

Sompo Insurance (Thailand) Public Company Limited
Review report and interim financial information
30 September 2023



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Sompoo Insurance (Thailand) Public Company Limited

I have reviewed the accompanying statement of financial position of Sompoo Insurance (Thailand) Public Company Limited as at 30 September 2023, the statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2023, and the related statements of changes in equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively called "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 13 November 2023

Sompo Insurance (Thailand) Public Company Limited**Statements of financial position****As at 30 September 2023 and 31 December 2022**

		(Unit: Baht)	
	Note	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	4	548,979,608	390,909,011
Premium receivables	5, 19	448,931,835	739,404,074
Accrued investment income		16,190,524	10,800,439
Reinsurance assets	6	1,477,720,625	1,491,741,693
Receivables from reinsurance contracts	7, 19	307,421,054	186,071,205
Debt financial assets	8	2,702,609,757	2,568,611,196
Equity financial assets	9	27,924,744	27,801,409
Equipment		17,555,701	22,776,032
Right-of-use assets		30,737,180	45,510,301
Intangible assets	10	762,761,994	759,316,680
Deferred tax assets	11	151,513,014	52,013,706
Prepaid premium ceded		5,025,393	10,986,929
Other assets	12, 19	293,729,327	338,135,415
Total assets		6,791,100,756	6,644,078,090

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

Sompo Insurance (Thailand) Public Company Limited

Statements of financial position (continued)

As at 30 September 2023 and 31 December 2022

		(Unit: Baht)	
	Note	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Liabilities and equity			
Liabilities			
Insurance contract liabilities	13	3,079,698,847	2,966,507,455
Due to reinsurers	14, 19	1,240,169,681	1,254,254,480
Lease liabilities		36,107,866	50,881,346
Income tax payable		-	30,286,925
Employee benefit obligations		38,537,196	35,917,317
Premium received in advance		14,420,018	19,700,434
Accrued commission	19	68,105,089	93,764,890
Other liabilities	15, 19	171,299,459	200,965,683
Total liabilities		4,648,338,156	4,652,278,530
Equity			
Share capital			
Registered			
18,103,153 ordinary shares of Baht 100 each		1,810,315,300	1,810,315,300
Issued and paid-up			
18,103,153 ordinary shares of Baht 100 each		1,810,315,300	1,810,315,300
Retained earnings			
Appropriated - statutory reserve		7,730,599	7,730,599
Unappropriated		303,013,839	152,149,467
Other components of equity		21,702,862	21,604,194
Total equity		2,142,762,600	1,991,799,560
Total liabilities and equity		6,791,100,756	6,644,078,090

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



บริษัท ซมโปะ ประกันภัย (ประเทศไทย) จำกัด (มหาชน)
Sompo Insurance (Thailand) Public Company Limited

河野 竜由

(Handwritten signature)

Directors

(Unaudited but reviewed)

Sompo Insurance (Thailand) Public Company Limited

Statements of income

For the three-month periods ended 30 September 2023 and 2022

	Note	2023	2022
(Unit: Baht)			
Income			
Gross premium written		980,913,834	1,259,729,756
Less: Premium ceded to reinsurers		(592,934,770)	(884,084,443)
Net premium written		387,979,064	375,645,313
Add (less): Unearned premium reserves decreased (increased)			
from prior period		40,318,627	(27,341,433)
Net earned premium		428,297,691	348,303,880
Fee and commission income from reinsurers		176,762,910	210,680,144
Net investment income		16,985,352	11,637,073
Gain on financial instruments		3,394	-
Other income		2,634,780	574,749
Total income		624,684,127	571,195,846
Expenses			
Gross claim and loss adjustment expenses		106,855,710	326,841,743
Less: Claim recovery from reinsurers		128,950,804	(150,678,711)
Commission and brokerage expenses		151,774,857	139,422,409
Other underwriting expenses		74,879,949	88,150,396
Operating expenses	16	99,301,558	90,076,274
Financial costs		178,260	1,356,173
Expected credit loss		231,270	339,753
Total expenses		562,172,408	495,508,037
Profit before income tax		62,511,719	75,687,809
Income tax benefits (expenses)	11	26,207,909	(19,932,085)
Profit for the period		88,719,628	55,755,724
Earnings per share	17		
Basic earning per share		4.90	3.08

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

(Unaudited but reviewed)

Sompo Insurance (Thailand) Public Company Limited

Statements of comprehensive income

For the three-month periods ended 30 September 2023 and 2022

	(Unit: Baht)	
	2023	2022
Profit for the period	<u>88,719,628</u>	<u>55,755,724</u>
Other comprehensive income		
Items not to be recognised in statement of income for subsequent period		
Loss on equity instruments designated to be measured at fair value through other comprehensive income	-	(120,400)
Add: Income tax	-	<u>24,080</u>
Total items not to be recognised in statement of income for subsequent period - net of income tax	-	<u>(96,320)</u>
Total other comprehensive income for the period (loss)	-	<u>(96,320)</u>
Total comprehensive income for the period	<u><u>88,719,628</u></u>	<u><u>55,659,404</u></u>

