

INSURVERSE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2023

Independent Auditor's Report

To the shareholders of Insurverse Public Company Limited

My opinion

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

What I have audited

The Company's financial statements comprise:

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

Basis for opinion

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

Responsibilities of 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 intends 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.

Viphasiri Vimanrat

Certified Public Accountant (Thailand) No. 9141

Bangkok

23 February 2024

Insurverse Public Company Limited
Statement of Financial Position
As at 31 December 2023

		(Reclassified)	
		2023	2022
	Notes	Baht	Baht
Assets			
Cash and cash equivalents	9	68,875,304	306,045
Accrued investment income		34,287	12,841
Reinsurance assets, net	10, 15	3,913,716	301,775
Invested assets			
Investment in securities, net	11, 35	27,580,029	56,204,635
Property, plant and equipment, net	12	1,942,928	21,601
Intangible assets, net	13	19,446,358	17,127
Prepaid reinsurance premiums, net	35	-	75,187
Prepaid commissions	35	15,334	42,278
Other assets, net	14, 35	23,383,664	21,001,672
Total assets		145,191,620	77,983,161

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

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

		(Reclassified)	
	Notes	2023 Baht	2022 Baht
Liabilities and equity			
Liabilities			
Insurance contract liabilities	15	5,000,876	426,786
Due to reinsurers	16	2,791,570	502,828
Premium received in advance		720,750	183,817
Deferred tax liabilities, net	17	5,092,659	10,704,207
Employee benefit obligations	18	99,277	1,234,533
Other liabilities	19, 35	38,279,572	2,090,864
Total liabilities		51,984,704	15,143,035

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

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

		(Reclassified)	
	Note	2023 Baht	2022 Baht
Liabilities and equity (Cont'd)			
Equity			
Share capital			
Authorised share capital			
Ordinary shares, 6,700,000 shares of par Baht 100 each (2022: Ordinary shares, 5,700,000 shares of par Baht 100 each)			
	20	670,000,000	570,000,000
Issued and paid-up share capital			
Ordinary shares, 6,700,000 shares paid-up Baht 100 each (2022: Ordinary shares, 5,700,000 shares paid-up Baht 100 each)			
	20	670,000,000	570,000,000
Deficits			
Unappropriated			
		(597,723,002)	(556,268,397)
Other components of equity			
		20,929,918	49,108,523
Total equity		93,206,916	62,840,126
Total liabilities and equity		145,191,620	77,983,161

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

Insurverse Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2023

	Notes	2023 Baht	2022 Baht
Revenues			
Premium written		5,163,927	745,709
<u>Less</u> Ceded premium		(4,096,206)	(609,087)
Net premium written		1,067,721	136,622
<u>Add(Less)</u> (Increase) decrease in unearned premium reserves from previous year		(840,203)	96,034
Net premium earned		227,518	232,656
Fee and commission income		1,326,061	356,248
Income on investments, net		247,619	97,624
Losses on investments		-	(3,915,280)
Other income		289,972	1,129,683
Total revenues		2,091,170	(2,099,069)
Expenses			
Gross insurance claims and loss adjustment expenses		1,066,979	155,290
<u>Less</u> Insurance claims and loss adjustment expenses recovery		(407,441)	-
Commission and brokerage expenses		15,142	143,386
Other underwriting expenses		445,300	263,777
Operating expenses	22	47,552,416	13,969,302
Expected credit losses	25	-	9,837
Total expenses		48,672,396	14,541,592
Loss before income tax		(46,581,226)	(16,640,661)
Income tax expense	26	(121,158)	(262,956)
Loss for the year		(46,702,384)	(16,903,617)

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

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

	Notes	2023 Baht	2022 Baht
Other comprehensive incomes (expenses)			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Unrealised gains (losses) in value of investments measured at fair value through other comprehensive income		(28,663,532)	14,511,875
Income tax relating to items that will be reclassified subsequently to profit or loss	21	5,732,706	(2,902,375)
		<hr/>	<hr/>
Total items that will be reclassified subsequently to profit or loss		(22,930,826)	11,609,500
		<hr/>	<hr/>
Other comprehensive incomes (expenses) for the year, net of income tax		(22,930,826)	11,609,500
		<hr/>	<hr/>
Total comprehensive expense for the year		(69,633,210)	(5,294,117)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share			
Basic loss per share (Baht)	27	(7.84)	(2.97)

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

Insurverse Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2023

	Notes	Other components of equity					Total
		Issued and paid-up share capital	Unrealised gains (losses) on change in value of investments measured at fair value through other comprehensive income - net of tax	Unrealised actuarial gains (losses) - net of tax	Total other components of equity	Deficits Unappropriated	
		Baht	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 January 2022		570,000,000	32,251,244	5,247,779	37,499,023	(539,364,780)	68,134,243
Net loss		-	-	-	-	(16,903,617)	(16,903,617)
Unrealised gains in value of investments measured at fair value through other comprehensive income - net of tax	21	-	11,609,500	-	11,609,500	-	11,609,500
Closing balance as at 31 December 2022		<u>570,000,000</u>	<u>43,860,744</u>	<u>5,247,779</u>	<u>49,108,523</u>	<u>(556,268,397)</u>	<u>62,840,126</u>
Beginning balance as at 1 January 2023		570,000,000	43,860,744	5,247,779	49,108,523	(556,268,397)	62,840,126
Net loss		-	-	-	-	(46,702,384)	(46,702,384)
Issue shares	20	100,000,000	-	-	-	-	100,000,000
Transfer to deficits	18	-	-	(5,247,779)	(5,247,779)	5,247,779	-
Unrealised losses in value of investments measured at fair value through other comprehensive income - net of tax	21	-	(22,930,826)	-	(22,930,826)	-	(22,930,826)
Closing balance as at 31 December 2023		<u>670,000,000</u>	<u>20,929,918</u>	<u>-</u>	<u>20,929,918</u>	<u>(597,723,002)</u>	<u>93,206,916</u>

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

Insurverse Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2023

	Note	2023 Baht	2022 Baht
Cash flows from (used in) operating activities			
Direct premium written		5,705,879	736,441
Cash received (paid) for reinsurance		(315,019)	(68,735)
Losses incurred of direct insurance		(621,984)	(216,806)
Commissions and brokerages of direct insurance		-	(145,003)
Other underwriting expenses		(446,690)	(263,562)
Interest income		220,173	98,733
Dividend received		6,000	-
Other income		2,025	162,403
Operating expenses		(34,615,939)	(14,472,193)
Income tax paid		(1,283)	(6,808)
Cash received from financial assets		-	1,126,054
Cash used in financial assets		(38,926)	-
Net cash used in operating activities		(30,105,764)	(13,049,476)
Cash flows from (used in) investing activities			
<u>Cash provided from</u>			
Proceeds from disposal of property, plant and equipment		37,383	967,290
Cash provided from investing activities		37,383	967,290
<u>Cash used in</u>			
Purchase of intangible assets	13	(196,560)	-
Cash used in investing activities		(196,560)	-
Net cash from (used in) investing activities		(159,177)	967,290

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

Insurverse Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2023

	Notes	2023 Baht	2022 Baht
Cash flows from (used in) financing activities			
Proceeds from issue of ordinary shares	20	100,000,000	-
Advances received from a related party	28	16,010,800	-
Repayment of advances received from a related party	28	(16,625,800)	-
Repayment on lease liabilities		(550,800)	-
Net cash from financing activities		98,834,200	-
Net increase (decrease) in cash and cash equivalents		68,569,259	(12,082,186)
Cash and cash equivalents at the beginning of the year		306,045	12,388,231
Cash and cash equivalents at the end of the year		68,875,304	306,045
Significant non-cash transactions comprised of:			
Acquisition of right-of-use assets	12, 13	22,781,363	-

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

1. General information

Insurverse Public Company Limited (“the Company”) (formerly named Erawan Insurance Public Company Limited (“Erawan Insurance”)) has registered as a juristic person under the Civil and Commercial Code on 20 September 1982. On 4 October 2022, Erawan Insurance has been completed purchased and transform of the business, as per business transfer agreement dated 9 August 2022, to TIP IB Co., Ltd (“Parent Company”). On 20 January 2023, the Company has changed its title name from Erawan Insurance Public Company Limited (“Erawan Insurance”). The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

The Company’s registered address is 1115 Dhipaya Insurance Building (Head Office) 24th Floor, Rama III Road, Chong Nonsri, Yannawa, Bangkok.

