

**Thai Group Holdings Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Thai Group Holdings Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Thai Group Holdings Public Company Limited and its subsidiaries (the "Group") and of Thai Group Holdings Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.



In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

The consolidated financial statements as at 31 December 2021 were qualified due to the material uncertainty regarding the future infection rate of policy beneficiaries and inability of obtain sufficient audit evidence, the estimation of the unexpired risks reserve in respect of COVID-19 policies issued by Southeast Insurance Public Company Limited (“SEIC”), former subsidiary, and the gain on sale of investment in Thai Insurance Public Company Limited (“TIC”). Subsequently further information regarding the infection rate and other matters have come available which caused management to revise these estimates. Such revision has been treated by management as a change in estimate in the consolidated statement of comprehensive income for the three-month period ended 31 March 2022. SEIC has been de-consolidated, there will be no further change to this estimate to be recorded in the consolidated financial statements of the Group in subsequent periods.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for expected credit loss of hire-purchase and finance lease receivables	
Refer to notes 3(d) and 12	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, hire-purchase and finance lease receivables in the consolidated financial statements amounted to Baht 447 million, represented 0.53% of total assets with allowance for expected credit losses amounting to Baht 83 million in the consolidated financial statements.</p> <p>The Group has applied TFRS 9 <i>Financial Instruments</i> which requires the Group to consider allowance for expected credit losses (“ECL”). Management has estimated the allowance for expected credit losses based on credit models which are complex and dependent on significant management judgements and estimates including establishment of the criteria for determining whether credit risk has increased significantly since initial recognition, development of models used to measure ECL, including determination of reference rate in case data is insufficient for credit model.</p> <p>Due to the significant management judgment involved. Accordingly, I have determined this to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Considering factors which could significantly affect the valuation, including understanding the assumptions and methodology, and the appropriateness of the accounting policy for allowance for expected credit losses. • Evaluating the design and implementation of controls of collection, aging, set up of allowances for expected credit losses and accounting record; • Evaluating accuracy of data and reasonableness of assumptions used by management to assess relevance and reliability of information used in calculation of accounting estimate; • Considering the reliability of the collateral valuation by comparing samples with the market price and the historical selling price of similar collateral; • Evaluating the reasonableness of the assumptions and allowance for expected credit losses policy by considering historical information and information after the year-end including sample testing the subsequent receipts of debtors after the year-end with related documents;



	<ul style="list-style-type: none"> • Testing the mathematical accuracy of the expected credit losses of hire-purchase and finance lease receivables; • Considering the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.
Valuation of inventories and assets held for operating lease	
Refer to notes 3(k), 3(p), 16 and 21	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, inventories and assets held for operating lease in the consolidated financial statements amounted to Baht 316 million and Baht 12,680 million, represented 0.38% and 15.06% of total assets, respectively.</p> <p>Due to fluctuations in the second hand car market and other factors, the actual sales value of inventories and assets held for operating lease at the end of lease term may differ from these estimates. The estimates involve significant management judgement involved. Accordingly, I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding assumptions, methodology and the appropriateness of accounting policy; • Considering the net realisable value of inventories by sample testing sales subsequent to the year-end with related documents, the disposal plan as well as comparing with external prices and estimated costs to sell; • Considering the residual value and disposal plan of assets held for operating lease by comparing to historical selling price and/or external prices derived from the market; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.
Valuation of loss reserves and outstanding claims - short-term technical reserves	
Refer to notes 3(g) and 24	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, loss reserves and outstanding claims recorded in the consolidated financial statements amounted to Baht 4,178 million, representing 5.60% of total liabilities.</p> <p>The loss reserves are the best estimate of the cost of claims incurred but not settled, including those not yet reported, at the balance date. The estimation uses actuarial methods which involve a significant degree of judgement to consider incurred and settlement loss development data from historical experiences and select appropriate assumptions as to ultimate claims cost. In addition, the estimation relies on the integrity of loss data derived from the Company's system and accounting records. Accordingly, I consider the above to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding, assessment, and testing effectiveness of design and implementation of internal control, including key controls over claims process and related data reconciliations • Using the KPMG's actuarial specialist to evaluate claim estimation recorded, evaluate assumption and method used in calculation that the actuary used, compare with prior year assumption, and testing of significant assumption calculation and claim incurred but not reported • Reconciliation between claim recorded in the system and data used for actuarial reserve calculation, including analysis of loss incurred frequency, size of loss per time, and loss ratio • Sample testing of data used by actuary for calculation and loss reserve with relevant documents; and • Considering the adequacy of financial statements disclosures in accordance with related Thai Financial Reporting Standards.



Valuation of liabilities under insurance contracts - long-term technical reserves	
Refer to notes 3(g) and 24 to financial statements	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, long-term technical reserves recorded in the consolidated financial statements amounted to Baht 42,553 million, representing 57.08% of total liabilities.</p> <p>The valuation of long-term technical reserves is based on actuarial models, the results of which may depend on the quality and consistency of underlying data and significant judgements on assumptions made by management. This could materially affect the amount of the recorded liabilities and expense. Accordingly, I have determined this is to be a Key Audit Matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Performing the risk assessment procedures on the underwriting and benefits and claims process and testing the operating effectiveness of relevant controls on a sample basis; • Using actuarial specialists employed by KPMG to assess the methodology and assumptions used in calculating the reserves based on Net level Premium Reserve method (NPV), including assessing the reasonableness of the mortality table, estimated future contractual cash flows, discount rate, that were established at the time when the insurance product was designed and were approved by the Office of Insurance Commission; • Comparing liability calculated using Gross Premium Valuation method (GPV), of policies in force at the reporting date based on the best estimate adjusted current risk-free interest rate with the gross carrying amount of liability calculated on Net level Premium valuation method; • Re-performing the reconciliations between the data recorded in the systems and the data used in the actuarial reserving calculations; • Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.



Emphasis of Matters

1. I draw attention to Note 5 describing the significant events related to Southeast Insurance Public Company Limited (“SEIC”), a former subsidiary of the Group, which has been de-consolidated with effect from 16 March 2022.
2. I also draw attention to Note 6 in respect of the transfer of certain non-Covid-19 insurance and reinsurance policies together with related assets and liabilities to Indara Insurance Public Company Limited (“Indara”), a subsidiary of the Group.

My opinion is not modified in respect of these matters.

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

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

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

Those charged with governance are responsible for overseeing the Group’s and the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group’s and the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2023

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2022	2021	2022	2021
			<i>(in Baht)</i>		
Cash and cash equivalents	8	3,328,634,154	2,657,493,355	161,651,663	54,284,917
Investment receivables		91,220,691	296,904,393	-	-
Premiums due and uncollected	7, 9	721,625,258	1,375,981,237	-	-
Reinsurance assets	7, 24	4,510,343,832	5,615,201,725	-	-
Reinsurance receivables	10	806,252,457	465,764,940	-	-
Operating lease receivables	11	475,895,802	461,588,478	-	-
Hire-purchase and finance lease receivables	12	364,001,375	883,387,320	-	-
Financial assets - Debt securities	7, 13, 42	37,135,219,091	43,989,627,871	-	-
Financial assets - Equity securities	7, 14	12,785,501,050	13,494,853,126	234,000,000	234,000,000
Derivative assets	7, 15	115,369,228	23,803,912	-	-
Inventories	16	315,589,121	154,237,707	-	-
Loans	7, 17	1,372,700,681	1,410,639,140	9,691,467,868	8,140,367,868
Investments in joint venture	7, 18	-	-	-	-
Investments in subsidiaries	18	-	-	2,249,463,178	2,094,553,198
Investment properties	19	475,075,013	480,631,098	-	-
Leasehold rights	20	1,289,025,030	1,311,772,530	-	-
Premises and equipment	21	16,604,765,042	15,438,770,237	1,509,497	1,781,329
Right-of-use assets		21,173,187	12,161,688	15,624,161	25,371,554
Intangible assets		279,933,899	319,989,364	18,061,097	18,754,469
Deferred tax assets	37	1,820,987,512	1,059,669,484	126,690,125	126,031,882
Other assets	7, 22	1,637,829,789	2,109,143,433	372,194,753	237,874,180
Total assets		84,151,142,212	91,561,621,038	12,870,662,342	10,933,019,397

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2022	2021	2022	2021
		(in Baht)			
Liabilities					
Investment payables		103,971,717	266,784,869	-	-
Borrowings	7, 23	17,469,019,609	15,370,054,518	10,049,000,000	8,249,000,000
Insurance contract liabilities	7, 24	50,198,373,145	57,947,558,268	-	-
Reinsurance payables	7, 25	3,031,530,562	3,884,418,211	-	-
Derivative liabilities	15, 40	122,158,240	241,075,514	-	-
Income tax payable		17,877,939	81,819,268	-	-
Lease liabilities	23	1,105,806,063	651,127,960	16,185,781	26,194,132
Provision for employee benefits		262,427,987	564,279,408	29,911,018	21,551,460
Deferred tax liabilities	37	485,180,893	155,762,696	-	-
Other liabilities	7, 26	1,734,519,352	2,381,962,108	57,076,402	41,255,868
Total liabilities		74,530,865,507	81,544,842,820	10,152,173,201	8,338,001,460
Equity					
Share capital	27				
Authorised share capital					
<i>(1,203,356,530 ordinary shares, par value at Baht 10 per share)</i>		<u>12,033,565,300</u>	<u>12,033,565,300</u>	<u>12,033,565,300</u>	<u>12,033,565,300</u>
Issued and paid-up share capital					
<i>(752,097,832 ordinary shares, par value at Baht 10 per share)</i>		7,520,978,320	7,520,978,320	7,520,978,320	7,520,978,320
Share premium on ordinary shares	27	18,224,269,226	18,224,269,226	18,224,269,226	18,224,269,226
Retained earnings					
Appropriated					
Legal reserve	28	308,460,816	365,299,777	37,850,816	37,850,816
Other reserve	28	7,714,962	7,714,962	-	-
Unappropriated		6,873,364,282	3,763,256,462	(461,496,566)	(584,967,770)
Other components of equity	28	<u>(23,559,236,672)</u>	<u>(19,901,966,485)</u>	<u>(22,603,112,655)</u>	<u>(22,603,112,655)</u>
Equity attributable to owners of the parent		9,375,550,934	9,979,552,262	2,718,489,141	2,595,017,937
Non-controlling interests		244,725,771	37,225,956	-	-
Total equity		9,620,276,705	10,016,778,218	2,718,489,141	2,595,017,937
Total liabilities and equity		84,151,142,212	91,561,621,038	12,870,662,342	10,933,019,397

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Revenue					
Gross premium written	7	14,153,096,979	23,836,294,623	-	-
Less Premium ceded		(4,625,663,145)	(5,483,204,658)	-	-
Net premiums written		9,527,433,834	18,353,089,965	-	-
Add (less) decrease (increase) in unearned premium reserve					
from previous year		1,917,493,154	(607,141,865)	-	-
Net premium earned		11,444,926,988	17,745,948,100	-	-
Commission and brokerage income		1,376,722,945	1,833,268,698	-	-
Income from operating lease contracts	7	3,174,759,964	3,079,935,108	-	-
Income from hire-purchase and finance lease contracts	7	127,599,078	171,396,821	-	-
Income from sales of operating lease assets		1,888,387,559	1,453,256,260	-	-
Investment income	7, 30	1,740,492,098	1,701,032,559	411,021,055	205,724,036
Gain on financial instruments	31	-	258,328,731	-	-
Gain on fair value change of financial instruments	32	-	136,144,150	-	-
Gain on sale of investment in subsidiary	18	-	7,099,763,845	-	-
Gain on foreign exchange		-	1,839,194	-	1,651,858
Cumulative gain from reclassification of cash flow hedges					
previously recognised in other comprehensive income		5,459,588	5,180,924	-	-
Advisory fee income	7	-	-	160,200,000	153,000,000
Other income	7	89,649,558	153,306,964	7,000,564	7,679,639
Total revenue		19,847,997,778	33,639,401,354	578,221,619	368,055,533
Expenses					
Long-term technical reserve increase from previous year		88,786,728	3,829,835,490	-	-
Benefits payments and insurance claims expenses	7	12,562,235,067	27,974,949,737	-	-
Less benefits payments and insurance claims expenses					
recovered from reinsurers		(3,353,480,167)	(6,459,602,622)	-	-
Net benefits payment and insurance claims expenses		9,208,754,900	21,515,347,115	-	-
Commissions and brokerage expenses	7	1,887,034,147	3,153,345,321	-	-
Other underwriting expenses		748,401,690	2,071,938,848	-	-
Direct rental costs		2,199,005,606	2,191,858,424	-	-
Cost of sales of operating lease assets	16	1,783,545,137	1,423,919,567	-	-
Operating expenses	7, 33	2,547,010,809	2,345,024,715	253,754,533	156,610,943
Loss on foreign exchange		57,914	-	-	-
Loss on financial instruments	31	261,565,700	-	-	-
Gain on fair value change of financial instruments	32	170,287,723	-	-	-
Loss on sale of investment in subsidiary	18	-	-	-	532,253,339
Impairment loss on investment in subsidiary	18	-	-	-	437,993,550
Loss from adjusting to non-going concern basis	2	-	230,078,801	-	-
Finance costs	7	523,545,409	435,476,541	241,448,573	173,644,618
Hedging loss for hedge of group of items with offsetting risk positions		15,763,156	13,790,708	-	-
Expected credit loss (reversal)	36	(8,213,422)	10,351,438	(49,000,000)	49,000,000
Total expenses		19,425,545,497	37,220,966,968	446,203,106	1,349,502,450
Profit (loss) before income tax expense and non-operating item		422,452,281	(3,581,565,614)	132,018,513	(981,446,917)
Non-operating item:					
Differences on de-consolidation, net	5	1,230,420,025	-	-	-
Profit (loss) before income tax expense		1,652,872,306	(3,581,565,614)	132,018,513	(981,446,917)
Tax expense (income)	37	(98,082,975)	(221,774,624)	1,182,867	(122,959,557)
Profit (loss) for the year		1,750,955,281	(3,359,790,990)	130,835,646	(858,487,360)

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in Baht)</i>			
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(9,231,241)	146,475,279	-	-
Loss on remeasurement of investments measured at fair value through other comprehensive income		(1,156,994,469)	(935,483,026)	-	-
Gain (loss) on cash flow hedges		36,091,768	(7,255,643)	-	-
Gain on deferred cost of hedging reclassified subsequently to profit or loss		13,507,204	4,689,853	-	-
Income tax relating to items that will be reclassified		223,325,348	158,314,707	-	-
Total items that will be reclassified subsequently to profit or loss		(893,301,390)	(633,258,830)	-	-
Items that will not be reclassified to profit or loss					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income		(1,420,018,822)	323,847,282	-	-
Gain (loss) on revaluation of assets		(195,106,698)	17,125,343	-	-
Gain (loss) on remeasurements of defined benefit plans		47,431,265	(47,553,890)	(9,205,552)	710,342
Income tax relating to items that will not be reclassified		313,538,851	(58,683,747)	1,841,110	(142,069)
Total items that will not be reclassified to profit or loss		(1,254,155,404)	234,734,988	(7,364,442)	568,273
Other comprehensive income for the year, net of tax		(2,147,456,794)	(398,523,842)	(7,364,442)	568,273
Total comprehensive income for the year		(396,501,513)	(3,758,314,832)	123,471,204	(857,919,087)
Profit (loss) attributable to:					
Owners of the parent		1,484,855,598	(3,260,470,236)	130,835,646	(858,487,360)
Acquiree's equity before business combination		-	(11,304,763)	-	-
Non-controlling interests		266,099,683	(88,015,991)	-	-
Profit (loss) for the year		1,750,955,281	(3,359,790,990)	130,835,646	(858,487,360)
Total comprehensive income attributable to:					
Owners of the parent		(617,341,828)	(3,652,818,735)	123,471,204	(857,919,087)
Acquiree's equity before business combination		-	(11,304,763)	-	-
Non-controlling interests		220,840,315	(94,191,334)	-	-
Total comprehensive income for the year		(396,501,513)	(3,758,314,832)	123,471,204	(857,919,087)
Basic earnings (loss) per share (in Baht)	38	1.97	(4.34)	0.17	(1.14)

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

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of changes in equity

Note	Consolidated financial statements																	
	Retained earnings							Other components of equity										
	Issued and paid-up share capital	Acquiree's equity held before business combination	Share premium on ordinary shares	Legal reserve	Other reserves	Unappropriated	Gain (loss) on cash flow hedges	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	Gain on deferred cost of hedging reclassified subsequently to profit or loss	Gain (loss) on remeasurement of investments measured at fair value through other comprehensive income	Excess of cost over book value of acquired subsidiaries	Difference from business combination under common control	Other items of other comprehensive income	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
(in Baht)																		
Year ended 31 December 2021																		
Balance at 1 January 2021	7,520,978,320	(111,959,475)	18,224,269,226	388,799,777	27,714,962	6,893,602,677	(2,830,414)	(340,555,581)	18,894,795	1,466,734,549	(68,789,288)	(22,632,797,743)	2,209,383,479	(19,349,960,203)	13,593,445,284	177,392,781	13,770,838,065	
Transactions with owners, recorded directly in equity																		
<i>Distributions to owners of the parent</i>																		
Dividends	39	-	-	-	-	(451,258,699)	-	-	-	-	-	-	-	-	(451,258,699)	-	(451,258,699)	
Total distributions to owners of the parent		-	-	-	-	(451,258,699)	-	-	-	-	-	-	-	-	(451,258,699)	-	(451,258,699)	
<i>Changes in interests from business combination</i>																		
Acquiree's issued share capital before business combination	18	-	57,016,580	-	-	-	-	-	-	-	-	-	-	-	57,016,580	-	57,016,580	
Impact of business combination under common control	4	-	66,247,658	-	-	34,140,996	-	-	-	-	-	1,321,669	-	1,321,669	101,710,323	-	101,710,323	
Total changes in interests from business combination		-	123,264,238	-	-	34,140,996	-	-	-	-	-	1,321,669	-	1,321,669	158,726,903	-	158,726,903	
<i>Changes in ownership interests in subsidiaries</i>																		
Sale of interests in subsidiary with a change in control	18	-	-	(23,500,000)	(20,000,000)	-	-	-	-	-	68,789,288	(29,230,071)	-	39,559,217	(3,940,783)	(45,975,491)	(49,916,274)	
Total changes in ownership interests in subsidiaries		-	-	(23,500,000)	(20,000,000)	-	-	-	-	-	68,789,288	(29,230,071)	-	39,559,217	(3,940,783)	(45,975,491)	(49,916,274)	
Total transactions with owners, recorded directly in equity		-	123,264,238	-	(23,500,000)	(20,000,000)	(417,117,703)	-	-	-	68,789,288	(27,908,402)	-	40,880,886	(296,472,579)	(45,975,491)	(342,448,070)	
Comprehensive income for the year																		
Loss for the year	-	(11,304,763)	-	-	-	(3,260,470,236)	-	-	-	-	-	-	-	-	(3,271,774,999)	(88,015,991)	(3,359,790,990)	
Other comprehensive income	-	-	-	-	-	-	(5,801,450)	276,788,637	3,753,060	(746,297,377)	-	-	79,208,631	(392,348,499)	(392,348,499)	(6,175,343)	(398,523,842)	
Total comprehensive income for the year		-	(11,304,763)	-	-	(3,260,470,236)	(5,801,450)	276,788,637	3,753,060	(746,297,377)	-	-	79,208,631	(392,348,499)	(3,664,123,498)	(94,191,334)	(3,758,314,832)	
Transfer to retained earnings	-	-	-	-	-	547,241,724	15,575,200	(211,321,886)	-	47,683,431	-	-	(52,475,414)	(200,538,669)	346,703,055	-	346,703,055	
Balance at 31 December 2021		7,520,978,320	-	18,224,269,226	365,299,777	7,714,962	3,763,256,462	6,943,336	(275,088,830)	22,647,855	768,120,603	-	(22,660,706,145)	2,236,116,696	(19,901,966,485)	9,979,552,262	37,225,956	10,016,778,218

The accompanying notes form an integral part of the interim financial statements.

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of changes in equity

Note	Consolidated financial statements																
	Retained earnings							Other components of equity									
	Issued and paid-up share capital	Acquiree's equity held before business combination	Share premium on ordinary shares	Legal reserve	Other reserves	Unappropriated	Gain (loss) on cash flow hedges	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	Gain on deferred cost of hedging reclassified subsequently to profit or loss	Gain (loss) on remeasurement of investments measured at fair value through other comprehensive income	Excess of cost over book value of acquired subsidiaries	Difference from business combination under common control	Other items of other comprehensive income	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in Baht)																	
Year ended 31 December 2022																	
Balance at 1 January 2022	7,520,978,320	-	18,224,269,226	365,299,777	7,714,962	3,763,256,462	6,943,336	(275,088,830)	22,647,855	768,120,603	-	(22,660,706,145)	2,236,116,696	(19,901,966,485)	9,979,552,262	37,225,956	10,016,778,218
Transactions with owners, recorded directly in equity																	
<i>Changes in ownership interests in subsidiaries</i>																	
Sale of interests in subsidiary with a change in control	5	-	-	(57,098,961)	-	259,200,752	-	(104,074,415)	-	-	-	-	(84,686,876)	(188,761,291)	13,340,500	(13,340,500)	-
Total changes in ownership interests in subsidiaries		-	-	(57,098,961)	-	259,200,752	-	(104,074,415)	-	-	-	-	(84,686,876)	(188,761,291)	13,340,500	(13,340,500)	-
Total transactions with owners, recorded directly in equity		-	-	(57,098,961)	-	259,200,752	-	(104,074,415)	-	-	-	-	(84,686,876)	(188,761,291)	13,340,500	(13,340,500)	-
Comprehensive income for the year																	
Profit for the year	-	-	-	-	-	1,484,855,598	-	-	-	-	-	-	-	-	1,484,855,598	266,099,683	1,750,955,281
Other comprehensive income	-	-	-	-	-	-	28,864,361	(1,035,263,004)	10,802,376	(923,719,124)	-	-	(182,882,035)	(2,102,197,426)	(2,102,197,426)	(45,259,368)	(2,147,456,794)
Total comprehensive income for the year	-	-	-	-	-	1,484,855,598	28,864,361	(1,035,263,004)	10,802,376	(923,719,124)	-	-	(182,882,035)	(2,102,197,426)	(617,341,828)	220,840,315	(396,501,513)
Transfer to legal reserve	-	-	-	260,000	-	(260,000)	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	1,366,311,470	(11,631,847)	192,297,568	-	(108,280,716)	-	-	(1,438,696,475)	(1,366,311,470)	-	-	-
Balance at 31 December 2022	7,520,978,320	-	18,224,269,226	308,460,816	7,714,962	6,873,364,282	24,175,850	(1,222,128,681)	33,450,231	(263,879,237)	-	(22,660,706,145)	529,851,310	(23,559,236,672)	9,375,550,934	244,725,771	9,620,276,705

The accompanying notes form an integral part of the interim financial statements.

