI criteria

	Fair value as at 31 December 2023			Change in fair value for the year ended 31 December 2023		
	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis Baht			Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis Baht		
	Others Baht	Total Baht		Others Baht	Total Baht	
Debt securities	17,558,178,816	-	17,558,178,816	2,160,409,032	-	2,160,409,032
Total	17,558,178,816	-	17,558,178,816	2,160,409,032	-	2,160,409,032

	Fair value as at 31 December 2022			Change in fair value for the year ended 31 December 2022		
	Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis Baht			Investment in securities that met SPPI criteria and not held for trading or managed on fair value basis Baht		
	Others Baht	Total Baht		Others Baht	Total Baht	
Debt securities	15,397,769,784	-	15,397,769,784	(416,732,686)	-	(416,732,686)
Total	15,397,769,784	-	15,397,769,784	(416,732,686)	-	(416,732,686)

13 Loans and accrued interest receivables

The balances of loans and accrued interest receivables are as follows:

	2023			2022		
	Principal Baht	Accrued interest income Baht	Total Baht	Principal Baht	Accrued interest income Baht	Total Baht
<u>Policy loans</u>						
Current	452,924,562	64,416,623	517,341,185	385,020,635	68,306,546	453,327,181
Overdue	-	-	-	-	-	-
Total	452,924,562	64,416,623	517,341,185	385,020,635	68,306,546	453,327,181
<u>Less Allowance for doubtful accounts</u>	-	-	-	-	-	-
Policy loans - net	452,924,562	64,416,623	517,341,185	385,020,635	68,306,546	453,327,181

Cash values of insurance policies were used as collateral of the policy loans.

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14 Leasehold improvements and equipment

	2023												Net balance Baht
	Cost						Accumulated depreciation						
	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Transfer Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Ending balance Baht		
Leasehold improvements	108,183,687	359,862	-	-	482,463	109,026,012	14,081,887	11,718,786	-	-	25,800,673	83,225,339	
Leasehold in progress	885,475	(403,012)	-	-	(482,463)	-	-	-	-	-	-	-	
Office equipment	7,333,727	183,901	-	-	-	7,517,628	2,599,225	1,135,820	-	-	3,735,045	3,782,583	
Furniture & fixtures	21,362,716	192,345	-	(37,450)	-	21,517,611	3,283,614	4,147,511	-	(37,449)	7,393,676	14,123,935	
Computers	76,197,246	2,733,388	-	-	4,359,605	83,290,239	39,309,970	12,930,641	-	-	52,240,611	31,049,628	
Hardware	4,300,059	59,546	-	-	(4,359,605)	-	-	-	-	-	-	-	
in progress	-	-	-	-	-	-	-	-	-	-	-	-	
Total	218,262,910	3,126,030	-	(37,450)	-	221,351,490	59,274,696	29,932,758	-	(37,449)	89,170,005	132,181,485	
	2022												Net balance Baht
	Cost						Accumulated depreciation						
	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Transfer Baht	Ending balance Baht	Beginning balance Baht	Additions Baht	Disposals Baht	Write-off Baht	Ending balance Baht		
Leasehold improvements	37,192,822	837,798	-	(31,184,596)	101,337,663	108,183,687	36,530,588	8,769,690	-	(31,218,391)	14,081,887	94,101,800	
Leasehold in progress	35,935,031	97,914,299	-	-	(132,963,855)	885,475	-	-	-	-	-	885,475	
Office equipment	18,534,262	300,832	(623,957)	(15,630,725)	4,753,315	7,333,727	17,846,906	1,144,917	(603,500)	(15,789,098)	2,599,225	4,734,502	
Furniture & fixtures	6,535,181	159,629	-	(5,428,427)	20,096,333	21,362,716	5,601,122	3,110,913	-	(5,428,421)	3,283,614	18,079,102	
Computers	65,164,558	19,401,627	(4,389,354)	(13,120,351)	9,140,766	76,197,246	44,941,040	10,697,374	(3,375,877)	(12,952,567)	39,309,970	36,887,276	
Hardware	1,400,215	5,264,066	-	-	(2,364,222)	4,300,059	-	-	-	-	-	4,300,059	
in progress	-	-	-	-	-	-	-	-	-	-	-	-	
Total	164,762,069	123,878,251	(5,013,311)	(65,364,099)	-	218,262,910	104,919,656	23,722,894	(3,979,377)	(65,388,477)	59,274,696	158,988,214	