The principal business operation of the Company is insurance business.

The ultimate parent company is Dhipaya Group Holdings Public Company Limited which is listed in Stock Exchange of Thailand and the parent company is TIP IB Company Limited which is incorporated in Thailand and owns 80% of the Company’s issued and paid-up shares.

These financial statements were authorised for issue by the Board of Directors on 23 February 2024.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the formats prescribed by the Notification of the Office of Insurance Commission entitled “Principle, methodology, condition and timing of preparation, submission and reporting of financial statements and operation performance for non-life insurance company B.E. 2566” dated on 8 February 2023 (‘OIC Notification’).

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

The preparation of financial statements in conformity with TFRS 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 8.

An English version of the financial statements has been prepared from the financial statements that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language 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 on or after 1 January 2023 do not have significant impacts to the Company.**
- 3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024.**

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

- a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from '*significant* accounting policies' to '*material* accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

- c) Amendments to TAS 12 - Income taxes** require companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

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

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

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

3.3 Amended financial reporting standards that is effective for the accounting period beginning on or after 1 January 2025.

- a) TFRS 17 Insurance Contracts** TFRS 17 has replaced TFRS 4 Insurance Contracts that are effective for the accounting period beginning on or after 1 January 2025.

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

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

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

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

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

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

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

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

4. Accounting policies

4.1 Revenue recognition

(a) Net premium earned

Premium written comprised of direct premium written and inward reinsurance premium, less cancelled premium. Premium written is recognised on the date the insurance policy comes into effective date for insurance policies of which the coverage periods are less than 1 year. For long-term policies which the coverage periods are longer than 1 year, the related revenues is recorded as "Premium received in advance". The Company amortises the recognition of the unearned items as income over the coverage period on the annual basis. Inward reinsurance premium is recognised as income when the reinsurer places the reinsurance application or Statement of Accounts with the Company.

Ceded premium is premium income which the Company ceded to reinsurer. For long-term policies which the coverage periods are longer than 1 year, the Company presented as "Prepaid reinsurance premium, net" by net presenting with related prepaid commission income.

Net premium earned comprises of premium written after deducting ceded premium, adjusted with unearned premium reserve adjustment.

(b) Fee and commission income

Fee and commission from ceded premium are recognised as income within the accounting period when incurred.

Fee and commission from ceded premium with coverage periods longer than 1 year are recorded as unearned items net presenting in “Prepaid reinsurance premiums, net” and recognised as income over the coverage period on the annual basis.

(c) Interest income and dividends

Interest income is recognised as accrued interest based on the effective rate method. Dividends are recognised when the right to receive the dividend is established.

(d) Gains (losses) on securities trading

Gains (losses) on trading in securities are recognised as incomes or expenses on the transaction date.

(e) Other income

Other income is recognised on the accrual basis.

4.2 Premium reserve

(a) Unearned premium reserve

Unearned premium reserve is set aside in compliance with the Notification of the Office of Insurance Commission governing the principle, methodology and condition of unearned premium reserves, loss reserves and other reserves of non-life insurance companies B.E.2554 as follows:

Type of insurance	Reserve calculation method
- Fire, motor and miscellaneous (except for travel accident with coverage of less than 6 months)	<u>Original calculation method</u>
	- Daily average basis (the one-three hundred sixty fifth basis)
- Travel accident (the coverage not more than 6 months)	<u>New calculation method</u>
	- Monthly average basis (the one-twenty fourth basis)
- 100% of net premium written starting from the policy effective date	

The change in accounting policy has no material impact on the financial statement for the year 2022.

(b) Unexpired risks reserve

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

The Company compares the amounts of unexpired risks reserve with unearned premium reserve. If unexpired risks reserve is higher than unearned premium reserve, the difference is recognised as unexpired risks reserve in the financial statements.

4.3 Loss reserve and outstanding claims

The Company records outstanding claims at the amount to be paid, while loss reserves are provided upon receipt of claim advices from the insured. They are recorded at the value appraised by an independent appraiser, or by the Company's officer as each case but not exceed the maximum of sum insured of each policy.

The Company sets up reserve for claims incurred but not yet reported (IBNR) which is calculated based on the best estimate by professional actuary. The provision will be covered for all projected losses, such as losses incurred during this period, claims incurred but not reported (IBNR) and net by loss paid.

4.4 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 the personal accident 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.

4.5 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.

4.6 Commissions, brokerages and other expenses

Commissions and brokerages are expensed within the accounting period when incurred. For long-term policies which the coverage periods are longer than one year, the Company amortises the recognition of the "Prepaid commissions" as expenses over the coverage period on the annual basis.

Other expenses are recognised on the accrual basis.

4.7 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

While cash and cash equivalents are also subject to the impairment requirements of financial instruments and disclosures for insurance companies 'accounting guidance' ("The Accounting Guidance"), the identified impairment loss was immaterial.

4.8 Reinsurance assets and due to reinsurers

(a) Reinsurance assets, net

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

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium reserve, loss reserve and claims incurred but not yet reported by insured accordance with the law regarding insurance reserve calculation.

The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection by considering financial status of reinsurers as at the end of the reporting period.

(b) Due to reinsurers

Due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance. Amount due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims. The Company presents net of reinsurance to the same entity (reinsurance assets or due to reinsurers) when the criteria for offsetting as follows:

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

4.9 Financial assets

The Company temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts. The Company apply the financial instruments and disclosures for insurance companies 'accounting guidance' ("The Accounting Guidance") issued by the Federation of Accounting Professions until TFRS 17 becomes effective.

(a) Classification

The Company classifies its investments in securities as follows:

- 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.

(d) Debt instruments

The measurement categories of 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 gain (loss) on investments together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

(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.

Changes in the fair value of investments in equity instruments at FVPL are recognised in gains (losses) on the revaluation of investments in the statement of comprehensive income.

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 which classified as debt instruments carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been any significant increases in credit risk. The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

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

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

For impairment of equity instruments which classified as investments measured at fair value through other comprehensive income will be recognised in profit and loss immediately when there is evidence supports the impairment of the instruments. 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.

4.10 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company and capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

4.11 Intangible assets

Intangible asset is stated at cost less accumulated amortisation and impairment of assets (if any).

Amortisation of intangible assets is calculated by reference to their costs on a straight-line basis over the period of the lease and the expected beneficial period as follows:

Computer software	5 years
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4.12 Impairment of assets

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

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

4.13 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. Right-of-use assets are recorded as "Property, Plant and equipment" and "Intangible assets" in Statement of Financial Position.

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

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

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

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

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

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

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise Computer and Printer rental agreement.

4.14 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.

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.

4.15 Employee benefits

(a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employee's service up to the end of the reporting period. They are measured at the amount expected to be paid.

(b) Defined contribution plan

The Company pays contributions to a separate fund on a voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

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

4.16 Current and deferred income taxes

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

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the 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 tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.17 Provisions

Provisions 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.18 Share capital

Ordinary shares are classified as equity.

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

5. Financial risk management

5.1 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 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.

5.1.1 Market risk

Market risk arises from variability in fair values of financial instruments or related future cash flows due to variability in market risks variables. Market risk comprises foreign currency risk, interest rate risk and price risk.

a) Foreign currency risk

As of 31 December 2023 and 2022, the Company has no significant foreign currency risk relating to receipts of insurance premiums and reinsurance with foreign insurance companies in foreign currencies.

b) Cash flow and fair value interest rate risk

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

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by considering the changes in interest rate under crisis situation in order to assess whether the Company has adequate assets to fulfil its obligations under the situation.

