

AXA INSURANCE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2022



Independent Auditor's Report

To the Shareholders of AXA Insurance Public Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of AXA Insurance Public Company Limited (the Company) as at 31 December 2022, 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 2022;
- 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 the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors 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 judgement 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 the directors.
- Conclude on the appropriateness of the directors' 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 "Boonlert Kamolchanokkul".

Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
Bangkok
5 April 2023

AXA Insurance Public Company Limited
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Baht	2021 Baht
Assets			
Cash and cash equivalents	9	435,662,528	365,704,209
Premium receivable, net	10	577,566,439	493,736,638
Accrued investment income, net		15,557,192	15,472,913
Reinsurance assets, net	11, 33	1,075,566,703	1,275,548,246
Amounts due from reinsurance, net	12, 33	31,464,495	23,293,442
Investment assets			
Investment in securities, net	13	4,967,344,331	4,473,666,428
Property and equipment, net	14	28,799,777	28,795,946
Right-of-use assets	15	33,917,383	43,030,563
Intangible assets, net	16	20,390,641	16,687,072
Deferred acquisition cost	17	271,341,748	229,599,228
Deferred tax assets, net	18	361,643,894	379,699,035
Other assets	19, 33	70,639,837	99,506,086
Total assets		7,889,894,968	7,444,739,806

Director _____

Date _____

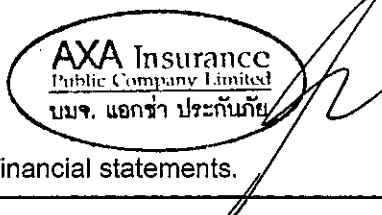
The image shows a handwritten signature in black ink. To the right of the signature is a circular stamp. The stamp contains the text "AXA Insurance" in a bold, sans-serif font, followed by "Public Company Limited" in a smaller font. Below this, in Thai script, it says "บมจ. แอกซ่า ประกันภัย".

The accompanying notes form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2022

	Notes	2022 Baht	2021 Baht
Liabilities and equity			
Liabilities			
Insurance liabilities	20	4,664,898,953	4,463,721,519
Due to reinsurers	21, 33	286,361,398	219,449,594
Employee benefit obligations	22	145,838,071	165,286,881
Accrued expenses		161,022,799	136,941,235
Commission payable		84,587,407	72,915,830
Lease liabilities	23	35,992,263	45,304,139
Other liabilities	24, 33	150,603,974	185,266,753
Total liabilities		5,529,304,865	5,288,885,951
Equity			
Share capital	28		
Registered			
36,726,421 ordinary shares			
of par Baht 100 each		3,672,642,100	3,672,642,100
Issued and paid-up			
36,726,421 ordinary shares			
of par Baht 100 each		3,672,642,100	3,672,642,100
Discount on paid-up capital		(1,068,106,516)	(1,068,106,516)
Retained (Deficits) earnings			
Appropriated			
Legal reserve	27	30,670,999	30,670,999
Unappropriated		(269,851,384)	(489,967,880)
Other components of equity		(4,765,096)	10,615,152
Total equity		2,360,590,103	2,155,853,855
Total liabilities and equity		7,889,894,968	7,444,739,806


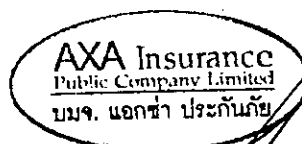
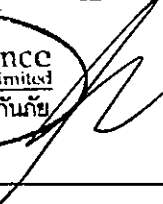



AXA Insurance
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บริษัท แอกซ่า ประกันภัย

The accompanying notes form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	2022 Baht	2021 Baht
Revenues			
Gross written premium	7, 33	5,012,266,488	4,195,667,385
<u>Less</u> Reinsurance premium ceded	7, 33	<u>(698,561,726)</u>	<u>(553,357,042)</u>
Net written premium		4,313,704,762	3,642,310,343
<u>Less</u> Change in unearned premium reserve		<u>(114,953,269)</u>	<u>(427,911,365)</u>
Net earned premium		4,198,751,493	3,214,398,978
Commission and brokerage fees	33	103,488,056	95,774,057
Net investment income		58,011,742	57,101,001
Gains on investments		313,220	174,115
Other income		2,674,741	2,127,881
Total revenues		4,363,239,252	3,369,576,032
Expenses			
Losses and loss adjustment expenses	33	2,546,170,799	2,599,680,953
<u>Less</u> Claim recovered from reinsurers	33	<u>(79,757,397)</u>	<u>(798,789,132)</u>
Commissions and brokerages expenses	33	600,190,164	499,145,030
Other underwriting expenses		548,789,357	523,915,503
Operating expenses	29, 33	461,639,193	406,998,896
Other expenses		2,338,988	2,691,874
Total expenses		4,079,371,104	3,233,643,124
Profit before income taxes		283,868,148	135,932,908
Income tax expense	31	(63,751,652)	(7,436,707)
Profit for the year		220,116,496	128,496,201
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	26	(5,627,289)	8,307,438
Income tax relating to items that will not be reclassified	26	1,125,458	(1,661,488)
Total items that will not be reclassified subsequently to profit or loss		(4,501,831)	6,645,950
Items that will be reclassified subsequently to profit or loss			
Change in value of investments measured at fair value through other comprehensive income	26	(10,269,778)	(57,206,387)
Realised gain from sale of investments measured at fair value through other comprehensive income and impairment loss transferred to profit or loss	26	(313,220)	(174,115)
Income tax relating to items that will be reclassified	26	2,116,600	11,476,100
Total items that will be reclassified subsequently to profit or loss		(8,466,398)	(45,904,402)
Other comprehensive expense for the year, net of tax		(12,968,229)	(39,258,452)
Total comprehensive income for the year		207,148,267	89,237,749
Earnings per share			
Basic earnings per share (Baht)	32	5.99	3.50


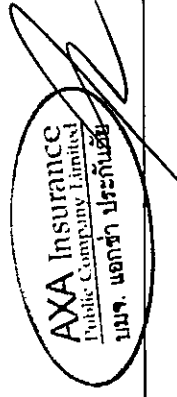




The accompanying notes form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

	2022									
	Other components of equity									
	Other comprehensive income									
	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings	Re-measurements of post-employment benefit obligations		Unrealised gain (loss) on the change in value of investment	Other reserve	Total other component of equity	Total	
	Baht	Baht	Legal reserve	Unappropriated	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2022	3,672,642,100	(1,068,106,516)	30,670,999	(489,967,880)	5,230,425	25,246,084	(19,861,357)	10,615,152	2,155,853,855	
Profit for the year	-	-	-	220,116,496	-	-	-	-	220,116,496	
Equity-settled share-based payment	-	-	-	-	-	-	8,183,116	8,183,116	8,183,116	
Items reclassified to liabilities	-	-	-	-	-	-	(10,595,135)	(10,595,135)	(10,595,135)	
Re-measurements of post-employment benefit obligations	-	-	-	-	(4,501,831)	-	-	(4,501,831)	(4,501,831)	
Unrealised loss on changes in value of investments	-	-	-	-	-	(8,215,822)	-	(8,215,822)	(8,215,822)	
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss	-	-	-	-	-	(250,576)	-	(250,576)	(250,576)	
Transferred to profit or loss	-	-	-	-	-	-	-	-	-	
Closing balance as at 31 December 2022	3,672,642,100	(1,068,106,516)	30,670,999	(269,851,384)	728,594	16,773,686	(22,273,376)	(4,765,096)	2,360,590,103	

	2021									
	Other components of equity									
	Other comprehensive income									
	Issued and paid-up share capital	Discount on paid-up capital	Retained earnings	Re-measurements of post-employment benefit obligations		Unrealised gain (loss) on the change in value of investment	Other reserve	Total other component of equity	Total	
	Baht	Baht	Legal reserve	Unappropriated	Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2021	3,672,642,100	(1,068,106,516)	30,670,999	(618,464,081)	(1,415,525)	71,150,486	(11,770,024)	57,964,937	2,074,707,439	
Profit for the year	-	-	-	128,496,201	-	-	-	-	128,496,201	
Equity-settled share-based payment	-	-	-	-	-	-	6,535,426	6,535,426	6,535,426	
Items reclassified to liabilities	-	-	-	-	-	-	(14,626,759)	(14,626,759)	(14,626,759)	
Re-measurements of post-employment benefit obligations	-	-	-	-	6,645,950	-	-	6,645,950	6,645,950	
Unrealised gain on changes in value of investments	-	-	-	-	-	(45,765,110)	-	(45,765,110)	(45,765,110)	
Realised gain from sale of investments at fair value through other comprehensive income and impairment loss	-	-	-	-	-	(139,292)	-	(139,292)	(139,292)	
Transferred to profit or loss	-	-	-	-	-	-	-	-	-	
Closing balance as at 31 December 2021	3,672,642,100	(1,068,106,516)	30,670,999	(489,967,880)	5,230,425	25,246,084	(19,861,357)	10,615,152	2,155,853,855	



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The accompanying notes form part of this financial statements.