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15 Intangible assets

Intangible assets comprises:

	2023	2022
	Baht	Baht
Computer software beginning balance	123,983,726	108,858,275
Additions	-	96,000
Write-offs	(33,055,537)	-
Transfer in	196,225,101	56,380,404
Amortization charges	(50,489,944)	(41,350,953)
Computer software ending balance	<u>236,663,346</u>	<u>123,983,726</u>
Computer software in progress beginning balance	225,598,663	115,808,832
Additions	192,371,062	166,170,235
Transfer out	(224,375,695)	(56,380,404)
Computer software in progress ending balance	<u>193,594,030</u>	<u>225,598,663</u>
Total intangible assets	<u>430,257,376</u>	<u>349,582,389</u>

16 Other assets

	2023	(Reclassified)
	Baht	2022
		Baht
Security and deposits	13,382,998	13,335,918
Prepaid tax	18,479,839	11,630,630
Prepaid expenses	140,430,236	266,459,816
Right-of-use assets	229,828,351	261,696,089
Others	8,918,646	25,323,058
Total other assets	<u>411,040,070</u>	<u>578,445,511</u>

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16 Other assets (Cont'd)

16.1 Right-of-use assets

	2023				2022				
	Cost		Accumulated amortisation		Cost		Accumulated amortisation		
	Beginning balance Baht	Addition Baht	Change in contract Baht	Ending balance Baht	Beginning balance Baht	Amortisation charge Baht	Change in contract Baht	Ending balance Baht	Right-of-use assets Baht
Buildings and improvements	372,370,736	1,710,682	(570,879)	373,510,539	112,741,430	32,088,970	-	144,830,400	228,680,139
Vehicle	4,529,490	-	-	4,529,490	2,462,707	918,571	-	3,381,278	1,148,212
Total	376,900,226	1,710,682	(570,879)	378,040,029	115,204,137	33,007,541	-	148,211,678	229,828,351
	2023				2022				
	Beginning balance Baht	Addition Baht	Change in contract Baht	Ending balance Baht	Beginning balance Baht	Amortisation charge Baht	Change in contract Baht	Ending balance Baht	Right-of-use assets Baht
Buildings and improvements	371,372,816	997,920	-	372,370,736	77,965,596	34,179,683	596,151	112,741,430	259,629,306
Vehicle	1,773,778	2,755,712	-	4,529,490	1,637,334	825,373	-	2,462,707	2,066,783
Total	373,146,594	3,753,632	-	376,900,226	79,602,930	35,005,056	596,151	115,204,137	261,696,089

Related lease liabilities are disclosed in Note 22.1.

For the year ended 31 December 2023, the Company had lease for low value assets and service contracts which are not capitalised amounted to Baht 370,992. (2022: Baht 617,832).

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17 Insurance liabilities

	2023			2022		
	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Long-term technical reserves	15,546,115,778	-	15,546,115,778	14,190,441,674	-	14,190,441,674
Claim liability						
- Reported claim	241,532,512	(142,051,258)	99,481,254	188,209,843	(59,311,791)	128,898,052
- Claims incurred but not reported	103,742,215	-	103,742,215	99,419,953	-	99,419,953
Premium liability						
- Unearned premium reserve	1,244,836,477	-	1,244,836,477	881,372,074	-	881,372,074
Unpaid policy benefits	242,380,616	(125,581,245)	116,799,371	257,894,822	(102,981,673)	154,913,149
Due to insured	60,466,111	-	60,466,111	49,548,138	-	49,548,138
Total	17,439,073,709	(267,632,503)	17,171,441,206	15,666,886,504	(162,293,464)	15,504,593,040

The Company's unexpired risk reserve (URR) is lower than unearned premium reserve (UPR), so no disclosure for unexpired risk reserve required.