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

		2023								
		Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
		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		-	-	-	68,871,097	-	-	4,207	68,875,304	0.33 - 0.55
Accrued investment income		34,287	-	-	-	-	-	-	34,287	0.88 - 1.22
Investment in securities		201,092	-	-	-	-	-	27,378,937	27,580,029	0.88 - 1.22
		235,379	-	-	68,871,097	-	-	27,383,144	96,489,620	
Financial liabilities										
Lease liabilities		3,739,870	18,965,276	-	-	-	-	-	22,705,146	6.77 - 7.57
		3,739,870	18,965,276	-	-	-	-	-	22,705,146	
		2022								
		Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
		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		-	-	-	33,690	-	-	272,355	306,045	0.05 - 0.35
Accrued investment income		12,841	-	-	-	-	-	-	12,841	0.15 - 0.73
Investment in securities		162,166	-	-	-	-	-	56,042,469	56,204,635	0.15 - 0.73
		175,007	-	-	33,690	-	-	56,314,824	56,523,521	

Interest rate sensitivity analysis

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

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

	Impact to net profit	
	2023	2022
	Baht	Baht
Interest rate - increase 1%*	688,711	337
Interest rate - decrease 1%*	(206,613)	(72)

* Holding all other variables constant

C) Price risk

Price risk is the risk that changes in the market prices of equity securities will result in fluctuations in revenues or in the values of financial assets.

As of 31 December 2023 and 2022, the Company has no exposure to equity securities price risk arises from investments held by the Company.

5.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

Credit risk arises from cash and cash equivalents, contractual cash flows of investment in debt instruments carried at amortised cost and amount due from reinsurance.

a) **Risk management**

The Company has the credit risk management policy that is approved by Risk Management Committee which consisted of:

Risk assessment

- to determine the credit risk limitation and verified by Risk Management Department;
- to consider the significant increase in credit risk - the Company determined whether the credit risk of financial instruments has increased significantly since initial recognition;
- to determine the definitions of default, including the reasons for selecting those definitions.

Risk reporting

Risk Management Department of affiliated company of the Group performs reports results to Risk Management Committee at least on a quarterly basis. Risk Management Committee assesses the appropriateness of credit risk management policy and adjusts the policy to be consistent with the entity's operation and industry at least on a yearly basis.

Risk management

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

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

The Company is exposed to credit risk primarily with respect to premium receivables and amount due from reinsurance. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of premium due and uncollected as stated in the Statement of Financial Position.

b) Impairment of financial assets

The Company has 2 types of financial assets that are subject to the expected credit loss model:

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

Cash and cash equivalents

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 or collective 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.

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

Investment in debt instruments

The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the Company measures impairment losses and applies the effective interest rate method. The Company considers that all debt investments measured at amortised cost have 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.

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1) *Investment in debt instruments measured at amortised cost*

Investment in debt instruments measured at amortised cost is Deposits at banks and other institutions with maturity over 3 months from acquisition date.

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

	2023			
	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	Total Baht
Investment in debt instruments measured at amortised cost				
Beginning balance	-	-	-	-
New financial assets purchased	-	-	-	-
Reversal	-	-	-	-
Ending balance	-	-	-	-
	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	Total Baht
Investment in debt instruments measured at amortised cost				
Beginning balance	9,837	-	-	9,837
New financial assets purchased	-	-	-	-
Reversal	(9,837)	-	-	(9,837)
Ending balance	-	-	-	-

Maximum credit risk exposure

The exposure to credit risk of the Company equals their carrying amount in the statement of financial position as at reporting date. The maximum credit risk exposure of the Company in the event of other parties failing to perform their obligation, no account taken of any collateral held and the maximum exposure to loss is considered to be the statement of financial position carrying amount.

5.1.3 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.

Management monitors cash and cash equivalents on the basis of expected cash flows. Including 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.

The Company's financial assets mainly comprises of cash and cash equivalents, invested assets which are not yet due or overdue not more than 1 year, whereas the company's financial liabilities mainly comprises of due to reinsurers which most outstanding are due within 1 year and lease liabilities are due within 5 years.

a) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities by grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting isn't significant.

	2023					Carrying amount
	On demand	Within 1 year	1 - 5 years	Over 5 years	Total	
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Maturity of financial liabilities						
Lease liabilities	-	3,739,870	18,965,276	-	22,705,146	22,705,146
	-	3,739,870	18,965,276	-	22,705,146	22,705,146

5.2 Capital management

5.2.1 Risk 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, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

6. Insurance risk

There are three major risk sub-categories in insurance risk which are underwriting risk, reinsurance risk and concentration of risk.

6.1 Underwriting risk

Underwriting risk is the risk that actual claims loss and related expenses deviate from underlying estimation assumptions which may cause insufficient Company's premium reserves and loss reserves. Underwriting risk management guideline was developed in order to manage the risks including underwriting standards and underwriting guidelines. Underwriting standards and underwriting guidelines were developed to ensure that premium charged is matched with coverage of risks. Underwriting principles were individually developed for each group of risk including house, commercial building, hotel and industrial facilities. The principles also limit insurance proportion for each risk group to control concentration of risks. Additionally, insurance claims monitoring process has been continuously conducted which consists of IBNR calculation and premium reserve adequacy testing to ensure that holding reserves will be sufficient for actual claim losses.

6.2 Reinsurance risk

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

6.3 Concentration of risks

Concentration of risks will increase the possibility of load of claims to incur at the same time and may result in actual claim losses deviate from expectation. Concentration risk monitoring and control has been conducted including insurance of various categories of products, insurance block control, geographic control and high risk area (natural disaster i.e. flood and earthquake) to limit risk exposure. The Company uses information technology system to collect data and prevent concentration of risk. Additionally, concentration of risk management also apply on reinsurance port in order to avoid too much reinsurance proportion to any single reinsurer. Concentration risk can be effectively managed by product diversification because the claims will not concentrate within any categories of products.

The Company has premium written divided into categories of products in gross of reinsurance basis as follows:

Categories of products	2023 Baht	2022 Baht
Fire	108,926	725,057
Motor	4,937,171	16,854
Miscellaneous	117,830	3,798
Total	5,163,927	745,709

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The Company has premium written divided into categories of products in net of reinsurance basis as follows:

Categories of products	2023 Baht	2022 Baht
Fire	57,179	119,007
Motor	986,905	16,284
Miscellaneous	23,637	1,331
Total	1,067,721	136,622

7. Fair value

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	2023			
	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
Financial assets measured at fair value				
Financial assets at FVOCI	27,378,937	-	27,378,937	27,378,937
	27,378,937	-	27,378,937	27,378,937
Financial assets not measured at fair value				
Financial assets at amortised cost	-	201,092	201,092	201,092
	-	201,092	201,092	201,092

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	2022			
	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
Financial assets measured at fair value				
Financial assets at FVOCI	56,042,469	-	56,042,469	56,042,469
	56,042,469	-	56,042,469	56,042,469
Financial assets not measured at fair value				
Financial assets at amortised cost	-	162,166	162,166	162,166
	-	162,166	162,166	162,166

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

	2023 %	2022 %
Financial institutions	0.73	0.29
Other parties	99.27	99.71
Total	100.00	100.00

The following table presents fair value of financial assets recognised or disclosed by their fair value hierarchy.

	2023			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	27,378,937	27,378,937
Total	-	-	27,378,937	27,378,937

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	2022			Total Baht
	Level 1 Baht	Level 2 Baht	Level 3 Baht	
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	56,042,469	56,042,469
Total	-	-	56,042,469	56,042,469

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

Level 1: The fair value of financial instruments is based on the current bid price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

Valuation techniques used to determine fair values

Financial instruments in level 3

The investment department of affiliated company of the Group performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the managing director. Discussions of valuation processes and results are held between the managing director and the valuation team at least once every quarter, in line with the Company's quarterly reporting dates.