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of changes in equity

	<i>Note</i>	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated	Difference from business combination under common control	Total other components of equity	
<i>(in Baht)</i>								
Year ended 31 December 2021								
Balance at 1 January 2021		7,520,978,320	18,224,269,226	37,850,816	724,210,016	(22,603,112,655)	(22,603,112,655)	3,904,195,723
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the parent</i>								
Dividends	39	-	-	-	(451,258,699)	-	-	(451,258,699)
Total distributions to owners of the parent		-	-	-	(451,258,699)	-	-	(451,258,699)
Comprehensive income for the year								
Loss for the year		-	-	-	(858,487,360)	-	-	(858,487,360)
Other comprehensive income		-	-	-	568,273	-	-	568,273
Total comprehensive income for the year		-	-	-	(857,919,087)	-	-	(857,919,087)
Balance at 31 December 2021		<u>7,520,978,320</u>	<u>18,224,269,226</u>	<u>37,850,816</u>	<u>(584,967,770)</u>	<u>(22,603,112,655)</u>	<u>(22,603,112,655)</u>	<u>2,595,017,937</u>

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

Thai Group Holdings Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements						
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity		Total equity
			Legal reserve	Unappropriated <i>(in Baht)</i>	Difference from business combination under common control	Total other components of equity	
Year ended 31 December 2022							
Balance at 1 January 2022	7,520,978,320	18,224,269,226	37,850,816	(584,967,770)	(22,603,112,655)	(22,603,112,655)	2,595,017,937
Comprehensive income for the year							
Profit for the year	-	-	-	130,835,646	-	-	130,835,646
Other comprehensive income	-	-	-	(7,364,442)	-	-	(7,364,442)
Total comprehensive income for the year	-	-	-	123,471,204	-	-	123,471,204
Balance at 31 December 2022	7,520,978,320	18,224,269,226	37,850,816	(461,496,566)	(22,603,112,655)	(22,603,112,655)	2,718,489,141

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	1,750,955,281	(3,359,790,990)	130,835,646	(858,487,360)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	(98,082,975)	221,774,624	1,182,867	(122,959,557)
Finance costs	523,545,409	435,476,541	241,448,573	173,644,618
Depreciation and amortisation	1,770,017,311	1,839,812,472	16,562,399	14,278,865
Impairment loss on investment in subsidiary	-	-	-	437,993,550
Impairment loss on subrogation recoveries	-	33,062,164	-	-
Provision for employee benefits	65,651,661	253,726,938	9,376,182	6,758,113
Reserve from insurance contracts (Reversal of)	88,786,728	(127,249,379)	-	-
Loss incurred from insurance contracts	9,782,572,757	4,525,481,042	-	-
Unearned premium reserve	(8,370,097,121)	(6,603,290,386)	-	-
Unrealised (gain) loss on exchange	15,821,070	(1,839,194)	-	-
Loss (gain) on sale of investment in subsidiary	-	(7,099,763,845)	-	532,253,339
Loss from adjusting to non-going concern basis	-	230,078,801	-	-
Loss (gain) on revaluation of derivative	(210,482,590)	40,845,643	-	-
Bad and doubtful debts expenses (Reversal of)	206,737,987	24,025,307	(49,000,000)	49,000,000
Loss on decline in value of inventories and properties foreclosed (Reversal of)	697,510	(51,928,659)	-	-
Loss on disposal of investments	-	78,056,423	-	-
Dividend income	(546,727,810)	(479,192,021)	(137,999,235)	(2,850,000)
Interest income	(1,279,384,244)	(1,221,840,538)	(273,021,820)	(202,874,036)
	<u>3,700,010,974</u>	<u>(11,262,555,057)</u>	<u>(60,615,388)</u>	<u>26,757,532</u>
<i>Changes in operating assets and liabilities</i>				
Premiums due and uncollected	654,355,979	77,191,070	-	-
Reinsurance assets	(7,994,230,136)	5,788,857,586	-	-
Reinsurance receivables	(340,487,517)	415,388,812	-	-
Operating lease receivables	(14,307,324)	(17,379,318)	-	-
Hire-purchase and finance lease receivables	519,385,945	131,287,500	-	-
Investment in securities	4,823,934,413	1,232,431,281	-	-
Inventories	(162,048,924)	(834,992,133)	-	-
Right-of-use assets	(26,584,094)	34,359,889	-	-
Goodwill	-	84,140,909	-	-
Other assets	605,896,859	97,840,438	(36,512,982)	(172,218,609)
Insurance contract liabilities	(62,572,730)	(1,169,277,026)	-	-
Reinsurance payable	(852,887,649)	284,748,685	-	-
Other liabilities	(663,677,852)	(120,415,639)	4,715,901	(24,108,273)
Employee benefit paid	(366,862,176)	(12,234,463)	(10,222,176)	-
Net cash generated used in operating activities	<u>(180,074,232)</u>	<u>(5,270,607,466)</u>	<u>(102,634,645)</u>	<u>(169,569,350)</u>
Interest received from insurance business	1,168,837,359	1,197,210,371	-	-
Dividends received from insurance business	543,650,996	476,306,617	-	-
Tax paid	(404,175,512)	(896,226,429)	(4,464,926)	(510,212)
Net cash from (used in) operating activities	<u>1,128,238,611</u>	<u>(4,493,316,907)</u>	<u>(107,099,571)</u>	<u>(170,079,562)</u>

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2022	2021	2022	2021
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from sell of investment in subsidiary	-	219,576,460	-	219,576,460
Acquisition of investment properties	(2,715,628)	(388,075)	-	-
Proceeds from sale of property, plant and equipment	824,126,628	16,988,747	-	85,150
Acquisition of property, plant and equipment	(2,640,153,752)	(2,413,887,247)	(239,308)	(1,661,735)
Acquisition of intangible assets	(106,432,329)	(28,109,260)	(1,503,536)	(1,088,750)
Proceeds from sell of intangible assets	90,239,883	64,419,414	-	-
Investment in subsidiaries	-	-	(154,909,980)	(999,980)
Loans	(879,775,592)	(637,827,368)	(2,442,100,000)	(7,330,387,220)
Proceeds from repayment of loans	917,714,051	402,527,789	891,000,000	7,675,398,985
Dividends received	3,076,814	2,885,404	137,999,235	2,850,000
Interest received	127,416,067	22,483,190	228,679,155	207,455,546
Net cash from (used in) investing activities	(1,666,503,858)	(2,351,330,946)	(1,341,074,434)	771,228,456
<i>Cash flows from financing activities</i>				
Proceeds from borrowings	18,283,176,307	17,064,367,346	1,920,000,000	6,030,000,000
Repayment of borrowings	(16,184,211,216)	(10,037,659,612)	(120,000,000)	(5,970,000,000)
Payment of lease liabilities	(340,547,299)	(392,183,757)	(14,955,708)	(12,718,094)
Payment dividend	-	(451,258,699)	-	(451,258,699)
Finance costs paid	(539,780,505)	(370,183,757)	(229,503,541)	(171,531,898)
Net cash from (used in) financing activities	1,218,637,287	5,813,081,521	1,555,540,751	(575,508,691)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	680,372,040	(1,031,566,332)	107,366,746	25,640,203
Foreign currency translation differences for foreign operations	(9,231,241)	(81,855,594)	-	-
Net increase (decrease) in cash and cash equivalents	671,140,799	(1,113,421,926)	107,366,746	25,640,203
Cash and cash equivalents at 1 January	2,657,493,355	3,770,915,281	54,284,917	28,644,714
Cash and cash equivalents at 31 December	3,328,634,154	2,657,493,355	161,651,663	54,284,917
<i>Non-cash transactions</i>				
Payables for purchase of premises and equipment	333,341,551	288,179,220	-	-
Transfer equipment to inventories	1,972,496,469	1,449,987,368	-	-
Net liabilities of former subsidiary from de-consolidation of subsidiary	13,982,174,353	-	-	-

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

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 28 February 2023.

1 General information

Thai Group Holdings Public Company Limited “Company”, is incorporated in Thailand on 29 June 2018 and was listed on the Stock Exchange of Thailand on 31 July 2019. The Company’s registered office at 315 Southeast Building, Silom Road, Silom, Bangrak, Bangkok.

During the year 2022, Mongkolsiri Company Limited (formerly Southeast Management Company Limited) has acquired 371,881,168 ordinary shares or 49.4% of the Company’s shares from Pholmankhong Business Company Limited who was the former major shareholder and other minority shareholder. As a result, the new ultimate controlling party of the Group has changed to Mongkolsiri Company Limited which holds 80.8% of the Company’s share.

At the Annual General Meeting of Shareholder of the Company held on 27 April 2022, the shareholders had resolutions to approve the change of the Company’s Thai name to Thai Group Holdings Public Company Limited to conform with the Company’s English name.

The principal activity of the Company is as a holding company. The principal activities of the Group are underwriting life assurance, underwriting non-life insurance, leasing, hire purchase services, lending and sales of second hand cars.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission, and the Notification of the Office of Insurance Commission (“OIC”) regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Life and Non-Life Insurance Companies” B.E. 2562 (No. 2), dated 4 April 2019, which are effective for annual periods beginning on or after 1 January 2020.

The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies which are disclosed in note to the financial statements have been applied consistently to all periods presented in these financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associate and a joint venture. The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 48.

Thai Group Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

(b) *Basis of preparation of the financial statements for Southeast Insurance Public Company Limited (former subsidiary) (“SEIC”)*

On 22 January 2022, the Board of Directors of Southeast Insurance Public Company Limited (“SEIC”), a former subsidiary, resolved to discontinue the insurance business, transfer in-force policies to other insurers approved by Office of Insurance Commission (“OIC”), a regulator, and return the insurance license to OIC due to continued losses and uncertainty as to future losses and the reinsurance recoveries in relation to the COVID-19 policies.

As a consequence, the Board of Directors of SEIC has determined that the continued use of the going concern basis of accounting by SEIC is inappropriate, and accordingly the results of SEIC in the consolidated financial statements include certain adjustments, some of which involve a high degree of management judgment, to reflect the manner in which the assets of SEIC are expected to be realized and the liabilities settled. In particular:

1. The unexpired risk liability of the remaining COVID-19 policies – assumptions used in the estimation of this liability are shown in note 5. As at 31 December 2021, SEIC recorded the gross unexpired risk reserve of Baht 3,412 million.
2. The transfer value of all non-COVID19 policies to other insurers. On 23 February 2022, SEIC has transferred all in-force policies, except for the COVID-19 policies, to Indara Insurance Public Company Limited (a subsidiary of TGH) and other 3 non-related insurance companies. No adjustment has been made to the carrying amount of these balances at 31 December 2021 as such transfers are not expected to result in a loss to SEIC.
3. Management made certain other provisions in relation to the discontinuance of business of Baht 230 million for the year ended 31 December 2021.

In the separate financial statements of the Company, as noted in Note 18, the investment in SEIC was recorded at cost of Baht 438 million. The Company has recorded a full provision for the investment. The Company has no further exposure to possible losses of SEIC in separate financial statement.

(c) *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- 3(r) Leases:
- whether an arrangement contains a lease;
 - whether the Group is reasonably certain to exercise extension options;
 - whether the Group exercise termination options;
 - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
- 3(w) and 29 Revenue recognition:
- whether performance obligations in a bundled sale of products and services are capable of being distinct;
 - whether revenue from sales of products is recognised over time or at a point in time;
 - commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;
- 18 Equity-accounted investees: whether the Group has significant influence over an investee;

Thai Group Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(d) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

3(r)	Determining the incremental borrowing rate to measure lease liabilities;
3(g) 9 and 10	Measurement of allowance for doubtful debts of premiums due and uncollected reinsurance receivables;
3(d) 11 12 17 40	Measurement of ECL allowance for operating lease receivables, hire-purchase and finance lease receivables, loans, trade receivables and contract assets: key assumptions in determining the loss rate;
16	Measurement of net realisable value of inventory
19 and 21	Impairment test of investment properties; and property, plant and equipment: key assumptions underlying recoverable amounts
3(q)	Impairment test of goodwill: key assumptions underlying recoverable amounts;
37	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
3(w) and 46	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
3(d) and 40	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

Insurance contract liabilities

Insurance contract liabilities consist of long-term technical reserves and short-term technical reserves. The carrying amount as at the reporting date is provided in note 24.

Process involved in determining assumptions for long-term technical reserves

The Group determines the long-term technical reserves by using Net Level Premium Valuation based on assumptions such as mortality, morbidity and discount rates that were established at the time when insurance products were designed and were approved by the Office of Insurance Commission. The assumptions used for calculating the liabilities over the life of the contract are generally unchanged.

The Group determines the long-term technical reserves by using mortality rates based on Thai Mortality Table 2017 for insurance products which were designed and submitted to the Office of Insurance Commission since 1 September 2017 onward.

Process involved in determining assumptions of short-term technical reserves

The Group determined the loss reserve and outstanding claims in accordance the company procedures. The assumptions used in the estimation of liabilities are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the estimated liability.

Provision is made at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses, less amounts already paid.

The Group uses several statistical techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims, for example:

The Chain-ladder technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year. Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern.

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The Bornhuetter-Ferguson method uses a combination of a benchmark or market- based estimate and an estimate based on claims experience. The former is based on a measure of premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments.

Process involved in determining unexpired risk reserves

The Group determines the unexpired risk reserves based on the greater amount of unearned premium reserves and unexpired risk reserves.

Further information about the methods used in calculating the unearned premium reserves is disclosed in note 3(g).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 2(b) Basis of preparation of the financial statements for Southeast Insurance Public Company Limited (former subsidiary) (“SEIC”).

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associate and a joint venture.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there are changes in the Group’s interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control is accounted for as other surplus or deficit in shareholders’ equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquired is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payments is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

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(c) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investments, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(d) Financial instruments

(d.1) Classification and measurement

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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Equity investments measured at FVOCI are subsequently measured at fair value. Dividends income are recognised as income in profit or loss on the date on which the Group's right to receive payments is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offsetting

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.4)).

(d.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity. When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

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If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

(d.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI, lease receivables, and loan commitments issued which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group/Company in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Significant estimates and judgements

The Group's and the Company's expected credit loss calculations are based on complex models with a series of underlying assumptions. The significant judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation of expected credit loss also involves expert credit judgement to be applied by management based upon counterparty information they receive from various internal and external.

Measurement

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

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Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

For material portfolios, the estimate of expected cash shortfalls is determined by multiplying the probability of default (“PD”) with percentage of the loss given default (“LGD”) with the expected exposure at the time of default (“EAD”).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the original effective interest rate on the financial instrument.

Expected credit loss recognition - Staging

Stage 1 Financial assets that are not significant increase in credit risk (Performing)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of the instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Stage 2 Financial assets that are significant increase in credit risk (Under-performing)

If a financial asset experiences a significant increase in credit risk (“SICR”) since initial recognition, an expected credit loss is recognised for default events that may occur over the expected life of the financial instrument. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Stage 3 Financial assets that are credit-impaired (Non-performing)

Financial assets that are credit impaired or in default represent those that are at least/over 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- In process of asset repossession; and
- In process of litigation

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Allowance for impairment loss against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within expected credit loss in profit or loss with a corresponding decrease in the gross carrying value of the asset.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Write-offs of credit impaired instruments and reversal of expected credit loss

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related allowance for impairment loss. Such financial instruments are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of expected credit loss in the profit or loss.

If, in a subsequent period, the amount of the allowance for expected credit loss decreases and the decrease can be related objectively to an event occurring after the expected credit loss was recognised, such as an improvement in the debtor's credit rating, the previously recognised impairment loss is reversed by adjusting the allowance for expected credit loss. The amount of the reversal is recognised in the profit or loss.

Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1. For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances requiring that action to be resolved before financial instruments are reclassified to stage 1.

(d.6) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of expected credit loss in profit or loss in the period in which the recovery occurs.

(d.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits, and highly liquid short-term investments which have maturities of three months or less at the date of acquisition to cash equivalents.

(f) Classification of insurance contracts and investment contracts

The Group issues life insurance contracts that transfer insurance risk. These are classified as insurance contracts.

Insurance contracts are those contracts under which the Group accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event adversely affects the policyholder or other beneficiary. Once a contract had been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

Investment controls are those contracts that transfer financial risk with no significant risk.

The Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least significant level more than the benefits payable if the insured event did not occur.

The Group does not unbundle any insurance contracts as its accounting policy recognises all premium, premium ceded, claims and loss adjustment expenses, and claims and loss adjustment expenses recovered from reinsurers through the profit or loss.

(g) Recognition and measurement of insurance contracts

Premiums due and uncollected

Premiums due and uncollected are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Insurance contract liabilities consist of long-term technical reserves, loss reserve and outstanding claims and premium reserves.

Long-term technical reserves

A liability for contractual benefits and claims that are expected to be incurred in the future is recorded when the premiums are recognised and is released when benefits and claims are incurred. The liability is measured using assumptions considered to be appropriate for the policies in force. The reserves are calculated by an internal actuary of the Group and using an actuarial method "Net Level Premium Valuation" based on assumptions for mortality, morbidity and discount interest rate that were established at the time when insurance products were designed and were approved by the Office of Insurance Commission.

Loss reserve and outstanding claims

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

The loss reserve and outstanding claims include claims incurred and reported, and claims incurred but not reported (IBNR) as well as claim handling costs including unallocated loss adjustment expenses (ULAE). The outstanding claims are recorded based on formal written confirmation of the claim amount to be paid, surveyor report or the Group's past experience on claim development. IBNR calculation is based on historical claims data, current trends, and actual payment patterns for all insurance business lines and anything else that could impact amounts to be paid in accordance with actuarial technique.

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Premium reserve

Premium reserves consist of unearned premium reserve (UPR) and unexpired risk reserve (URR). Premium reserve is unearned premium reserve and is calculated using written premiums for short-term insurance contracts and group insurance in accordance with the pattern of risk underwritten or a pro-rata basis of the premium based on the remaining duration of each policy. Unearned premium reserve (UPR) represents the prorated portion of written premiums that relates to the unexpired period.

Unexpired risks reserve

Unexpired risks reserve is the reserve for the claims, which may occur, of the in-force policy. Unexpired risks reserve is set aside using an actuarial method. The reserve is calculated as the best estimate of the claims, which are expected to occur during the remaining coverage periods, based on the historical claims data.

As at the end of reporting period, the Group compares the amount of unexpired risks reserve with unearned premium reserve, and if unexpired risks reserve is higher than unearned premium reserve, the difference is recognised as unexpired risks reserve in the financial statements.

Unpaid policy benefits

Unpaid policy benefits represent claims and benefits payable to policyholder in relation to deaths, surrenders, dividends, maturities and policyholder deposits in respect of maturities and other payments and policyholder deposits in respect of maturities and including related interest payable. Unpaid policy benefits are recognised at cost.

Due to insured

Due to insured consist of the advance premium received from insured and the money as the Group has to pay to insured other than the benefit under the insurance policy condition. Due to insured are recognised at cost.

Premiums

Short-term insurance contracts

Premium income on non-life / short-term insurance contracts is recognised as revenue on the inception date of the insurance contract that meets the risk transfer requirement and are presented gross of premium ceded and commission and brokerage expense. Net premium earned are presented net premium written and change in unearned premium reserve. Otherwise, deposit accounting shall be applied. For inward reinsurance, premiums are recorded based on the declaration made by the ceding company or the term specified on the reinsurance contracts.

The Group recognises premium of multiple-year contracts as premium received in advance and records related expenses as prepaid. The prepaids are expensed over the contractual period of the unexpired risk.

Long-term (life) insurance contracts

First year premium written for long-term (life) insurance contracts is recognised as revenue when the insurance policy is effective (or premium is received and insurance policy is approved). Renewal premium income is recognised as revenue when premium is due and if the policy is still inforce at the end of the reporting period. First year premium written and renewal premium income are presented gross of premium ceded and commissions and brokerage expenses.

Premium received in advance is not recognised until the due date.

Commission and brokerage income

Commission and brokerage income are charged to current operations as incurred.

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Benefits, claims and loss adjustment expenses

Benefits, claims and loss adjustment expenses consist of benefit, claims and loss adjustment expenses of direct insurance and reinsurance, and include the amounts of claims, related expenses and loss adjustments of current and prior period incurred or approved during the year, less residual value and other recoveries (if any) and claims refundable from reinsurers.

Benefits, claims and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Group's management or when benefits are due as stipulated in the insurance policy terms. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claims and loss adjustment expenses of reinsurance are recognised as expenses when the reinsured company submits the loss advice or the statement of accounts with the Group.

Salvage and subrogation recoveries

Salvage and subrogation recoveries are included in other assets. For salvage recoveries, the amount recognised is the amount that can be reasonably recovered from the disposal of that asset. For subrogation reimbursements is the amount that can reasonably be expected to be recovered from the action against the liable third party and is recorded net of related cost and allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on the analysis of recovery and future expectation of recovery from third parties.

Commission and brokerage expenses

Acquisition costs which represent commission and other direct related expenses are charged to current operations as incurred.

Reinsurance transactions

Transactions relating to reinsurance assumed and ceded are accounted for and presented in the statements of financial position and comprehensive income in the same manner as the direct business transactions. The reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Reinsurance receivables and assets are the Group's net contractual rights under reinsurance agreements. These consist of accrued reinsurance commission, claim receivables and other amounts due from reinsurers. The allowance for impairment of reinsurance assets is established based on latest publicly available credit rating information and past collection experiences.

Due to reinsurers represents the amounts payable to reinsurers and the amounts withheld on reinsurance. Outstanding payables consist of reinsurance premiums and other payables due to reinsurers.

The reinsurance assets and liabilities are presented on a net basis in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance assets is consistent with the measurement of the underlying insurance contracts.