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17 Insurance liabilities (Cont'd)

17.1 Long-term technical reserves

The movement of long-term technical reserves during the years are as follows:

	2023	2022
	Baht	Baht
Beginning balance for the year	14,190,441,674	13,014,233,725
Policy reserve movement for new policies and inforce policies during the year	2,267,540,952	2,215,193,443
Net movement in benefits payable to life policyholders for death, maturity, surrenders, other policyholders benefits and claims	(912,234,584)	(1,040,309,779)
Change in assumption for loss reserve calculation	367,736	1,324,285
Closing balance at the end of year	<u>15,546,115,778</u>	<u>14,190,441,674</u>

The assumptions used in actuarial estimation are as follows:

	2023	2022
	%	%
Morbidity, mortality, and survival rate	15 - 130 TMO	15 - 130 TMO
Discount rate	2 - 6	2 - 6
Benefit paid to insured	1 - 800 of SA	1 - 800 of SA

Aging of undiscounted insurance contract liabilities' repayment is as follows:

	2023	2022
	Baht	Baht
Repayment within 1 year	1,564,392,612	961,274,981
Repayment after 1 year but within 5 years	4,276,610,915	3,004,713,279
Repayment over 5 years	<u>96,549,634,112</u>	<u>99,634,278,148</u>
Total	<u>102,390,637,639</u>	<u>103,600,266,408</u>

17 Insurance liabilities (Cont'd)

17.2 Short-term technical reserves

17.2.1 Claim liability

The movement of claim liability during the years are as follows:

	2023 Baht	2022 Baht
Beginning balance for the year	287,629,796	243,819,784
Insurance claims and loss adjustment expenses incurred during the year	1,303,744,991	999,247,453
Change in claim reserve and assumptions	4,322,262	6,948,564
Insurance claims and loss adjustment expenses paid during the year	<u>(1,250,422,322)</u>	<u>(962,386,005)</u>
Closing balance for the year	<u>345,274,727</u>	<u>287,629,796</u>

The assumptions used in actuarial estimation are as follows:

	2023 %	2022 %
Weighted average loss ratio	33.2	28.7

Aging of undiscounted insurance contract liabilities' repayment based on current estimate is as follows:

	2023 Baht	2022 Baht
Repayment within 1 year	333,412,998	276,464,991
Repayment after 1 year but within 5 years	-	-
Repayment over 5 years	-	-
Total	<u>333,412,998</u>	<u>276,464,991</u>

17.2.2 Unearned premium reserve

The movement of unearned premium reserve during the years are as follows:

	2023 Baht	2022 Baht
Beginning balance for the year	881,372,074	605,569,962
Premium written for the year	4,089,932,008	3,556,576,536
Premium earned in the year	<u>(3,726,467,605)</u>	<u>(3,280,774,424)</u>
Closing balance for the year	<u>1,244,836,477</u>	<u>881,372,074</u>