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

(Unaudited but reviewed)

Sompo Insurance (Thailand) Public Company Limited

Statements of income

For the nine-month periods ended 30 September 2023 and 2022

	Note	2023	2022
(Unit: Baht)			
Income			
Gross premium written		3,172,451,481	3,216,070,656
Less: Premium ceded to reinsurers		(1,916,857,045)	(2,165,146,182)
Net premium written		1,255,594,436	1,050,924,474
Less: Unearned premium reserves increased from prior period		(53,252,162)	(98,961,628)
Net earned premium		1,202,342,274	951,962,846
Fee and commission income from reinsurers		490,356,389	519,759,090
Net investment income		42,185,658	32,896,434
Gain on financial instruments		3,394	-
Other income		6,152,340	5,084,331
Total income		1,741,040,055	1,509,702,701
Expenses			
Gross claim and loss adjustment expenses		1,026,522,485	768,663,243
Less: Claim recovery from reinsurers		(368,644,213)	(309,370,673)
Commission and brokerage expenses		442,965,742	399,725,255
Other underwriting expenses		225,867,381	211,439,349
Operating expenses	16	305,622,480	256,365,558
Financial costs		970,797	4,846,657
Expected credit loss (reversal)		26,247	(802,050)
Total expenses		1,633,330,919	1,330,867,339
Profit before income tax		107,709,136	178,835,362
Income tax benefits (expenses)	11	68,155,236	(59,672,077)
Profit for the period		175,864,372	119,163,285
Earnings per share	17		
Basic earning per share		9.71	6.58

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

(Unaudited but reviewed)

Sompo Insurance (Thailand) Public Company Limited

Statements of comprehensive income

For the nine-month periods ended 30 September 2023 and 2022

	(Unit: Baht)	
	2023	2022
Profit for the period	<u>175,864,372</u>	<u>119,163,285</u>
Other comprehensive income		
Items not to be recognised in statement of income for subsequent period		
Gain (loss) on equity instruments designated to be measured at fair value through other comprehensive income	123,335	(67,465)
Add (less): Income tax	<u>(24,667)</u>	<u>13,493</u>
Total items not to be recognised in statement of income for subsequent period - net of income tax (loss)	<u>98,668</u>	<u>(53,972)</u>
Total other comprehensive income for the period (loss)	<u>98,668</u>	<u>(53,972)</u>
Total comprehensive income for the period	<u><u>175,963,040</u></u>	<u><u>119,109,313</u></u>

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

(Unaudited but reviewed)

Sompo Insurance (Thailand) Public Company Limited

Statements of changes in equity

For the nine-month periods ended 30 September 2023 and 2022

(Unit: Baht)

	Issued and paid up share capital	Retained earnings		Other components of equity - equity instruments designated to be measured at fair value through other comprehensive income	Total
		Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2022	1,810,315,300	-	34,117,170	17,617,132	1,862,049,602
Profit for the period	-	-	119,163,285	-	119,163,285
Other comprehensive income for the period (loss)	-	-	-	(53,972)	(53,972)
Total comprehensive income for the period (loss)	-	-	119,163,285	(53,972)	119,109,313
Balance as at 30 September 2022	1,810,315,300	-	153,280,455	17,563,160	1,981,158,915
Balance as at 1 January 2023	1,810,315,300	7,730,599	152,149,467	21,604,194	1,991,799,560
Dividend paid (Note 18)	-	-	(25,000,000)	-	(25,000,000)
Profit for the period	-	-	175,864,372	-	175,864,372
Other comprehensive income for the period	-	-	-	98,668	98,668
Total comprehensive income for the period	-	-	175,864,372	98,668	175,963,040
Balance as at 30 September 2023	1,810,315,300	7,730,599	303,013,839	21,702,862	2,142,762,600

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

(Unaudited but reviewed)