AXA Insurance Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2022

	2022 Baht	2021 Baht
Cash flows from operating activities		
Written premium received from direct insurance	4,894,727,549	4,036,242,366
Cash paid for reinsurance	(164,961,998)	(159,615,236)
Interest income received	9,244,369	9,846,949
Investment income received	59,468,538	60,691,600
Other income received	2,358,090	2,107,997
Losses paid from direct insurance	(2,451,278,245)	(1,940,326,961)
Commission and brokerage paid from direct insurance	(637,859,729)	(524,531,500)
Other underwriting expenses	(559,871,120)	(476,783,746)
Operating expenses paid	(509,196,610)	(292,818,491)
Other expenses paid	(505,937)	(1,136,305)
Income tax paid	(13,576,225)	(353,954)
Cash received from investment in securities	2,299,794,688	899,833,437
Cash paid for investment in securities	(3,464,798,181)	(1,407,079,734)
Cash received from investment in deposits at financial Institutions	1,153,889,212	485,078,831
Cash paid for investment in deposits at financial Institutions	(504,004,608)	(580,333,765)
Net cash provided from operating activities	113,429,793	110,821,488
Cash flows from investing activities		
<u>Cash provided from</u>		
Equipment	492,678	62,659
Cash provided from investing activities	492,678	62,659
<u>Cash used in</u>		
Equipment and computer software	(28,243,033)	(20,571,450)
Cash used in investing activities	(28,243,033)	(20,571,450)
Net cash used in investing activities	(27,750,355)	(20,508,791)
Cash flows from financing activities		
Payments on lease liabilities	(15,721,119)	(15,014,889)
Net cash used in financing activities	(15,721,119)	(15,014,889)
Net increase in cash and cash equivalents	69,958,319	75,297,808
Cash and cash equivalents at beginning of the year	365,704,209	290,406,401
Cash and cash equivalents at end of the year	435,662,528	365,704,209



The accompanying notes form part of this financial statements.

1 General information

AXA Insurance Public Company Limited ("the Company") is a public limited company incorporated and domiciled in Thailand. The address of its registered office is as follows:

23rd Floor, Lumpini Tower, 1168/67 Rama 4 Road, Sathorn, Bangkok.

The principal business operation of the Company is general insurance. The Company operates only in Thailand.

These financial statements have been approved by the Board of Directors on 5 April 2023.

2 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and based on the formats prescribed in the Notification of the Office of Insurance Commission entitled "Standards, methods, rules and deadlines for the preparation and submission of the financial statements and regulatory returns of non-life insurers (No.2) B.E.2562" dated on 4 April 2019 ("OIC Notification").

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

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 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have impacts to the Company

- a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.



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Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. Insurers applying the temporary exemption from TFRS 9 by using accounting guidance, financial instruments and disclosures for insurance business are also required to apply the same practical expedient. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

b) Accounting guidance on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic

The Group which assists debtors affected by the COVID-19 pandemic can apply the accounting guidance announced by TFAC based on BOT circular For. Nor. Sor 2. Wor. 802/2564 to help debtors between 1 January 2022 and 31 December 2023. The key relief measures involve, for example, the consideration for debt staging for ECL calculation where there is debt restructuring, revising EIR for the restructured debt and ECL calculation regarding unused credit line.

The above standards have no significant impact to the Company.

3.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and have impacts to the Company

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Company.

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

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4 Accounting policies

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call at financial institutions and short-term highly liquid investment with maturity of three months or less from the acquisition date.

4.2 Premium receivable

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

The Company makes allowance for doubtful accounts based on past experiences of uncollectable and long past due accounts.

4.3 Reinsurance assets

Reinsurance assets are stated at the outstanding of balance insurance reserve refundable from reinsurers.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium, loss reserve and outstanding claims in accordance with the law regarding insurance reserve calculation.

The allowance for reinsurance asset impairment is recognised when the objective evidences in related to credit risks of reinsurer incurred before closing date.

4.4 Amount due from reinsurance and amount due to reinsurance

Outward reinsurance premiums are accounted for in the same manner as the related gross premium written.

- (a) Amount due from reinsurance is stated at the outstanding balance of amount due from reinsurers and amount of deposit on reinsurance.

Amount due from reinsurers consist of reinsurance commission receivables, reinsurance outstanding claim and other items receivable from reinsurers. The Company recognises an allowance for doubtful accounts which may incur from uncollection being based on consideration of historical collection experience and current status of due from reinsurers at the end of reporting period.

- (b) Amounts due to reinsurance is stated at the outstanding balance of amount due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims reserve.

The reinsurance transactions in statements of financial position shall be presented net when these contracts meet setoff requirements in contractual clauses.

4.5 Investment in securities

(a) Classification

the Company classifies its investments in securities as follows:

- Investments measured at fair value through profit or loss (FVPL)
- Investments measured at fair value through other comprehensive income (FVOCI)
- Investments measured at amortised cost

(b) Recognition and derecognition

Regular way purchases, acquires and sales of investments in securities are recognised on trade-date, the date on which the Company commits to purchase or sell the investments. Investments in securities are derecognised when the rights to receive cash flows from the investments 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 an investment in securities at its fair value plus, in the case of an investment in securities not at FVPL, transaction costs that are directly attributable to the acquisition of the investments. Transaction costs of investments carried at FVPL are expensed in profit or loss.

(d) Debt instruments

There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Investments in securities 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 investments 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 and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVOCI: Investments in securities that are held for i) collection of contractual cash flows; and ii) for selling, where the investments' 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 1) impairment gains or losses, 2) interest income using the effective interest method, and 3) foreign exchange gains and losses which are recognised in profit or loss. When the investments is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gain (loss) on sale of investment. Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.



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(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, there is still subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as net investment income when the right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

(f) Impairment

The Company assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity 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.

For impairment of equity instruments and unit trust which classified as available-for-sale securities will be recognised in profit and loss and allowance of losses in other comprehensive income immediately when there is evidence supports the impairment of the securities. The Company will recognise allowance of losses in other comprehensive income and the carrying amount of financial assets which classified as equity instruments in the statement of financial position will not be decreased.

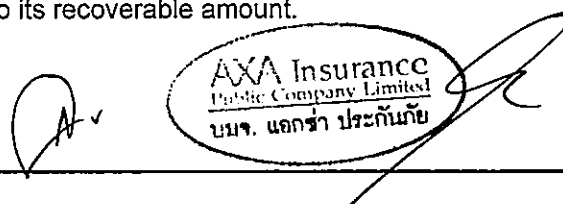
4.6 Premises and equipment

All premises and equipment are initially 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. All assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over the estimated useful life as follows:

Building	20 years
Office furniture and equipment	3 - 5 years
Motor vehicles	5 years

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

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Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income/expenses, net in statement of comprehensive income.

4.7 Intangible assets

Intangible assets are software cost which is stated at cost less accumulated amortisation and is amortised using the straight-line method over the estimated useful life of 3 - 4 years.

4.8 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

4.9 Leases

Leases - where the Company is the lessee

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.

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.

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

  
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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.

4.10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in statements of comprehensive income, 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. 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 Revenue Department.

Deferred income tax is provided in full, 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. The temporary differences arise from allowance for doubtful accounts, unearned premium reserve, loss reserve and outstanding claims, provision for impairment of investments, depreciation on computers, provision for retirement benefits, accrued expenses, deferred acquisition cost and unrealised gains (losses) on investments.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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 taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The image shows a handwritten signature in black ink to the left of a circular stamp. The stamp contains the text "AXA Insurance Public Company Limited" in English and Thai, with "นพจ. เอกธำ ประกันภัย" (Nopjorn Ekkatham Prakanhai) written below it. A checkmark is visible to the left of the stamp.

4.11 Insurance liabilities

Loss reserve and outstanding claims

The purpose of loss reserve and outstanding claims is to cover the ultimate cost of settling an insurance claim. Claims reserves are not discounted.

The loss reserve and outstanding claims include the claims incurred and reported, claims incurred but not reported (IBNR) as well as claim handling costs and unallocated loss adjustment expenses (ULAE). IBNR are based on historical claims data, current trends, and actual payment patterns for all insurance business lines or anything else that could impact amounts to be paid in accordance with actuarial technique.

Unearned premium reserve

Unearned premium reserve (UPR) represents the prorated portion of written premiums less reinsurance ceded that relates to unexpired risks. It is calculated on the following basis:

Fire, marine, motor, miscellaneous and travel accident (coverage period more than 6 months)	- Daily pro-rata basis (1/365th basis)
Marine cargo - single trip	- Net premium written for the coverage period
Travel accident (coverage period less than 6 months)	- Net premium written for the coverage period

Unexpired risk reserve and premium deficiency reserve

Unexpired risk reserve (URR) represents future insurance cost after reinsurance transaction of the related unexpired risks. The Company recognises premium deficiency reserve when the URR is higher than UPR.

4.12 Product classification

The Company has classified the insurance and reinsurance contracts considering the transfer of significant insurance risk by agreeing to compensate the policyholder if a specified uncertain future event, insured event, adversely affects the policyholder. None of the insurance and reinsurance contracts contain embedded derivatives or are required to be unbundled the components or classified as financial reinsurance contract. Such contracts are accounted for as insurance contracts for the remainder of its lifetime until all right and obligations of loss compensation to the policyholder are extinguished or expired.