17 Insurance liabilities (Cont'd)

17.3 Claim Development Table

17.3.1 Claim development table before reinsurance

Reported Year	2023							Total Baht
	Incident Year							
	2017 Baht	2018 Baht	2019 Baht	2020 Baht	2021 Baht	2022 Baht	2023 Baht	
Estimated claim:								
- At the end of the year	509,136,268	648,009,499	709,321,198	656,119,426	650,159,281	885,264,233	1,187,249,542	5,245,259,447
- After 1 year	581,287,427	733,390,815	789,750,058	725,690,788	723,711,156	968,861,474	-	4,522,691,718
- After 2 year	585,801,414	734,891,580	794,420,494	732,653,162	731,300,506	-	-	3,579,067,156
- After 3 year	586,157,743	737,369,097	794,625,555	733,073,842	-	-	-	2,851,226,237
- After 4 year	586,157,743	737,384,954	794,625,555	-	-	-	-	2,118,168,252
- After 5 year	586,157,743	737,515,126	-	-	-	-	-	1,323,672,869
- After 6 year	586,157,743	-	-	-	-	-	-	586,157,743
Absolute estimated claim	593,451,888	754,742,376	813,777,869	764,421,657	753,372,203	990,788,593	1,292,001,632	5,962,556,218
Cumulative claim paid	584,398,950	731,941,579	787,777,810	723,012,533	724,239,054	958,489,454	1,119,283,841	5,629,143,220
Total claim liability	9,052,938	22,800,797	26,000,059	41,409,125	29,133,148	32,299,139	172,717,792	333,412,998
Expired cheque								11,861,729
Total claim liability								345,274,727
Recovered claim liability receivable from reinsurer								(142,051,258)
Net claim liability								203,223,469

17 Insurance liabilities (Cont'd)

17.4 Unpaid policy benefits

	2023 Baht	2022 Baht
Death benefits	64,726,085	56,886,711
Coupon	152,252,259	174,530,497
Expired cheque	25,402,272	26,477,614
Total	<u>242,380,616</u>	<u>257,894,822</u>

18 Amount due to reinsurance

	2023 Baht	2022 Baht
Outward premium payable	153,379,069	107,475,958
Total amount due to reinsurance	<u>153,379,069</u>	<u>107,475,958</u>

19 Employee benefit obligations

	2023 Baht	2022 Baht
Short-term employee benefits	42,504,841	49,596,830
Long-term employee benefits	69,252,354	69,260,687
Post-employment benefits	74,336,490	68,993,138
Total employee benefit obligations	<u>186,093,685</u>	<u>187,850,655</u>

Post-employment benefit obligations from defined benefit plan

The amounts recognised in the statements of financial position are as follows:

	2023 Baht	2022 Baht
Present value of post-employment benefit obligations	74,336,490	68,993,138
Total obligations	<u>74,336,490</u>	<u>68,993,138</u>

The amounts recognised in profit or loss are as follows:

	2023 Baht	2022 Baht
Current service costs	12,148,342	11,127,603
Interest costs	1,850,493	867,992
	<u>13,998,835</u>	<u>11,995,595</u>

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19 Employee benefit obligations (Cont'd)

Changes in the present value of post-employment benefit obligations are as follows:

	2023	2022
	Baht	Baht
Beginning balance at 1 January	68,993,138	53,613,926
Current service costs	12,148,342	11,127,603
Interest costs	1,850,493	867,992
Remeasurements:		
Loss (gain) from change in demographic assumptions	842,150	-
Loss (gain) from change in financial assumptions	(3,671,320)	4,338,365
Loss (gain) from experience	(5,826,313)	2,153,562
<u>Less benefits paid during the year</u>	<u>-</u>	<u>(3,108,310)</u>
Closing balance at 31 December	<u>74,336,490</u>	<u>68,993,138</u>

Significant assumptions used in the actuarial calculation are summarised as follows:

	2023	2022
Discount rate	2.75%	2.75%
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2017
Retirement age	60 years old	60 years old
Salary increase rate	4.5%	5%
Average turnover rate	0% - 20%	0% - 20%

Sensitivity analysis on key assumptions changes are as follows:

	Impact on defined benefit obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2023	2022	2023	2022	2023	2022
Discount rate	1.00%	1.00%	Decrease by 6.00%	Decrease by 6.00%	Increase by 7.00%	Increase by 7.00%
Salary increase rate	1.00%	1.00%	Increase by 8.00%	Increase by 7.00%	Decrease by 7.00%	Decrease by 7.00%
Average turnover rate	20.00%	20.00%	Decrease by 7.00%	Decrease by 6.00%	Increase by 8.00%	Increase by 8.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefit obligations recognised within the statement of financial position.