Premium ceded, reinsurer's share of change in unearned premium reserve, fee and commission income and claims and loss adjustment expenses recovered from reinsurers are recognised as expense or income in accordance with the pattern of reinsurance service received when incurred.

Amounts recoverable under reinsurance contracts are assessed for impairment at reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

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Liability adequacy test

Short-term insurance contracts

The liability of the Group under short-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims at the end of reporting period by using an actuarial method based on historical claims and expense. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognised in profit or loss.

Long-term life insurance contracts

The liability of the Group under long-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows by using current assumptions with the carrying amount of gross insurance contract provisions for long-term technical reserves. Where an expected shortfall is identified, additional provisions are made for long-term technical reserves and are recognised in profit or loss.

An additional provision for liability inadequacy is made where the reserves calculated by using another actuarial method “Gross Premium Valuation” of policies in force at the reporting date based on the best estimate basis exceeds the liabilities, which calculated by the Net Level Premium Reserves method.

The assumptions used in the Gross Premium Valuation is in accordance with the Notification of Office of Insurance Commission regarding Assessment of Assets and Liabilities of Life Insurance Company B.E. 2554 except for the discount interest rate which the Group uses the adjusted current risk-free interest rate for the purpose of the liability adequacy test in accordance with industry practice.

(h) *Operating lease receivables and other receivables*

Operating lease receivables and other receivables are stated at their invoice value less allowance for expected credit loss.

(i) *Hire-purchase and finance lease receivables*

Hire-purchase and finance lease receivables are stated at the outstanding balances plus deferred commission expense and deferred initial direct cost net from unearned interest income after deducting allowance for expected credit loss.

(j) *Factoring receivables*

Factoring receivables is stated at principal balance less allowance for expected credit loss.

(k) *Inventories*

Assets held for operating leases are transferred to inventories on the date that they cease to be rented and are held for sale. These are measured at the lower of the book value at that date and net realisable value. Cost of inventories is calculated using the specific method. Cost includes direct costs incurred in acquiring the inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sell.

(l) *Loans*

Loans are stated at principal amounts less allowance for expected credit loss.

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(m) Property foreclosed

Properties foreclosed are acquired through loan settlement or auction purchase under the order of the court or receiver. Foreclosed properties are initially recognised at cost and subsequently measured at revalued amounts, less impairment loss.

Property foreclosed under hire purchase and finance lease contracts, which were repossessed from default customers, are valued at the lower of the net receivable balance and the market value of such repossessed vehicles after deduction of allowance for losses on decline in value in the statement of income.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

The Group recognises gains (losses) on disposal of assets in profit or loss when the assets are disposed.

(n) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of building and building improvements 5 - 30 years and recognised in profit or loss. The Group does not charge depreciation on freehold land and assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(o) Leasehold rights

Leasehold rights are measured at cost less accumulated depreciation and impairment losses.

The cost of leasehold rights comprises specifically identified costs, including directly attributable cost for leasehold rights, development expenditure, borrowing costs and other related expenditure. Borrowing cost payable on loans funding land leasehold rights are capitalized, on a specific identification basis, as part of the cost of the leasehold rights until the completion of development.

Amortisation is charged to cost of investment properties (work in process) on a straight-line basis over the lease period as follows:

Leasehold rights	60 years
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(p) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings which are measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation reserve is reclassified to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revaluations of assets are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date. Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the “revaluation reserve” in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset, the increase is recognized in profit or loss. A decrease in value is recognised in profit or loss to the extent it exceeds the revaluation reserve previously recognised in other comprehensive income in respect of the same asset. The revaluation reserve is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset’s original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. The estimated useful lives are as follows:

Buildings and building improvements	20 - 94 years
Furniture, fixtures and office equipment	3 - 10 years
Vehicles	3 - 12 years
Assets held for operating lease	Over the lease period

No depreciation is provided on freehold land or assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(q) Intangible assets

Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

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Other intangible assets

Intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and is recognised in profit or loss. The estimated useful lives for the current and comparative periods are as follows:

Software licence	3 years and 10 years
Leasehold rights	27.4 years

No amortisation is provided on software under implementation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(r) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as an expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

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At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Right-of-use assets is presented in the investment properties.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group derecognises and determines impairment on the lease receivables as disclosed in note 3(d).

(s) *Impairment of non-financial assets*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(t) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

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Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(u) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

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(w) Revenue from contracts with customers

(1) Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for the estimated products to be returned.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

(2) Contract Balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liability including advances received from customers are the obligation to transfer goods or services to the customer. The contract liability including short-term and long-term advances received from customers are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and the Group makes a corresponding change to the amount of revenue recognized.

(x) Other incomes

Income from operating lease contracts

Income from operating lease contracts is recognised in profit or loss using sum total of rental income from the contracts on a straight-line basis (monthly) over the term of the lease. In case of renewal of lease contracts after prior contracts are expired, income from operating lease contracts is recognised using sum total of rental income from new contracts on a straight-line basis (monthly) over the term of the new lease.

Income from hire-purchase contracts and finance lease contracts

Income from hire-purchase contracts and finance lease contracts are recognised in profit or loss over the term of lease by using the effective interest rate method.

Income from sale of assets under operating lease contracts

Revenue from sale of assets under operating leases contracts (inventory) is recognised on the date on which the goods are delivered to the customers. For contracts with a right of return, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

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Gains or losses from sale and leaseback

For sale and leaseback transactions resulting in finance leases, gains are deferred and amortised on a straight-line basis over the lease term, while losses are recognised immediately in the statement of comprehensive income. For sale and leaseback transactions resulting in operating leases, gains and losses on transactions established at fair value are recognised immediately in the statement of comprehensive income. If the selling price exceeds fair value, then that excess is deferred and amortised over the period for which the asset is expected to be used. If the selling price is at or below fair value, then the gain or loss is recognised immediately in the statement of comprehensive income.

(y) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

(z) Investments income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(aa) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(bb) Expenses

Commissions and direct cost from hire purchase

Initial direct expenses at the inception of a hire purchase are to be amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Other underwriting expenses, investment expenses and operating expenses

Other underwriting expenses, investment expenses and operating expenses are recognised in profit or loss as expenses on an accrual basis.

(cc) Income tax

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

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(dd) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the period.

(ee) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(ff) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Acquisition of subsidiaries and non-controlling interests

4.1 Business combination with Me Insurance Services Company Limited ("MEIS")

On 1 July 2021, Capital Services Holding Co., Ltd. ("CSH") a subsidiary (former indirect subsidiary as disclosed in note 18), purchase agreement with Big C Supercenter Public Company Limited to acquire 10.80 million ordinary shares, total acquisition cost 1 Baht for 68.79% equity interest in Me Innovation Service Services Co., Ltd. ("MEIS") formerly known as Big C Services Co., Ltd. so the shareholding of Capital Services Holding Co., Ltd. increase from 31.21% to 99.99% of total issue and paid up share of as MEIS. Therefore, CSH and the Group obtained the control over MEIS and changed their status from an associated company to an indirect subsidiary of the Group. These major shareholders and the Company are under common control of the ultimate controlling shareholder before and after the acquisition date and that control was not transitory. Consequently, the Group obtained the control over MEIS as at the acquisition date and the consolidated financial statements have been prepared on the basis of a business combination under common control. The acquired net assets and interest of share purchased are accounted for at book values as similar to pooling of interests' method. In this regard, the Company has prepared the consolidated financial statements (restated) for comparative purposes by presenting the Company and its subsidiaries which are under common control as one economic unit.

The difference between the fair value of consideration transferred and book value of net assets of the MEIS Group at the acquisition date amounting to Baht 1.32 million presented as "Difference arising from business combination under common control" and recognised directly in equity of the consolidated financial statements.

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The major classes of the carrying amounts of assets acquired and liabilities from MEIS Group, which was the date of the business combination under common control are as follow:

	The Group of Me Innovation Services Company Limited <i>(in thousand Baht)</i>
Cash and cash equivalents	22,710
Property, plant and equipment	1,059
Intangible assets	17,513
Deferred tax assets	526
Other assets	34,865
Borrowing	(45,514)
Provision for employee benefits	(2,632)
Other liabilities	(27,205)
Total identifiable net assets - net from intra-group transactions	1,322
<i>Less non-controlling interest (0.01%)</i>	<i>-</i>
Total identifiable net assets received - according to shareholding	1,322
The fair value of consideration transferred	-
Difference arising from business combination under common control	1,322

5 Cessation of control over former subsidiary

With effect from 16 March 2022, a former subsidiary (Southeast Insurance Public Company Limited (“SEIC”)) became the subject of an order of a regulator that required SEIC to cease issuing insurance policies and to seek prior approval for the payment of expenses. Subsequently a liquidator was appointed by the regulator on 1 April 2022. Accordingly, the management have determined that control over the former subsidiary ceased on 16 March 2022, and the former subsidiary has been de-consolidated with effect from that date.

(1) The operating results of the former subsidiary for the three-month period ended 31 March 2022 are as follows:

	<i>(in thousand Baht)</i>
Revenue	
Net premium earned	95,605
Commission and brokerage income	13,892
Other income	165,045
Total revenue	274,542
Expenses	
Net benefits payment and insurance claims expenses	12,838,730
Commissions and brokerage expenses	27,190
Loss on impairment	142,281
Other expenses	18,095
Total expenses	13,026,296
Loss for the period of business under liquidation	(12,751,754)
Differences on de-consolidation of subsidiary (<i>see No. (2)</i>)	13,982,174
Differences on de-consolidation, net	1,230,420
Net operating result of on-going business	(231,153)

Net operating results on-going business is the net result of the business transferred to another subsidiary and other insurance companies of Baht 231.15 million are presented in each line in the consolidated statement of comprehensive income. When combine with loss for the period of non-going business of Baht 12,751.75 net loss for the period of former subsidiary will be of Baht 12,982.9 million

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The principal data and assumptions that management applied for the COVID-19 related insurance policies as at 16 March 2022 are as follows:

- Number of COVID-19 policies in-force is approximately 1 million policies. *(31 December 2021: 1 million policies)*
- Expected Thailand infection rate : 7.81% of population of Thailand *(31 December 2021: 4.53%)*
- Expected infection rate of Subsidiary's policyholders : 23.96% of total customers holding COVID-19 insurance policies. *(31 December 2021: 8.53%)*
- Estimated loss per claim : Baht 50,000 - 200,000 *(31 December 2021: Baht 50,000 - 200,000)*

(2) Details of assets and liabilities of the former subsidiary as at 16 March 2022 are as follows:

	<i>(in thousand Baht)</i>
Assets	
Cash and cash equivalents	128,360
Premiums due and uncollected	84,820
Reinsurance assets	76,253
Financial assets - Debt securities	821,863
Premise and equipment	85,845
Property foreclosed	54,514
Other assets	301,910
Total assets	<u>1,553,565</u>
Liabilities	
Insurance contract liabilities	15,118,790
Other liabilities	416,949
Total liabilities	<u>15,535,739</u>
Net liabilities	<u>13,982,174</u>

The Group has de-consolidated the estimated net liabilities of SEIC of Baht 13,982.17 million and recorded a "Differences on de-consolidation of subsidiary" in the consolidated statement of comprehensive income for the year ended 31 December 2022 and disclosed non-cash items in the consolidated statement of cash flow.

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6 Transfer of certain insurance and reinsurance agreements

As disclosed in the financial statement of Indara Insurance Public Company Limited, on 23 February 2022, SEIC and Thai Insurance Public Company Limited (“TIC”) transferred certain non-Covid-19 insurance and reinsurance policies such as motor insurance and certain property and miscellaneous insurance policy and related assets and liabilities to Indara Insurance Public Company Limited (“Indara”), a subsidiary of the Group.

(1) Business combination under common control

On 23 February 2022, SEIC transferred certain insurance and reinsurance policies and related assets and liabilities to Indara. The transfer from SEIC constituted a business combination.

The major shareholders of the subsidiaries are under common control of the ultimate controlling shareholder before and after the acquisition date and that control was not transitory.

The major classes of the carrying amounts of assets acquired and liabilities, which was the date of the business combination under common control are as follow:

	<i>(in thousand Baht)</i>
Cash and cash equivalents	2,532,075
Investment in securities	2,197,306
Premium due and uncollected	719,398
Reinsurance assets	4,194,890
Reinsurance receivables	221,691
Other receivables	197,401
Other assets	113,783
Loss reserve and outstanding claim	(4,037,856)
Unearned premium reserve	(4,100,100)
Reinsurance payables	(1,736,242)
Accrued commission and marketing expenses	(102,698)
Other liabilities	(149,984)
Total identifiable net assets	49,664
The fair value of consideration transferred	-

The above transaction has no effect on assets and liabilities in the consolidated statement of financial position as at 31 December 2022.

(2) Transfer a group of insurance contracts

On 23 February 2022, TIC transferred certain insurance and reinsurance policies and related assets and liabilities to Indara. The insurance policies transferred primarily constituted a run-off portfolio and so the transfer has not been treated as a business combination. Details of the assets and liabilities transferred is as follows:

	<i>(in thousand Baht)</i>
Cash and cash equivalents	406,904
Premium due and uncollected	18,462
Reinsurance assets	206,420
Reinsurance receivables	251,655
Other assets	35,433
Loss reserve and outstanding claims	(219,256)
Unearned premium reserve	(274,705)
Reinsurance payables	(418,416)
Accrued commission and marketing expenses	(3,363)
Other liabilities	(3,134)
Total identifiable net assets	-
The fair value of consideration transferred	-

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7 Related parties

Relationships with parent, ultimate parent, subsidiaries, associates and joint ventures are described in note 18. Other related parties which the Group had significant transactions with during the year were as follows:

Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Mongkolsiri Company Limited (formerly “Southeast Management Company Limited”)	Thailand	Major shareholder, holding 80.8% shares
Big C Supercenter Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Beverage Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Berli Jucker Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thip Sugar Kamphaengphet Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thip Sugar Sukhothai Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Sermsuk Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Oishi Group Public Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
T.C.C. Commercial Property Management Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
TCC Hotel Collection Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Beverage Logistic Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Thai Malaya Glass Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Asset World Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Cristalla Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
DL Engineering Solution Company Limited	Thailand	Directors and controlling equity holders hold substantial share indirectly
Horeca Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Frasers Centrepoint Limited	Singapore	Controlling equity holders hold substantial share indirectly
Terragro Fertilizer Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Kijjakarn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Nakorn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Turakij Company Limited	Thailand	Controlling equity holders hold substantial share indirectly

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Name of entities/persons	Country of incorporation/ nationality	Nature of relationships
Num Sup Pattana Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Palang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Muang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Num Yuk Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Numrungrad Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomkit Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomklung Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomcharoen Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomchok Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomthip (2012) Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomnakorn Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pomburapa Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Pompalang Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Cash Van Management Company Limited	Thailand	Controlling equity holders hold substantial share indirectly
Millennium Assurance Broker Company Limited	Thailand	Director related to key management of a subsidiary
Frasers Property Holdings (Thailand) Company Limited	Thailand	Indirect equity holders
Frasers Property (Thailand) Public Company Limited.	Thailand	Common director and indirect equity hold substantial share indirectly
Sino-Thai Engineering and Construction Public Company Limited	Thailand	Common director
Hemaraj Leasehold Real Estate Investment Trust	Thailand	Common director
Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Common director and indirect equity holders hold substantial trust indirectly
Frasers Property Thailand Industrial Freehold&leasehold Reit	Thailand	Indirect equity holders hold substantial trust indirectly
Frasers Hospitality Trust	Singapore	Directors and controlling equity holders hold substantial share indirectly

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The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Gross premium written	Agreed prices
Income from operating lease contracts	Agreed prices
Income from hire-purchase and finance lease contracts	Agreed prices
Dividend income	As declared
Interest income	Rate as mutually agreed with reference to interest rates
Other income	Agreed prices
Benefits payments	Agreed prices
Commissions and brokerage expense	Agreed rates
Finance costs	Rates as mutually agreed with reference to interest
Operating expenses	Agreed prices
Rental expense	Market price / Contractual price
Advisory fee income	Agreed prices
Income from sale of investment	Agreed prices

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Subsidiaries					
Advisory fee income		-	-	160,200	153,000
Interest income		-	-	272,852	202,714
Dividend income		-	-	134,999	-
Other income		-	-	6,046	7,321
Finance costs		-	-	409	-
Operating expenses		-	-	7,860	16,237
Key management personnel					
Key management personnel compensation					
Short-term employee benefits <i>(included director remuneration)</i>		150,360	135,036	25,821	12,023
Post-employment benefits		32,845	15,248	9,472	928
Other long-term employee benefits		3,567	4,772	1,296	623
Total key management personnel compensation		186,772	155,056	36,589	13,574
Other related parties					
Gross premium written		1,107,166	1,405,887	-	-
Premium ceded		28	-	-	-
Income from operating lease contracts		780,693	662,502	-	-
Income from hire-purchase and finance lease contracts		5,114	2,844	-	-
Dividend income		82,372	79,830	-	-
Interest income		128,647	151,546	-	-
Gain (loss) on disposal of investments		1,168	(1,507)	-	-
Gain (loss) on sale of investment in subsidiary	18	-	7,099,764	-	(532,253)
Other income		3,545	4,299	37	-
Benefit payments		102,042	473,462	-	-
Claims expenses recovered from reinsurers		10	4,415,616	-	-
Commissions and brokerage expense		2,879	382,654	-	-
Finance costs		-	88	-	-
Operating expenses		65,235	95,090	1,759	282

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Significant balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Premiums due and uncollected</i>				
Other related parties	254,163	246,784	-	-
Less allowance for doubtful accounts	(2,427)	(5,177)	-	-
Net	251,736	241,607	-	-
Bad and doubtful debts expense for the year (Reversal)	(2,750)	731	-	-
<i>Reinsurance assets</i>				
Other related parties	-	1,168,909	-	-
<i>Operating lease receivables</i>				
Other related parties	83,770	83,294	-	-
<i>Finance lease receivables</i>				
Other related parties	25,757	30,254	-	-
<i>Investments in securities</i>				
Other related parties	4,884,267	5,989,512	-	-
<i>Other assets</i>				
Subsidiaries	-	-	351,419	208,730
Other related parties	38,395	170,538	-	-
Total	38,395	170,538	351,419	208,730
<i>Loss reserves and outstanding claims</i>				
Other related parties	22,245	232,201	-	-
<i>Reinsurance payables</i>				
Other related parties	-	1,168,909	-	-
<i>Other liabilities</i>				
Subsidiaries	-	3,888	2,021	7,528
Other related parties	30,444	52,421	-	-
Total	30,444	56,309	2,021	7,528

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Movements for the year ended 31 December of loans to and loans from related parties were as follows:

	Interest rate		At 31 December 2021	Separate financial statements		At 31 December 2022
	At 31 December 2021 (% per annum)	At 31 December 2022		Increase	Decrease	
<i>Short-term loans to</i> Subsidiaries	2.31 - 2.61	1.96 - 3.49	2,829,700	346,100	(557,000)	2,618,800
<i>Long-term loans to</i> Subsidiaries	2.14 - 2.51	2.50 - 3.40	<u>5,310,668</u>	2,160,000	(398,000)	<u>7,072,668</u>
			<u>8,140,368</u>			<u>9,691,468</u>
<i>Long-term loans from</i> Subsidiaries	-	1.66 - 2.43	<u>-</u>	140,000	-	<u>140,000</u>
			<u>-</u>			<u>140,000</u>

Significant agreements with related parties

Leasehold rights

During the year 2019, a subsidiary has entered into two long-term lease agreements with a related party; the first contract is valid for 30 years since 1 September 2019 until 31 August 2049 and the second contract is valid for 30 years since 1 September 2049 until 31 August 2079. As such, during September 2019, the subsidiary has paid total amount in advance of land use rights of Baht 1,364.85 million. Subsequently, the Board of Directors of the subsidiary has resolved to cancel the property development project and to use this property as subsidiary's office building or welfare of employees as appropriate. At present, it has been in processing of subsidiary's head office construction.

On 29 June 2022, the Office of Insurance Commission (OIC) has acknowledged on this cancellation of the property development project. In this regard, a subsidiary is in the process of consideration to prepare a letter to obtain the approval for the head office building construction from OIC.

Office rental and services agreements

A subsidiary entered into office rental and services agreements with the Company and related parties to provide office rental and services. The agreements for the period of 1 years starting from 1 January 2023 to 31 December 2023. The Group and the Company committed to pay rental and service fees at the rates as stipulated in the agreements.

Service agreement

During the year, the Group entered a support service agreement of the consultation of management with subsidiaries. The agreement period is 12 months starting from 1 January 2022 to 31 December 2022 and continuing one year except for the cancel agreement by each party in advance notice 30 days. Subsidiaries committed to pay a service fee at the rate as stipulated in the agreement.

A subsidiary entered an information technology service lease agreement with a subsidiary. The agreement period is 10 months starting from 1 March 2022 to 31 December 2022. Total service fee amounting to Baht 134.30 million (excluded VAT).

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Guarantee Agreement

The Company provide the financial support to an indirect subsidiary by providing guarantee to a reinsurer. The guarantee period to reinsurance contract covers from 1 January 2022 to 31 December 2023. The guaranteed fee is 0.65% per annum of outstanding reinsurance payable in each quarter. For the year ended 31 December 2022, the Company had guarantee revenue amounting to Baht 5.9 million.

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	13,886	8,552	143	133
Cash at banks - Call deposits	1,882,158	2,326,270	161,509	54,152
Cash at banks - Time deposits	-	20,000	-	-
Highly liquid short-term investments	1,432,590	302,671	-	-
Total	<u>3,328,634</u>	<u>2,657,493</u>	<u>161,652</u>	<u>54,285</u>

9 Premiums due and uncollected

Aging analyses for premiums due and uncollected were as follows:

<i>At 31 December</i>	<i>Note</i>	Consolidated financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		89,207	151,080
Overdue:			
less than 30 days		46,152	23,496
30 - 60 days		110,086	57,556
60 - 90 days		1,514	1,084
90 days - 1 year		7,064	12,843
over than 1 year		140	725
Total		<u>254,163</u>	<u>246,784</u>
<i>Less</i> allowance for doubtful accounts		(2,427)	(5,177)
	7	<u>251,736</u>	<u>241,607</u>
Other parties			
Within credit terms		366,316	935,951
Overdue:			
less than 30 days		52,498	74,955
30 - 60 days		23,072	86,680
60 - 90 days		5,098	10,103
90 days - 1 year		34,081	32,435
over than 1 year		31,795	63,544
Total		<u>512,860</u>	<u>1,203,668</u>
<i>Less</i> allowance for doubtful accounts		(42,971)	(69,294)
		<u>469,889</u>	<u>1,134,374</u>
Net		<u>721,625</u>	<u>1,375,981</u>
Reversal bad and doubtful debts expense for the year		<u>(29,073)</u>	<u>(69,666)</u>

The normal credit term of insured, agents and brokers granted by the Group for non-life insurance business ranges from 30 days to 60 days.