The Company has classified all insurance contracts as short term insurance contracts which mean the coverage period under the contract is not exceeding 1 year and no certification of automatic renewal. The insurance contracts that cover dread disease and the personal accident or health insurance contracts which the coverage period is exceeding 1 year, the Company is able to terminate the contract, the insurance premium can either be added or reduced, and any amendment of the benefit of the insurance contract can be made throughout coverage period.

4.13 Liabilities adequacy testing

Liability adequacy tests of insurance contract liabilities recognised in the financial statement are performed at the end of reporting period, using the best estimate of ultimate loss, best estimate of future contractual liabilities of the in-forced insurance contracts, also including claims handling expense, policy maintenance expense, and cost of reinsurance. If that assessment shows that the carrying amount of its insurance liabilities less related acquisition cost is inadequate in the light of the future estimates, the entire deficiency shall be recognised in profit or loss.

The image shows a handwritten signature in black ink. To the right of the signature is a circular stamp. Inside the stamp, the text "AXA Insurance" is at the top, "Public Company Limited" is in the middle, and "บมจ. แอกซ่า ประกันภัย" is at the bottom.

4.14 Employee benefits

Defined contribution plans

The Company has established a provident fund which is a defined contribution plan, and the assets of the provident fund are held separately from those of the Company in funds independently administered by a fund manager who is authorised by the Securities and Exchange Commission. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statements of comprehensive income in the year to which they relate.

Defined benefit plans

The Company provides for post employment benefits called severance benefit, payable to employees under the Thai Labour Law. The amounts payable in the future depend on the salary and years of service of the respective employees.

The liability in respect of employee benefits is measured, using the projected unit credit method which is calculated in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated contingent future cash flows using the yield on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in statement of comprehensive income.

Short-term employee benefits


Short-term employee benefits are recognized on an accrual basis.

4.15 Sharebase payment

The Company is a subsidiary company of AXA SA whose domiciled and listed in stock exchange in France. The Company has a stock plan to eligible key employees. The key employees have the right to receive at the settlement date, a certain number of AXA shares based on criteria defined by AXA. Those shares vest over 3 and 4 years from the grant dates and any unvested shares are cancelled on termination of the employment. The annual expense is based on an amortisation calculated over the vesting period of the current year's expense portion of all restricted stock grants issued in the prior to current year. Expenses under this plan will be charged out by AXA after the settlement of the shares. The Company presents obligation under employee benefit obligation.

4.16 Provisions

Provisions except for insurance transactions and defined 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.

The block contains a handwritten signature on the left and an official circular stamp on the right. The stamp contains the text 'AXA Insurance Public Company Limited' and Thai text 'บมจ. แอกซ่า ประกันภัย' (Public Company Limited by Shares, AXA Insurance Co., Ltd.).

4.17 Recognition of revenues and expenses

(a) Premium

Premium income is recognised as revenue on the effective date net of reinsurance ceded and change in unearned premium reserve.

(b) Ceded premium

Ceded premium is recognised from the effective date of the related insurance policy.

(c) Acquisition costs, such as commissions and brokerage

Acquisition costs, such as commissions and brokerage, are deferred in recognition that they represent a future benefit. Deferred acquisition cost is calculated on the same basis as unearned premium reserve

(d) Interest and dividends

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive the dividends is established.

(e) Losses and other expenses

Losses are recognised upon receipt of claims advice from the insured. All other expenses are recognised on an accrual basis.

(f) Other incomes

Other incomes are recognised as income when a performance obligation is satisfied. The amount of revenue recognised may be satisfied at a point in time or over time. For performance obligations satisfied over time, the Company recognises revenue by selecting an appropriate method for measuring the progress towards complete satisfaction of that performance obligation.

4.18 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai 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 the date of revaluation 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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

The block contains a handwritten signature on the left and a circular stamp on the right. The stamp contains the text "AXA Insurance Public Company Limited" and Thai text "บริษัท แอกซ่า ประกันภัย".

5 Critical accounting estimates, assumptions and judgment

Estimates 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.

5.1 Impairment of premium receivable

The Company maintains an allowance for doubtful accounts to reflect impairment of premium due and uncollected relating to estimated losses that may be incurred in collection of the premium due. The allowance for doubtful accounts is based on collection experience and a review of current status of the premium due as at the statement of financial position date.

5.2 Impairment on reinsurance assets

The objective evidence of impairment on reinsurance assets is based on latest credit rating or solvency capital data available as at closing date and other public information.

5.3 Premises and equipment and intangible assets

Management determines the estimated useful lives and residual values for the premises and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previous estimates, or will write off or write down technically obsolete assets that have been abandoned or sold.

5.4 Deferred tax

Deferred taxes 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 ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Company's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on the Company's reported financial position and results of operations.

5.5 Unexpired risk reserve

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

5.6 Loss reserves and outstanding claims

Throughout the course of the financial year, management regularly re-assesses claims and related provisions both on an individual and class basis, based on independent surveyor advice and reports, other available information and management's own assessment.

5.7 Employee benefit

The Company has a commitment on post-retirement benefits to employees. Employee benefit liabilities recognised in the statement of financial position is determined on an estimation basis utilising various assumptions. The assumptions used in determining the cost for employee benefits include the rate of salary inflation and employee turnover. Any changes in these assumptions will impact the cost recorded for employee benefits. On an annual basis the Company determines the appropriate assumptions, which represents the provision expected to be required to settle the employee benefits.

Additional information of other key assumptions for retirement benefit obligations is disclosed in note 22.

5.8 Liabilities adequacy testing

At the end of each reporting period, the company assesses the adequacy of insurance liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. If the assessment shows that the carrying amount of insurance liabilities less related deferred acquisition cost is inadequate when compared to the estimated future cash flows. The liabilities is increased by the deficiency and it is charged to profit or loss.

5.9 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.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the 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.

5.10 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.

5.11 Fair value of financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in note 8.

5.12 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

6 Financial risk management

6.1 Financial risk

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on The Company's financial performance.

Financial risk management is carried out by the Company's Risk Management Committee. The Company's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools by Risk Management Committee.

6.1.1 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.

a) Foreign exchange risk

The Company's business is primarily conducted in Thai Baht and relates to risks located in Thailand so there is limited foreign currency exposure.

b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument and the Company's cash flows will change due to changes in market interest rates.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

	As at 31 December 2022								Interest rate (% p.a.)
	Fixed interest rates			Fixed interest rates			Non-Interest bearing Baht	Total Baht	
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets									
Cash and cash equivalents	104,299	-	-	379,662,897	-	-	55,689,995	435,457,191	0.00-0.45
Accrued investment income	-	-	-	-	-	-	15,557,192	15,557,192	-
Investment in securities, net	2,953,487,019	1,876,581,510	107,250,477	-	-	-	-	4,937,319,006	0.00-7.99
	2,953,591,318	1,876,581,510	107,250,477	379,662,897	-	-	71,247,187	5,388,333,389	
Financial liabilities									
Lease liabilities	8,021,395	26,181,289	1,789,579	-	-	-	-	35,992,263	5.42-6.18
	8,021,395	26,181,289	1,789,579	-	-	-	-	35,992,263	
	As at 31 December 2021								Interest rate (% p.a.)
	Fixed interest rates			Fixed interest rates			Non-Interest bearing Baht	Total Baht	
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
Financial assets									
Cash and cash equivalents	104,113	-	-	187,689,614	-	-	177,692,396	365,486,123	0.00-2.00
Accrued investment income	-	-	-	-	-	-	15,472,913	15,472,913	-
Investment in securities, net	2,683,531,512	1,707,582,341	63,418,435	-	-	-	-	4,454,532,288	0.25-3.20
	2,683,635,625	1,707,582,341	63,418,435	187,689,614	-	-	193,165,309	4,835,491,324	
Financial liabilities									
Lease liabilities	13,928,772	29,945,859	1,429,508	-	-	-	-	45,304,139	5.42-6.18
	13,928,772	29,945,859	1,429,508	-	-	-	-	45,304,139	

Interest rate sensitivity

Profit or loss is sensitive to higher or lower interest income from cash and cash at bank as a result of changes in interest rates.

The table below shows the interest sensitivity for the financial assets and financial liabilities held as at reporting date.

	31 December 2022		31 December 2021	
	Interest rate		Interest rate	
	Increase 1%*	Decrease 1%*	Increase 1%*	Decrease 1%*
Impact to other components of equity	(76,618,119)	76,618,119	(55,684,489)	55,684,489

* Holding all other variables constant

c) 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).

Equity price risk sensitivity analysis

The table below summarises the impact of increase/decrease of these equity indices on the Company's other components of equity for the period. The analysis is based on the assumption that the equity price had increased by 1% or decreased by 1%, respectively.

	31 December 2022		31 December 2021	
	Interest rate		Interest rate	
	Increase 1%*	Decrease 1%*	Increase 1%*	Decrease 1%*
Impact to other components of equity	300,253	(300,253)	191,341	(191,341)

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

Other components of equity would increase or decrease as a result of gains/losses on equity securities classified at FVOCI.