	2023	2022
	Years	Years
Weighted average duration of the defined benefit obligations	7.06	6.66

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19 Employee benefit obligations (Cont'd)

Maturity analysis of undiscounted post-employment benefits:

	2023	2022
	Baht	Baht
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 1 year	-	1,702,482
Benefits expected to be paid after 1 year but within 5 years	32,090,754	33,171,858
Benefits expected to be paid after 5 years	58,891,068	49,136,993

20 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2023	2022
	Baht	Baht
Deferred tax assets	90,993,753	78,753,027
Deferred tax liabilities	(70,045,379)	(71,069,841)
Deferred tax assets - net	20,948,374	7,683,186

The movement in deferred tax assets and deferred tax liabilities during the year is as follows:

	At 1 January 2023 Baht	Transaction in profit or loss Baht	Transaction in other comprehensive income Baht	At 31 December 2023 Baht
Deferred tax assets				
- Employee benefit	6,229,498	1,562,187	(1,731,096)	6,060,589
- Accrued commission expenses	14,268,888	(14,268,888)	-	-
- IBNR	23,402,391	938,000	-	24,340,391
- Expected credit loss	294,999	619,259	-	914,258
- Allowance for doubtful accounts	78,813	-	-	78,813
- Lease liabilities	445,719	(445,719)	-	-
- Tax losses	34,032,719	25,566,983	-	59,599,702
	<u>78,753,027</u>	<u>13,971,822</u>	<u>(1,731,096)</u>	<u>90,993,753</u>
Deferred tax liabilities				
- Unrealised gains on change in fair value of investments	19,403,174	-	25,308,871	44,712,045
- Prepaid expense	51,666,667	(26,333,333)	-	25,333,334
	<u>71,069,841</u>	<u>(26,333,333)</u>	<u>25,308,871</u>	<u>70,045,379</u>
Deferred tax assets - net	<u>7,683,186</u>			<u>20,948,374</u>

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20 Deferred income taxes (Cont'd)

	At 1 January 2022 Baht	Transaction in profit or loss Baht	Transaction in other comprehensive income Baht	At 31 December 2022 Baht
Deferred tax assets				
- Employee benefit	9,155,159	(5,176,237)	2,250,576	6,229,498
- Accrued commission expenses	-	14,268,888	-	14,268,888
- IBNR	15,356,401	8,045,990	-	23,402,391
- Expected credit loss	-	294,999	-	294,999
- Allowance for doubtful accounts	-	78,813	-	78,813
- Lease liabilities	-	445,719	-	445,719
- Tax losses	39,735,398	(5,702,679)	-	34,032,719
	<u>64,246,958</u>	<u>12,255,493</u>	<u>2,250,576</u>	<u>78,753,027</u>
Deferred tax liabilities				
- Unrealised gains on change in fair value of investments	243,850,003	-	(224,446,829)	19,403,174
- Prepaid expense	52,000,000	(333,333)	-	51,666,667
	<u>295,850,003</u>	<u>(333,333)</u>	<u>(224,446,829)</u>	<u>71,069,841</u>
Deferred tax assets (liabilities) - net	<u>(231,603,045)</u>			<u>7,683,186</u>

The Company had unutilised deductible temporary tax difference that the Company did not recognise as deferred tax assets in the financial statements as follows:

	2023	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Employee benefit	-	84,468,288
Accrued commission expenses	93,906,325	-
Expected credit loss	-	2,108,482
Lease liabilities	-	5,089,692
Intangible assets written-off	33,318,038	-
	<u>127,224,363</u>	<u>91,666,462</u>
	2022	
	Expiry date	
	Within 12 months Baht	Over 12 months Baht
Unrealised losses on changes in fair value of investments	-	508,098,672
Employee benefit	-	74,229,908
Expected credit loss	-	5,635,807
	<u>-</u>	<u>587,964,387</u>

21 Share-based payment

Chubb Limited (Parent Company), which is listed on the New York Stock Exchange, has a stock option plan, a restricted stock plan and an employee share participation plan. As at 31 December 2023, total liabilities for share-based payment in the statement of financial position are amounted to Baht 69,252,354 (2022: Baht 69,252,354) presented in employee benefit obligations.