The main level 3 input of unquoted equity investments that was used by affiliated company of the Group pertains to estimated cash flows from gains on securities trading, dividends or other benefits to the shareholders. The discount rate is based on a zero-coupon bond yield, announced by ThaiBMA, plus appropriate risk premium.

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

Transfer between fair value hierarchy

There were no transfers between levels 1 and 2 during the year.

Financial assets measured in level 3

Changes in level 3 financial instruments, which are unquoted equity investments, are as follows:

	2023	2022
	Baht	Baht
Beginning balance of the year	56,042,469	45,688,637
Purchase	-	-
Gains (losses) recognised in other comprehensive income	(28,663,532)	10,353,832
Closing balance of the year	27,378,937	56,042,469

As at 31 December 2023, the discount rate used to compute the fair value is between 20.62% to 22.62% per annum (2022: 18.42% to 20.42% per annum), depending on risk premium of each security. Based on the sensitivity analysis, should the discount rate shifted up by +1%, the other comprehensive income would decrease by Baht 2,769 (2022: Baht 3,144). On the other hand, should the discount rate shifted down by -1%, the other comprehensive income would increase by Baht 3,171 (2022: Baht 3,721).

8. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

8.1 Buildings and equipment and intangible assets

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

8.2 Deferred tax

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.

8.3 Valuation of insurance contract liabilities

Claim liabilities

Claim liabilities are provided upon receipt of claim advices from the insured for the amount reported. They are recorded at the value appraised by an independent appraiser, or by the Company's officer as each case but not exceed the maximum of sum insured of each policy.

Claims incurred but not yet reported by insured ("IBNR")

The IBNR recognised in the Statement of Financial Position is estimated based on various assumptions by using actuarial methods required by the Office of Insurance Commission. The assumptions are regularly reviewed in the light of recent experience and current conditions.

The IBNR is estimated as the difference between estimated ultimate loss and reported incurred loss. Reported incurred loss is the summation of paid claims, loss reserve, and outstanding claims. The calculation was separately conducted for each product category in the following list.

- Fire
- Motor Compulsory
- Motor Voluntary
- Personal Accident and Travel Accident

There are 3 major methods to estimate the ultimate loss which are Incurred Chain Ladder, Bornhuetter-Ferguson and Expected Loss Ratio. The most appropriate method for each product category is selected based on actuarial judgement for both gross and net of reinsurance basis.

Unallocated loss adjustment expense ("ULAE")

Unallocated loss adjustment expense (ULAE), estimated from ratio between past ULAE and past paid losses which is separately calculated between motor product categories and non-motor product categories.

8.4 Unexpired risk reserve

Unexpired risks reserve has two components, the claims that may be incurred in respect of in-force policies which is calculated based on ultimate loss ratio described in Note 8.3, and other claim processing expenses detailed below.

- Past maintenance expense, estimated from ratio between estimated maintenance expense and earned premium net of reinsurance.
- Unallocated loss adjustment expense (ULAE), estimated from ratio between past ULAE and past paid losses which was separately calculated between motor product categories and non-motor product categories.
- Cost of reinsurance, estimated based on current existing excess of loss reinsurance contracts.

8.5 Employee benefits obligations

Employee benefits obligations are determined by independent actuary. The amount 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 discount rate, future salary increase rate, staff turnover rate and mortality rate. Any changes in these assumptions will impact the cost recorded for employee benefits. On an annual basis, the Company reviews the appropriate assumptions, which represents the provision expected to settle for the employee benefits.

8.6 Fair value of financial instruments

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

8.7 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.

8.8 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.

8.9 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.

9. Cash and cash equivalents

	2023 Baht	2022 Baht
Cash on hand	4,207	2,017
Bank deposits held at call	68,871,097	304,028
Bank deposits with fixed maturity and certificate of deposits	14,201,092	14,191,266
Total cash and deposits at financial institutions	83,076,396	14,497,311
<u>Less</u> Deposits at banks and other institutions with maturity over 3 months from acquisition date (Note 11)	(201,092)	(162,166)
Restricted deposit at banks	(14,000,000)	(14,029,100)
Cash and cash equivalents	68,875,304	306,045

As at 31 December 2023, the Company had placed fixed deposits totalling Baht 14.00 million (2022: Baht 14.00 million) as assets pledged with the registrar, in accordance with Section 19 of the Insurance Act B.E. 2535 and no bank deposit was used as guarantee for electricity meter (31 December 2022: Baht 0.03 million) (as stated in Note 29 and 33).

10. Reinsurance assets, net

The Company has assets from reinsurance as follows:

	2023 Baht	2022 Baht
<u>Insurance reserve to be called from reinsurance companies</u>		
Loss reserve	337,871	21,443
<u>Less</u> Allowance for doubtful accounts	-	-
<u>Premium reserve</u>		
- Unearned premium reserve (UPR)	3,575,845	280,332
- Unexpired risk reserve (URR)	-	-
Reinsurance assets, net	3,913,716	301,775

10.1 Loss reserve to be called from reinsurance companies

	2023 Baht	2022 Baht
Beginning balance for the year	21,443	21,443
Claims and loss adjustment recovery and incurred during the year	308,362	-
Change in claim reserve recovery from change in assumptions during the year	99,079	-
Claims and loss adjustment recovery settled during the year	(91,013)	-
Closing balance for the year	337,871	21,443

10.2 Unearned premium reserve

	2023 Baht	2022 Baht
Beginning balance for the year	280,332	332,300
Ceded premium written for the year	4,096,206	609,087
Ceded premium earned in the year	(800,693)	(661,055)
Closing balance for the year	3,575,845	280,332

11. Investment in securities, net

The Company has investment in securities as follows:

	2023	
	Cost/ Amortised cost Baht	Fair Value Baht
Investments measured at fair value through other comprehensive incomes		
Equity securities	1,216,540	27,378,937
Total	1,216,540	27,378,937
<u>Add</u> Unrealised gains	26,162,397	-
Total investments measured at fair value through other comprehensive incomes	27,378,937	27,378,937
Investment measured at amortised cost		
Deposit at banks (Note 9)	201,092	
Total	201,092	
<u>Less</u> Expected credit loss	-	
Total investment measured at amortised cost	201,092	
Total investments in securities, net	27,580,029	

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	(Reclassified) 2022	
	Cost/ Amortised cost Baht	Fair Value Baht
Investments measured at fair value through other comprehensive incomes		
Equity securities	1,216,540	56,042,469
Total	1,216,540	56,042,469
<u>Add</u> Unrealised gains	54,825,929	-
Total investments measured at fair value through other comprehensive incomes	56,042,469	56,042,469
Investment measured at amortised cost		
Deposit at banks (Note 9)	162,166	
Total	162,166	
<u>Less</u> Expected credit loss	-	
Total investment measured at amortised cost	162,166	
Total investments in securities, net	56,204,635	

11.1 Financial assets at amortised cost

a) **Details of financial assets at amortised cost**

Investments in debt securities that are measured at amortised cost as at 31 December 2023 and 2022 will be due as follows:

	2023			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Deposit at banks	201,092	-	-	201,092
<u>Less</u> Expected credit loss	-	-	-	-
Total	201,092	-	-	201,092

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	(Reclassified) 2022			
	Period to maturity			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Deposit at banks	162,166	-	-	162,166
<u>Less</u> Expected credit loss	-	-	-	-
Total	162,166	-	-	162,166

For the year ended 31 December 2023, the Company received interest income from financial assets at amortised cost amounts of Baht 1,628 (2022 : Baht 406).

b) Fair values of financial assets at amortised cost

For the year ended 31 December 2023, the Company has financial assets at amortised cost is deposit at banks with maturity over 3 months from issuance, their carrying amount is considered to be the same as their fair value.

c) Financial assets pledged as security

As at 31 December 2023, the Company pledged bank deposit at the carrying amounts of Baht 0.20 million (2022: Baht 0.10 million) as collateral against premium reserve with the registrar (as stated in Notes 30).

d) **Expected credit loss**

Debt securities that are measured at amortised cost

	2023		
	Gross carrying value Baht	Expected credit loss Baht	Carrying value Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	201,092	-	201,092
Total	201,092	-	201,092
	(Reclassified)		
	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)	162,166	-	162,166
Total	162,166	-	162,166

11.2 Financial assets at fair value through other comprehensive income

a) Details of financial assets at fair value through other comprehensive income

Financial assets at FVOCI comprise the following investments:

	2023	2022
	Baht	Baht
Investments in equity investments		
- Unlisted securities	27,378,937	56,042,469
Total	27,378,937	56,042,469

Disposals of equity investments

For the year ended 31 December 2023, the Company has not sold its investment in equity securities at fair value.