6.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents, contractual cash flows of investment in debt instruments carried at amortised cost and at fair value through other comprehensive income (FVOCI), premium receivable, and amounts due from reinsurance

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a) **Risk management**

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

6.1.2 Credit risk

b) **Impairment of financial assets**

The Company has 3 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalent
- Investment in debt instruments measured at amortised cost
- Investment in debt instruments measured at FVOCI

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

The expected credit loss is measured on either a 12-month or lifetime basis depending on whether the significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired financial asset. The expected credit loss is the discounted product of probability of default, loss given default and exposure at default, defined as follows;

- The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation.
- The exposure at default is based on the amounts that the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- The loss given default represents the Company's expectation of the extent of loss on a defaulted exposure. The loss given default varies by type of borrower, type and seniority of claim and availability of collateral or other credit support. The loss given default is calculated on a 12-month or over the remaining lifetime of the loan.

The expected credit loss is determined by projecting the probability of default, loss given default and exposure at default for each future month and for each individual exposure segment. These three components are multiplied together and adjusted for the likelihood of survival. This effectively calculates an expected credit loss for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the expected credit loss calculation is the original EIR.

Forward-looking economic information is also included in determining the next 12 months or over the remaining lifetime.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Debt investments

The Company considers that all debt investments measured at amortised cost and FVOCI has low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

Investment in debt instruments measured at FVOCI

The allowance of expected credit loss for investment in debt instruments measured at FVOCI by stage of risk are as follows:

	2022		
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht
Investment in debt instruments measured at FVOCI			
Beginning balance 1 January 2022	703,744	-	-
New financial assets purchased or originated	869,211	-	-
Derecognised financial assets	(483,442)	-	-
Ending balance 31 December 2022	1,089,513	-	-
	2021		
	Loss allowance measured at amount equal to 12 months expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Baht
Investment in debt instruments measured at FVOCI			
Beginning balance 1 January 2021	673,235	-	-
New financial assets purchased or originated	207,370	-	-
Derecognised financial assets	(176,861)	-	-
Ending balance 31 December 2021	703,744	-	-





6.1.3 Liquidity risk

Liquidity risk, is the risk that the insurance company will encounter difficulty to settle the obligation related to financial liabilities which must be settled in cash or other financial assets

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held cash and deposits at call of Baht 435,662,528 (2021: Baht 365,704,209) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Financing arrangements

The company's policy is to ensure that sufficient financial assets are available to meet financial commitments by performing cash flow analysis regularly to ensure that cash flows generated are sufficient so that financial commitments are met.

The Company's financial assets mainly comprises of cash and deposits at financial institutions and investment in securities. The management believes that such financial assets will be able to be sold quickly at close to their fair value.

b) Maturity period of financial liabilities

The maturity analysis of financial liabilities is disclosed in Note 23.

6.2 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital
- in order to maintain solvency capital as required by the Office of Insurance Commission, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.


The image shows a handwritten signature in black ink to the left of a circular stamp. The stamp contains the text "AXA Insurance Public Company Limited" and "บมจ. แอกซ่า ประกันภัย" in Thai script.

7 Insurance risk

Underwriting risk

Underwriting risk is the risk that the total costs of claims, claim adjustment expenses and premium acquisition expenses will exceed premiums received, and the risk that actual claims and other expenses can differ adversely from the assumptions included in setting of reserves which might affect the adequacy of premium and loss reserves. Underwriting standards and underwriting guidelines are developed in order to manage the risk and to ensure that premiums received will be sufficient considering the total risks that may arise. Loss reserve and unexpired risk reserve are reviewed by an actuary and regional risk team. Underwriting principles are individually developed for each group of risk based on each type of insurance. The principles also limit insurance proportion for each risk group to control the concentration of risks.

Reinsurance risk

Reinsurance risk is the risk that in-force reinsurance contracts are inadequate for risk transfers according to the Company's risk appetite level, and also the risk that reinsurers cannot fulfil their obligations according to reinsurance contracts. Reinsurance risk management guideline was developed in order to manage the risks including reinsurance guidelines and reinsurance plan selection. Overall risk monitoring has been conducted in order to ensure that retained risks are according to risk management policy. In addition, reinsurer selection principles were developed for both domestic and foreign reinsurers to ensure that they will be able to fulfil their obligations.

Concentration risk

Concentration risk will increase the possibility of load of claims to incur at the same time and may result in actual claim losses deviated from expectation. Concentration risk also includes the risk from natural catastrophes or man-made events that could result in significant underwriting losses. The Company mitigates the risks by diversifying business portfolio across all lines of business and through reinsurance including proportional treaties, non-proportional treaties and facultative reinsurance which cover such events.

Net earned premium and net claim reserve concentration.

	2022					
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
Gross written premium	97,389,181	227,093,288	2,840,272,670	756,645,117	1,090,866,232	5,012,266,488
Less Reinsurance premium ceded	(63,713,397)	(35,580,042)	(17,271,799)	(17,140,745)	(564,855,743)	(698,561,726)
Net written premium	33,675,784	191,513,246	2,823,000,871	739,504,372	526,010,489	4,313,704,762
Add (Less) Change in unearned premium reserve	4,277,912	4,346,125	(292,352,058)	182,447,811	(13,673,059)	(114,953,269)
Net earned premium	37,953,696	195,859,371	2,530,648,813	921,952,183	512,337,430	4,198,751,493
Claim reserve	23,376,101	303,235,034	925,658,873	75,781,704	1,125,514,076	2,453,565,788
Claim reserve recovered from reinsurance	(7,247,976)	(159,830,028)	(18,966,304)	(508,807)	(673,485,705)	(860,038,820)
Net claim reserve	16,128,125	143,405,006	906,692,569	75,272,897	452,028,371	1,593,526,968

AXA Insurance
Public Company Limited
นาย. อรรถา ปุระกันภัย

AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

	2021					
	Fire Baht	Marine Baht	Motor Baht	Personal accident Baht	Miscellaneous Baht	Total Baht
Gross written premium	91,128,246	198,934,035	2,414,731,537	525,462,872	965,410,695	4,195,667,385
Less Reinsurance premium ceded	(43,207,224)	(35,905,653)	(32,995,377)	(9,127,982)	(432,120,806)	(553,357,042)
Net written premium	47,921,022	163,028,382	2,381,736,160	516,334,890	533,289,889	3,642,310,343
Add (Less) Change in unearned premium reserve	901,753	(20,294,409)	(212,280,194)	(199,043,247)	2,804,732	(427,911,365)
Net earned premium	48,822,775	142,733,973	2,169,455,966	317,291,643	536,094,621	3,214,398,978
Claim reserve	25,837,774	189,092,510	672,833,449	106,656,416	1,427,984,134	2,422,404,283
Claim reserve recovered from reinsurance	(2,493,750)	(68,936,892)	(3,965,236)	(16,310,773)	(1,023,376,372)	(1,115,083,023)
Net claim reserve	23,344,024	120,155,618	668,868,213	90,345,643	404,607,762	1,307,321,260

8 Fair value

8.1 Fair value estimation

The following table shows fair values and carrying amounts of financial assets by category.

	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2022					
<i>Financial assets measured at fair value</i>					
Financial assets at FVOCI	-	4,264,688,705	-	4,264,688,705	4,264,688,705
	-	4,264,688,705	-	4,264,688,705	4,264,688,705
<i>Financial assets not measured at fair value</i>					
Financial assets at amortised cost	-	-	702,655,626	702,655,626	702,655,626
	-	-	702,655,626	702,655,626	702,655,626
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2021					
<i>Financial assets measured at fair value</i>					
Financial assets at FVOCI	-	3,121,021,716	-	3,121,021,716	3,121,021,716
	-	3,121,021,716	-	3,121,021,716	3,121,021,716
<i>Financial assets not measured at fair value</i>					
Financial assets at amortised cost	-	-	1,352,644,712	1,352,644,712	1,352,644,712
	-	-	1,352,644,712	1,352,644,712	1,352,644,712

 
 บมจ. แอกซ่า ประกันภัย

The following table presents the financial assets that are measured at fair value at 31 December 2022 and 2021.

	2022			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets at fair value through other comprehensive income				
<u>Investment in securities</u>				
Government and state enterprise securities	- 2,750,653,487		- 2,750,653,487	
Private enterprise debt securities	- 1,484,009,893		- 1,484,009,893	
Equity securities	-	-	30,025,325	30,025,325
Total	- 4,234,663,380		30,025,325	4,264,688,705
	2021			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets at fair value through other comprehensive income				
<u>Investment in securities</u>				
Government and state enterprise securities	- 2,334,426,893		- 2,334,426,893	
Private enterprise debt securities	- 767,460,683		- 767,460,683	
Equity securities	-	-	19,134,140	19,134,140
Total	- 3,101,887,576		19,134,140	3,121,021,716

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers between Levels during the year.

8.2 Valuation techniques

8.2.1 Valuation techniques used to measure fair value level 2

Level 2 debt investments of marketable securities are fair valued using discounted cash flow model based on individual debt instrument's yield curve published by the Thai Bond Market Association at the end of reporting period.