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

The allowable grace period of life insurance policies is 31 days and 90 days from the due date for individual and group policies, respectively.

For individual policies which are over the grace period the premium due and uncollected will be settled by granting an automatic policy loan where the policy has a cash surrender value.

10 Reinsurance receivables

Reinsurance receivable consist of due from reinsurers.

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Due from reinsurers	865,649	497,399
Less allowance for doubtful accounts	<i>(59,397)</i>	<i>(31,634)</i>
Net	<u>806,252</u>	<u>465,765</u>

Aging analyses for due from reinsurers were as follows:

	Consolidated financial statements	
<i>At 31 December</i>	2022	2021
	<i>(in thousand Baht)</i>	
Within due	239,033	341,412
Overdue:		
less than 1 year	478,818	83,358
within 1 - 2 years	74,705	38,969
over than 2 years	<i>73,093</i>	<i>33,660</i>
Total	<u>865,649</u>	<u>497,399</u>
Less allowance for doubtful accounts	<i>(59,397)</i>	<i>(31,634)</i>
Net	<u>806,252</u>	<u>465,765</u>
Bad and doubtful debts expenses for the year	<u>27,763</u>	<u>-</u>

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11 Operating lease receivables

Aging analyses for operating lease receivables were as follows:

<i>At 31 December</i>	<i>Note</i>	Consolidated financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		75,002	71,282
Over due:			
less than 3 months		7,689	9,462
3 - 6 months		995	1,798
6 - 12 months		82	752
over than 12 months		2	-
	7	<u>83,770</u>	<u>83,294</u>
Other parties			
Within credit terms		296,525	300,760
Over due:			
less than 3 months		51,191	74,096
3 - 6 months		34,395	4,048
6 - 12 months		13,517	2,059
over than 12 months		2,284	1,117
Total		<u>397,912</u>	<u>382,080</u>
<i>Less</i> allowance for expected credit loss		<u>(5,786)</u>	<u>(3,786)</u>
Net		<u>475,896</u>	<u>461,588</u>
Expected credit loss for the year		<u>2,000</u>	<u>2,279</u>

The normal credit term of operating lease receivables granted by the Group ranges from 30 days to 60 days.

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12 Hire purchase and finance lease receivables

	Consolidated financial statements						
	2022						
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	117,906	7,523	3,100	1,201	570	85	130,385
Finance lease receivables	331,587	7,247	5,850	1,789	-	-	346,473
	449,493	14,770	8,950	2,990	570	85	476,858
Add deferred commission expense	2,301	128	41	9	2	-	2,481
	451,794	14,898	8,991	2,999	572	85	479,339
Less unearned interest income	(30,292)	(1,692)	(644)	(155)	(28)	(4)	(32,815)
Total	421,502	13,206	8,347	2,844	544	81	446,524
Less allowance for expected credit loss	(76,375)	(4,265)	(1,423)	(350)	(95)	(15)	(82,523)
Net	345,127	8,941	6,924	2,494	449	66	364,001

	Consolidated financial statements						
	2021						
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	55,470	44,386	26,647	17,811	10,376	3,725	158,415
Finance lease receivables	581,213	331,114	4,794	3,553	1,597	-	922,271
	636,683	375,500	31,441	21,364	11,973	3,725	1,080,686
Add deferred commission expense	874	705	422	282	165	59	2,507
	637,557	376,205	31,863	21,646	12,138	3,784	1,083,193
Less unearned interest income	(88,781)	(17,613)	(4,179)	(2,855)	(1,626)	(527)	(115,581)
Total	548,776	358,592	27,684	18,791	10,512	3,257	967,612
Less allowance for expected credit loss	(30,013)	(23,843)	(13,808)	(9,215)	(5,405)	(1,941)	(84,225)
Net	518,763	334,749	13,876	9,576	5,107	1,316	883,387

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Expected credit loss for the year (Reversal)	(1,702)	243

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Aging analyses for hire-purchase and finance lease receivables were as follows:

<i>At 31 December</i>	<i>Note</i>	Consolidated financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		28,117	34,097
Less unearned interest income		(2,062)	(3,843)
Total		26,055	30,254
Less allowance for expected credit loss		(298)	-
	7	25,757	30,254
Other parties			
Within credit terms		437,431	1,020,208
Overdue:			
less than 3 installments		6,237	17,520
4 - 6 installments		1,145	2,781
6 - 12 installments		815	2,786
more than 12 installments		3,113	3,294
		448,741	1,046,589
Add deferred commission expense		2,481	2,507
		451,222	1,049,096
Less unearned interest income		(30,753)	(111,738)
Total		420,469	937,358
Less allowance for expected credit loss		(82,225)	(84,225)
		338,244	853,133
Net		364,001	883,387

As at 31 December 2022 and 2021, total gross investments under hire purchase and finance leases contracts and the present value of minimum lease payments receivable were as follows:

	Consolidated financial statements			
	2022		2021	
	Total the gross investments under the lease contracts	Present value of minimum lease payments receivable	Total the gross Investments under the lease contracts	Present value of minimum lease payments receivable
	<i>(in thousand Baht)</i>			
Within one year	449,493	419,201	636,683	547,902
After one year but within two years	14,770	13,078	375,500	357,887
After two years but within three years	8,950	8,306	31,441	27,262
After three years but within four years	2,990	2,835	21,364	18,509
After four years but within five years	570	542	11,973	10,347
Over five years	85	81	3,725	3,198
	476,858	444,043	1,080,686	965,105
Add deferred commission expense	2,481	2,481	2,507	2,507
	479,339	446,524	1,083,193	967,612
Less unearned interest income	(32,815)		(115,581)	
	446,524		967,612	
Less allowance for expected credit loss	(82,523)		(84,225)	
Total gross investments under hire purchase and financial lease contracts	364,001		883,387	

Information relating to credit risks are disclosed in note 40.4

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13 Financial instruments - debt securities

Debt securities comprise of:

	Consolidated financial statements			
	2022		2021	
	Cost/ amortized Cost	Fair value	Cost/ amortized Cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Debt securities measured at fair value through profit or loss</i>				
Government and state enterprise debt securities	20,000	20,000	174,810	174,753
Domestic debt securities	1,724,290	1,727,673	2,757,187	2,902,565
Foreign debt securities	1,093,933	946,350	908,951	986,787
Total	2,838,223	2,694,023	3,840,948	4,064,105
Add (less) gain (loss) from measurement of investments	(144,200)	-	223,157	-
Total debt securities measured at fair value to profit or loss	2,694,023	2,694,023	4,064,105	4,064,105
<i>Debt securities measured at fair value through other comprehensive income</i>				
Government and state enterprise debt securities	18,100,286	17,890,183	20,381,025	20,811,894
Domestic debt securities	14,396,053	14,361,103	15,766,686	16,128,155
Foreign debt securities	1,751,302	1,664,410	1,677,814	1,846,075
Total	34,247,641	33,915,696	37,825,525	38,786,124
Add (less) gain (loss) from measurement of investments	(331,945)	-	960,599	-
Total debt securities measured at fair value through other comprehensive income	33,915,696	33,915,696	38,786,124	38,786,124
Allowance for expected credit loss	(10,907)		(20,841)	
<i>Debt securities measured at amortised cost</i>				
Deposit at banks with original maturity over 3 months	525,500	525,500	1,140,150	1,140,150
Less allowance for expected credit loss	-	-	(751)	(751)
Total debt securities measured at amortised cost	525,500	525,500	1,139,399	1,139,399
Total financial instruments - debt securities	37,135,129		43,989,628	

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Debt securities measured at fair value through other comprehensive income

	Consolidated financial statements 2022	
	Fair Value	Allowance for expected credit loss recognised in other comprehensive income
	<i>(in thousand Baht)</i>	
Debt securities - no significant increase in credit risk/ performing (stage1)	33,915,696	(10,907)
Total	33,915,696	(10,907)

	Consolidated financial statements 2021	
	Fair Value	Allowance for expected credit loss recognized in other comprehensive income
	<i>(in thousand Baht)</i>	
Debt securities - no significant increase in credit risk/ performing (stage1)	38,786,124	(20,841)
Total	38,786,124	(20,841)

14 Financial instruments - equity securities

Equity securities comprise of:

	Consolidated financial statements			Separate financial statements		
	2022					
	Cost	Fair value	Dividend income	Cost	Fair value	Dividend income
	<i>(in thousand Baht)</i>					
<i>Equity securities measured at fair value through other comprehensive income</i>						
Domestic equity securities	11,946,115	10,638,938	462,741	234,000	234,000	3,000
Foreign equity securities	2,357,017	2,140,936	80,987	-	-	-
Others	6,087	5,627	3,000	-	-	-
Total	14,309,219	12,785,501	546,728	234,000	234,000	3,000
Less loss from measurement of investments	(1,523,718)	-		-	-	
Total equity securities measured at fair value through other comprehensive income	12,785,501	12,785,501		234,000	234,000	

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	Consolidated financial statements			Separate financial statements		
	Cost	Fair value	2021	Cost	Fair value	Dividend income
			Dividend income			
<i>(in thousand Baht)</i>						
<i>Equity securities measured at fair value through other comprehensive income</i>						
Domestic equity securities	11,505,366	10,947,927	402,964	234,000	234,000	2,850
Foreign equity securities	2,327,398	2,541,299	73,378	-	-	-
Others	6,087	5,627	2,850	-	-	-
Total	13,838,851	13,494,853	479,192	234,000	234,000	2,850
<i>Less</i> loss from measurement of investments	(343,998)	-	-	-	-	-
Total equity securities measured at fair value through other comprehensive income	13,494,853	13,494,853		234,000	234,000	

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15 Derivatives

As at 31 December 2022, balances of derivatives not elected for hedge accounting were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2022		Loss on fair value of derivatives
				Book value / Fair value Assets	Liabilities	
Warrants	To protect against exchange risk from investments in foreign currencies	-	-	196	-	(244)
Total		-	-	196	-	(244)

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As at 31 December 2022, balances of derivatives elected for hedge accounting were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2022		Gain on fair value of derivatives
				Book value / Fair value Assets	Liabilities	
Cross currency swap	To protect against exchange risk from investments in debt securities in foreign currencies	16	1,624,773	28,853	85,964	46,962
Cross currency swap	To protect against exchange risk from investments in equity securities in foreign currencies	14	2,328,911	32,996	4,022	829
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	12	1,745,650	7,177	31,664	88,547
Interest rate swap	To protect against floating interest rate risk from borrowings in Thai Baht currency	6	3,370,498	46,147	508	55,240
Total		48	9,069,832	115,173	122,158	191,578

As at 31 December 2021, balances of derivatives not elected for hedge accounting were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2021		Gain on fair value of derivatives
				Book value / Fair value Assets	Liabilities	
Warrants	To protect against exchange risk from investments in foreign currencies	-	-	441	-	435
Total		-	-	441	-	435

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As at 31 December 2021, balances of derivatives elected for hedge accounting were as follows:

Type of contract	Objectives	No. of contracts	Notional value	Consolidated financial statements 2021		Gain (loss) on fair value of derivatives
				Book value / Fair value Assets	Liabilities	
Cross currency swap	To protect against exchange risk from investments in debt securities in foreign currencies	17	1,568,768	-	118,352	(187,023)
Cross currency swap	To protect against exchange risk from investments in equity securities in foreign currencies	9	1,910,793	23,363	-	27,066
Interest rate swap	To protect against floating interest rate risk from investments in debt securities	12	1,740,190	-	113,122	70,053
Interest rate swap	To protect against floating interest rate risk from borrowings in Thai Baht currency	4	1,600,000	-	9,602	14,916
Total		42	6,819,751	23,363	241,076	(74,988)

As at 31 December 2022, the Group had cross currency swap contracts with financial institutions for the investments measured at fair value through other comprehensive income in debentures of USD 50.44 million equivalents to Baht 1,624.77 million (2021: USD 49.94 million equivalents to Baht 1,568.77 million).

As at 31 December 2022, the Group had interest rate swap contracts with financial institutions for the investments measured at fair value through other comprehensive income in debentures of Baht 1,745.65 million (2021: Baht 1,740.19 million).

As at 31 December 2022, the Group had cross currency swap contracts with financial institutions for the investments in equity securities of Baht 2,328.91 million (2021: 1,910.79 million).

As at 31 December 2022, the Group had interest rate swap contracts with financial institutions for the borrowings of Baht 3,370.50 million (2021: Baht 1,600 million).

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16 Inventories

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Vehicles	450,875	270,671
Less allowance for realizable value	(135,286)	(116,433)
Total	<u>315,589</u>	<u>154,238</u>
Inventories recognized as an expense in cost of sales of operating leases assets:		
- Cost	1,753,312	1,286,855
- Write-down to net realizable value	30,233	137,065
Net	<u>1,783,545</u>	<u>1,423,920</u>

17 Loans

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Short-term loans					
Related parties	7	-	-	2,618,800	2,829,700
Other parties		487,021	534,087	-	-
Total		<u>487,021</u>	<u>534,087</u>	<u>2,618,800</u>	<u>2,829,700</u>
Less allowance for expected credit loss		(146,077)	(146,077)	-	-
Total short-term loans - net		<u>340,944</u>	<u>388,010</u>	<u>2,618,800</u>	<u>2,829,700</u>
Current portion of long-term loans					
Related parties	7	-	-	228,000	206,000
Other parties		44,570	31,934	-	-
Total current portion of long-term loans		<u>44,570</u>	<u>31,934</u>	<u>228,000</u>	<u>206,000</u>
Long-term loans					
Related parties	7	-	-	6,844,668	5,104,668
Other parties		266,447	253,704	-	-
Total		<u>266,447</u>	<u>253,704</u>	<u>6,844,668</u>	<u>5,104,668</u>
Less allowance for expected credit loss		(454)	(387)	-	-
Total long-term loans		<u>265,993</u>	<u>253,317</u>	<u>6,844,668</u>	<u>5,104,668</u>
Policy loans		<u>543,368</u>	<u>546,645</u>	<u>-</u>	<u>-</u>
Mortgage loans					
Principal of mortgage loans		420,957	431,754	-	-
Less allowance for expected credit loss		(243,131)	(241,021)	-	-
Net		<u>177,826</u>	<u>190,733</u>	<u>-</u>	<u>-</u>
Total loans		<u>1,372,701</u>	<u>1,410,639</u>	<u>9,691,468</u>	<u>8,140,368</u>
Expected credit loss for the year		<u>2,177</u>	<u>992</u>	<u>-</u>	<u>-</u>

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Aging analyses for loans were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	-	-	9,691,468	8,140,368
	<u>-</u>	<u>-</u>	<u>9,691,468</u>	<u>8,140,368</u>
Other parties				
Within credit terms	1,313,662	1,353,474	-	-
Overdue:				
less than 3 months	6,636	809	-	-
3 - 6 months	528	3,740	-	-
6 - 12 months	-	4,545	-	-
Over 12 months	441,537	435,556	-	-
Total	1,762,363	1,798,124	-	-
Less allowance for expected credit loss	(389,662)	(387,485)	-	-
	<u>1,372,701</u>	<u>1,410,639</u>	<u>-</u>	<u>-</u>
Loans, net	1,372,701	1,410,639	9,691,468	8,140,368

Short-term loan to other parties

As at 31 December 2022, a subsidiary entered into short-term loans agreements which are unsecured promissory notes with business partners of related party of Baht 487.02 million (2021: Baht 534.09 million). The promissory note bear interest at MOR minus 1.65% per annum and fixed rate 3.225% per annum (2021: MOR minus 1.65% per annum and fixed rate 3.225% per annum). The maturity term is due within 60 days. As at 31 December 2022, The Group had allowance for expected credit loss of Baht 146.08 million in the consolidated statement of financial position (2021: Baht 146.08 million).

Long term loans to other party

As at 31 December 2022, a subsidiary entered into long-term loans agreements which are secured loans with a business partner of related party of Baht 178.09 million (2021: Baht 191.60 million). Such loans bear interest at fixed rate ranging from 4% per annum to 8% per annum (2021: 4% per annum to 10% per annum). The maturity terms are within 13 years. Under the terms of the agreement's borrowers must strictly comply with the conditions and restrictions including requirements to maintain certain ratios as specified in the agreements.

Policy loans represent loans grant to the policyholders at an amount not exceeding the cash value of the policy and change interest rates of 4% per annum to 8% per annum (2021: 4% per annum to 10% per annum), as approved by the Office of Insurance Commission.

At 31 December 2022, other long-term loans include personal guarantee loans to staff with average interest rates of 4.36% per annum (2021: 4.36% per annum).

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18 Investments in subsidiaries and joint venture

<i>Material movement for the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Joint venture				
At 1 January	-	-	-	-
At 31 December	-	-	-	-
Subsidiaries				
At 1 January	-	-	2,094,553	3,283,377
Acquisitions	-	-	154,910	1,000
Disposal	-	-	-	(751,830)
Less Impairment losses	-	-	-	(437,994)
At 31 December	-	-	2,249,463	2,094,553

Increase of investment in direct subsidiaries

During the year 2021, the Company made a new investment 99.99% of the issued and paid up capital of Thai Wellness Living Company Limited, a company incorporated in Thailand, which had issued and paid up share capital of Baht 1.0 million (divided into 100,000 ordinary share at Baht 10 par value).

As at 11 November 2022, the company acquired of the issued and paid up capital of Capital Service Holding Co., Ltd., indirect subsidiary, of 9,998 ordinary share at Baht 10 par value which change the status to direct subsidiary. In addition, As at 7 December 2022, the Company made a new investment of the issued and paid up capital of Baht 19.9 million (divided into 1,990,000 ordinary share at Baht 10 par value) which holds 99.99% of the shares.

As at 26 December 2022, the Company made a new investment 99.93% of the issued and paid up capital of Thai Group Services Co., Ltd. formerly known as S Sofin Co., Ltd. which had issued and paid up share capital of Baht 134.9 million (divided into 14,990,000 ordinary share at Baht 9 par value) which holds 99.99% of the shares.

Decrease of investment in direct subsidiaries

On 16 March 2022, the Group has been de-consolidated of Southeast Insurance Public Company Limited (“SEIC”). As mention in note to financial statement 5.

On 27 September 2021, the Company sold of all 21,957,646 ordinary shares or 93.44% of the issued and paid up capital in The Thai Insurance Public Company Limited (“TIC”) which is a subsidiary of the Company, held by the Company to Watanasab Pattana 1 Company Limited which is related party, at the offering price of Baht 10 per share, amount of Baht 219.58 million. As result, the Group ceased the control in TIC and has deconsolidated it with effect from that date.

The Group recognized gain from sale of investment of Baht 7,099.76 million in the consolidated statement of comprehensive income and loss from sale of investment of Baht 532.25 million in the separate statement of comprehensive income.

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Increase of investment in indirect subsidiaries and decrease of investment in associate

As at 29 June 2021, Big C Services Co., Ltd. has increased authorised share capital from Baht 100 million to Baht 157.02 million by issuing 5,701,658 ordinary shares at Baht 10 par value for the right offering. As Capital Service Holding Co., Ltd. (“CSH”) former the indirect subsidiary, has waived the right to purchase the new authorized share capital so the shareholding of Capital Service Holding Co., Ltd. represents 31.21% of total authorized share capital of Big C Services Co., Ltd.

As at 1 July 2021, Capital Service Holding Co., Ltd. (“CSH”) signed an ordinary share purchase agreement with Big C Supercenter Public Company Limited to acquired 68.79% of the issued and paid up capital of Me innovation services Co., Ltd. (“MEIS”) formerly known as Big C Services Co., Ltd. Therefore, CSH and the Group obtained the control over MEIS and changed their status from an associated company to an indirect subsidiary of the Group. As mention in note to financial statement 4.

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Investments in joint venture as at 31 December 2022 and 2021, were as follows:

	Type of business	Country of incorporation	Consolidated financial statements				Separate financial statements					
			Ownership interest		At equity method		Cost		Impairment		At cost - net	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)						(in thousand Baht)			
Joint venture												
Dhipaya Insurance Co., Ltd.	Underwriting insurance	Laos People's Democratic Republic	10.00	10.00	-	-	6,400	6,400	(6,400)	(6,400)	-	-
Total							6,400	6,400	(6,400)	(6,400)	-	-

None of the Group's joint venture are publicly listed and consequently do not have published price quotation.

The Group and the Company has not recognised losses relating to certain investments accounted for using the equity method where its share of losses exceeds the carrying amount of those investments. As at 31 December 2022, the Group's and Company's cumulative share of unrecognised losses from the latest financial information was Baht 1.12 million (2021: Baht 2.88 million).