Sompo Insurance (Thailand) Public Company Limited

Statements of cash flows

For the nine-month periods ended 30 September 2023 and 2022

	(Unit: Baht)	
	2023	2022
Cash flows from (used in) operating activities		
Direct premium written	3,260,928,713	3,065,047,509
Cash paid for reinsurance	(1,038,968,022)	(840,241,891)
Interest income	36,763,335	28,177,558
Dividend income	30,000	22,500
Other income	6,152,340	3,981,531
Loss incurred on direct insurance	(936,811,589)	(534,413,489)
Commission and brokerage expenses on direct insurance	(436,224,445)	(397,696,468)
Other underwriting expenses	(215,985,910)	(218,504,938)
Operating expenses	(253,451,587)	(412,852,064)
Income tax benefits (expenses)	(34,768,839)	56,123,517
Cash received from financial assets	1,198,576,645	360,123,520
Cash paid for in financial assets	(1,332,816,355)	(723,099,654)
Net cash flows from operating activities	253,424,286	386,667,631
Cash flows from (used in) investing activities		
Cash received from sales of equipment	-	1,102,798
Cash paid for purchase of equipment	(561,876)	(10,202,374)
Cash paid for purchase of intangible assets	(47,267,015)	(32,776,972)
Net cash flows used in investing activities	(47,828,891)	(41,876,548)
Cash flows from (used in) financial activities		
Dividend paid	(25,000,000)	-
Repayment of liabilities under lease agreements	(22,523,329)	(22,785,903)
Repayment of payable under the distribution agreement	-	(61,361,675)
Net cash flows used in financial activities	(47,523,329)	(84,147,578)
Expected credit loss (increase) decrease	(1,469)	48,022
Net increase in cash and cash equivalents	158,070,597	260,691,527
Cash and cash equivalents at beginning of period	390,909,011	312,068,207
Cash and cash equivalents at end of period	548,979,608	572,759,734

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

Sompo Insurance (Thailand) Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2023 and 2022

1. General information

1.1 General information of the Company

Sompo Insurance (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholders are C.K.T Holding Company Limited, a company registered and incorporated in Thailand, holding 51% of the Company’s issued and paid-up capital, and Sompo Japan Insurance Inc., a company registered in Japan and the Group’s ultimate parent company, holding 49%.

The Company is principally engaged in the provision of non-life insurance and its registered address is 990 Abdulrahim Place 12th and 14th Floor, Rama 4 Road, Silom, Bangrak, Bangkok.

2. Basis for the preparation of the financial information

2.1 Basis for the preparation of the interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented line items in the statements of financial position, income, comprehensive income, changes in equity and cash flows in the same format as that used for annual financial statements, and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements of non-life insurance companies B.E. 2566 dated 8 February 2023.

This interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, the interim financial information focuses on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

(Unaudited but reviewed)

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

2.2 Significant accounting policies

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

2.3 Financial reporting standards that became effective in the current period

The revised financial reporting standards which are effective for fiscal year beginning on or after 1 January 2023 do not have any significant impact on the Company's financial statements.

2.4 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

(Unaudited but reviewed)

3. Classification of financial assets and financial liabilities

As at 30 September 2023 and 31 December 2022, carrying amounts of financial assets and financial liabilities were classified as follows:

	(Unit: Baht)		
	30 September 2023		
	Equity instruments designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets			
Cash and cash equivalents	-	548,979,608	548,979,608
Accrued investment income	-	16,190,524	16,190,524
Debt financial assets	-	2,702,609,757	2,702,609,757
Equity financial assets	27,924,744	-	27,924,744
Financial liabilities			
Lease liabilities	-	36,107,866	36,107,866

	(Unit: Baht)		
	31 December 2022		
	Equity instruments designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets			
Cash and cash equivalents	-	390,909,011	390,909,011
Accrued investment income	-	10,800,439	10,800,439
Debt financial assets	-	2,568,611,196	2,568,611,196
Equity financial assets	27,801,409	-	27,801,409
Financial liabilities			
Lease liabilities	-	50,881,346	50,881,346

(Unaudited but reviewed)

4. Cash and cash equivalents

	(Unit: Baht)	
	30 September 2023	31 December 2022
Cash on hand	31,000	31,000
Deposits at banks with no fixed maturity date	549,179,311	391,107,245
Total cash and cash equivalents	549,210,311	391,138,245
Less: Allowance for expected credit loss	(230,703)	(229,234)
Cash and cash equivalents - net	548,979,608	390,909,011

5. Premium receivables

The balances as at 30 September 2023 and 31 December 2022 of premium receivables due from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)	
	30 September 2023	31 December 2022
Not yet due	264,962,842	335,794,218
Not over 30 days	62,651,353	251,372,797
Over 31 days to 60 days	60,860,598	39,841,295
Over 61 days to 90 days	6,187,553	5,909,786
Over 91 days	54,648,488	106,864,977
Total	449,310,834	739,783,073
Less: Allowance for doubtful accounts	(378,999)	(378,999)
Total premium receivables - net	448,931,835	739,404,074

6. Reinsurance assets

	(Unit: Baht)	
	30 September 2023	31 December 2022
Insurance reserves recoverable from reinsurers		
- Loss reserves	320,403,001	318,234,869
- Unearned premium reserves	1,157,317,624	1,173,506,824
Total reinsurance assets	1,477,720,625	1,491,741,693