8.2.2 Valuation techniques used to measure fair value level 3

Changes in level 3 financial instruments for the year ended 31 December 2022 and 2021 is as follows:

	31 December 2022 Baht	31 December 2021 Baht
Beginning balance of the year	19,134,140	36,362,171
Unrealised gain(loss)	10,891,185	(17,228,031)
Closing balance of the year	30,025,325	19,134,140

AXA Insurance
Public Company Limited
บริษัท แอกซ่า ประกันภัย

Valuation process

Management has put a process of performing the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. Appropriate valuation techniques and unobservable inputs are selectively used based on the characteristic of financial assets. The valuation of Level 3 fair value is reviewed and approved by management for financial reporting purposes.

Fair value hierarchy level 3 of Road Accident Victims Protection Co., Ltd. is determine based on fair value calculated using discounted cashflows method announced by Thailand General Insurance Association.

9 Cash and cash equivalents

	2022 Baht	2021 Baht
Cash on hand	205,337	218,086
Bank deposits held at call	435,352,892	215,523,953
Short-term investment	104,299	149,962,170
Total cash and cash equivalents	435,662,528	365,704,209

10 Premium receivable, net

The balances of premium receivable were aged as follows:

	From direct channel	
	2022 Baht	2021 Baht
Undue	406,606,151	376,302,401
Less than 30 days	59,526,011	38,104,531
30 - 60 days	24,213,660	22,643,966
60 - 90 days	10,879,216	12,810,162
90 days - 1 year	66,264,058	42,730,682
More than 1 year	17,252,799	8,665,617
Total premium receivable	584,741,895	501,257,359
<u>Less</u> Allowance for doubtful accounts	(7,175,456)	(7,520,721)
Premium receivable, net	577,566,439	493,736,638

11 Reinsurance assets, net

	2022 Baht	2021 Baht
Reserve of recovery from reinsurers		
Loss reserve	860,038,820	1,115,083,023
Premium reserve		
- Unearned premium reserve (UPR)	215,527,883	160,465,223
Reinsurance assets, net	1,075,566,703	1,275,548,246

The movement in loss reserve recovery is as follows:

	2022 Baht	2021 Baht
Balance as at 1 January	1,115,083,023	637,923,870
Claim insured recovered during the year	304,119,228	873,334,056
Change in claim reserve and assumptions	(224,361,830)	(74,544,923)
Reserve recovered during the year	(334,801,601)	(321,629,980)
Balance as at 31 December	860,038,820	1,115,083,023

The movement in reinsurance premium reserve is as follows:

	2022 Baht	2021 Baht
Balance as at 1 January	160,465,223	167,784,705
Reinsurance premium ceded during the year	698,561,726	553,357,042
Premium ceded recognised during the year	(643,499,066)	(560,676,524)
Balance as at 31 December	215,527,883	160,465,223

12 Amounts due from reinsurance, net

	2022 Baht	2021 Baht
Reinsurance premium receivable	31,553,983	23,477,406
<u>Less</u> Allowance for doubtful account	(89,488)	(183,964)
Amounts due from reinsurance, net	31,464,495	23,293,442

AXA Insurance
Public Company Limited
บมจ. แอกซ่า ประกันภัย

Reinsurance premium receivable aged based on due date is as follows:

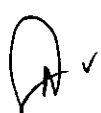
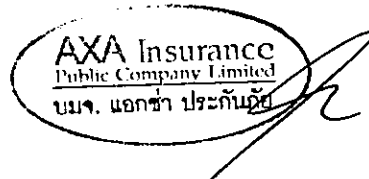
	2022 Baht	2021 Baht
Undue Overdue	25,689,044	11,779,594
Less than 12 months	2,842,738	5,138,284
1 - 2 years	413,311	3,973,038
More than 2 years	2,608,890	2,586,490
Total reinsurance premium receivable	31,553,983	23,477,406
<u>Less</u> Allowance for doubtful account	(89,488)	(183,964)
Due from reinsurers, net	31,464,495	23,293,442

13 Investments in securities

Investments in securities as at 31 December 2022 and 2021 are as follows:

Debt instrument financial assets

	2022	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Debt instrument measured at fair value through other comprehensive income</u>		
Government and state enterprise securities	2,761,525,635	2,750,653,487
Private enterprise debt securities	1,482,386,883	1,484,009,893
Total	4,243,912,518	4,234,663,380
<u>Less</u> Unrealised gain	(9,249,138)	-
Total debt instrument measured at fair value through other comprehensive income	4,234,663,380	4,234,663,380
<u>Debt instrument measured at amortised cost</u>		
Promissory notes	17,519,400	
Deposit with financial institutions with maturity over 3 months	702,655,626	
Total	720,175,026	
<u>Less</u> Expected credit loss	(17,519,400)	
Total debt instrument measured at amortised cost	702,655,626	
Total debt instrument financial assets	4,937,319,006	

AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

	2021	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Debt instrument measured at fair value through other comprehensive income</u>		
Government and state enterprise securities	2,328,251,092	2,334,426,893
Private enterprise debt securities	761,017,609	767,460,683
Total	3,089,268,701	3,101,887,576
Add Unrealised gain	12,618,875	-
Total debt instrument measured at fair value through other comprehensive income	3,101,887,576	3,101,887,576
<u>Debt instrument measured at amortised cost</u>		
Promissory notes	17,519,400	
Deposit with financial institutions with maturity over 3 months	1,352,644,712	
Total	1,370,164,112	
Less Expected credit loss	(17,519,400)	
Total debt instrument measured at amortised cost	1,352,644,712	
Total debt instrument financial assets	4,454,532,288	
<u>Equity instrument financial assets</u>		
	2022	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Equity instrument measured at fair value through other comprehensive income</u>		
Local equity securities	891,070	30,025,325
Add Unrealised gain	29,134,255	-
Total equity instrument measured at fair value through other comprehensive income	30,025,325	30,025,325
Total equity instrument financial assets	30,025,325	30,025,325
Total investment in securities	4,967,344,331	

AXA Insurance
Public Company Limited
บมจ. แอ็กซ่า ประกันภัย

	2021	
	Cost/ Amortised cost Baht	Fair value Baht
<u>Equity instrument measured at fair value through other comprehensive income</u>		
Local equity securities	891,070	19,134,140
<u>Add</u> Unrealised gain	18,243,070	-
Total equity instrument measured at fair value through other comprehensive income	19,134,140	19,134,140
Total equity instrument financial assets	19,134,140	19,134,140
Total investment in securities	4,473,666,428	

13.1 Investment measured at amortised cost

a) Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

b) Investments in debt securities that are measured at amortised cost as at 31 December 2022 and 2021 will be due as follows:

	2022			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Debt securities that are measured at amortised cost				
Promissory notes	17,519,400	-	-	17,519,400
Deposits at banks and other institutions with maturity over 3 months from issuance	702,655,626	-	-	702,655,626
Total	720,175,026	-	-	720,175,026
<u>Less</u> Expected credit loss	(17,519,400)	-	-	(17,519,400)
Total	702,655,626	-	-	702,655,626

AXA Insurance
Public Company Limited
บริษัท อก้าประกันภัย จำกัด

AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

	2021			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Debt securities that are measured at amortised cost				
Promissory notes	17,519,400	-	-	17,519,400
Deposits at banks and other institutions with maturity over 3 months from issuance	1,352,644,712	-	-	1,352,644,712
Total	1,370,164,112	-	-	1,370,164,112
Less Expected credit loss	(17,519,400)	-	-	(17,519,400)
Total	1,352,644,712	-	-	1,352,644,712

c) Fair values of investment measured at amortised cost

For promissory notes and deposit at banks and other institutions with maturity over 3 months from issuance, their carrying amount is considered to be the same as their fair value.

d) Expected credit loss

The Company's debt investments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

The reconciliations of loss allowance for investment at amortised cost for the year ended 31 December 2022 and 2021 are as follows:

	Promissory notes Baht	Deposit at banks and other institutions with maturity over 3 months from issuance Baht	Total Baht
Opening loss allowance as at 1 January 2021 - calculated under The Accounting Guidance	17,519,400	-	17,519,400
Increase in loss allowance recognized in profit or loss during the year	-	-	-
As at 31 December 2021 -	17,519,400	-	17,519,400
As at 1 January 2022	17,519,400	-	17,519,400
Increase in loss allowance recognized in profit or loss during the year	-	-	-
As at 31 December 2022	17,519,400	-	17,519,400

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	2022		
	Gross carrying value Baht	Expected credit loss Baht	Carrying value Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	702,655,626	-	702,655,626
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	17,519,400	(17,519,400)	-
Total	720,175,026	(17,519,400)	702,655,626
	2021		
	Gross carrying value Baht	Expected credit loss Baht	Carrying value Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	1,352,644,712	-	1,352,644,712
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	17,519,400	(17,519,400)	-
Total	1,370,164,112	(17,519,400)	1,352,644,712

13.2 Investment measured at fair value through other comprehensive income

- a) Classification of financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.
- debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at FVOCI comprise the following investments

	2022 Fair value Baht	2021 Fair value Baht
Investments in equity securities		
Unlisted securities	30,025,325	19,134,140
Investments in debt securities		
Government, state enterprise, and private enterprise debt securities	4,234,663,380	3,101,887,576
Total	4,264,688,705	3,121,021,716