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Investments in direct and indirect subsidiaries as at 31 December 2022 and 2021, were as follows:

Type of Business	Country of incorporation	Separate financial statements		Cost		Impairment		At cost - net		
		Ownership interest		2022	2021	2022	2021	2022	2021	
		2022 2021 (%)				<i>(in thousand Baht)</i>				
Direct subsidiaries										
Southeast Life Insurance Public Company Limited	Underwriting life assurance, personal accident insurance and health insurance	Thai	99.97	99.97	1,704,849	1,704,849	-	-	1,704,849	1,704,849
Southeast Insurance Public Company Limited	Underwriting non-life insurance	Thai	97.33	97.33	437,994	437,994	(437,994)	(437,994)	-	-
Southeast Capital Company Limited	Provide leasing and hire purchase services	Thai	100.00	100.00	325,999	325,999	-	-	325,999	325,999
Asiatic House Company Limited	Rental and development of real estate	Thai	100.00	100.00	55	55	-	-	55	55
TCC Privilege card Company Limited	Purchases via credit card in the Group	Thai	99.98	99.98	100	100	-	-	100	100
Southeast Academy Center Company Limited	Consultant and training services	Thai	100.00	100.00	250	250	-	-	250	250
Southeast Advisory Pte., Ltd.	Management and consultant services	Singapore	100.00	100.00	-	-	-	-	-	-
Southeast Advisory Company Limited	Investing consultant service	Thai	100.00	100.00	5,000	5,000	-	-	5,000	5,000
Rod Dee Det Auto Company Limited	Provide leasing and sales of second hand cars	Thai	100.00	100.00	250	250	-	-	250	250
Thai Group Services Company Limited (Formerly S Sofin Company Limited)	Insurance technology development	Thai	99.99	99.98	135,010	100	-	-	135,010	100
Southeast Property Company Limited	Rental and development of real estate	Thai	100.00	100.00	250	250	-	-	250	250
Southeast Money Company Limited	Lending fund company	Thai	100.00	100.00	50,000	50,000	-	-	50,000	50,000
Sentrics Consulting Company Limited	Provide consultation of management	Thai	67.00	67.00	6,700	6,700	-	-	6,700	6,700
Thai Wellness Living Company Limited	Provide consultation of management	Thai	99.99	99.99	1,000	1,000	-	-	1,000	1,000
Capital Services Holding Company Limited	Telephone customer services	Thai	99.99	-	20,000	-	-	-	20,000	-
Total					2,687,457	2,532,547	(437,994)	(437,994)	2,249,463	2,094,553

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	Type of Business	Country of incorporation	Separate financial statements		Cost		Impairment		At cost - net	
			Ownership interest		2022	2021	2022	2021	2022	2021
			2022	2021						
			(%)				(in thousand Baht)			
<i>Indirect subsidiaries</i>										
<u>Held by Southeast Capital Company Limited</u>										
Pro Garage Company Limited	Leasing and lending business	Thai	99.99	99.99	-	-	-	-	-	-
Pro Checker Company Limited	Outsource surveyor	Thai	99.99	99.99	-	-	-	-	-	-
Concept Land 5 Company Limited	Investment properties	Thai	99.99	99.99	-	-	-	-	-	-
<u>Held by Capital Services Holding Company Limited</u>										
Me Insurance Services Company Limited.	Life and non-life insurance broker	Thai	99.99	99.99	-	-	-	-	-	-
Me Insurance Broker Company Limited	Life and non-life support service	Thai	99.99	99.99	-	-	-	-	-	-
<u>Held by Southeast Money Company Limited</u>										
Southeast Money Retail Co., Ltd	Lending fund company Provide credit service	Thai	100.00	100.00	-	-	-	-	-	-
<u>Held by Rod Dee Det Auto Company Limited</u>										
Indara Insurance Public Company Limited	Underwriting non-life insurance	Thai	75.06	75.06	-	-	-	-	-	-

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19 Investment properties

	Note	Consolidated financial statements			Total
		Land	Building and building improvements (in thousand Baht)	Assets under construction	
Cost					
At 1 January 2021		442,844	226,779	41,051	710,674
Additions		-	40	348	388
Transfers in	20	-	-	22,747	22,747
Transfers out		-	-	(63,828)	(63,828)
At 31 December 2021 and 1 January 2022		442,844	226,819	318	669,981
Additions		-	-	2,716	2,716
Transfers in		-	2,766	-	2,766
Transfers out		-	-	(2,766)	(2,766)
At 31 December 2022		442,844	229,585	268	672,697
Accumulated depreciation					
At 1 January 2021		15,995	165,247	-	181,242
Depreciation charge for the year		-	8,108	-	8,108
At 31 December 2021 and 1 January 2022		15,995	173,355	-	189,350
Depreciation charge for the year		-	8,272	-	8,272
At 31 December 2022		15,995	181,627	-	197,622
Net book value					
At 31 December 2021		426,849	53,464	318	480,631
At 31 December 2022		426,849	47,958	268	475,075

Year ended 31 December	Consolidated financial statements	
	2022	2021
	(in thousand Baht)	
Amounts recognised in profit or loss		
Rental income	596	371
Repair and maintenance expense:		
- property that generated rental income	1,933	714
Minimum lease payments under non-cancellable operating lease are receivable:		
within 1 year	-	261
Total	-	261

The fair value of the Group's investment properties as at 31 December 2022 of Baht 1,163.10 million (2021: Baht 1,078.35 million) was determined by independent professional valuers, at discounted cash flow using risk-adjusted discount rates. The fair value of investment property has been categorised as a Level 3 fair value.

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Security

At 31 December 2022 the Group's investment properties with a net book value of Baht 463.80 million (2021: Baht 469.31 million) had been pledged as collateral to secure loans from a financial institution (see note 23).

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment properties portfolio on an annual basis.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<ul style="list-style-type: none"> • Expected market rental growth (2022: 3.5% and 2021: 3.5%). • Void periods (2022: average 9 years and 2021: average 8 years). • Occupancy rate (2022: 80% - 90% and 2021: 82%). • Risk-adjusted discount rates (2022: 10% and 2021: 10%). 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> • Expected market rental growth were higher (lower); • Void periods were shorter (longer); • The occupancy rate were higher (lower); or • The risk-adjusted discount rate were lower (higher).

20 Leasehold rights

Movement during the year ended 31 December are as follows:

	Consolidated	
	financial statements	
<i>Note</i>	2022	2021
	<i>(in thousand Baht)</i>	
Net book value at 1 January	1,311,773	1,334,520
Amortization charge for the year transferred to investment properties	<i>19</i> -	(22,747)
Rental fee	(22,748)	-
Net book value at 31 December	<u>1,289,025</u>	<u>1,311,773</u>

Information relating to leasehold rights are disclosed in note 7.

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21 Premises and equipment

	Consolidated financial statements						
	Land	Building and building improvements	Furniture, fixtures and office equipment	Vehicles (in thousand Baht)	Assets held for operating lease	Assets under installation	Total
<i>Cost / revaluation</i>							
At 1 January 2021	2,811,647	990,852	477,251	506,815	16,477,036	5,033	21,268,634
Additions	-	822	11,361	5,242	2,802,876	18,908	2,839,209
Transfer in (out)	(47,302)	(12,141)	(3,817)	(5,000)	(2,388,648)	59,680	(2,397,228)
Disposals / write off	(23,100)	(8,689)	(110,159)	(714)	(49,509)	-	(192,171)
At 31 December 2021 and 1 January 2022	2,741,245	970,844	374,636	506,343	16,841,755	83,621	21,518,444
Additions	-	27,601	16,573	184,024	5,170,409	103,129	5,501,736
Surplus on revaluation of assets	124,234	1,828	-	-	-	-	126,062
Transfer out	-	-	-	(33,924)	(3,397,455)	-	(3,431,379)
Disposals / write off	(77,964)	(35,986)	(181,925)	(20,880)	(734,553)	-	(1,051,308)
At 31 December 2022	2,787,515	964,287	209,284	635,563	17,880,156	186,750	22,663,555
<i>Accumulated depreciation and impairment losses</i>							
At 1 January 2021	-	410,516	409,053	227,990	4,487,189	-	5,534,748
Depreciation charge for the year	-	21,334	26,129	51,578	1,627,230	-	1,726,271
Impairment losses	-	5,136	-	-	-	-	5,136
Transfers	-	(3,316)	-	(27,634)	(997,074)	-	(1,028,024)
Disposals / write off	-	(12,677)	(99,615)	(276)	(45,889)	-	(158,457)
At 31 December 2021 and 1 January 2022	-	420,993	335,567	251,658	5,071,456	-	6,079,674
Depreciation charge for the year	-	17,372	18,053	59,746	1,570,008	-	1,665,179
Transfers	-	-	-	(44,089)	(1,414,793)	-	(1,458,882)
Disposals / write off	-	(27,758)	(172,244)	(1,161)	(26,018)	-	(227,181)
At 31 December 2022	-	410,607	181,376	266,154	5,200,653	-	6,058,790

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	Consolidated financial statements						
	Land	Building and building improvements	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Assets held for operating lease	Assets under installation	Total
<i>Net book value</i>							
At 31 December 2021							
Owned assets	2,741,245	549,851	38,620	254,551	11,182,222	83,621	14,850,110
Assets under finance leases	-	-	449	134	588,077	-	588,660
	<u>2,741,245</u>	<u>549,851</u>	<u>39,069</u>	<u>254,685</u>	<u>11,770,299</u>	<u>83,621</u>	<u>15,438,770</u>
At 31 December 2022							
Owned assets	2,787,515	553,680	27,859	218,902	11,581,491	186,750	15,356,197
Assets under finance leases	-	-	49	150,507	1,098,012	-	1,248,568
	<u>2,787,515</u>	<u>553,680</u>	<u>27,908</u>	<u>369,409</u>	<u>12,679,503</u>	<u>186,750</u>	<u>16,604,765</u>

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	Separate financial statements	
	2022	2021
	Furniture, fixtures and office equipment (in thousand Baht)	
Net book value at 1 January	1,781	695
Additions	239	1,662
Disposal	-	(85)
Depreciation for the year	(511)	(491)
Net book value at 31 December	1,509	1,781

Lands and building included revaluation surplus.

Security

At 31 December 2022 the Group's asset held for operating lease with a net book value of Baht 8,630.74 million (2021: Baht 8,073.02 million) were subject to a registered debenture to secure bank loans (see note 23).

The Group arranged for external independent valuers to appraise the value of certain assets every 3 years from the latest revaluation date, using property valuation principles laid down by the Valuers Association of Thailand. The external independent valuers use the market approach for the fair value of land that could find the comparison price from assets with similar physical characteristic and use depreciated replacement cost for the buildings used in operation. Surplus of valuation, net of tax, is recognised in the other components of equity.

The assumptions used in appraisal which are generally unobservable is as below:

	2022	2021	Impact on revaluation when assumption change
<i>(a) Branch</i>			
Lands			
Price per square wah unit (Baht)	3,187 - 660,000	3,188 - 650,000	Fair value increase (Market approach)
Buildings			
Price per square meter unit (Baht)	923 - 7,439	923 - 7,439	Fair value increase (Replacement approach or Market approach)
<i>(b) Head office</i>			
Lands			
Price per square wah unit (Baht)	2,100,000	2,000,000	Fair value increase (Market approach)
Buildings			
Price per square meter unit (Baht)	25,734	25,586	Fair value increase (Replacement approach or Market approach)

This fair value is the fair value of lands and buildings which were last revalued in 2022, and net with the accumulated depreciation as at 31 December 2022 and 2021.

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22 Other assets

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Revenue department receivables		446,473	536,186	15,191	11,610
Accrued interest receivables	7	406,411	422,214	143,968	99,626
Prepayments		218,664	373,905	3,479	4,202
Subrogation, net		166,319	134,568	-	-
Factoring receivables		57,825	64,732	-	-
Properties foreclosed		43,538	97,848	-	-
Deposit on rice field insurance scheme		-	141,912	-	-
Receivables from Road Accident Victims Protection Co., Ltd.		21,058	60,974	-	-
Accrued advisory fee income	7	-	-	178,200	104,000
Others		277,542	276,804	31,357	18,436
Total		1,637,830	2,109,143	372,195	237,874

23 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions - unsecured	12,039,000	9,789,000	9,909,000	8,249,000
Short-term loan from related party - unsecured	-	-	10,000	-
Short-term loan from other party - unsecured	30,000	40,000	-	-
Short-term loans	12,069,000	9,829,000	9,919,000	8,249,000
Current portion of long-term loans from financial institutions - secured	1,993,700	2,007,457	-	-
Finance lease liabilities	342,581	198,692	9,776	11,496
Total current interest-bearing liabilities	14,405,281	12,035,149	9,928,776	8,260,496
Non-current				
Long-term loans from financial institutions - secured	3,406,320	3,533,598	-	-
Long-term loan from related party - unsecured	-	-	130,000	-
Finance lease liabilities	763,225	452,436	6,410	14,698
Total non-current interest-bearing liabilities	4,169,545	3,986,034	136,410	14,698
Total interest-bearing liabilities	18,574,826	16,021,183	10,065,186	8,275,194

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The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Within one year	14,062,700	11,836,457	9,919,000	8,249,000
After one year but within five years	3,406,320	3,533,598	130,000	-
Total	17,469,020	15,370,055	10,049,000	8,249,000

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated financial statements	
		2022	2021
		<i>(in thousand Baht)</i>	
Investment properties	19	463,802	469,309
Assets held for operating lease	21	8,630,737	8,073,024
The right over collection from the operating lease contract receivables		-	283,734
Total		9,094,539	8,826,067

Short-term loans from financial institutions

As at 31 December 2022, the Company had several promissory notes issued to a foreign financial institution for credit lines of Baht 24,313.45 million (2021: Baht 25,194.68 million) and the balance drawdown of the loans is Baht 9,909 million (2021: Baht 8,249 million). The loans bear interest at fixed rates ranging from 2.61% to 2.82% per annum (2021: fixed rates ranging from 1.81% to 1.90% per annum). The maturity terms are within 6 months.

As at 31 December 2022, the Company had unutilised credit facilities totaling Baht 15,154.45 million (2021: Baht 16,945.68 million).

As at 31 December 2022, subsidiaries had several promissory notes issued to local financial institutions of Baht 2,130 million (2021: Baht 1,540 million). The promissory notes bear interest at fixed rates ranging from 2.90% to 3.07% per annum (2021: 2.50% to 3.50% per annum). The maturity terms are at call.

Short-term loan from other party

As at 31 December 2022, a subsidiary entered into a short-term loan agreement with the other party of Baht 30 million (2021: Baht 40 million). The loan bears interest at 1.75% per annum (2021: 1.75% per annum). The maturity term is one year.

Long-term loans from financial institutions

As at 31 December 2022, a subsidiary entered into long-term loan agreements with a local financial institution for credit lines of Baht 300 million (2021: Baht 300 million) and the balance drawdown of the loans is Baht 27 million (2021: Baht 63 million). The loans bear interest at fixed rates 2.68% per annum (2021: 2.68% to 2.74% per annum). The repayment terms are during 2022 to 2023 (2021: 2020 to 2025). The loans were guaranteed by the Company.

As at 31 December 2022, a subsidiary had no unutilised credit facilities (2021: Baht 1,682.49 million).

Under the terms of the agreements, subsidiaries must strictly comply with the conditions and restrictions including requirements to maintain certain ratios as specified in the agreements.

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Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2022			2021		
	Minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Minimum lease payments	Interest	Present value of minimum lease payments
Within one year	373,802	(31,221)	342,581	209,140	(10,448)	198,692
After one year but within five years	<u>789,374</u>	<u>(26,149)</u>	<u>763,225</u>	<u>476,711</u>	<u>(24,275)</u>	<u>452,436</u>
Total	<u>1,163,176</u>	<u>(57,370)</u>	<u>1,105,806</u>	<u>685,851</u>	<u>(34,723)</u>	<u>651,128</u>

A subsidiary entered into sale and leaseback contracts with a local company for vehicle under operating lease contracts. Term of leaseback contracts was 4-year periods. Leaseback is classified as a finance lease. Gains are deferred and amortised over the lease term on a straight-line basis.

Subsidiaries entered into lease contracts for computers with a local company for the periods of 3 years. Under the condition of leasing contract, the right on computer under the contract will be transferred to subsidiary when the last installment is paid

Changes in liabilities arising from financing activities

	Consolidated financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2022	15,370,055	651,128	16,021,183
Changes from financing cash flows	2,098,965	445,582	2,544,547
Other changes:			
New finance leases	-	9,096	9,096
Balance at 31 December 2022	<u>17,469,020</u>	<u>1,105,806</u>	<u>18,574,826</u>

	Consolidated financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2021	16,602,545	430,636	17,033,181
Changes from financing cash flows	<u>(1,232,490)</u>	<u>220,492</u>	<u>(1,011,998)</u>
Balance at 31 December 2021	<u>15,370,055</u>	<u>651,128</u>	<u>16,021,183</u>

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	Separate financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2022	8,249,000	26,194	8,275,194
Changes from financing cash flows	1,800,000	(14,968)	1,785,032
Other changes:			
New finance leases	-	4,960	4,960
Balance at 31 December 2022	<u>10,049,000</u>	<u>16,186</u>	<u>10,065,186</u>

	Separate financial statements		
	Borrowings	Lease liabilities <i>(in thousand Baht)</i>	Total
At 1 January 2021	8,189,000	32,037	8,221,037
Changes from financing cash flows	60,000	(11,565)	48,435
Other changes:			
New finance leases	-	5,722	5,722
Balance at 31 December 2021	<u>8,249,000</u>	<u>26,194</u>	<u>8,275,194</u>

Thai Group Holdings Public Company Limited and its Subsidiaries
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24 Insurance contract liabilities

	Consolidated financial statements								
	2022								
	Life insurance			Non - life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
Long-term technical reserves	42,553,223	-	42,553,223	-	-	-	42,553,223	-	42,553,223
Short-term technical reserves									
Loss reserves and outstanding claims									
- Case reserves	64,690	-	64,690	3,501,501	(2,512,644)	988,857	3,566,191	(2,512,644)	1,053,547
- Incurred but not reported	179,437	-	179,437	432,673	(183,609)	249,064	612,110	(183,609)	428,501
Total loss reserve and outstanding claims	244,127	-	244,127	3,934,174	(2,696,253)	1,237,921	4,178,301	(2,696,253)	1,482,048
Unearned premium reserves	632,046	-	632,046	2,563,075	(1,814,091)	748,984	3,195,121	(1,814,091)	1,381,030
Total short-term technical reserves	876,173	-	876,173	6,497,249	(4,510,344)	1,986,905	7,373,422	(4,510,344)	2,863,078
Unpaid policy benefits	271,139	-	271,139	-	-	-	271,139	-	271,139
Other insurance contract liabilities	589	-	589	-	-	-	589	-	589
Total short-term technical reserves	1,147,901	-	1,147,901	6,497,249	(4,510,344)	1,986,905	7,645,150	(4,510,344)	3,134,806
Total insurance contract liabilities	43,701,124	-	43,701,124	6,497,249	(4,510,344)	1,986,905	50,198,373	(4,510,344)	45,688,029

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	Consolidated financial statements								
	Life insurance			Non - life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities <i>(in thousand Baht)</i>	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
Long-term technical reserves	42,464,436	-	42,464,436	-	-	-	42,464,436	-	42,464,436
Short-term technical reserves									
Loss reserves and outstanding claims									
- Case reserves	58,310	-	58,310	3,114,120	(1,787,295)	1,326,825	3,172,430	(1,787,295)	1,385,135
- Incurred but not reported	112,379	-	112,379	1,769,762	(817,660)	952,102	1,882,141	(817,660)	1,064,481
Total loss reserve and outstanding claims	170,689	-	170,689	4,883,882	(2,604,955)	2,278,927	5,054,571	(2,604,955)	2,449,616
Unearned premium reserves	524,965	-	524,965	5,929,846	(2,693,165)	3,236,681	6,454,811	(2,693,165)	3,761,646
Unexpired risk reserves	-	-	-	3,159,426	(317,081)	2,842,345	3,159,426	(317,081)	2,842,345
Total short-term technical reserves	695,654	-	695,654	13,973,154	(5,615,201)	8,357,953	14,668,808	(5,615,201)	9,053,607
Unpaid policy benefits	401,975	-	401,975	-	-	-	401,975	-	401,975
Other insurance contract liabilities	706	-	706	411,633	-	411,633	412,339	-	412,339
Total short-term technical reserves	1,098,335	-	1,098,335	14,384,787	(5,615,201)	8,769,586	15,483,122	(5,615,201)	9,867,921
Total insurance contract liabilities	43,562,771	-	43,562,771	14,384,787	(5,615,201)	8,769,586	57,947,558	(5,615,201)	52,332,357

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24.1 Long-term technical reserves

	Consolidated	
	financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
At 1 January	42,464,436	42,337,187
Reserve net increase of new and inforce policies during the year	5,940,680	7,073,773
Reserve released for benefits, lapse and cancel policies during the year	<u>(5,851,893)</u>	<u>(6,946,524)</u>
At 31 December	<u>42,553,223</u>	<u>42,464,436</u>

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24.2 Short-term technical reserves

24.2.1 Loss reserves and outstanding claims

	Consolidated financial statements								
	2022								
	Life insurance			Non - life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	170,689	-	170,689	4,883,882	(2,604,955)	2,278,927	5,054,571	(2,604,955)	2,449,616
Loss incurred during the year	1,311,104	-	1,311,104	1,075,664	(444,359)	631,305	2,386,768	(444,359)	1,942,409
Loss paid during the year	(1,237,666)	-	(1,237,666)	(310,989)	(203,480)	(514,469)	(1,548,655)	(203,480)	(1,752,135)
Change in estimation and assumption	-	-	-	7,245,336	594,828	7,840,164	7,245,336	594,828	7,840,164
Loss reserves from transferred a group of insurance contracts	-	-	-	52,465	(114,539)	(62,074)	52,465	(114,539)	(62,074)
Deconsolidated	-	-	-	(9,012,184)	76,252	(8,935,932)	(9,012,184)	76,252	(8,935,932)
At 31 December	244,127	-	244,127	3,934,174	(2,696,253)	1,237,921	4,178,301	(2,696,253)	1,482,048

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	Consolidated financial statements								
	2021								
	Life insurance			Non - life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	182,520	-	182,520	4,385,382	(1,902,335)	2,483,047	4,567,902	(1,902,335)	2,665,567
Loss incurred during the year	840,123	-	840,123	13,944,960	(10,154,105)	3,790,855	14,785,083	(10,154,105)	4,630,978
Loss paid during the year	(851,954)	-	(851,954)	(13,186,386)	9,616,029	(3,570,357)	(14,038,340)	9,616,029	(4,422,311)
Change in estimation and assumption	-	-	-	158,577	(264,074)	(105,497)	158,577	(264,074)	(105,497)
Decrease from sale of investment in subsidiary	-	-	-	(418,651)	99,530	(319,121)	(418,651)	99,530	(319,121)
At 31 December	170,689	-	170,689	4,883,882	(2,604,955)	2,278,927	5,054,571	(2,604,955)	2,449,616

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24.2.2 Claim development table - Life insurance