Stock Option Plan

Under Chubb Limited's long-term incentive plan, restrictive share options were granted to eligible employees of the Company. The exercisable price of these options is the fair market value at grant date. These options vest at various dates over a 3 year period from the grant date and any unvested options are cancelled on termination of employment. This plan is a group scheme with expenses incurred under the scheme charged out by Chubb Limited to the Company on an annual basis. Any option not exercised or cancelled pursuant to the terms of plan will be forfeited by the tenth anniversary from the date of grant. The total value of the options granted during the year 2023 was USD 642,905 (2022: USD 539,769).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2023		2022	
	Average exercise price per share (USD)	Options (Shares)	Average exercise price per share (USD)	Options (Shares)
At 1 January	151.53	12,062	143.22	10,891
Granted	208.60	3,082	199.03	2,712
Transferred in(out)	146.40	336	-	-
Exercised	218.31	(7,328)	207.69	(582)
Forfeited	-	(404)	-	(959)
Expired	-	-	-	-
At 31 December	189.25	7,748	151.53	12,062

As at 31 December 2023, out of the 7,748 outstanding options (2022: 12,062 options), 2,295 options (2022: 6,833 options) were exercisable.

For exercised options during the year ended 31 December 2023, the weighted-average fair value of stock was USD 218.31 per share (2022: USD 206.12 per share).

21 Share-based payment (Cont'd)

Share options outstanding at the end of the year have the following expiry date and exercise prices as follows:

Expiry year	Exercise price per share (USD)	Options (Shares)	
		2023	2022
2024	96.76	-	130
2025	114.78	36	270
2026	118.39	170	763
2027	139.01	339	829
2028	143.07	-	658
2029	133.90	-	1,720
2030	150.10	516	2,454
2031	164.89	1,181	2,526
2032	199.03	2,694	2,712
2033	208.60	2,812	-
Outstanding balance		7,748	12,062

The weighted average fair value of options granted during the year, determined using the Black-Scholes option-pricing valuation model, was USD 51.32 per option (2022: USD 35.46). The significant inputs into the model were exercise price of USD 208.60 (2022: USD 199.03) at the grant date, the exercise price shown above, volatility of 23% (2022: 20.11%), dividend yield of 1.65%(2022: 1.67%), an expected option life of 10 years and an annual risk-free interest rate of 4.07% (2022: 1.90%).

Restricted Stock Plan

Under Chubb Limited's long-term incentive plan, there were 2,113 restricted stock, with weighted average fair value at USD 208.60 per share, awarded to eligible employees during the year ended 31 December 2023 (2022: 2,036 restricted stock, with weighted average fair value at USD 199.03 per share). These shares vest at various dates over a 4-year period from the grant dates and any unvested shares are cancelled on termination of the employment of the eligible employees. This plan is a group scheme with expenses incurred under the scheme charged out by Chubb Limited to the Company. The annual expense is based on an amortised calculation that is reflective of the current year's expense portion of all restricted stock grants issued in the current and prior years and is consistent with the treatment required by TFRS 2: Share-based payment. There is liability to the Company for the unamortised portion of the restrictive stock grants issued. The amortised calculation incorporates the fair market value of Chubb Limited's common stock in determining the expense amount. Expected future dividend payments in relation to the restrictive stock grants issued are made directly by Chubb Limited to the eligible employees. The total expense for the year 2023 was Baht 14,040,323 (2022: Baht 11,210,280).