- b) Investments in debt securities that are measured at fair value through other comprehensive income as at 31 December 2022 and 2021 will be due as follows:

	2022			
	Period to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Debt securities that are measured at fair value through other comprehensive income				
Government and state enterprise securities	2,025,804,734	621,343,351	103,505,402	2,750,653,487
Private enterprise debt securities	225,026,659	1,255,238,159	3,745,075	1,484,009,893
Total	2,250,831,393	1,876,581,510	107,250,477	4,234,663,380
	2021			
	Period to maturity			Total Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Debt securities that are measured at fair value through other comprehensive income				
Government and state enterprise securities	1,074,945,848	1,211,668,012	47,813,033	2,334,426,893
Private enterprise debt securities	255,940,952	495,914,329	15,605,402	767,460,683
Total	1,330,886,800	1,707,582,341	63,418,435	3,101,887,576

- c) 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:

	2022 Baht	2021 Baht
Losses recognised in other comprehensive income	(10,269,778)	(57,206,387)
Gains reclassified from other comprehensive income to profit or loss on the sale of investments	(313,220)	(174,115)

AXA Insurance
Public Company Limited
นาง. แอกรา ประทีพชัย

d) Loss allowance

The Company's debt investments at FVOCI are considered to have low credit risk. The loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

The reconciliations of loss allowance for investment at FVOCI for the year ended 31 December 2022 and 2021 are as follows:

	Debt securities Baht	Equity securities Baht	Total Baht
Opening loss allowance as at 1 January 2021 - calculated under The Accounting Guidance	673,235	-	673,235
Increase in loss allowance recognised in profit or loss during the year	30,509	-	30,509
As at 31 December 2021	703,744	-	703,744
As at 1 January 2022	703,744	-	703,744
Increase in loss allowance recognised in profit or loss during the year	385,769	-	385,769
As of 31 December 2022	1,089,513	-	1,089,513
	2022		
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht	
Investments in debt securities which credit risk has not significantly increased (Stage 1)	4,234,663,380	(1,089,513)	
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-	
Credit-impaired investments in debt securities (Stage 3)	-	-	
-	-	-	
Total	4,234,663,380	(1,089,513)	

	2021	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	3,101,887,576	(703,744)
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	3,101,887,576	(703,744)

As at 31 December 2022, the government bonds and deposits at financial institutions with maturity over 3 months from issuance at par value amounting to Baht 1,105,749 were placed as bail bonds (2021: Baht 1,101,332).

During the year 2022 and 2021, the Company has revenues relating to investment as follows:

- Interest income from investments with amounting to Baht 60.2 million (2021: Baht 59.4 million).
- Amount received from selling investments with totaling amounting to Baht 2,299.8 million (2021: Baht 899.8 million) and gain from selling investments with totaling amounting to Baht 0.3 million (2021: Baht 0.2 million).

13.3 Disclosure on fair value of investment in debt instruments

The fair value measurement of investment in debt instruments were as follows.

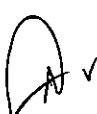
	2022	
	Ending Fair value Baht	Changes in Fair value Baht
Financial assets		
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	5,388,538,727	(21,868,013)
Cash flows arising that are not solely payments of principal and interest on the outstanding principal	-	-
Financial assets defined as held-for-sell	-	-
Financial assets which the performance is evaluated based on fair value.	-	-


 

	2021	
	Ending Fair value Baht	Changes in Fair value Baht
Financial assets		
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	4,835,709,410	(40,182,980)
Cash flows arising that are not solely payments of principal and interest on the outstanding principal	-	-
Financial assets defined as held-for-sell	-	-
Financial assets which the performance is evaluated based on fair value.	-	-

As at 31 December 2022, financial asset qualifying as SPPI includes debt securities, accrued investment income, cash and cash equivalents whereas the remaining includes equity securities.

Certain financial assets included within the financial statements, including premium receivables and amount due from reinsurance amounting to Baht 609.03 million (2021 : Baht 517.03 million) are not included above.


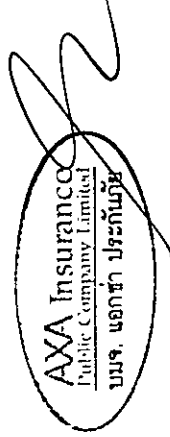




AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

14 Property and equipment, net

	2022								
	Cost			Accumulated depreciation				Net	
	Opening Baht	Addition/ Transfer Baht	Disposal/ Transfer out/ write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ write off Baht	Ending Baht	property and equipment Baht
Condo - office	54,347,560	-	-	54,347,560	(34,125,132)	-	-	(34,125,132)	20,222,428
Office furniture and equipment	210,944,980	5,342,794	(18,042,936)	198,244,838	(203,154,146)	(4,380,257)	17,866,911	(189,667,492)	8,577,346
Motor vehicles	5,367,000	-	-	5,367,000	(5,184,976)	(182,021)	-	(5,366,997)	3
Assets under installation	600,660	36,660	(637,320)	-	-	-	-	-	-
Total	271,260,200	5,379,454	(18,680,256)	257,959,398	(242,464,254)	(4,562,278)	17,866,911	(229,159,621)	28,799,777
	2021								
	Cost			Accumulated depreciation				Net	
	Opening Baht	Addition/ Transfer Baht	Disposal/ Transfer out/ write off Baht	Ending Baht	Opening Baht	Depreciation Baht	Transfer out/ write off Baht	Ending Baht	property and equipment Baht
Condo - office	54,347,560	-	-	54,347,560	(34,125,132)	-	-	(34,125,132)	20,222,428
Office furniture and equipment	208,554,808	4,810,007	(2,419,835)	210,944,980	(201,446,143)	(4,116,372)	2,408,369	(203,154,146)	7,790,834
Motor vehicles	5,441,299	-	(74,299)	5,367,000	(4,286,703)	(941,264)	42,991	(5,184,976)	182,024
Assets under installation	-	600,660	-	600,660	-	-	-	-	600,660
Total	268,343,667	5,410,667	(2,494,134)	271,260,200	(239,857,978)	(5,057,636)	2,451,360	(242,464,254)	28,795,946


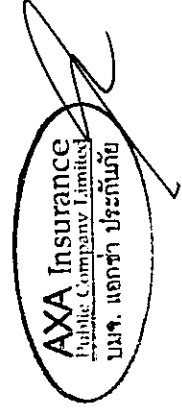



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15 Right-of-use assets

	2022									
	Cost/Revaluation				Accumulated amortisation					
Beginning balance	Addition	Change in contract	Gain on revaluation	Ending balance	Beginning balance	Amortisation charge	Revaluation adjustment	Ending balance	Right-of-use assets	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Buildings and Improvements	-	(3,905,927)	-	61,144,196	(22,019,560)	(13,183,434)	7,976,181	(27,226,813)	33,917,383	
Total	-	(3,905,927)	-	61,144,196	(22,019,560)	(13,183,434)	7,976,181	(27,226,813)	33,917,383	
	2021									
	Cost/Revaluation				Accumulated amortisation					
Beginning balance	Addition	Change in contract	Gain on revaluation	Ending balance	Beginning balance	Amortisation charge	Revaluation adjustment	Ending balance	Right-of-use assets	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Buildings and Improvements	-	5,619,890	-	65,050,123	(13,381,039)	(13,477,780)	4,839,259	(22,019,560)	43,030,563	
Total	-	5,619,890	-	65,050,123	(13,381,039)	(13,477,780)	4,839,259	(22,019,560)	43,030,563	

For the year ended 31 December 2022, the lease payments resulting from lease and service contracts which are not capitalised comprised of low-value leases amounting to Baht 3.01 million. (2021 : 3.07 million)

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16 Intangible assets, net

AXA Insurance
Public Company Limited
บมจ. แอ็กซ่า ประกันภัย

17. Deferred acquisition cost

Movements in deferred acquisition cost for the years ended 31 December 2022 and 2021 are as follows:

	2022 Baht	2021 Baht
Balance as at 1 January	229,599,228	185,800,276
Acquisition cost incurred during the year	538,444,628	447,169,925
Acquisition cost recognised during the year	(496,702,108)	(403,370,973)
Balance as at 31 December	271,341,748	229,599,228

18. Deferred income tax

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

	2022 Baht	2021 Baht
Beginning balance	379,699,035	375,298,296
Credit to the statements of comprehensive income (Note 31)	(21,900,204)	(7,436,707)
Deferred income tax from unrealised (gains) losses on investments in equity (Note 26)	2,116,600	11,476,100
Deferred income tax from other reserve	1,728,463	361,346
Ending balance	361,643,894	379,699,035

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

	2022 Baht	2021 Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	219,809,173	244,295,110
Deferred tax asset to be recovered after 12 months	184,165,381	179,377,876
	403,974,554	423,672,986
Deferred tax liabilities:		
Deferred tax liabilities to be settled within 12 months	38,135,740	38,583,050
Deferred tax liabilities to be settled after 12 months	4,194,920	5,390,901
	42,330,660	43,973,951
Deferred tax assets, net	361,643,894	379,699,035


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AXA Insurance
Public Company Limited
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AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Deferred tax assets and liabilities presented in statements of financial position and changes in deferred tax for the year ended 31 December 2022 arises from the following items:

	31 December 2021 Baht	Transaction in profit or loss Baht	Transaction in other comprehensive income Baht	Transaction in other reserve Baht	31 December 2022 Baht
Deferred tax assets					
- Allowance for doubtful accounts	1,540,937	(87,948)	-	-	1,452,989
- Unearned premium reserve	84,785,575	(27,845,237)	-	-	56,940,338
- Loss reserve and outstanding claims	261,850,897	60,001,123	-	-	321,852,020
- Provision for retirement benefits	7,601,602	1,134,967	-	1,125,458	9,862,027
- Accrued expenses	7,641,472	1,286,365	-	603,005	9,530,842
- Loss carry forward	56,086,127	(56,086,127)	-	-	-
- Lease Liabilities	521,747	92,808	-	-	614,555
- Expected credit losses	3,644,629	77,154	-	-	3,721,783
	423,672,986	(21,426,895)	-	1,728,463	403,974,554
Deferred tax liabilities					
- Deferred acquisition cost	36,946,149	-	-	-	36,946,149
- Changes in value of Investment measured at fair value through other comprehensive income	6,170,773	-	(2,193,754)	-	3,977,019
- Depreciation for computer	716,280	473,309	-	-	1,189,589
- Expected credit losses	140,749	-	77,154	-	217,903
	43,973,951	473,309	(2,116,600)	-	42,330,660
Deferred income tax, net	379,699,035				361,643,894


AXA Insurance
Public Company Limited
นาย. เอกคำ ปะกันภัย

19 Other assets

	2022 Baht	2021 Baht
Income tax receivable and undue valued added tax	22,530,433	43,612,020
Prepaid expenses and refundable deposits	20,783,706	19,673,730
Reserve withheld for claims	22,346,712	29,687,194
Amount due from related companies (Note 33)	1,273,803	482,669
Others	3,705,183	6,050,473
Total other assets	70,639,837	99,506,086

Reserve withheld for claims is cash withheld from premiums received on Thai Rice and Maize Insurance Scheme and which is the Government's Scheme co-operating with the Office of Insurance Commission and Thai General Insurance Association for payments for losses and other expenses which the Company will receive this cash when the coverage period in the insurance contracts is over.

20 Insurance liabilities

	2022			2021		
	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Claims reserve						
- Reported claim	1,907,249,704	(542,693,029)	1,364,556,675	1,870,852,450	(867,309,250)	1,003,543,200
- Claim incurred but not reported	546,316,084	(317,345,791)	228,970,293	551,551,833	(247,773,773)	303,778,060
Total claims reserve	2,453,565,788	(860,038,820)	1,593,526,968	2,422,404,283	(1,115,083,023)	1,307,321,260
Premium reserve						
- Unearned premium reserve (UPR)	2,211,333,165	(215,527,883)	1,995,805,282	2,041,317,236	(160,465,223)	1,880,852,013
Total	4,664,898,953	(1,075,566,703)	3,589,332,250	4,463,721,519	(1,275,548,246)	3,188,173,273

Insurance reserve for short-term insurance contract

20.1 Claims reserve


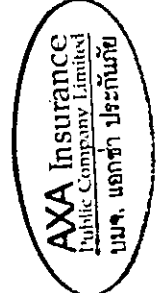

	2022 Baht	2021 Baht
Beginning balance	2,422,404,283	1,844,402,892
Claims incurred during the year	2,810,228,331	2,636,831,430
Changes in claims reserve and assumptions method on claims reserve	(322,610,414)	(88,678,051)
Claims paid during the year	(2,456,456,412)	(1,970,151,988)
Closing balance	2,453,565,788	2,422,404,283




20.1.1 Claim development table

Claim Development Table Before Reinsurance

Incident Year	Before 2018	2018	2019	2020	2021	2022	Total
Estimated claim:							
- At the end of the year	29,601,885,759	2,329,454,224	1,875,935,051	1,825,523,622	2,847,595,530	2,820,920,982	
- After 1 year	30,776,094,496	2,296,952,672	1,915,531,452	1,898,250,790	2,730,915,981	-	
- After 2 years	30,161,031,723	2,154,584,941	1,819,571,308	1,827,165,713	-	-	
- After 3 years	30,945,696,251	1,967,324,890	1,717,162,966	-	-	-	
- After 4 years	30,661,236,921	1,920,285,715	-	-	-	-	
- After 5 years	27,074,453,910	-	-	-	-	-	
Absolute estimated claim	27,074,453,910	1,920,285,715	1,717,162,966	1,827,165,713	2,730,915,981	2,820,920,982	
Cumulative claim paid	26,980,930,661	1,895,400,883	1,616,376,316	1,541,201,790	2,125,794,287	1,637,746,794	
Total	93,523,249	24,884,832	100,786,650	285,963,923	605,121,694	1,183,174,188	2,293,454,536
Unallocated loss adjustment expense							77,927,787
Technical safety margin							82,183,465
Total claims reserve							2,453,565,788

AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Claim Development Table, Net

Incident Year	Before 2018	2018	2019	2020	2021	2022	Total
Estimated claim:							
- At the end of the year	18,574,029,658	1,786,132,736	1,368,114,963	1,496,586,539	1,812,711,435	2,392,103,445	
- After 1 year	19,438,328,666	1,740,668,784	1,410,417,678	1,617,019,157	1,884,592,134	-	
- After 2 years	18,859,742,000	1,611,008,703	1,364,909,658	1,596,489,271	-	-	
- After 3 years	18,375,917,999	1,538,687,542	1,339,182,313	-	-	-	
- After 4 years	18,145,252,634	1,520,863,203	-	-	-	-	
- After 5 years	15,769,972,086	-	-	-	-	-	
Absolute estimated claim	15,769,972,086	1,520,863,203	1,339,182,313	1,596,489,271	1,884,592,134	2,392,103,445	
Cumulative claim paid	15,709,019,158	1,501,494,276	1,256,626,304	1,387,175,178	1,667,623,447	1,547,848,570	
Total	60,952,928	19,368,927	82,556,009	209,314,093	216,968,687	844,254,875	1,433,415,519
Unallocated loss adjustment expense							77,927,984
Technical safety margin							82,183,465
Total claims reserve							1,593,526,968

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AXA Insurance
Public Company Limited
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20.1.2 Aging analysis of loss reserve's repayment

	2022 Baht	2021 Baht
Repayment within 1 year	1,765,005,539	1,884,630,532
Repayment between 1 - 2 years	323,774,843	271,309,280
Repayment between 2 - 5 years	361,554,160	251,930,045
Repayment over 5 years	3,231,246	14,534,426
Total	2,453,565,788	2,422,404,283

20.1.3 Sensitivity analysis on change in main assumption

2022					
	Change in assumption	Impact on reinsurance assets	Impact on loss reserve and unallocated loss adjustment expenses	Impact on profit and loss	Impact to equity
Estimated loss ratio	Increase 2%	6,778,386	23,663,484	(13,100,720)	(13,100,720)
Estimated loss ratio	Decrease 2%	(6,778,386)	(23,663,484)	13,100,720	13,100,720
Technical safety margin	Increase 2%	-	1,643,669	(1,643,669)	(1,643,669)
Technical safety margin	Decrease 2%	-	(1,643,669)	1,643,669	1,643,669
2021					
	Change in assumption	Impact on reinsurance assets	Impact on loss reserve and unallocated loss adjustment expenses	Impact on profit and loss	Impact to equity
Estimated loss ratio	Increase 2%	16,299,029	29,880,126	(12,892,403)	(12,892,403)
Estimated loss ratio	Decrease 2%	(16,299,029)	(29,880,126)	12,783,784	12,783,784
Technical safety margin	Increase 2%	-	1,470,257	(1,470,257)	(1,470,257)
Technical safety margin	Decrease 2%	-	(1,470,257)	1,470,257	1,470,257

20.2 Unearned premium reserve

	2022 Baht	2021 Baht
Beginning balance	2,041,317,236	1,620,725,353
Premium written for the year	5,012,266,488	4,195,667,385
Premium earned for the year	(4,842,250,559)	(3,775,075,502)
Closing balance	2,211,333,165	2,041,317,236

As at 31 December 2022 and 2021, the Company's unearned premium reserve is higher than unexpired risk reserve.