For the year ended 31 December 2022, the Company has sold its investment in equity securities at fair value of Baht 1.08 million and realised losses of Baht 3.92 million to profit or loss (net of tax of Baht 3.13 million).

b) Amounts recognised in profit or loss and other comprehensive income

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

	2023	2022
	Baht	Baht
Gains/(losses) recognised in other comprehensive income	(28,663,532)	14,511,875
Dividends from equity investments at FVOCI recognised as income on investments in profit or loss		
- Related to investments derecognised during the year	-	30,882
- Related to investments held at the end of the reporting period	6,000	-

Significant acquisitions and disposals during the year

During the year 2023, the Company not acquired listed securities measured at FVOCI (2022: nil).

During the year 2023, the Company not disposed listed securities measured at FVOCI (2022: Baht 1.08 million).

11.3 Disclosure on fair value of investments

The fair value measurement of investments were as follows:

	2023		
	Opening Fair value Baht	Changes in Fair value Baht	Ending Fair value Baht
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	162,166	38,926	201,092
Financial assets defined as held-for-sell	-	-	-
Others	56,042,469	(28,663,532)	27,378,937

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	(Reclassified) 2022		
	Opening Fair value Baht	Changes in Fair value Baht	Ending Fair value Baht
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	209,762	(47,596)	162,166
Financial assets defined as held-for-sell	-	-	-
Others	46,524,340	9,518,129	56,042,469

12. Property, plant and equipment, net

12.1 Property, plant and equipment

	Fixture and equipment Baht	Vehicles Baht	Total Baht
At 1 January 2022			
Cost	36,428,127	19,656,546	56,084,673
<u>Less</u> Accumulated depreciation	(36,400,454)	(19,656,535)	(56,056,989)
Net book amount	27,673	11	27,684
For the year ended 31 December 2022			
Opening net book amount	27,673	11	27,684
Write-off	-	(9)	(9)
Depreciation charge	(6,074)	-	(6,074)
Closing net book amount	21,599	2	21,601
At 31 December 2022			
Cost	36,428,127	620,001	37,048,128
<u>Less</u> Accumulated depreciation	(36,406,528)	(619,999)	(37,026,527)
Net book amount	21,599	2	21,601

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	Fixture and equipment Baht	Vehicles Baht	Total Baht
At 1 January 2023			
Cost	36,428,127	620,001	37,048,128
<u>Less</u> Accumulated depreciation	(36,406,528)	(619,999)	(37,026,527)
Net book amount	21,599	2	21,601
For the year ended 31 December 2023			
Opening net book amount	21,599	2	21,601
Disposals	(20,244)	(2)	(20,246)
Depreciation charge	(1,355)	-	(1,355)
Closing net book amount	-	-	-
At 31 December 2023			
Cost	-	-	-
<u>Less</u> Accumulated depreciation	-	-	-
Net book amount	-	-	-

12.2 Right-of-use assets

	Buildings Baht
At 1 January 2023	
Cost	-
<u>Less</u> Accumulated amortisation	-
Net book amount	-
For the year ended 31 December 2023	
Opening net book amount	-
Additions	2,511,720
Amortisation charge	(568,792)
Closing net book amount	1,942,928
At 31 December 2023	
Cost	2,511,720
<u>Less</u> Accumulated amortisation	(568,792)
Net book amount	1,942,928

Related lease liabilities are disclosed in Note 19.

For the year ended 31 December 2023, the lease payments resulting from low-value leases amounting to Baht 0.32 million (2022: nil). Total cash outflow for leases repayment during the year ended 31 December 2023 was Baht 0.87 million (2022 : nil).

13. Intangible assets, net

13.1 Intangible assets

	Computer software Baht	Computer software under installation Baht	Total Baht
At 1 January 2022			
Cost	500,000	-	500,000
<u>Less</u> Accumulated amortisation	(433,558)	-	(433,558)
Net book amount	66,442	-	66,442
For the year ended 31 December 2022			
Opening net book amount	66,442	-	66,442
Additions	-	-	-
Transfers in/(out)	-	-	-
Write off	-	-	-
Amortisation charge	(49,315)	-	(49,315)
Closing net book amount	17,127	-	17,127
At 31 December 2022			
Cost	500,000	-	500,000
<u>Less</u> Accumulated amortisation	(482,873)	-	(482,873)
Net book amount	17,127	-	17,127

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	Computer software Baht	Computer software under installation Baht	Total Baht
At 1 January 2023			
Cost	500,000	-	500,000
<u>Less</u> Accumulated amortisation	(482,873)	-	(482,873)
Net book amount	17,127	-	17,127
For the year ended 31 December 2023			
Opening net book amount	17,127	-	17,127
Additions	-	196,560	196,560
Transfers in/(out)	196,560	(196,560)	-
Write off	(6,124)	-	(6,124)
Amortisation charge	(20,696)	-	(20,696)
Closing net book amount	186,867	-	186,867
At 31 December 2023			
Cost	196,560	-	196,560
<u>Less</u> Accumulated amortisation	(9,693)	-	(9,693)
Net book amount	186,867	-	186,867

13.2 Right-of-use asset

	Computer software Baht
At 1 January 2023	
Cost	-
<u>Less</u> Accumulated amortisation	-
Net book amount	-
For the year ended 31 December 2023	
Opening net book amount	-
Additions	20,269,643
Amortisation charge	<u>(1,010,152)</u>
Closing net book amount	<u>19,259,491</u>
At 31 December 2023	
Cost	20,269,643
<u>Less</u> Accumulated amortisation	<u>(1,010,152)</u>
Net book amount	<u>19,259,491</u>

Related lease liabilities are disclosed in Note 19.

14. Other assets, net

	2023	(Reclassified)
	Baht	2022
		Baht
Restricted deposit at banks (Note 9)	14,000,000	14,029,100
Revenue Department receivable	8,370,076	22,387,790
Receivable under court judgment	-	39,221,402
Claim receivable and recovered from counterparty	-	3,139,260
Others	1,013,588	301,682
Total	23,383,664	79,079,234
<u>Less</u> Allowance for doubtful accounts	-	(58,077,562)
Total other assets, net	23,383,664	21,001,672

For the year ended 31 December 2023, the Company had written-off other assets which previously recognised allowance for doubtful accounts with amounting to Baht 58.08 million (2022: nil).

15. Insurance contract liabilities

	2023			2022		
	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht	Insurance contract liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
Claim liabilities						
- Reported claims	336,779	(217,349)	119,430	22	-	22
- Claims incurred but not reported	194,290	(120,522)	73,768	92,673	(21,443)	71,230
Premium liabilities						
- Unearned premium reserve	4,469,807	(3,575,845)	893,962	334,091	(280,332)	53,759
Total	5,000,876	(3,913,716)	1,087,160	426,786	(301,775)	125,011

15.1 Claim liabilities

	2023 Baht	2022 Baht
Beginning balance for the year	92,695	138,646
Claims and loss adjustment expenses incurred during the year	965,362	191,241
Change in claim reserve from change in assumptions during the year	101,617	(35,951)
Claims and loss adjustment expenses paid during the year	(628,605)	(201,241)
Closing balance for the year	531,069	92,695

15.2 Unearned premium reserve

	2023 Baht	2022 Baht
Beginning balance for the year	334,091	482,093
Premium written for the year	5,163,927	745,709
Premium earned in the year	(1,028,211)	(893,711)
Closing balance for the year	4,469,807	334,091

As at 31 December 2023, the Company had not provided for unexpired risk reserve for the amount of Baht 3.12 million (2022: Baht 0.04 million) since unexpired risk reserve was lower than unearned premium reserve.