Gross and net claim development triangle as at 31 December 2022

Accident year/ Reporting year	2018	2019	2020	2021	2022	Total
	<i>(in thousand Baht)</i>					
Estimated claims:						
As at accident year ended	703,563	983,694	892,893	916,783	1,309,691	
Development year 1	753,157	941,596	833,694	896,004	-	
Development year 2	755,642	939,399	836,787	-	-	
Development year 3	755,681	941,295	-	-	-	
Development year 4	752,120	-	-	-	-	
Estimate of ultimate claims	752,120	941,295	836,787	896,004	1,309,691	4,735,897
Accumulative claim paid	(752,118)	(941,251)	(834,733)	(888,849)	(1,074,819)	(4,491,770)
Total loss reserves and outstanding claims	<u>2</u>	<u>44</u>	<u>2,054</u>	<u>7,155</u>	<u>234,872</u>	<u>244,127</u>

Gross and net claim development triangle as at 31 December 2021

Accident year/ Reporting year	2017	2018	2019	2020	2021	Total
	<i>(in thousand Baht)</i>					
Estimated claims:						
As at accident year ended	678,573	703,563	983,694	892,893	916,783	
Development year 1	635,300	753,157	941,596	833,694	-	
Development year 2	636,425	755,642	939,399	-	-	
Development year 3	636,331	755,681	-	-	-	
Development year 4	636,314	-	-	-	-	
Estimate of ultimate claims	636,314	755,681	939,399	833,694	916,783	4,081,871
Accumulative claim paid	(636,314)	(755,677)	(939,251)	(832,786)	(747,154)	(3,911,182)
Total loss reserves and outstanding claims	<u>-</u>	<u>4</u>	<u>148</u>	<u>908</u>	<u>169,629</u>	<u>170,689</u>

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24.2.3 Claim development table - Non-life insurance

Gross loss development triangle as at 31 December 2022

Accident year/ Reporting year	Prior 2017	2017	2018	2019	2020	2021	2022	Total
<i>(in thousand Baht)</i>								
Estimated loss reserve and outstanding claim								
As at accident year ended	-	360,483	384,028	288,282	243,622	214,595	4,349,629	
Development year 1	-	348,922	377,856	301,365	208,105	6,557,794	-	
Development year 2	-	350,567	338,307	256,700	5,730,823	-	-	
Development year 3	-	336,802	324,821	7,114,568	-	-	-	
Development year 4	-	335,306	7,848,196	-	-	-	-	
Development year 5	-	8,820,023	-	-	-	-	-	
Estimate of ultimate claim	-	8,820,023	7,848,196	7,114,568	5,730,823	6,557,794	4,349,629	
Accumulative claim paid	-	(8,815,761)	(7,816,010)	(7,096,907)	(5,590,204)	(5,034,738)	(2,240,450)	
Total loss reserves	275	4,262	32,186	17,661	140,619	1,523,056	2,109,179	3,827,238
Others								106,936
Total loss reserves and outstanding claims								3,934,174

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Net loss development triangle as at 31 December 2022

Accident year/ Reporting year	Prior 2017	2017	2018	2019	2020	2021	2022	Total
				<i>(in thousand Baht)</i>				
Estimated loss reserve and outstanding claim								
As at accident year ended	-	157,955	202,552	178,703	143,644	151,610	1,258,436	
Development year 1	-	164,689	193,935	184,042	122,713	3,476,662	-	
Development year 2	-	166,320	175,724	155,621	3,471,558	-	-	
Development year 3	-	157,788	163,966	4,080,637	-	-	-	
Development year 4	-	156,856	4,165,174	-	-	-	-	
Development year 5	-	4,043,796	-	-	-	-	-	
Estimate of ultimate claim	-	4,043,796	4,165,174	4,080,637	3,471,558	3,476,662	1,258,436	
Accumulative claim paid	-	(4,043,207)	(4,164,248)	(4,078,491)	(3,422,073)	(2,913,152)	(691,423)	
Total loss reserves	108	589	926	2,146	49,485	563,510	567,013	1,183,777
Others								54,144
Total loss reserves and outstanding claims, net								1,237,921

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Gross loss development triangle as at 31 December 2021

Accident year/ Reporting year	Prior 2016	2016	2017	2018	2019	2020	2021	Total
				<i>(in thousand Baht)</i>				
Estimated loss reserve and outstanding claim								
As at accident year ended	-	4,302,235	7,709,968	7,164,977	6,863,828	5,708,532	14,961,169	
Development year 1	-	4,318,161	8,033,222	6,816,201	6,385,042	5,505,262	-	
Development year 2	-	4,333,264	7,723,042	6,724,753	5,898,483	-	-	
Development year 3	-	4,340,735	7,701,945	6,597,263	-	-	-	
Development year 4	-	4,341,096	7,699,433	-	-	-	-	
Development year 5	-	4,339,787	-	-	-	-	-	
Estimate of ultimate claim	-	4,339,787	7,699,433	6,597,263	5,898,483	5,505,262	14,961,169	
Accumulative claim paid	-	(4,338,780)	(7,696,786)	(6,554,754)	(5,807,879)	(4,571,061)	(11,303,255)	
Total loss reserves	72	1,007	2,647	42,509	90,604	934,201	3,657,914	4,728,954
Loss adjustment expenses and unallocated loss adjustment expenses								135,181
Others								19,747
Total loss reserves and outstanding claims								4,883,882

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Net loss development triangle as at 31 December 2021

Accident year/ Reporting year	Prior 2016	2016	2017	2018	2019	2020	2021	Total
				<i>(in thousand Baht)</i>				
Estimated loss reserve and outstanding claim								
As at accident year ended	-	2,290,436	3,275,805	3,622,769	3,783,188	3,314,751	4,166,344	
Development year 1	-	2,315,655	3,440,987	3,494,517	3,627,482	3,243,218	-	
Development year 2	-	2,348,590	3,400,311	3,476,469	3,350,018	-	-	
Development year 3	-	2,356,945	3,393,813	3,373,432	-	-	-	
Development year 4	-	2,359,280	3,393,768	-	-	-	-	
Development year 5	-	2,358,570	-	-	-	-	-	
Estimate of ultimate claim	-	2,358,570	3,393,768	3,373,432	3,350,018	3,243,218	4,166,344	
Accumulative claim paid	-	(2,358,406)	(3,393,093)	(3,368,656)	(3,289,286)	(2,752,706)	(2,569,222)	
Total loss reserves	46	164	675	4,776	60,732	490,512	1,597,122	2,154,027
Loss adjustment expenses and unallocated loss adjustment expenses								115,151
Others								9,749
Total loss reserves and outstanding claims, net								2,278,927

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24.2.4 Unearned premium reserves

	Consolidated financial statements								
	Life insurance			Non - Life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	524,965	-	524,965	5,929,846	(2,693,165)	3,236,681	6,454,811	(2,693,165)	3,761,646
Premium written during the year	1,445,287	-	1,445,287	15,873,430	(8,948,620)	6,924,810	17,318,717	(8,948,620)	8,370,097
Earned premium during the year	(1,338,206)	-	(1,338,206)	(19,049,958)	9,997,714	(9,052,244)	(20,388,164)	9,997,714	(10,390,450)
Unearned premium reserves from transferred a group of insurance contracts	-	-	-	(194,259)	(170,020)	(364,279)	(194,259)	(170,020)	(364,279)
Deconsolidated	-	-	-	4,016	-	4,016	4,016	-	4,016
At 31 December	632,046	-	632,046	2,563,075	(1,814,091)	748,984	3,195,121	(1,814,091)	1,381,030

	Consolidated financial statements								
	Life insurance			Non - Life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	488,741	-	488,741	6,465,427	(2,835,572)	3,629,855	6,954,168	(2,835,572)	4,118,596
Premium written during the year	1,239,728	-	1,239,728	9,115,589	(3,752,027)	5,363,562	10,355,317	(3,752,027)	6,603,290
Earned premium during the year	(1,203,504)	-	(1,203,504)	(8,935,159)	3,836,684	(5,098,475)	(10,138,663)	3,836,684	(6,301,979)
Change from sale of investment in subsidiary	-	-	-	(716,011)	57,750	(658,261)	(716,011)	57,750	(658,261)
At 31 December	524,965	-	524,965	5,929,846	(2,693,165)	3,236,681	6,454,811	(2,693,165)	3,761,646

No reserve for unexpired risks was established as at 31 December 2022 as the unexpired risk reserve estimated by the Group of Baht 1,071.00 million (31 December 2021: Baht 3,707.70 million) was lower than the unearned premium reserve.

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24.2.5 Unexpired risk reserves

COVID-19 unexpired risk

	Consolidated financial statements								
	Life insurance			Non - Life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	-	-	-	3,159,426	(317,081)	2,842,345	3,159,426	(317,081)	2,842,345
Increase	-	-	-	2,943,122	317,081	3,260,203	2,943,122	317,081	3,260,203
Deconsolidated	-	-	-	(6,102,548)	-	(6,102,548)	(6,102,548)	-	(6,102,548)
At 31 December	-	-	-	-	-	-	-	-	-
	Consolidated financial statements								
	Life insurance			Non - Life insurance			Total		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>								
At 1 January	-	-	-	-	-	-	-	-	-
Increase	-	-	-	3,159,426	(317,081)	2,842,345	3,159,426	(317,081)	2,842,345
At 31 December	-	-	-	3,159,426	(317,081)	2,842,345	3,159,426	(317,081)	2,842,345

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24.2.6 Unpaid policy benefits - Life insurance

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Maturity	127,417	124,959
Expired cheques for benefits and claims	50,496	51,360
Death	35,474	156,651
Disability	1,437	16,181
Others	56,315	52,824
Total	<u>271,139</u>	<u>401,975</u>

24.2.7 Other insurance contract liabilities

	Consolidated financial statements					
	2022			2021		
	Life insurance	Non-Life insurance	Total	Life insurance	Non-Life insurance	Total
	<i>(in thousand Baht)</i>					
Advance premiums	589	-	589	706	402,700	403,406
Outstanding cheques	-	8,075	8,075	-	8,933	8,933
Deconsolidated	-	(8,075)	(8,075)	-	-	-
Total	<u>589</u>	<u>-</u>	<u>589</u>	<u>706</u>	<u>411,633</u>	<u>412,339</u>

25 Reinsurance payable

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Amounts withheld on reinsurance	1,492,417	2,213,537
Due to reinsurers	1,539,114	1,670,881
Total	<u>3,031,531</u>	<u>3,884,418</u>

26 Other liabilities

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Accrued expenses	585,269	856,335	22,103	15,047
Other payables	505,339	448,661	2,710	11,354
Commission and brokerage payables	202,305	290,290	-	-
Suspense premium accounts	170,960	231,014	-	-
Secured deposits from sales representatives	99,402	95,369	-	-
Revenue Department Payable	37,100	69,393	17,143	10,831
Others	134,144	390,900	15,120	4,024
Total	<u>1,734,519</u>	<u>2,381,962</u>	<u>57,076</u>	<u>41,256</u>

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27 Share capital

	Par value per share (in Baht)	2022		2021	
		Number	Baht	Number	Baht
		<i>(thousand shares /in thousand Baht)</i>			
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	1,203,357	12,033,565	1,203,357	12,033,565
Reduction of shares	10	(451,259)	(4,512,587)	(451,259)	(4,512,587)
Increase of new shares	10	451,259	4,512,587	451,259	4,512,587
At 31 December					
- ordinary shares	10	<u>1,203,357</u>	<u>12,033,565</u>	<u>1,203,357</u>	<u>12,033,565</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	752,098	7,520,978	752,098	7,520,978
At 31 December					
- ordinary shares	10	<u>752,098</u>	<u>7,520,978</u>	<u>752,098</u>	<u>7,520,978</u>

Increasing and reduction of the registered capital

At the Annual General Meeting of Shareholder of the Company held on 29 April 2021, the shareholders had resolutions to approve the reduction the registered share capital of 451,258,698 share at Baht 10 par value and to approve the increase of the registered share capital of 451,258,698 share at Baht 10 par value. The Company already registered the reduction and the increase of authorised share capital with the Ministry of Commerce on 13 May 2021.

At the Annual General Meeting of Shareholder of the Company held on 27 April 2022, the shareholders had resolutions to approve the reduction the registered share capital of 451,258,698 share at Baht 10 par value and to approve the increase of the registered share capital of 451,258,698 share at Baht 10 par value. The Company already registered the reduction and the increase of authorised share capital with the Ministry of Commerce on 19 May 2022.

Share premium

Section 51 of the Public Limited Companies Act B.E. 2535 (1992) requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

28 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) Section 116 requires the company and some subsidiaries shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

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Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. (Note 3 (d.4))

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non- financial liability.

Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in OCI and accounted for similarly to gains or losses in the hedging reserve.

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

Excess of book value of acquired subsidiaries over cost/(cost over book value)

The excess of book value of acquired subsidiaries over cost/(cost over book value) represent the difference between book value and cost of investment as of the date of acquisition of additional shares of certain existing subsidiaries and have been recorded as a reserve. It is non-distributable and will be retained until the respective investment in shares of subsidiaries are sold or otherwise disposed off.

Difference arising from business combination under common control

The difference arising from business combination under common control represent the difference of book values of certain entities or business under common control over their cost as of the date of their acquisition and have been recorded as a reserve. It is non-distributable and will be retained until the respective subsidiaries or businesses are sold or otherwise disposed off.

Revaluation reserve

The revaluation reserve comprises the cumulative net change in the valuation of land and buildings included in the financial statements at valuation until such land and buildings are sold or otherwise disposed of.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

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29 Segment information and disaggregation revenue

(a) *Segment information*

Management determined that the Group has four reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Life insurance business
- *Segment 2* Non-life insurance business
- *Segment 3* Financial service business
- *Segment 4* Others businesses

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

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<i>Year ended 31 December</i>	Consolidated financial statements											
	Segment 1		Segment 2		Segment 3		Segment 4		Intra-group eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>											
Information about reportable segments												
Insurance business revenue	9,266,734	10,521,645	3,486,366	8,985,284	-	-	68,550	72,288	-	-	12,821,650	19,579,217
Finance business revenue	-	-	-	-	5,190,747	4,704,588	-	-	-	-	5,190,747	4,704,588
Investment income	1,673,723	1,529,963	36,152	146,418	27,377	21,533	3,240	3,118	-	-	1,740,492	1,701,032
Rental investment properties	-	-	-	-	-	-	17,526	8,205	-	-	17,526	8,205
Financial instrument revenue	5,460	352,091	-	47,563	-	-	-	1,839	-	-	5,460	401,493
Gain on sell of investment in subsidiary	-	-	-	7,099,764	-	-	-	-	-	-	-	7,099,764
Other income	4,254	33,868	39,393	69,834	35,290	34,530	(6,814)	6,870	-	-	72,123	145,102
Inter-segment revenue	12,212	23,394	495,035	(7,204,440)	31,957	33,391	765,086	423,621	(1,304,290)	6,724,034	-	-
Total revenue	10,962,383	12,460,961	4,056,946	9,144,423	5,285,371	4,794,042	847,588	515,941	(1,304,290)	6,724,034	19,847,998	33,639,401
Profit (loss) before income tax expense	(118,080)	661,834	597,079	(11,424,373)	174,930	78,432	(8,199)	(968,317)	(223,278)	8,070,858	422,452	(3,581,566)
Segment assets	53,437,722	55,645,785	10,681,437	19,224,070	16,688,413	15,849,424	12,750,623	10,869,485	(9,407,053)	(10,027,143)	84,151,142	91,561,621
Segment liabilities	45,119,059	45,257,743	9,545,948	19,449,430	16,292,248	15,162,340	10,435,360	8,488,548	(6,861,749)	(6,813,218)	74,530,866	81,544,843

During January to June 2021, COVID-19 insurance policies were underwritten by Southeast Insurance Public Company Limited ("SEIC") and The Thai Insurance Public Company Limited ("TIC"). The amount included in "benefits payments and insurance claim expenses" incurred in respect of these policies is dependent on the estimation of unexpired risk reserve on those policies. For the year ended 31 December 2021, the Group recorded "benefits payments and insurance claim expenses" of COVID-19 insurance policies, 35% of the Baht 27,975 million presented in this caption in the consolidated income statement.

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As at 31 December 2021, loss before income tax expense from SEIC of Baht 3,029.32 million were included in segment 2 which mainly came from adjusted the financial statements based on non-going concern basis in particular the unexpired risk reserve, as specified in note 2(b) Basis of preparation of the financial statements for Southeast Insurance Public Company Limited (former subsidiary) (“SEIC”).

During 1 January 2021 to 27 September 2021, loss before income tax expense from TIC of Baht 8,441.74 million were included in segment 2 which mainly came from benefit payments and insurance claim expense.

(b) *Reconciliations of reportable segment profit or loss*

<i>For the year ended 31 December</i>	2022	2021
	<i>(in thousand Baht)</i>	
Reportable segments	422,452	(3,581,566)
Unallocated amounts:		
- Share of loss of investments in associate and joint venture	-	-
Total	<u>422,452</u>	<u>(3,581,566)</u>

(c) *Geographical segments and major customer*

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

The Group has no customers from a single segment equal to or more than 10% of the Group’s total revenue.

(d) *Disaggregation of revenue*

The Group recognises income from operating lease contracts and finance lease contracts on a straight-line basis over the term of the lease, and recognises revenue from sale of assets under operating leases at a point in time.

30 Investment income

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Interest income	1,193,764	1,221,841	273,022	202,874
Dividend income	546,728	479,192	137,999	2,850
Total	<u>1,740,492</u>	<u>1,701,033</u>	<u>411,021</u>	<u>205,724</u>

31 Gain (loss) on financial instruments

	Consolidated	
	financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Gain (loss) from sale and derecognition</i>		
Debt securities measured at fair value through other comprehensive income	(228,006)	260,234
Derivatives	-	5,760
Other	(33,560)	(7,665)
Total	<u>(261,566)</u>	<u>258,329</u>

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32 Gain (loss) on fair value change of financial instruments

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Financial instruments measured at fair value through profit or loss - Debt securities	(169,525)	124,053
Derivatives	(763)	12,091
Total	(170,288)	136,144

33 Operating expenses

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Personnel expenses	35	1,319,855	1,368,517	171,962	114,170
Bad debts and doubtful accounts (reversal)		185,892	(22,569)	-	-
Information technology expenses		176,035	246,406	7,870	6,163
Depreciation and amortisation	35	135,889	191,600	2,708	2,566
Building and equipment expenses	35	122,592	216,894	350	68
Professional fee		104,164	57,125	28,119	16,080
Tax expenses		74,390	11,959	230	241
Investment expenses		59,034	61,607	-	-
Subcontractor cost		55,703	92,686	-	-
Marketing management fee		42,766	51,894	167	-
Transportation expenses		16,620	9,416	3,240	909
Service and rental expenses		16,452	19,583	19,562	17,817
Others		237,619	39,907	19,547	(1,403)
Total		2,547,011	2,345,025	253,755	156,611

34 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Wages and salaries	1,354,430	1,459,087	133,330	89,973
Defined benefit plan	69,112	54,206	6,834	6,758
Welfare expenses	44,760	64,396	15,798	3,248
Defined contribution plan	33,017	49,616	2,481	2,013
Social security fund contribution	13,099	1,564	-	-
Allowance	521	3,036	5	2,985
Others	60,874	100,329	13,514	9,193
Total	1,575,813	1,732,234	171,962	114,170

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Defined contribution plan

The defined contribution plan comprise a provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

35 Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Personnel expenses					
Included in benefits payments and insurance claims expenses		125,970	176,305	-	-
Included in other underwriting expenses		129,988	187,412	-	-
Included in operating expenses	33	1,319,855	1,368,517	171,962	114,170
Total		1,575,813	1,732,234	171,962	114,170
Depreciation and amortisation expenses					
Included in direct rental costs		1,646,109	1,673,720	-	-
Included in operating expenses	33	135,889	191,600	2,708	2,566
Total		1,781,998	1,865,320	2,708	2,566
Building and equipment expenses					
Included in benefits payments and insurance claims expenses		1,003	2,420	-	-
Included in other underwriting expenses		1,058	4,686	-	-
Included in direct rental costs		366,682	338,943	-	-
Included in operating expenses	33	122,592	216,894	350	68
Total		491,335	562,943	350	68

36 Expected credit loss (reversal)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>(in thousand Baht)</i>				
Debt securities measured at fair value through other comprehensive income	(9,934)	6,611	-	-
Operating lease receivables	2,000	2,279	-	-
Loans and accrued interest	2,177	992	-	-
Debt securities measured at amortized cost	(754)	226	-	-
Hire-purchase and finance lease receivables	(1,702)	243	-	-
Other assets	-	-	(49,000)	49,000
Total	(8,213)	10,351	(49,000)	49,000

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37 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	83,824	296,223	-	-
Under (over) provided in prior years	(50,237)	4,315	-	-
	<u>33,587</u>	<u>300,538</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	(104,963)	(448,793)	1,183	(98,798)
Recognition of previously unrecognised tax losses	(26,707)	(73,520)	-	(24,162)
	<u>(131,670)</u>	<u>(522,313)</u>	<u>1,183</u>	<u>(122,960)</u>
Total tax expense (income)	<u>(98,083)</u>	<u>(221,775)</u>	<u>1,183</u>	<u>(122,960)</u>

	Consolidated financial statements					
	Before tax	2022 Tax (expense) benefit	Net of tax	Before tax	2021 Tax (expense) benefit	Net of Tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Exchange differences on translating financial statements	(9,231)	1,846	(7,385)	146,475	(29,295)	117,180
Gain (loss) on revaluation of assets	(195,107)	39,021	(156,086)	17,125	(3,425)	13,700
Gain (loss) on cash flow hedges	36,092	(7,218)	28,874	(7,256)	1,451	(5,805)
Gain on deferred cost of hedging reclassified subsequently to profit or loss	13,507	(2,701)	10,806	4,690	(938)	3,752
Financial assets measured at fair value through other comprehensive income	(2,577,013)	515,402	(2,061,611)	(611,635)	122,327	(489,308)
Gain (loss) on remeasurements of defined benefit plans	47,431	(9,486)	37,945	(47,554)	9,511	(38,043)
Total	<u>(2,684,321)</u>	<u>536,864</u>	<u>(2,147,457)</u>	<u>(498,155)</u>	<u>99,631</u>	<u>(398,524)</u>

	Separate financial statements					
	Before tax	2022 Tax (expense) benefit	Net of tax	Before Tax	2021 Tax (expense) benefit	Net of Tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Gain (loss) on remeasurements of defined benefit plans	(9,206)	1,841	(7,365)	710	(142)	568
Total	<u>(9,206)</u>	<u>1,841</u>	<u>(7,365)</u>	<u>710</u>	<u>(142)</u>	<u>568</u>