Employee Share Participation Plan

The Company collects money from local eligible employees and acquires ordinary shares in Chubb Limited on behalf of the employees on a bi-annual basis. Annual purchases by eligible employees are limited at USD 25,000. The price paid by the eligible employees is set at a discount of 15% to the fair value of the ordinary shares at the date of acquisition; this discount is incurred at the group level by Chubb Limited and not charged to the Company. During the year 2023, employees paid for purchase of ordinary shares of Chubb Limited was Baht 2,512,792 (2022: Baht 1,452,025).

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22 Other liabilities

	2023	(Reclassified)
	Baht	2022
		Baht
Tax payable	30,145,532	24,147,261
Lease liabilities	234,568,042	263,574,683
Others	46,002,234	7,063,739
Total	310,715,808	294,785,683

22.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

Maturing	2023	2022
	Baht	Baht
Within 1 year	30,113,051	29,462,726
Between 1 to 2 years	29,230,273	29,645,381
Between 2 to 3 years	29,416,923	28,733,122
Between 3 to 4 years	30,458,334	29,502,331
Between 4 to 5 years	31,536,613	30,546,765
Later than 5 years	83,812,848	115,684,358
Total	234,568,042	263,574,683
<i>Including: - Principal</i>	<i>266,515,980</i>	<i>303,373,944</i>
<i>- Deferred interest expense</i>	<i>(31,947,938)</i>	<i>(39,799,261)</i>

For the year ended 31 December 2023, interest expense on lease liabilities amounted to Baht 7,911,520 is recorded as "Finance cost" in the statement of comprehensive income (2022 : Baht 4,879,521).

23 Operating expenses

	2023	(Reclassified)
	Baht	2022
		Baht
Employee expenses not relating to underwriting expenses and claim management expenses	550,597,277	409,910,748
Property and equipment expenses not relating to underwriting expenses	202,089,575	156,283,560
Tax expenses	807,438	926,049
Selling and administrative expenses	130,666,502	107,318,549
Other operating expenses	139,022,303	119,232,703
Total operating expenses	1,023,183,095	793,671,609

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24 Employee benefit expenses

	2023 Baht	2022 Baht
Salary	375,589,664	278,725,155
Social security fund	2,103,299	751,180
Contribution to defined benefit plan	17,382,438	13,296,970
Bonus	78,875,496	91,962,945
Other employee benefit expenses	119,253,361	70,681,936
Total employee benefit expenses	593,204,258	455,418,186

25 Expected credit loss

	2023 Baht	2022 Baht
Investments in securities	(431,031)	(8,025,706)
Total expected credit loss (reversal)	(431,031)	(8,025,706)

26 Income tax expenses

	2023 Baht	2022 Baht
Current tax:		
Current income tax on taxable profits for the year	-	-
Total current tax	-	-
Deferred tax:		
Increase in deferred tax assets (Note 20)	13,971,822	12,255,493
Decrease in deferred tax liabilities (Note 20)	26,333,333	333,333
Total deferred tax	40,305,155	12,588,826
Total income tax credited	40,305,155	12,588,826

Below is a reconciliation between effective tax rate and income tax rate used.

	2023 Baht	2022 Baht
Profit (loss) for the period	(341,082,451)	(31,925,400)
Tax rate	20%	20%
Tax calculated at a tax rate of 20%	(68,216,490)	(6,385,080)
Tax credit from utilisation of previously unrecognised deferred tax assets	-	(6,336,863)
Tax expenses from reversal of previously recognised deferred tax assets	14,714,607	-
Tax expenses from unrecognised deferred tax assets in current year	13,090,415	-
Effect of non-taxable income and non-deductible expenses	106,313	133,117
Income tax credited	(40,305,155)	(12,588,826)

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27 Tax effects from other comprehensive income (loss)