15.3 Gross claim development table

Accident Year / Reporting Year	prior 2019 Baht	2019 Baht	2020 Baht	2021 Baht	2022 Baht	2023 Baht	Total Baht
Gross estimate of cumulative claim cost							
- As at accident year		358,630	359,426	122,959	76,207	518,341	
- One year later		232,965	179,808	5,243	47,280		
- Two years later		232,965	175,683	5,017			
- Three years later		232,965	175,683				
- Four years later		232,965					
Current estimate of ultimate loss	3,230,913,799	232,965	175,683	5,018	48,298	531,426	
Cumulative payments	(3,230,913,799)	(232,965)	(175,683)	(5,000)	-	(48,673)	
Total gross claim liabilities as at 31 December 2023	-	-	-	18	48,298	482,753	531,069

15.4 Net claim development table

Accident Year / Reporting Year	prior 2019 Baht	2019 Baht	2020 Baht	2021 Baht	2022 Baht	2023 Baht	Total Baht
Net estimate of cumulative claim cost							
- As at accident year		138,145	278,453	82,951	54,772	160,739	
- One year later		61,253	172,808	5,235	28,074		
- Two years later		61,253	175,683	5,016			
- Three years later		61,253	175,683				
- Four years later		61,253					
Current estimate of ultimate loss	2,498,443,092	61,253	175,683	5,019	31,588	171,327	
Cumulative payments	(2,498,443,092)	(61,253)	(175,683)	(5,000)	-	(9,736)	
Total net claim liabilities as at 31 December 2023	-	-	-	19	31,588	161,591	193,198

15.5 Maturity analysis of claim liabilities expected to be paid

	2023	2022
	Baht	Baht
Claim liabilities expected to be paid within 12 months	485,720	86,126
Claim liabilities expected to be paid between 1 and 2 years	40,424	5,887
Claim liabilities expected to be paid between 2 and 5 years	4,477	583
Claim liabilities expected to be paid in more than 5 years	448	99
Total claim liabilities expected to be paid	531,069	92,695

15.6 Sensitivity analysis

	2023				
	Change in key assumption	Effect to Reinsurance Assets	Effect to Claim liabilities and unallocated loss adjustment expenses	Effect to Profit or loss	Effect to Owners' Equity
Loss development factor	+10%	13,000	17,266	(4,266)	(3,413)
	-10%	(15,890)	(21,100)	5,210	4,168
Expected ultimate loss ratio	+10%	24,606	32,746	(8,140)	(6,512)
	-10%	(24,606)	(32,746)	8,140	6,512

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	2022				
	Change in key assumption	Effect to Reinsurance Assets	Effect to Claim liabilities and unallocated loss adjustment expenses	Effect to Profit or loss	Effect to Owners' Equity
Loss development factor	+10%	1,578	1,692	(114)	(91)
	-10%	(1,929)	(2,067)	138	110
Expected ultimate loss ratio	+10%	2,144	9,236	(7,092)	(5,674)
	-10%	(2,144)	(9,236)	7,092	5,674

16. Due to reinsurers

	2023 Baht	2022 Baht
Amounts withheld on reinsurance treaties	2,038,142	347,516
Due to reinsurers	753,428	155,312
Total due to reinsurers	2,791,570	502,828

17. Deferred tax liabilities, net

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

	2023	2022
	Baht	Baht
Deferred tax assets	139,821	261,157
Deferred tax liabilities	(5,232,480)	(10,965,364)
Deferred tax liabilities, net	(5,092,659)	(10,704,207)

Deferred taxes are calculated on all temporary differences using a principal tax rate of 20% (2022: 20%).

The movement on the net deferred tax liabilities for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
	Baht	Baht
Beginning balance as at 1 January	(10,704,207)	(7,538,876)
Change in net deferred tax per Statement of Income (Note 26)	(121,158)	(262,956)
Change in net deferred tax per Statement of Comprehensive Income	5,732,706	(2,902,375)
Closing balance as at 31 December	(5,092,659)	(10,704,207)

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The movement in deferred tax for the year ended 31 December 2023 and 2022 are as follows:

	Balance as at 1 January 2023 Baht	Charges to profit or loss Baht	Charges to other comprehensive income Baht	Balance as at 31 December 2023 Baht
Deferred tax assets				
Provision for losses incurred but not yet reported (IBNR)	11,001	932	-	11,933
Unallocated loss adjustment expense reserve (ULAE)	3,245	(424)	-	2,821
Loss reserves	4	10,863	-	10,867
Employee benefit obligations	246,907	(227,051)	-	19,856
Unearned premium reserves	-	93,375	-	93,375
Accumulated depreciation of intangible assets	-	969	-	969
	261,157	(121,336)	-	139,821
Deferred tax liabilities				
Unrealised gains in value of investments measured at fair value through other comprehensive income	(10,965,186)	-	5,732,706	(5,232,480)
Unearned premium reserves	(178)	178	-	-
	(10,965,364)	178	5,732,706	(5,232,480)
Deferred tax liabilities, net	(10,704,207)	(121,158)	5,732,706	(5,092,659)

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	Balance as at 1 January 2022 Baht	Charges to profit or loss Baht	Charges to other comprehensive income Baht	Balance as at 31 December 2022 Baht
Deferred tax assets				
Provision for losses incurred but not yet reported (IBNR)	16,595	(5,594)	-	11,001
Unallocated loss adjustment expense reserve (ULAE)	4,841	(1,596)	-	3,245
Loss reserves	2,004	(2,000)	-	4
Unearned premium reserves	7,395	(7,395)	-	-
Employee benefit obligations	492,251	(245,344)	-	246,907
Unrealised losses in value of investments measured at fair value through other comprehensive income	831,608	-	(831,608)	-
Allowance for expected credit losses	849	(849)	-	-
	<u>1,355,543</u>	<u>(262,778)</u>	<u>(831,608)</u>	<u>261,157</u>
Deferred tax liabilities				
Unrealised gains in value of investments measured at fair value through other comprehensive income	(8,894,419)	-	(2,070,767)	(10,965,186)
Unearned premium reserves	-	(178)	-	(178)
	<u>(8,894,419)</u>	<u>(178)</u>	<u>(2,070,767)</u>	<u>(10,965,364)</u>
Deferred tax liabilities, net	<u>(7,538,876)</u>	<u>(262,956)</u>	<u>(2,902,375)</u>	<u>(10,704,207)</u>

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

As at 31 December 2023, the Company does not recognise deferred tax asset of Baht 13.45 million (2022: Baht 4.42 million) to carry forward against future taxable income; these cumulative tax losses of Baht 67.27 million (2022: Baht 22.11 million) will expire within 2028 and 2027, respectively.

18. Employee benefit obligations

	2023	2022
	Baht	Baht
Statement of Financial Position:		
Post-employment benefit	99,277	1,234,533
Statement of Comprehensive Income:		
Post-employment benefit	99,277	991,148

The movement of post-employment benefit over the year is as follows:

	2023	2022
	Baht	Baht
Beginning balance for the year	1,234,533	2,461,252
Current service cost	99,277	99,164
Interest cost	-	24,182
<u>Less</u> Benefits paid	(1,234,533)	(1,350,065)
Closing balance for the year	99,277	1,234,533

The principal actuarial assumptions used are as follows:

	2023	2022
Discount rate	3.7% per year	1.3% per year
Salary increase rate	5.0% per year	-
Average turnover rate	4.5% per year	-
Mortality rate	TMO 2017	TMO 2017
Retirement age	60 years	60 years

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Sensitivity analysis on key assumption changes are as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2023	2022	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Discount rate	1%	1%	(17,590)	-	21,988	-
Expected rate of salary increase	1%	1%	22,859	-	(18,498)	-
Turnover rate	10%	10%	(7,497)	-	8,148	-
Mortality rate	1 Year	1 Year	(455)	-	416	-

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 pension liability recognised within the Statement of Financial Position.