21 Due to reinsurers

	2022 Baht	2021 Baht
Reinsurance premium payable	113,930,125	101,171,207
Fund withheld from reinsurance	81,079,916	42,173,288
Reinsurance payable - others	91,351,357	76,105,099
Total due to reinsurers	286,361,398	219,449,594

22 Employee benefit obligations

	2022 Baht	2021 Baht
Short-term employee benefits	73,231,400	98,700,794
Long-term employee benefits	27,067,757	28,578,077
Post-employee benefit	45,538,914	38,008,010
	145,838,071	165,286,881

As at 31 December 2022 and 2021, the Company has recognised long-term employee benefit obligations which is share-based payment of Baht 27.1 million and Baht 28.6 million respectively. Expenses of share-based payment for the year are as following:

	2022 Baht	2021 Baht
Expense of share-based payment	10,228,895	8,169,283

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

	2022 Baht	2021 Baht
At 1 January	55,410	48,287
Granted	14,826	12,141
Exercised	(16,803)	(5,018)
At 31 December	53,433	55,410

Post-employment benefit expenses which are recognised in the statements of comprehensive income are as follows:

	2022 Baht	2021 Baht
Current service costs	3,408,014	2,835,830
Interest costs	1,483,600	799,818
Past service cost	-	-
Total	4,891,614	3,635,648

Movements of the provision for employee benefits are as follows:

	2022 Baht	2021 Baht
Beginning balance	38,008,010	44,335,267
Current service costs	3,408,014	2,835,830
Remeasurements:		
Gain from change in financial assumptions	5,627,289	(8,307,438)
Experience losses	-	-
Interest costs	1,483,600	799,818
Past service cost	-	-
<u>Less</u> Benefits paid	<u>(2,987,999)</u>	<u>(1,655,467)</u>
Ending balance	45,538,914	38,008,010

The principal actuarial assumptions used are as follows:

	2022 Baht	2021 Baht
Discount rate	3.40%	2.22%
Salary increase rate	5.00%	5.00%
Average turnover rate	11.00% - 30.00%	11.00% - 30.00%
Retirement age	55 or 60 years	55 or 60 years

The principal actuarial assumptions used are as follows:

	2022		
	Impact on employee benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease 2.53%	Increase 2.58%
Salary increase rate	0.50%	Increase 4.77%	Decrease 4.48%
Average turnover rate	0.50%	Decrease 5.23%	Increase 5.63%
	2021		
	Impact on employee benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease 2.06%	Increase 2.09%
Salary increase rate	0.50%	Increase 4.12%	Decrease 3.90%
Average turnover rate	0.50%	Decrease 4.58%	Increase 4.90%

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 defined benefit obligation recognised within the statement of financial position.

The weighted average duration of the defined benefit obligation is 13 years.

AXA Insurance Public Company Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Expected maturity analysis of undiscounted retirement benefits.

	2022				Total Baht
	Less than a year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	
At 31 December 2022					
Retirement benefits	-	22,778,624	18,158,277	76,887,933	117,824,834
Total	-	22,778,624	18,158,277	76,887,933	117,824,834
	2021				Total Baht
	Less than a year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	
At 31 December 2021					
Retirement benefits	1,655,467	19,620,077	16,128,469	41,675,252	79,079,265
Total	1,655,467	19,620,077	16,128,469	41,675,252	79,079,265

23 Lease liabilities

Maturity of lease liabilities are as follows:

	2022 Baht	2021 Baht
Minimum lease liabilities payments		
Not later than one year	9,822,923	16,101,435
Later than 1 year but not later than 5 years	29,200,934	33,163,835
Later than 5 years	1,832,719	1,447,490
Total	40,856,576	50,712,760
Less Future finance charges on leases	(4,864,313)	(5,408,621)
Present value of lease liabilities	35,992,263	45,304,139
Lease liabilities		
- Current portion	9,822,923	16,101,435
- Non-current portion	31,033,653	34,611,325
Present value of lease liabilities:		
Not later than one year	8,021,395	13,928,772
Later than 1 year but not later than 5 years	26,181,289	29,945,859
Later than 5 years	1,789,579	1,429,508
Total	35,992,263	45,304,139




24 Other liabilities

	2022 Baht	2021 Baht
Revenue Department payable	30,839,441	26,702,054
Amount due from related companies (Note 33)	9,481,599	23,663,817
Premium suspense	82,168,343	134,223,948
Others	28,114,591	676,934
Total other liabilities	150,603,974	185,266,753

25 Unrealised gains (losses) on investments

Movements of unrealised gains (losses) on investments for the years ended 31 December 2022 and 2021 are as follows:

	2022 Baht	2021 Baht
Opening balance	25,246,084	71,150,486
Less: Changes in fair values of investments	(10,582,998)	(57,380,502)
Changes in deferred tax assets/liabilities (Note 18)	2,116,600	11,476,100
Closing balance	16,779,686	25,246,084

26 Effective tax relating to each component of other comprehensive income

	2022			2021		
	Amount before tax Baht	Income tax Baht	Amount after tax Baht	Amount before tax Baht	Income tax Baht	Amount after tax Baht
Remeasurement of post-employment benefit obligations	(5,627,289)	1,125,458	(4,501,831)	8,307,438	(1,661,488)	6,645,950
Gains (losses) in changes in value of investment	(10,582,998)	2,116,600	(8,466,398)	(57,380,502)	11,476,100	(45,904,402)
Total	(16,210,287)	3,242,058	(12,968,229)	(49,073,064)	9,814,612	(39,258,452)

27 Legal reserve

	2022 Baht	2021 Baht
Opening balance	30,670,999	30,670,999
Addition during the year	-	-
Closing balance	30,670,999	30,670,999

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The reserve is non-distributable.

28 Share capital

	Number of ordinary shares Shares	Ordinary shares Baht	Share discount Baht	Total Baht
At 1 January 2021	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584
Issue of shares	-	-	-	-
At 31 December 2021	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584
Issue of shares	-	-	-	-
At 31 December 2022	36,726,421	3,672,642,100	(1,068,106,516)	2,604,535,584

29 Operating expenses

	2022 Baht	2021 Baht
Employee expenses not relating to underwriting and claim expenses	252,262,736	232,944,197
Property and equipment expenses not relating to underwriting expenses	75,272,800	67,571,371
Tax expenses	902,256	935,162
Bad debt and doubtful accounts (reversal)	(133,000)	820,006
Expected credit loss	385,769	30,509
Other operating expenses	132,948,632	104,697,651
Total operating expenses	461,639,193	406,998,896

30 Employee benefit expenses

	2022 Baht	2021 Baht
Salary	460,693,913	455,164,686
Social security fund	2,925,139	2,656,735
Contribution to employee benefit project	24,150,096	22,972,933
Other employee benefit expenses	33,396,884	22,232,380
Total employee benefit expenses	521,166,032	503,026,734





31 Income tax

	2022 Baht	2021 Baht
Income tax for the year	41,851,448	-
Deferred tax (Note 18)	21,900,204	7,436,707
Income tax expense	63,751,652	7,436,707

Reconciliation of income tax credit and the results of the accounting loss multiplied by the income tax rate are as follows:

	2022 Baht	2021 Baht
Profit before income tax	283,868,148	135,932,910
Tax rate	20%	20%
The result of the accounting loss multiplied by income tax rate	56,773,630	27,186,582
Tax losses for which no deferred Income tax asset was recognised	46,549	(19,127,320)
Effect of non - taxable income and non-deductible expenses	6,931,473	(622,555)
Income tax expense	63,751,652	7,436,707

More information relating to deferred tax is presented in Note 18.

32 Basic profit (loss) per share

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

	2022 Baht	2021 Baht
Net profit for the period attributable to ordinary shareholders (Baht)	220,116,496	128,496,201
Weighted average number of ordinary shares in issue during the period (Shares)	36,726,421	36,726,421
Basic profit per share (Baht)	5.99	3.50

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2022 and 2021.





33 Related parties 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 Company is a subsidiary company of AXA SA whose incorporated and domiciled in France.

The Company had the following significant transactions with related parties:

	2022 Baht	2021 Baht
Statement of comprehensive income		
Revenues		
Gross written premium	551,777,740	503,975,660
Reinsurance premium ceded	(540,562,116)	(393,654,875)
Commission and brokerage fees	73,997,699	52,505,296
Expenses		
Losses and loss adjustment expenses	14,530,519	13,986,540
Claim recovered from reinsurers	25,351,449	(945,569,393)
Commission and brokerage expenses	94,237,623	85,460,674
Other underwriting expenses	7,246,573	4,169,075
Operating expenses		
Other expenses recoveries	(13,116,007)	(9,953,608)
Management and service fees	87,953,278	83,167,408
	2022 Baht	2021 Baht
Statement of financial position		
Assets		
Reinsurance assets, net	525,491,262	847,390,820
Amount due from reinsurance, net	9,262,969	291,061
Other assets		
Amount due from related companies	1,273,803	482,669
Liabilities		
Due to reinsurers	121,952,005	89,999,282
Other liabilities	9,481,599	23,663,817

Key management compensation

The compensation to key management for employee service for the years ended 31 December 2022 and 2021 are shown below:

	2022 Baht	2021 Baht
Short-term employee benefits	106,903,597	100,198,341
Post-employee benefits	4,891,614	1,286,253
Total	111,795,211	101,484,594

34 Deposits with Registrar

In compliance with Section 19 of the Non-Life Insurance Act B.E. 2535 and the Non-Life Insurance Act (No. 2) B.E. 2551, government bonds amounting to Baht 411,000,000 and have no state-owned enterprise (31 December 2021: government bonds amounting to Baht 207,000,000 and state-owned enterprise bonds amounting to Baht 175,000,000) have been placed at the Office of Insurance Commission.

35 Contribution to Non-life guarantee fund

In compliance with the Non-Life Insurance Act (No. 2) B.E. 2551, during the year the Company contributes to Non-life guarantee fund amounting to Baht 12,445,530 (2021: Baht 10,419,203).