	2023			2022		
	Before tax Baht	Tax benefit (expense) Baht	Net of tax Baht	Before tax Baht	Tax benefit (expense) Baht	Net of tax Baht
Remeasurement of post-employment benefit obligations	8,655,483	(1,731,096)	6,924,387	(6,491,927)	2,250,576	(4,241,351)
Remeasurements of investments measured at fair value through other comprehensive income	634,643,027	(25,308,871)	609,334,156	(1,630,332,813)	224,446,829	(1,405,885,984)
Total	643,298,510	(27,039,967)	616,258,543	(1,636,824,740)	226,697,405	(1,410,127,335)

28 Share capital

	Ordinary shares	
	Number of shares	Baht
At 31 December 2021	187,625,000	1,876,250,000
Issue of shares	-	-
At 31 December 2022	187,625,000	1,876,250,000
Issue of shares	-	-
At 31 December 2023	187,625,000	1,876,250,000

29 Earnings (losses) per share

Basic earnings (losses) per share is calculated by dividing the net profit (loss) for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Net loss for the year (Baht)	(300,777,296)	(19,336,574)
Weighted average number of ordinary shares in issue during the year (shares)	187,625,000	187,625,000
Basic loss per share (Baht)	(1.60)	(0.10)

There are no potential dilutive ordinary shares issued for the years ended 31 December 2023 and 2022.

30 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The related party transactions are mainly transacted with the group companies of Chubb Limited as follows:

a) Statements of comprehensive income

	2023	2022
	Baht	Baht
Affiliate Company		
Premiums ceded to reinsurers	8,060,630	3,790,610
Commissions and brokerages	416,715	513,512
Operating expenses	16,992,036	19,258,086

b) Statements of financial position

	2023	2022
	Baht	Baht
Assets		
Affiliate Company		
Other assets	-	29,233,822
Liabilities		
Parent Company		
Employee benefit obligations	69,252,354	69,252,354
Affiliate Company		
Amount due to reinsurance	16,077,169	8,016,539
Other liabilities	15,628,975	23,716,033
Other creditors	1,804,761	73,044
Accrued commission expenses	551,133	564,364
Accrued expenses	4,933,890	13,702,239
Equity		
Parent Company		
Other reserve	77,433,344	55,670,217

31 Key management's compensation

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Company. Their compensations for the years are as follows:

	2023	2022
	Baht	Baht
Short-term employee benefits	160,336,127	150,523,453
Long-term employee benefits	1,396,433	1,278,287
Total	<u>161,732,560</u>	<u>151,801,740</u>

32 Assets deposited with Insurance Registrar

The Company deposited certain assets with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No. 2) Section 20 B.E. 2551 as follows:

	Carrying value	
	2023	2022
	Baht	Baht
Government bonds	<u>30,533,855</u>	<u>29,833,844</u>

33 Assets pledged as reserve with registrar

The following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act (No. 2) Section 24 B.E. 2551 as follows:

	Carrying value	
	2023	2022
	Baht	Baht
Government bonds	<u>3,754,931,068</u>	<u>3,559,181,149</u>

34 Contribution to Life Insurance Fund

In compliance with the Life Insurance Act, for the year ended 31 December 2023, the Company had recognised the contribution to Life Insurance Fund amounting to Baht 8,066,846. (2022: Baht 7,398,641).

35 Commitments

The Company had future aggregate minimum lease payments under non-cancellable low-value assets leases and other general service agreements not within the scope of TFRS 16. The future aggregate minimum lease payments under non-cancellable buildings and improvements are as follows:

	2023		
	Operating lease Baht	Service fee and others Baht	Total Baht
Due within 1 year	370,992	5,708,231	6,079,223
Due more than 1 year but no later than 5 years	667,968	600,000	1,267,968
	<u>1,038,960</u>	<u>6,308,231</u>	<u>7,347,191</u>
	2022		
	Operating lease Baht	Service fee and others Baht	Total Baht
Due within 1 year	421,974	-	421,974
Due more than 1 year but no later than 5 years	6,613,483	1,000,000	7,613,483
	<u>7,035,457</u>	<u>1,000,000</u>	<u>8,035,457</u>