The methods and types of assumptions used in preparing the sensitivity analysis were not changed when compared to the prior year.

Through its post-employment benefit plan and other benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below.

Changes in bond yields

An increase in government bond yields will decrease plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

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The weighted average duration of the defined benefit obligation is 25 years (2022: 6 years)

	2023	2022
	Baht	Baht
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 12 months	-	-
Benefits expected to be paid between 1 and 2 years	-	-
Benefits expected to be paid between 2 and 5 years	-	3,074,917
Benefits expected to be paid in more than 5 years	8,128,779	-

For the year ended 31 December 2023, the Company had transferred unrealised actuarial gains which recorded in other comprehensive income to deficits unappropriated amount of Baht 5.25 million according to the employee termination has been paid on 1 March 2023.

19. Other liabilities

	2023	(Reclassified)
	Baht	2022
		Baht
Other taxes	208,455	51,509
Lease liabilities	22,705,146	-
Other accrued expenses	14,857,606	883,280
Advances received from related parties (Note 28)	-	615,000
Other payables	508,365	541,075
Total other liabilities	38,279,572	2,090,864

19.1 Lease liabilities

Maturity of lease liabilities are as follows:

	2023	2022
	Baht	Baht
Minimum lease liabilities payments		
Not later than one year	5,291,558	-
Later than 1 year but not later than 5 years	22,051,391	-
	27,342,949	-
<u>Less</u> Future finance charges on leases	(4,637,803)	-
Present value of lease liabilities	22,705,146	-
Present value of lease liabilities		
Not later than one year	3,739,870	-
Later than 1 year but not later than 5 years	18,965,276	-
	22,705,146	-

For the year ended 31 December 2023, interest expense on lease liabilities amounted to Baht 0.47 million (2022: nil) is recorded as "Operating expenses" in the statement of comprehensive income.

20. Share capital and premium on share capital

	Number of shares Shares	Ordinary shares Baht
At 1 January 2022	5,700,000	570,000,000
Issue of shares	-	-
At 31 December 2022	5,700,000	570,000,000
Issue of shares	1,000,000	100,000,000
At 31 December 2023	6,700,000	670,000,000

The total number of authorised ordinary shares is 6,700,000 shares (2022: 5,700,000 shares) with a par value of Baht 100 per share (2022: Baht 100 per share). All issued shares are fully paid.

On 8 August 2023, the shareholders at the Extraordinary General Meeting of Shareholders No. 1/2023 passed a resolution to approve increase the authorised share capital from 5,700,000 ordinary shares with a par value of Baht 100 per share to 6,700,000 ordinary shares with a par value of Baht 100 per share. On 18 August 2023, the Company received subscription of 1,000,000 additional shares at Baht 100 par value which were priced at Baht 100 per share with a par value of Baht 100,000,000. The Company registered the increased share capital with the Ministry of Commerce on 28 September 2023.

21. Tax effects relating to each component of other comprehensive income

	2023			2022		
	Amount before tax Baht	Income (expense) tax Baht	Amount after tax Baht	Amount before tax Baht	Income (expense) tax Baht	Amount after tax Baht
Changes in value of investments measured at fair value through FVOCI	(28,663,532)	5,732,706	(22,930,826)	14,511,875	(2,902,375)	11,609,500
Total	(28,663,532)	5,732,706	(22,930,826)	14,511,875	(2,902,375)	11,609,500

22. Operating expenses

	2023	2022
	Baht	Baht
Personnel expenses which are not expenses for underwritings and claims	5,665,126	7,113,060
Premises and equipment expenses which are not expenses for underwriting and claims	2,850,643	4,867,404
Directors' remuneration	4,740,000	330,000
Other operating expenses	34,296,647	1,658,838
Total operating expenses	47,552,416	13,969,302

23. Employee and company's committee expenses

	2023	2022
	Baht	Baht
Salary and wages	10,301,270	5,868,870
Social security fund	55,958	106,938
Contribution to provident fund	29,916	123,345
Termination benefits	-	729,936
Other benefits	398,757	408,747
Total employee and company's committee expenses	10,785,901	7,237,836

24. Provident fund

The Company and its employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The fund is contributed by employees at the monthly rate of 3 percent, 5 percent and 10 percent of the employees' basic salary, and the company at the monthly rate of 3 percent and 5 percent based on the length of the employment and will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by Tisco Asset Management Company Limited. For the year ended 31 December 2023 the Company contributed to the Fund approximately Baht 0.03 million (2022: Baht 0.12 million).

25. Expected credit losses

	2023	2022
	Baht	Baht
Cash and cash equivalents	-	9,837
Total expected credit losses	-	9,837

For the year ended 31 December 2023, the Company no expected credit losses (2022: the Company recognised the allowance for expected credit losses amounting to Baht 9,837).

26. Income tax expense

Income tax expense for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
	Baht	Baht
Current tax:		
Current tax on profits for the year	-	-
Deferred tax:		
Decrease (increase) in deferred tax assets (Note 17)	121,336	262,778
(Decrease) increase in deferred tax liabilities (Note 17)	(178)	178
Total deferred tax	121,158	262,956
Income tax expense	121,158	262,956

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The tax on the Company's loss before tax differs from the theoretical amount that would arise using the Thai basic tax rate of the Company as follows:

	2023	2022
	Baht	Baht
Loss before tax	(46,581,226)	(16,640,661)
Tax calculated at a tax rate of 20%	(9,316,245)	(3,328,132)
Tax effect of:		
Income not subject to tax	(600)	-
Expenses not deductible for tax purpose	406,608	310,964
Unrecognition of tax loss carry forward	9,031,395	3,280,124
Income tax expense	121,158	262,956

The weighted average applicable tax rate was 0.26% (2022: 1.58%).

More information relating to deferred tax is presented in Note 17.

27. Loss per share

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

The following table sets forth the computation of basic loss per share:

	2023	2022
Net loss attributable to shareholders (Baht)	(46,702,384)	(16,903,617)
Weighted average number of ordinary shares outstanding (Shares)	5,960,274	5,700,000
Basic loss per share (Baht)	(7.84)	(2.97)

There are no potential dilutive ordinary shares in issue for the years ended 2023 and 2022.

28. Related party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities 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's ultimate parent is Dhipaya Group Holdings Public Company Limited which is listed on the Stock Exchange of Thailand.

Related parties are as follows:

Company's name	Nature of relationship
Dhipaya Group Holdings Public Company Limited	Ultimate parent company
TIP IB Company Limited	Parent company
Dhipaya Insurance Public Company Limited	Affiliated company of the Group
TIP ISB Company Limited	Affiliated company of the Group
TIP Exponential Company Limited	Affiliated company of the Group
Amity Insurance Broker Company Limited	Affiliated company of the Group
DP Survey & Law Company Limited	Affiliated company of the Group
Dhipaya Training Centre Company Limited	Affiliated company of the Group
Mee Tee Mee Ngern Company Limited	Associate company of the Group
PTT Public Company Limited	Related company of ultimate parent company
Government Saving Bank	Related company of ultimate parent company
Krung Thai Bank Public Company Limited	Related company of ultimate parent company
Related person	Parent company's director, Company's director, Close relatives company's director

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During the year, the Company had significant business transactions with related parties. These transactions have been conducted on commercial terms in the ordinary course of businesses. Below is a summary of those transactions.