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2022		2021	
	<i>Rate</i>	<i>(in thousand</i>	<i>Rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit (loss) before income tax expense	20	<u>1,652,872</u>	20	<u>(3,581,566)</u>
Income tax using the Thai corporation tax rate		330,574		(716,313)
Income not subject to tax		(457,481)		(52,458)
Expenses for tax incentive		-		1,308
Expenses not deductible for tax purposes		44,207		57,655
Recognition of previously unrecognised tax losses		(26,707)		(73,520)
Current year losses for which no deferred tax asset was recognised		57,548		761,240
Write-off deferred tax asset		-		(203,973)
Under (over) provided in prior years		(50,237)		4,315
Others		4,013		(29)
Total	(5)	<u>(98,083)</u>	6	<u>(221,775)</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2022		2021	
	<i>Rate</i>	<i>(in thousand</i>	<i>Rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit (loss) before income tax expense	20	<u>132,019</u>	20	<u>(981,447)</u>
Income tax using the Thai corporation tax rate		26,404		(196,289)
Income not subject to tax		(27,600)		(570)
Expenses for tax incentive		-		1,683
Expenses not deductible for tax purposes		2,379		96,378
Recognition of previously unrecognized tax losses		-		(24,162)
Total	1	<u>1,183</u>	13	<u>(122,960)</u>

	Consolidated financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
<i>At 31 December</i>				
		<i>(in thousand Baht)</i>		
Total	1,789,287	1,163,612	(453,480)	(259,706)
Set off of tax	31,701	(103,943)	(31,701)	103,943
Net deferred tax assets (liabilities)	<u>1,820,988</u>	<u>1,059,669</u>	<u>(485,181)</u>	<u>(155,763)</u>

	Separate financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
<i>At 31 December</i>				
		<i>(in thousand Baht)</i>		
Net deferred tax assets	<u>126,690</u>	<u>126,032</u>	-	-

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Movements in deferred tax assets and liabilities for the year ended 31 December were as follows:

	At 1 January 2022	Consolidated financial statements (Charged) / credited to:		At 31 December 2022
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Premium due and uncollected	5,731	296	-	6,027
Hire purchase and finance lease receivables	16,845	(400)	-	16,445
Inventories	346	1,465	-	1,811
Right-of-use assets	73	(5)	-	68
Loans	74,138	-	-	74,138
Insurance contract liabilities	745,653	83,114	-	828,767
Provision for employee benefits	39,600	6,596	16	46,212
Financial assets measured at fair value through other comprehensive income	-	-	369,287	369,287
Other liabilities	3,316	-	-	3,316
Loss carry forward	142,005	2,660	-	144,665
Others	135,905	162,646	-	298,551
Total	1,163,612	256,372	369,303	1,789,287
<i>Deferred tax liabilities</i>				
Financial assets measured at fair value through other comprehensive income	317,631	(358,368)	190,337	149,600
Amortization of prepayment for land used rights	(6,066)	6,066	-	-
Revaluation surplus on land and building	(232,130)	326	-	(231,804)
Property, plant and equipment	(163,064)	48,428	-	(114,636)
Derivatives	(7,121)	15,655	(22,776)	(14,242)
Others	(168,956)	(73,442)	-	(242,398)
Total	(259,706)	(361,335)	167,561	(453,480)
Net	903,906	(104,963)	536,864	1,335,807

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	Consolidated financial statements				At 31 December 2021
	At 1 January 2021	(Charged) / credited to:			
		Profit or loss	Other comprehensive income	Equity	
			<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>					
Premium due and uncollected	30,130	(24,399)	-	-	5,731
Reinsurance receivables	1,826	(1,826)	-	-	-
Hire purchase and finance lease receivables	16,796	49	-	-	16,845
Subrogation	10,275	(10,275)	-	-	-
Inventories	119	227	-	-	346
Right-of-use assets	383	(310)	-	-	73
Loans	74,138	-	-	-	74,138
Insurance contract liabilities	1,144,603	(398,950)	-	-	745,653
Provision for employee benefits	68,345	(29,772)	(4,350)	5,377	39,600
Financial assets measured at fair value through other comprehensive income	1,827	-	(1,827)	-	-
Other liabilities	28,789	(31,659)	105	6,081	3,316
Loss carry forward	77,146	64,859	-	-	142,005
Others	98,771	36,806	328	-	135,905
Total	1,553,148	(395,250)	(5,744)	11,458	1,163,612
<i>Deferred tax liabilities</i>					
Financial assets measured at fair value through other comprehensive income	(300,137)	848,975	(215,461)	(15,746)	317,631
Amortisation of prepayment for land used rights	(6,066)	-	-	-	(6,066)
Revaluation surplus on land and building	(586,853)	3,732	-	350,991	(232,130)
Property, plant and equipment	(350,117)	187,053	-	-	(163,064)
Derivatives	15,396	3,351	(25,868)	-	(7,121)
Others	(122,505)	(46,451)	-	-	(168,956)
Total	(1,350,282)	996,660	(241,329)	335,245	(259,706)
Net	202,866	601,410	(247,073)	346,703	903,906

	Separate financial statements			
	At 1 January 2022	(Charged) / credited to:		
		Profit or loss	Other comprehensive income	At 31 December 2022
			<i>(in thousand Baht)</i>	
<i>Deferred tax asset</i>				
Provision for employee benefits	2,740	1,401	1,841	5,982
Loss carry forward	123,292	(2,584)	-	120,708
Total	126,032	(1,183)	1,841	126,690

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	At 1 January 2021	Separate financial statements (Charged) / credited to:		At 31 December 2021
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax asset</i>				
Provision for employee benefits	3,072	(190)	(142)	2,740
Loss carry forward	-	123,292	-	123,292
Total	3,072	123,102	(142)	126,032

Unrecognised deferred tax assets

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Property, plant and equipment	65	(241)	-	-
Tax loss	116,617	91,797	-	-
Total	116,682	91,556	-	-

The tax losses will expire in 2023 to 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilise the benefits therefrom.

38 Earnings (losses) per share

The calculations of basic earnings (losses) per share for the separate financial statements for year ended 31 December 2022 and 2021 were based on the net profit (loss) for the year attributable to ordinary shareholders of the Company and number of ordinary shares outstanding during the year.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(thousand shares/thousand Baht)</i>			
Profit (loss) for the year attributable to ordinary shareholders of the Company	1,484,856	(3,260,470)	130,836	(858,487)
Number of ordinary shares outstanding (basic) at 31 December	752,098	752,098	752,098	752,098
Earnings (losses) per share (basic) (in Baht)	1.97	(4.34)	0.17	(1.14)

39 Dividends

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
<i>2021</i>				
2020 Interim dividend	7 January 2021	5 February 2021	0.60	451,258

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40 Risks management and financial instruments

(a) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

At 31 December	Note	Consolidated financial statement							Total
		Hedging instruments	Carrying amount		Total (in thousand Baht)	Fair value			
			Financial instruments measured at FVTPL	Financial instruments measured at FVOCI		Level 1	Level 2	Level 3	
2022									
Financial assets									
Other financial assets:									
Investment in debt instruments	13	-	2,694,023	33,915,696	36,609,719	-	36,609,719	-	36,609,719
Investment in equity instruments	14	-	-	12,785,501	12,785,501	4,973,132	7,791,181	21,188	12,785,501
Derivatives assets	15	115,173	-	-	115,173	-	115,173	-	115,173
Total other financial assets		115,173	2,694,023	46,701,197	49,510,393				
Financial liabilities									
Other financial liabilities:									
Derivatives liabilities	15	122,158	-	-	122,158	-	122,158	-	122,158
Total other financial liabilities		122,158	-	-	122,158				
2021									
Financial assets									
Other financial assets:									
Investment in debt instruments	13	-	4,064,105	38,786,124	42,850,229	-	42,850,229	-	42,850,229
Investment in equity instruments	14	-	-	13,494,853	13,494,853	5,008,313	8,385,253	101,287	13,494,853
Derivatives assets	15	23,363	-	-	23,363	-	23,363	-	23,363
Total other financial assets		23,363	4,064,105	52,280,977	56,368,445				
Financial liabilities									
Other financial liabilities:									
Derivatives liabilities	15	241,076	-	-	241,076	-	241,076	-	241,076
Total other financial liabilities		241,076	-	-	241,076				
Separate financial statements									
At 31 December	Note	Hedging instruments	Carrying amount		Total (in thousand Baht)	Fair value			Total
			Financial instruments measured at FVTPL	Financial instruments measured at FVOCI		Level 1	Level 2	Level 3	
			2022						
Financial assets									
Other financial assets:									
Investment in equity instruments	14	-	-	234,000	234,000	-	-	234,000	234,000
Total other financial assets		-	-	234,000	234,000				
2021									
Financial assets									
Other financial assets:									
Investment in equity instruments	14	-	-	234,000	234,000	-	-	234,000	234,000
Total other financial assets		-	-	234,000	234,000				

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Financial instruments measured at fair value

The Company determines Level 2 fair values for debt securities which are listed in the Thai Bond Market Association using the prices on the last business day of the period provided by the Thai Bond Market Association.

The Company determines Level 2 fair values for debt securities which are not listed in the Thai Bond Market Association are based on quotes from a reliable institution at the reporting date.

The Company determines Level 2 fair values for non-listed unit trusts using the net asset value (NAV) on the last business day of the period provided by assets management companies.

The Company determines Level 1 fair values for listed equity securities and unit trusts using the last bid price on the last business day of the period provided by The Stock Exchanges of Thailand.

The Company determines Level 2 fair values for derivative. The fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flow using market interest rate for a similar instrument of the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate. In addition, the Company tested for reasonableness by comparing with the market price from financial institutions which are derivative issues.

The Company determines level 3 fair values for non-listed equity using net asset value per share according to the latest available financial statement for T.I.I. Company Limited's equity and using fair value valuation by the Notification of the Office of Insurance Commission ("OIC") for Road Accident Victims Protection Company Limited's equity.

Financial instruments not measured at fair value

The carrying amounts of the following financial assets and financial liabilities are considered to be approximate to their fair value: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance receivables, policy loans, mortgage loans, other loans, other receivables, due to reinsurers, and other payables, except for debt securities measured at amortised cost which fair value is calculated by referencing to the price quoted by Thai Bond Market Association at reporting date.

The fair value of deposits at financial institutions which have remaining terms to maturity of less than 90 days are based on carrying value. For those with remaining terms to maturity greater than 90 days, the fair value is estimated by using a discounted cash flow analysis based on current interest rates for the remaining period to maturity.

The fair value of mortgage loans and other loans which carrying floating interest rates and are fully collateralised is taken to approximate the carrying value. The fair value of fixed interest rate loans is estimated by using discounted cash flow analysis based on current interest rates for the remaining years to maturity.

Transfers between Level 1 and 2 of fair values hierarchy

For the year ended 31 December 2022, equity securities measured at fair value through other comprehensive income with a carrying amount of Baht 206 million were transferred from Level 1 to Level 2 and equity security measured at fair value through other comprehensive income with carry amount of Baht 94 million were transferred from level 2 to level 1 (2021: equity securities measured at fair value through other comprehensive income with a carrying amount of Baht 262 million were transferred from Level 1 to Level 2 and none of equity security measured at fair value through other comprehensive income were transferred from level 2 to level 1). The Group has considered the liquidity of trading these securities in the market.

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<i>Reconciliation of Level 3 fair values</i>	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Equity securities</i>				
At 1 January	101,287	107,055	234,000	234,000
Net change in fair value (including unrealised transactions)				
- recognised in OCI	(80,099)	(5,768)	-	-
At 31 December	21,188	101,287	234,000	234,000

(b) *Financial risk management policies*

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

40.1 Insurance risk management

Life insurance risk management

Risk of loss resulting from unexpected events, deviations from actuarial assumptions, the magnitude and timing of claims, policyholder behaviour, underwriting expenses.

Underwriting risk

Underwriting risk arises from inaccurate assessment of the risks entailed in writing of an insurance policy.

The Group has an underwriting process that classifies applicants into risk categories based on their medical history, health condition, occupation, etc. Coverage and premium can vary across categories, reflecting different levels of risk.

Mortality and morbidity risk

Mortality and morbidity risk refers to the possibility that the frequency or severity of claims arising from insurance contracts exceeds the level assumed when the products were priced.

The Group can be exposed to high claims from policyholders resulting from changes in their life and health expectancy or from catastrophic events, whether natural or man-made.

The Group manages mortality and morbidity risk by consider claim trends are monitored on an ongoing basis. Exposure in excess of retention limits is ceded to reinsurers. Mortality and morbidity experience is monitored to ensure that the Group's assumptions are appropriate.

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Product design and mispricing risk

All insurance products will be internally approved by management.

All insurance products will be approved by the Office of Insurance Commission (“OIC”).

Policyholder behaviour risk

Risk that arises from policyholders’ acts to discontinue/reduce contributions or surrender request prior to maturity of the contract, or to falsely obtain a particular insurance coverage or claims some benefit to which they are not otherwise entitled to.

Persistency is regularly monitored through reports and comprehensive analysis.

An underwriting process and claim management are also designed to detect and minimise fraudulent behaviour from policyholders.

Concentration of insurance risk

Concentrations of risk may arise where a particular event or a series of events could impact heavily upon the Group’s insurance contract liabilities.

All of the Group’s contracts are life insurance non-par contracts. The amount of risk to which the Company is exposed depends on the level of guarantees inherent in the contracts comparing with the prevailing interest rate. The changes in interest rate will not cause a change to the amount of the liability, unless the change is severe enough to trigger a liability adequacy test adjustment.

As at 31 December 2022, the discount interest rates for the purpose of the liability adequacy test, in accordance with life insurance industry practice, is the average of eight quarters of the zero coupon Thailand government bond yield curve plus illiquidity premium of 82 basis points (2021: 96 basis points). Management monitors the sensitivity to changes in rates on an ongoing basis. A decrease of 100 basis points (2021: 100 basis points) from current market interest rates would not be trigger a liability adequacy test adjustment.

Non - life insurance risk management

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured.

The Group intends to mitigate its risk exposure by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. The insurance contracts are provided to all types of customers based on assessment of insurance risk by the Group. Reinsurance is arranged to mitigate the effect of potential losses to the Group from individual large insured events. Further, the Company adopts strict claim review policies including active management of the claims, regular detailed review of claim handling procedures and investigation of possible false claims.

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Concentration of non - life insurance risks

The concentration of insurance contract liabilities, gross and net of reinsurance classified by type of insurance underwriting are as follows:

	2022		2021	
	Gross of reinsurance	Net	Gross of reinsurance	Net
	<i>(in million Baht)</i>			
Loss reserves and outstanding claims				
Motor	2,690,056	1,092,962	3,294,729	1,944,159
Miscellaneous	1,176,963	127,824	1,526,629	302,082
Fire	57,366	18,877	45,907	24,787
Marine and transportation	9,789	(1,742)	16,617	7,899
Total	<u>3,934,174</u>	<u>1,237,921</u>	<u>4,883,882</u>	<u>2,278,927</u>
Unearned premium reserves				
Motor	1,508,722	519,287	3,830,676	2,431,899
Miscellaneous	769,056	(14,100)	1,609,863	385,094
Fire	266,930	237,849	463,651	410,315
Marine and transportation	18,367	5,948	25,656	9,373
Total	<u>2,563,075</u>	<u>748,984</u>	<u>5,929,846</u>	<u>3,236,681</u>

Sensitivity analysis

The sensitivity analysis is performed on the net loss reserve and outstanding claims, based on changes in assumptions that may affect the level of liabilities. The assumption that has the greatest effect on the determination of loss reserve and outstanding claims is the expected loss ratio. The test was conducted based on a change level of -5% to +5% of the loss reserve and outstanding claim, net of reinsurance recoveries.

	Consolidated financial statements		
	2022		
	Change in variable	Increase (decrease) in liabilities	Increase (decrease) in profit and equity
	(%)	<i>(in thousand Baht)</i>	
Increase in expected loss ratio	5	247,278	(11,374)
Decrease in expected loss ratio	5	(246,740)	11,258
	Consolidated financial statements		
	2021		
	Change in variable	Increase (decrease) in liabilities	Increase (decrease) in profit and equity
	(%)	<i>(in thousand Baht)</i>	
Increase in expected loss ratio	5	214,081	(171,264)
Decrease in expected loss ratio	5	(213,246)	170,597

40.2 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group manages the investment risk by considering the risk of investments together with the return on such investments.

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At 31 December, the significant financial assets and liabilities classified by type of interest rate were as follows:

	Consolidated financial statements								
	2022			2021					
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	
	<i>(in thousand Baht)</i>								
Financial assets									
Hire-purchase and finance lease receivables	-	446,524	-	446,524	-	967,612	-	967,612	
Debt securities									
Government and state enterprise debt securities	-	17,910,183	-	17,910,183	-	20,986,647	-	20,986,647	
Private debt securities	-	16,088,776	-	16,088,776	-	19,030,720	-	19,030,720	
Foreign debt securities	-	2,610,760	-	2,610,760	-	2,832,862	-	2,832,862	
Deposits at banks with original maturity over 3 months	-	525,500	-	525,500	-	1,140,150	-	1,140,150	
Loans									
Policy loans	-	543,368	-	543,368	-	546,645	-	546,645	
Mortgage loans	57,117	363,840	-	420,957	47,674	384,080	-	431,754	
Short-term loans to other parties	487,021	-	-	487,021	534,087	-	-	534,087	
Current portion of long-term loans to other parties	-	44,570	-	44,570	-	31,934	-	31,934	
Long-term loans to other parties	-	266,447	-	266,447	-	253,704	-	253,704	
Total financial assets	544,138	38,799,968	-	39,344,106	581,761	46,174,354	-	46,756,115	

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	Consolidated financial statements							
	2022			2021				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	<i>(in thousand Baht)</i>							
Financial liabilities								
Short-term loans from financial institutions	123,000	11,916,000	-	12,039,000	-	9,789,000	-	9,789,000
Short-term loans from other parties	-	30,000	-	30,000	-	40,000	-	40,000
Current portion of long-term loans from financial institutions	27,000	1,966,700	-	1,993,700	36,000	1,971,457	-	2,007,457
Long-term loans from financial institutions	-	3,406,320	-	3,406,320	27,000	3,506,598	-	3,533,598
Financial lease liabilities	-	1,105,806	-	1,105,806	-	651,128	-	651,128
Total financial liabilities	150,000	18,424,826	-	18,574,826	63,000	15,958,183	-	16,021,183

	Separate financial statements							
	2022			2021				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	<i>(in thousand Baht)</i>							
Financial assets								
Loans								
Short-term loans to related parties	-	2,618,800	-	2,618,800	-	2,829,700	-	2,829,700
Current portion of long-term loans to related parties	-	228,000	-	228,000	-	206,000	-	206,000
Long-term loans to related parties	-	6,844,668	-	6,844,668	-	5,104,668	-	5,104,668
Total financial assets	-	9,691,468	-	9,691,468	-	8,140,368	-	8,140,368
Financial liabilities								
Short-term loans from financial institutions	-	9,909,000	-	9,909,000	-	8,249,000	-	8,249,000
Short-term loans from related parties	-	10,000	-	10,000	-	-	-	-
Long-term loans from related parties	-	130,000	-	130,000	-	-	-	-
Financial lease liabilities	-	16,186	-	16,186	-	26,194	-	26,194
Total financial liabilities	-	10,065,186	-	10,065,186	-	8,275,194	-	8,275,194

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At 31 December, the significant financial assets and liabilities carrying interest rate at fixed rates were classified on the basis of the length of time from the reporting date to next re-pricing date, or to maturity date whichever is sooner. The details are as follows:

	Interest rate (% per annum)	Consolidated financial statements 2022			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
Financial assets					
Hire-purchase and finance lease receivables	5.50 - 7.00	421,502	24,941	81	446,524
Investments in securities					
Government and state					
enterprise debt securities	0 - 3.63	3,711,247	5,239,399	8,959,537	17,910,183
Private debt securities	1 - 5.28	855,861	2,848,298	12,384,617	16,088,776
Foreign debt securities	3.51 - 9.04	1,960,190	117,020	533,550	2,610,760
Deposits at banks with original maturity over 3 months	0.375 - 1.10	525,500	-	-	525,500
Loans					
Mortgage loans	5.00 - 15.00	24,900	-	338,940	363,840
Current portion of long-term loans to other parties	2.55 - 22.00	44,570	-	-	44,570
Long-term loans to other parties	2.55 - 22.00	35,302	212,256	18,889	266,447
Total financial assets		<u>7,579,072</u>	<u>8,441,914</u>	<u>22,235,614</u>	<u>38,256,600</u>
Financial liabilities					
Short-term loans from financial institutions	3.00 - 3.06	11,916,000	-	-	11,916,000
Short-term loans from other parties	1.75	30,000	-	-	30,000
Current portion of long-term loans from financial institutions	3.23 - 4.05	1,966,700	-	-	1,966,700
Long-term loans from financial institutions	3.23 - 4.05	-	3,406,320	-	3,406,320
Financial lease liabilities	2.77 - 4.05	342,581	763,225	-	1,105,806
Total financial liabilities		<u>14,255,281</u>	<u>4,169,545</u>	<u>-</u>	<u>18,424,826</u>

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Consolidated financial statements					
2021					
	Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	Total
Financial assets					
Hire-purchase and finance lease receivables	5.50 - 7.00	548,776	415,579	3,257	967,612
Investments in securities					
Government and state					
enterprise debt securities	1.06 - 2.88	4,629,641	6,529,314	9,827,692	20,986,647
Private debt securities	2.82 - 5.11	1,608,035	4,524,492	12,898,193	19,030,720
Foreign debt securities	5.08	1,071,470	478,346	1,283,046	2,832,862
Deposits at banks with original maturity over 3 months	0.375 - 0.70	1,140,150	-	-	1,140,150
Loans					
Mortgage loans	5.00 - 15.00	24,900	-	359,180	384,080
Current portion of long-term loans to other parties	2.20 - 15.00	31,934	-	-	31,934
Long-term loans to other parties	2.20 - 15.00	30,476	118,819	104,409	253,704
Total financial assets		<u>9,085,382</u>	<u>12,066,550</u>	<u>24,475,777</u>	<u>45,627,709</u>
Financial liabilities					
Short-term loans from financial institutions	1.81 - 2.51	9,789,000	-	-	9,789,000
Short-term loans from other parties	1.75	40,000	-	-	40,000
Current portion of long-term loans from financial institutions	2.68 - 4.05	1,971,457	-	-	1,971,457
Long-term loans from financial institutions	2.68 - 4.05	-	2,339,805	1,166,793	3,506,598
Financial lease liabilities	3.39 - 3.90	198,692	452,436	-	651,128
Total financial liabilities		<u>11,999,149</u>	<u>2,792,241</u>	<u>1,166,793</u>	<u>15,958,183</u>

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		Separate financial statements 2022			
		Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	Total
Interest rate <i>(% per annum)</i>					
Financial assets					
Loans					
Short-term loans to related parties	1.96 - 3.49	2,618,800	-	-	2,618,800
Current portion of long-term loans from related parties	3.20 - 3.40	228,000	-	-	228,000
Long-term loans to related parties	2.50 - 3.49	-	6,844,668	-	6,844,668
Total financial assets		<u>2,846,800</u>	<u>6,844,668</u>	<u>-</u>	<u>9,691,468</u>
Financial liabilities					
Short-term loans from financial institutions	2.61 - 2.82	9,909,000	-	-	9,909,000
Short-term loans from related parties	1.66	10,000	-	-	10,000
Long-term loans from related parties	2.26 - 2.43	-	130,000	-	130,000
Financial lease liabilities	3.24 - 3.73	9,776	6,410	-	16,186
Total financial liabilities		<u>9,928,776</u>	<u>136,410</u>	<u>-</u>	<u>10,065,186</u>
		Separate financial statements 2021			
		Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	Total
Interest rate <i>(% per annum)</i>					
Financial assets					
Loans					
Short-term loans to related parties	2.31 - 2.61	2,829,700	-	-	2,829,700
Current portion of long-term loans from related parties	2.31	206,000	-	-	206,000
Long-term loans to related parties	2.14 - 2.51	-	5,104,668	-	5,104,668
Total financial assets		<u>3,035,700</u>	<u>5,104,668</u>	<u>-</u>	<u>8,140,368</u>
Financial liabilities					
Short-term loans from financial institutions	1.81 - 1.90	8,249,000	-	-	8,249,000
Financial lease liabilities	3.27 - 3.73	11,496	14,698	-	26,194
Total financial liabilities		<u>8,260,496</u>	<u>14,698</u>	<u>-</u>	<u>8,275,194</u>

Policy loans are fully collateralised by the value of the underlying policy and carry interest rates which follow the regulations of the Office of Insurance Commission. The average rate of interest in the year ending 31 December 2022 was 4 - 10 % per annum (2021: 4 - 10% per annum). The contractual maturity of these loans would generally follow the maturity profile of the underlying insurance policy with which they are associated. Policyholders may repay policy loans prior to maturity.