	2023	2022	
	Baht	Baht	Pricing policies
Statement of comprehensive income			
<u>Ultimate parent company</u>			
Operating expenses	2,156,182		- Contract price referencing to market rate
<u>Affiliated companies of the Group</u>			
Ceded premium	4,343,199		- Contract price
Fee and commission income	1,474,777		- Contract price
Insurance claims and loss adjustment expenses recovery	296,572		- As actually incurred
Operating expenses	4,977,263		- Contract price referencing to market rate
<u>Related persons</u>			
Premium written	3,124	242,158	Normal course of business for non-life insurance
Operating expenses	-	2,500,000	Contract price referencing to market rate

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The Company has the following assets, which mainly arise from investments, and liabilities, which are significant to related companies:

	2023	2022
	Baht	Baht
Statement of financial position		
<u>Ultimate parent company</u>		
Other liabilities	2,307,114	560,000
<u>Affiliated companies of the Group</u>		
Reinsurance assets, net	3,734,356	-
Property, plant and equipment, net	1,942,928	-
Intangible assets, net	19,259,491	-
Other assets, net	187,057	-
Due to reinsurers	2,760,412	-
Other liabilities	23,068,742	-
<u>Related persons</u>		
Other liabilities	-	55,000

Advances received from a related party

Movements of advances received from a related party for the year ended 31 December 2023 and 2022 are as follows:

	2023	2022
	Baht	Baht
Opening net book value	615,000	-
Addition	16,010,800	615,000
Repayment	(16,625,800)	-
Closing net book value	-	615,000

Key management compensation

The compensation paid or payable to key management for their services for the year ended 31 December 2023 and 2022 are as follows:

	2023	2022
	Baht	Baht
Short-term employee benefits	7,584,396	2,835,900
Post-employment benefits	73,305	853,281
Total	<u>7,657,701</u>	<u>3,689,181</u>

29. Assets pledged with registrar

As at 31 December 2023, the Company had placed bank deposit amount of Baht 14.00 million (2022: Baht 14.00 million) as assets pledged with the registrar in accordance with the Section 19 of Insurance Act B.E. 2535 (Note 9).

30. Assets reserve pledged with registrar

As at 31 December 2023, bank deposit amount of Baht 0.20 million (2022: Baht 0.10 million) had been placed as collateral against premium reserve with the registrar in accordance with the Section 24 of Insurance Act B.E. 2535 (Note 11).

31. Contribution to Non-life guarantee fund

As at 31 December 2023, the Company had cumulated contribution to Non-life guarantee fund in accordance with the OIC Notification subject: the Rates, Rules, Procedures, Conditions, and Period that the Company has to Submit Contribution to the Non-Life Insurance Fund B.E. 2552 of Baht 5.97 million (2022: Baht 5.94 million).

32. Financial information by segment

The Company's operations involve only its single business being of non-life insurance, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial information pertain to the aforementioned business segment and geographical area. However, for the purposes of administration, the Company reported operating segments divided into categories of products that include fire insurance motor insurance and miscellaneous insurance. The operating segment performance are measured by underwriting revenues deducted underwriting expenses. Financial information by segment of the Company for the years ended 31 December 2023 and 2022 are as follows:

	2023			
	Fire Baht	Motor Baht	Miscellaneous Baht	Total Baht
<u>Underwriting revenues</u>				
Premium written	108,926	4,937,171	117,830	5,163,927
<u>Less</u> Ceded premium	(51,747)	(3,950,266)	(94,193)	(4,096,206)
Net premium written	57,179	986,905	23,637	1,067,721
<u>Add (Less)</u> (Increase) decrease in unearned premium reserves from previous year	40,110	(857,420)	(22,893)	(840,203)
Net premium earned	97,289	129,485	744	227,518
Fee and commission income	12,388	1,282,549	31,124	1,326,061
Total underwriting revenues	109,677	1,412,034	31,868	1,553,579

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	2023			
	Fire Baht	Motor Baht	Miscellaneous Baht	Total Baht
<u>Underwriting expenses</u>				
Gross Insurance claims and loss adjustment expenses	232,423	803,223	31,333	1,066,979
<u>Less</u> Insurance claims and loss adjustment expenses recovery	(57,400)	(331,188)	(18,853)	(407,441)
Commission and brokerage expenses	15,122	-	20	15,142
Other underwriting expenses	6,265	377,100	61,935	445,300
Total underwriting expenses before operating expenses	196,410	849,135	74,435	1,119,980
Operating expenses				<u>47,552,416</u>
Total underwriting expenses				<u>48,672,396</u>
Losses on underwriting				(47,118,817)
Income on investments, net				247,619
Other income				<u>289,972</u>
Loss before income tax				(46,581,226)
Income tax expense				<u>(121,158)</u>
Loss for the year				<u>(46,702,384)</u>

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	2022			
	Fire Baht	Motor Baht	Miscellaneous Baht	Total Baht
<u>Underwriting revenues</u>				
Premium written	725,057	16,854	3,798	745,709
Less Ceded premium	(606,050)	(570)	(2,467)	(609,087)
Net premium written	119,007	16,284	1,331	136,622
Add decrease in unearned premium reserves from previous year	14,763	80,162	1,109	96,034
Net premium earned	133,770	96,446	2,440	232,656
Fee and commission income	356,248	-	-	356,248
Total underwriting revenues	490,018	96,446	2,440	588,904
<u>Underwriting expenses</u>				
Gross Insurance claims and loss adjustment expenses	(984)	156,587	(313)	155,290
Less Insurance claims and loss adjustment expenses recovery	-	-	-	-
Commission and brokerage expenses	162,894	2,350	(21,858)	143,386
Other underwriting expenses	250,245	13,509	23	263,777
Total underwriting expenses before operating expenses	412,155	172,446	(22,148)	562,453
Operating expenses				13,969,302
Total underwriting expenses				14,531,755
Loss on underwriting				(13,942,851)
Income on investments, net				97,624
Losses on investments				(3,915,280)
Other income				1,129,683
Expected credit losses				(9,837)
Loss before income tax				(16,640,661)
Income tax expense				(262,956)
Loss for the year				(16,903,617)

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The following table presents segment assets and liabilities of the Company's operating segments are as follows:

	Fire Baht	Motor Baht	Miscellaneous Baht	Unallocated assets Baht	Total Baht
<u>Assets</u>					
As at 31 December 2023	127,624	3,706,702	94,723	141,262,571	145,191,620
As at 31 December 2022	416,997	461	1,782	77,563,921	77,983,161
<u>Liabilities</u>					
As at 31 December 2023	255,021	8,061,889	196,286	43,471,508	51,984,704
As at 31 December 2022	1,035,978	74,847	2,606	14,029,604	15,143,035

33. Restricted assets and commitment

As at 31 December 2023, no bank deposit was used as guarantee for electricity meter (2022: Baht 0.03 million) (Note 9).

34. Contingent liabilities and commitment

Operating lease and building construction obligations

As at 31 December 2023, the Company had entered into the lease agreements with third parties for the tools and other services over the period of 1 - 3 years in which the Company is to be liable for lease payment of Baht 4.75 million for 1 year (2022: Baht 0.15 million) and Baht 1.67 million for over 1 year respectively (2022: nil).

As at 31 December 2023, the Company had entered into the service lease agreements with third parties for the period of 3 years in which the Company is to be liable for lease payment at the rate of 2% of premium written (2022: nil).

35. Reclassification

For the year ended 31 December 2022, comparative figures have been reclassified to conform to the current period presentation of the statement of financial position for the current period. The Company has reclassification as follows:

		As previously reported Baht	Reclassification Baht	After reclassified Baht
	Notes			
Statement of financial position				
Assets				
Investments in securities, net	a	70,233,735	(14,029,100)	56,204,635
Prepaid reinsurance premiums, net	b	-	75,187	75,187
Prepaid commissions	b	-	42,278	42,278
Other assets, net	a, b	7,170,926	13,830,746	21,001,672
Liabilities				
Other liabilities	b	2,171,753	(80,889)	2,090,864

Notes

- a) Restricted deposits at banks which matured over 3 months was presented in other assets.
- b) Reclassification of prepaid reinsurance premiums, net and prepaid commissions from other assets and other liabilities, respectively.