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Interest rate swap contract

On 31 December 2022, the Group entered into an interest rate swap agreement for a long-term loan amounted of Baht 3,370.50 million (2021: Baht 1,600 million) for swapping a floating interest rate to a fixed interest rate of 3.06% per annum and 4.05% per annum (2021: 3.75% per annum and 4.05% per annum), with settlement in July 2023 - June 2025 (2021: December 2022 - December 2024) and entered into an interest rate swap agreement for the investments measured at fair value through other comprehensive income in debentures of Baht 1,745.65 million (2021: 1,740.19 million) for swapping fix interest rate to floating interest rate 2.17% per annum (2021: 1.63% per annum).

Sensitivity analysis

A reasonable possible change of interest rates at the reporting date would have affected the measurement of investment in debt securities and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

<i>Effects on profit or loss</i>	+ 50 basis point	- 50 basis point
	<i>(in thousand Baht)</i>	
2022		
Yield curve	(850,542)	902,973
2021		
Yield curve	(905,306)	822,752

40.3 Foreign currency risk

The Group is exposed to foreign currency exchange rates relating to investment in debt securities and borrowing in foreign currencies. The Group primarily utilizes forward exchange contracts and cross currency swap contracts to hedge such financial assets and liabilities denominated in foreign currencies.

At 31 December, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
United States Dollars		
Cash and cash equivalents	97,728	33,152
Investments in debt securities	2,526,032	2,654,443
Investments in equity securities	432,643	638,453
Gross exposure in the statements of financial position	3,056,403	3,326,048
Cross currency swaps contracts	(1,647,687)	(1,576,784)
Net exposure	1,408,716	1,749,264
Euro		
Cash and cash equivalents	25,098	32,613
Investments in debt securities	86,506	153,714
Investments in equity securities	156,375	263,060
Gross exposure in the statements of financial position	267,979	449,387
Singapore Dollars		
Cash and cash equivalents	13,994	25,806
Investments in debt securities	5,593	7,084
Investments in equity securities	1,183,777	1,234,218
Gross exposure in the statements of financial position	1,203,364	1,267,108

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	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Hong Kong Dollars		
Cash and cash equivalents	9,627	4,853
Investments in debt securities	27,021	17,621
Investments in equity securities	111,059	71,007
Gross exposure in the statements of financial position	147,707	93,481
Australian Dollars		
Cash and cash equivalents	466	13,533
Investments in equity securities	166,600	259,652
Gross exposure in the statements of financial position	167,066	273,185
Japan Yen		
Cash and cash equivalents	15,440	792
Borrowings	45,957	41,039
Gross exposure in the statements of financial position	61,397	41,831
Foreign currency forward contracts	-	-
Net exposure	61,397	41,831
Other currencies		
Cash and cash equivalents	25,568	9,487
Investments in equity securities	44,524	33,871
Gross exposure in the statements of financial position	70,092	43,358

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Strengthening 5%	Weakening 5%
	<i>(in thousand Baht)</i>	
At 31 December 2022		
USD	8,923	(8,923)
SGD	28,857	(28,857)
At 31 December 2021		
USD	2,238	(2,238)
SGD	1,320	(1,305)

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40.4 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Key areas that the Group is exposed to credit risk are cash positions, premium due and uncollected, policy, mortgage loans and investments in debt securities.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all policyholders, borrowers and debt securities on an ongoing basis. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Concentrations of the credit risk with respect to reinsurers are insignificant due to the Company maintains a panel of reinsurers that the Company is allowed to transact business with. The domestic reinsurers must either be registered or authorised to carry out reinsurance business in Thailand by the Office of Insurance Commission and maintain at least minimum Capital Adequacy Ratio. In case of foreign reinsurers, they have to have good quality of credit rating.

Concentrations of the credit risk with respect to premiums due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand.

In addition, there is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than the cash value of their policies with the Company. The maximum value of the risk arising from secured loans is the amount of the loan less the value which the Company is able to derive from the assets pledged as security.

The following tables set out information about the credit quality as at 31 December of receivables under hire purchase and finance lease contract without taking into account collateral or other credit enhancement. The description of stage 1-3 are disclosed in note 3.

Consolidated financial statements					
2022					
	12-month PD ranges (%)	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk	Financial assets that are credit impaired	Total
		<i>(in thousand Baht)</i>			
<i>Hire-purchase and finance lease receivables</i>					
Current		93,982	-	-	93,982
Overdue 1 - 30 days	1.47	1,055	501	-	1,556
Overdue 31 - 60 days	4.57	-	5,508	-	5,508
Overdue 61 - 90 days	10.88	-	2,634	-	2,634
Overdue more than 91 days	43.45	-	-	373,178	373,178
Hire-purchase and finance lease receivables		95,037	8,643	373,178	476,858
Unearned interest income		(16,331)	(373)	(16,111)	(32,815)
Deferred commission expense		495	45	1,941	2,481
Less allowance for expected credit loss		(412)	(546)	(81,565)	(82,523)
Net carrying amount		78,789	7,769	277,443	364,001

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Consolidated financial statements					
2021					
	12-month PD ranges (%)	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	Total
Hire-purchase and finance lease receivables					
Current		385,370	-	-	385,370
Overdue 1 - 30 days	1.29	25,346	1,730	-	27,076
Overdue 31 - 60 days	2.04	-	25,530	-	25,530
Overdue 61 - 90 days	3.62	-	11,763	-	11,763
Overdue more than 91 days	20.52	-	-	630,947	630,947
Hire-purchase and finance lease receivables		410,716	39,023	630,947	1,080,686
Unearned interest income		(101,735)	(806)	(13,040)	(115,581)
Deferred commission expense		952	91	1,464	2,507
Less allowance for expected credit loss		(1,642)	(975)	(81,608)	(84,225)
Net carrying amount		308,291	37,333	537,763	883,387

Hire-purchase and finance lease receivables with unearned interest income

Consolidated financial statements			
2022			
	Gross Amount	ECL <i>(in thousand Baht)</i>	Net
Short-term loans			
Financial assets that are not significant increase in credit risk	311,422	-	311,422
Financial assets that are significant increase in credit risk	-	-	-
Financial assets that are credit impaired	175,599	(146,077)	29,522
Total	487,021	(146,077)	340,944

Consolidated financial statements			
2021			
	Gross Amount	ECL <i>(in thousand Baht)</i>	Net
Short-term loans			
Financial assets that are not significant increase in credit risk	357,988	-	357,988
Financial assets that are significant increase in credit risk	-	-	-
Financial assets that are credit impaired	176,099	(146,077)	30,022
Total	534,087	(146,077)	388,010

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Consolidated financial statements			
2022			
Gross Amount	ECL	Net	
<i>(in thousand Baht)</i>			
Long-term loans			
Financial assets that are not significant increase in credit risk	310,630	(67)	310,563
Financial assets that are significant increase in credit risk	-	-	-
Financial assets that are credit impaired	387	(387)	-
Total	311,017	(454)	310,563

Consolidated financial statements			
2021			
Gross Amount	ECL	Net	
<i>(in thousand Baht)</i>			
Long-term loans			
Financial assets that are not significant increase in credit risk	285,251	-	285,251
Financial assets that are significant increase in credit risk	-	-	-
Financial assets that are credit impaired	387	(387)	-
Total	285,638	(387)	285,251

Consolidated financial statements			
2022			
Gross Amount	ECL	Net	
<i>(in thousand Baht)</i>			
Mortgage loans			
Financial assets that are not significant increase in credit risk	136,285	(731)	135,554
Financial assets that are significant increase in credit risk	6,598	(1,267)	5,331
Financial assets that are credit impaired	278,074	(241,133)	36,941
Total	420,957	(243,131)	177,826

Consolidated financial statements			
2021			
Gross Amount	ECL	Net	
<i>(in thousand Baht)</i>			
Mortgage loans			
Financial assets that are not significant increase in credit risk	149,943	(842)	149,101
Financial assets that are significant increase in credit risk	8,285	(2,032)	6,253
Financial assets that are credit impaired	273,526	(238,147)	35,379
Total	431,754	(241,021)	190,733

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As at 31 December, allowance for expected credit loss was as follow:

	Consolidated financial statements			Total
	2022			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	
Hire purchase and finance lease receivables	(412)	(546)	(81,565)	(82,523)
Mortgage loans	(731)	(1,267)	(241,133)	(243,131)
Short-term loans	-	-	(146,077)	(146,077)
Long-term loans	(67)	-	(387)	(454)
Total	(1,210)	(1,813)	(469,162)	(472,185)

	Consolidated financial statements			Total
	2021			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	
Hire purchase and finance lease receivables	(1,642)	(975)	(81,608)	(84,225)
Mortgage loans	(842)	(2,032)	(238,147)	(241,021)
Short-term loans	-	-	(146,077)	(146,077)
Long-term loans	-	-	(387)	(387)
Total	(2,484)	(3,007)	(466,219)	(471,710)

The movements in allowance for expected credit loss of receivables under hire purchase and finance lease contract during the year were as follows:

	Consolidated financial statements			Total
	2022			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	
<i>Hire purchase and finance lease receivables</i>				
At 1 January	1,642	975	81,608	84,225
Change from stage reclassification	(1,230)	(429)	(43)	(1,702)
At 31 December	412	546	81,565	82,523

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<i>For the year ended 31 December</i>	Consolidated financial statements			Total
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit impaired	
Hire purchase and finance lease receivables				
At 1 January	1,337	2,805	79,840	83,982
Change from stage reclassification	305	(1,830)	1,768	243
At 31 December	1,642	975	81,608	84,225

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

Definition of default

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group;
- the borrower is more than 90 days past due on any material credit obligation to the Group; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Group has collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Group uses the PD to estimate ECL.

Incorporation of forward-looking information

ECL has been estimated by the probability default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Group considers credit risk to be similar such as types of financing and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved. Appropriate judgements are also incorporated to estimate ECL using macroeconomic data. The Group assesses both the current situation and the forecast of future economic conditions for each situation.

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Investments in securities

Information about the credit quality as at 31 December 2022 of debt securities measured at fair value through other comprehensive income and debt securities measured at amortised cost which were classified as investment grade with a carrying amount of Baht 22,040 million (2021: Baht 25,925 million), based on rating agency in Thailand which are Thai Rating and Information Service Co., Ltd. and Fitch Ratings (Thailand) Limited and foreign rating agency which are Moody's Investors Services, S&P Global Ratings and Fitch Rating Inc. and non-credit rated government and state enterprise securities with a carrying amount of Baht 12,567 million (2021: Baht 16,041 million).

The following table presents the exposure to credit risk for investment in debt securities at amortised cost and FVOCI. It indicates whether assets measured at amortised cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

<i>Investments in debt securities as at 31 December</i>	12-months ECL	Consolidated financial statements		Total
		Lifetime ECL- not credit- impaired (in thousand Baht)	Lifetime ECL- credit- impaired	
2022				
Debt instruments measured at amortised cost	525,500	-	-	525,500
Debt instruments measured at FVOCI	33,915,696	-	-	33,915,696
	34,441,196	-	-	34,441,196
Less allowance for expected credit loss	-	-	-	-
Net	34,441,196	-	-	34,441,196
2021				
Debt instruments measured at amortised cost	1,140,150	-	-	1,140,150
Debt instruments measured at FVOCI	38,786,124	-	-	38,786,124
	39,926,274	-	-	39,926,274
Less allowance for expected credit loss	(751)	-	-	(751)
Net	39,925,523	-	-	39,925,523

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	Consolidated financial statements	
	12-months ECL	Total
	<i>(in thousand Baht)</i>	
Movement of allowance for expected credit loss in investments in debt instruments		
2022		
Debt instruments measured at amortised cost		
At 1 January	(751)	(751)
Net remeasurement of loss allowance	751	751
At 31 December	-	-
Debt instruments measured at FVOCI		
At 1 January	(20,841)	(20,841)
Net remeasurement of loss allowance	9,934	9,934
At 31 December	(10,907)	(10,907)
2021		
Debt instruments measured at amortised cost		
At 1 January	(524)	(524)
Net remeasurement of loss allowance	(227)	(227)
At 31 December	(751)	(751)
Debt instruments measured at FVOCI		
At 1 January	(14,230)	(14,230)
Net remeasurement of loss allowance	(6,611)	(6,611)
At 31 December	(20,841)	(20,841)

40.5 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The Group's financial assets aged by maturity duration after reporting date are disclosed in 40.4.

As at 31 December 2022 and 2021, insurance contract liabilities are aged by estimating timing of the net cash flows as follows:

	Consolidated financial statements			
	Estimated timing of the net cash flows			
	Within 1 year	Between 1 - 5 years	Over 5 years	Total
	<i>(in thousand Baht)</i>			
2022				
Long-term technical reserves	5,065,811	20,703,565	16,783,847	42,553,223
2021				
Long-term technical reserves	6,696,333	23,438,437	12,329,666	42,464,436

In addition almost of loss reserves and outstanding claims as at reporting date have the estimated length of payment within 1 year because most of loss reserves are short trail insurance contract such as motor insurance, residential fire insurance and personal accident insurance.

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40.6 Equity price risk

Equity price risk is the risk arising from changes in the prices of equities that may cause either volatility in the Group's earnings or fluctuations in the value of the financial assets. The Group closely monitors prevailing market conditions and provide information to management for managing the risk in accordance with the Group's investment policy.

Sensitivity analysis

A reasonably possible change of the stock market as at 31 December 2022 would have affected the valuation of investment in listed equity investments and affected equity and profit or loss by the amount shown below:

	Profit or loss		Equity, net of tax	
	2% increase	2% decrease	2% increase	2% decrease
2022				
Stock exchange	-	-	177,627	(177,627)
2021				
Stock exchange	-	-	161,802	(161,802)

41 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Capital management - Insurance business

The Group's capital management policy is to maintain a strong capital base to meet policyholders' obligations and the requirements of the Office of Insurance Commission, to create shareholder value, deliver sustainable returns to shareholders and to support future business growth.

In accordance with and the requirements of the Office of Insurance Commission, all insurers are required to maintain a minimum at least 140% (2021: 120%) of capital adequacy requirement (CAR) to meet policyholders' obligations. The CAR applies a risk-based approach to capital adequacy and is determined by the sum of the aggregate of the total risk requirement of all insurance funds established and maintained by the insurer.

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to protect policyholders and to provide returns for shareholders and benefits for the stakeholders and to maintain an optimal capital structure to reduce the cost of capital. It is the Group's policy to hold capital levels in excess of CAR.

In order to maintain as adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares.

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42 Securities and assets pledged with the Registrar

42.1 As at 31 December, investments in debt securities have been pledged with the Registrar in accordance with Sections 20 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements			
	2022		2021	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	<u>43,103</u>	<u>50,000</u>	<u>73,958</u>	<u>80,000</u>

42.2 As at 31 December, investments in debt securities have been placed as life assurance policy reserve with the Registrar in accordance with Sections 24 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements			
	2022		2021	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government and state enterprise debt securities	9,008,358	8,929,500	10,086,652	9,429,500
Private debt securities	<u>2,395,686</u>	<u>2,278,000</u>	<u>2,196,467</u>	<u>2,010,000</u>
Total	<u>11,404,044</u>	<u>11,207,500</u>	<u>12,283,119</u>	<u>11,439,500</u>

42.3 As at 31 December, investments in debt securities have been placed with the Registrar in accordance with the Non-Life Insurance Act (No. 2) B.E. 2551 as follows:

	Consolidated financial statements			
	2022		2021	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	-	-	15,607	15,000
Deposit Bank	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>
Total	<u>14,000</u>	<u>14,000</u>	<u>29,607</u>	<u>29,000</u>

42.4 As at 31 December, investments in debt securities have been placed with the Registrar as the reserve fund in accordance with the Notification of the Office of Insurance Commission regarding “Rates, Rules and Procedures for Unearned Premium Reserve of Non - life Insurance Company B.E.2557” as follows:

	Consolidated financial statements			
	2022		2021	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government state enterprise debt securities and Bank of Thailand bonds	228,002	230,000	303,655	300,000
Deposit Bank	-	-	<u>536,000</u>	<u>536,000</u>
Total	<u>228,002</u>	<u>230,000</u>	<u>839,655</u>	<u>836,000</u>

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43 Restricted and collateral securities

As at 31 December, debt securities and time deposits at banks were pledged as collateral as follows:

	Consolidated financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Deposits at banks - time deposits</i>		
Bail bonds	2,925	1,775
<i>Government bonds (book value)</i>		
Electricity usage	-	2,081

44 Contribution to Insurance Fund

As at 31 December, the accumulated contributions to the Life and Non-Life Insurance Fund are as follows:

	Consolidated financial statements			
	Life Insurance Fund		Non-Life Insurance Fund	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	91,742	80,851	238,904	262,121
Increased during the year	9,831	10,891	8,667	27,136
Decreased during the year	-	-	(217,901)	(50,353)
At 31 December	101,573	91,742	29,670	238,904

45 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	202	2021
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Building and other constructions	75,176	174,179	-	-
Intangible assets and equipment	13,752	30,904	-	-
Total	88,928	205,083	-	-
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	5,945	11,169	280	280
After one year but within five years	3,472	7,405	648	929
Total	9,417	18,574	928	1,209
<i>Other commitments</i>				
Cross currency swap	3,953,684	3,479,561	-	-
Interest rate swap	5,116,148	3,340,190	-	-
Deposit at banks - pledged for				
- Bank guarantees	577,438	671,445	-	-
Total	9,647,270	7,491,196	-	-

As at 31 December 2022, the Group have operating lease agreements for building and other services for the period of 1 year to 5 years (2021: 1 year to 5 years).

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46 Contingent liabilities

As at 31 December 2022, significant lawsuits have been brought against the Group, in relation to insurance claims in the normal course of business for amount in dispute totaling approximately Baht 59.20 million (2021: Baht 344.80 million which represent SEIC's contingent liabilities approximately of Baht 301 million) of which the Group's share after recovery from reinsurance amounts to approximately Baht 330.50 million (2021: Baht 240 million). The Group has recognised part of contingent liabilities amounting to approximately Baht 24.50 million (2021: Baht 10.20 million) in the financial statements. The Group's management believes that the recorded amount of non-life policy reserves, life policy reserves, unpaid policy benefits and due to insured in the financial statements is adequate to meet the potential loss in respect of those claims.

47 Reclassification of accounts

Certain accounts in the 2021 consolidated financial statements have been reclassified to conform to the presentation in the 2022 consolidated financial statements as follows:

	2021		
	Consolidated financial statements		
	Before reclassifications	Reclassifications (in thousand Baht)	After reclassifications
<i>Statement of financial position</i>			
<i>Assets</i>			
Investment properties	480,313	318	480,631
Premises and equipment	15,442,905	(4,135)	15,438,770
Intangible assets	316,172	<u>3,817</u>	<u>319,989</u>
		<u>-</u>	

48 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS which are relevant to the Group's operations are expected to have significant impact on the Group's financial statements on the date of initial application are as follows:

TFRS	Topic
TFRS 17	Insurance contracts

(a) TFRS 17 - Insurance contracts

TFRS 17 will replace TFRS 4 - Insurance Contracts for the annual periods beginning on or after 1 January 2025.

TFRS 17 introduces the new measurement model which consists of fulfillment cash flows and a contractual service margin. The fulfillment cash flows represent the risk adjusted present value of the insurer's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that the Company will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided. The simplified approach may be chosen to adopt when certain criteria are met.

The Company may elect to recognise the cumulative negative impact on insurance contract liabilities from the adoption of TFRS 17 to retained earnings by applying the straight-line method within the period not exceeding 3 years from transition date.

TFRS 17 also introduces substantial changes in both presentation of the statement of financial position and statement of comprehensive income, as well as more granular disclosure requirements.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.