(Unaudited but reviewed)

7. Receivables from reinsurance contracts

	(Unit: Baht)	
	30 September 2023	31 December 2022
Amounts due from reinsurers	307,421,054	186,071,205

8. Debt financial assets**8.1 Classified by type of financial assets**

	(Unit: Baht)	
	30 September 2023	31 December 2022
	Amortised cost	Amortised cost
Debt instruments measured at amortised cost		
Government securities	384,290,777	286,286,312
Private debt instruments	1,512,726,014	1,126,417,507
Deposits at financial institutions with maturity over 3 months	807,032,872	1,157,328,138
Total	2,704,049,663	2,570,031,957
Less: Allowance for expected credit loss	(1,439,906)	(1,420,761)
Total debt financial assets - net	2,702,609,757	2,568,611,196

8.2 Classified by stage of credit risk

	30 September 2023			31 December 2022		
	Gross carrying value	Allowance for expected credit loss	Net carrying value	Gross carrying value	Allowance for expected credit loss	Net carrying value
Debt instruments measured at amortised cost						
Stage 1 - Debt securities with no significant increase in credit risk	2,704,049,663	(1,439,906)	2,702,609,757	2,570,031,957	(1,420,761)	2,568,611,196

(Unaudited but reviewed)

8.3 Financial assets with restrictions and commitments

As at 30 September 2023 and 31 December 2022, the following assets have been pledged as security, policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Non-Life Insurance Act, and pledged as bail bond in case of where insured driver have been charged with criminal offence as below.

(Unit: Million Baht)

	30 September 2023		31 December 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
Assets pledged				
Government bonds	18.9	19.6	18.9	20.5
Assets reserve as insurance reserve				
Government bonds	238.8	240.1	190.5	196.7
Assets subject to other restriction				
Saving lottery which pledged	0.8	0.8	1.7	1.7
Total	<u>258.5</u>	<u>260.5</u>	<u>211.1</u>	<u>218.9</u>

9. Equity financial assets

9.1 Classified by type of financial assets

(Unit: Baht)

	30 September 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Equity instruments designated to be measured at fair value through other comprehensive income				
Non-listed equity instruments	796,166	<u>27,924,744</u>	796,166	<u>27,801,409</u>
Add: Unrealised gain	<u>27,128,578</u>		<u>27,005,243</u>	
Total equity financial assets - net	<u>27,924,744</u>		<u>27,801,409</u>	

(Unaudited but reviewed)

10. Intangible assets

(Unit: Baht)

	For the nine-month period ended 30 September 2023			
	Computer software	Computer software in progress	Rights under the Bancassurance agreement	Total
Net book value as at 1 January 2023	15,829,360	85,270,142	658,217,178	759,316,680
Acquisition during the period - at cost	-	47,267,015	-	47,267,015
Transfer in/(transfer out)	36,829,687	(36,829,687)	-	-
Amortisation charge for the period	(5,975,600)	-	(37,846,101)	(43,821,701)
Net book value as at 30 September 2023	46,683,447	95,707,470	620,371,077	762,761,994

10.1 Rights under the bancassurance agreement

On 19 September 2017, the Company entered into a Distribution agreement (“Agreement”) with a commercial bank and certain companies in the Bank’s Group. The Agreement was effective from 4 November 2020 to 31 December 2035. Under this Agreement, the Company is committed to pay the fees and applicable taxes, as consideration for the Bank and its group granting the Company to access their distribution channel for insurance products and also acting as the insurance agents over the agreement term. The Company has therefore recognised the net present value of the amount to be paid in order to obtain the right under the agreement with directly related expenses as an intangible asset totaling Baht 767 million. The payment period was specified in the agreement, depending on the premium amount the counterparty was able to gain for each period. The rights will be amortised as expenses over the term of the agreement. Under the terms and conditions of this agreement, the Company has to pay commission and other fees at the rate specified in the agreement, and such amount will be recognised as expenses on an accrual basis in the statement of income in the period they are incurred.

As at 30 September 2023, the carrying value of the access right to distribution channel were Baht 620.4 million (31 December 2022: Baht 658.2 million).

(Unaudited but reviewed)

11. Deferred tax assets and deferred tax liabilities / income tax expenses

11.1 Deferred tax assets/liabilities

The components of deferred tax assets and deferred tax liabilities as at 30 September 2023 and 31 December 2022 are as follows:

			(Unit: Baht)	
			Changes in deferred tax assets and liabilities recognised in the statement of income for the nine-month periods ended 30 September	
	30 September	31 December		
	2023	2022	2023	2022
Deferred tax assets/(liabilities)				
Allowance for expected credit loss	337,406	332,157	5,249	-
Allowance for loss on impairment of equity instruments	379,549	379,549	-	-
Right-of-use assets and lease liabilities	1,074,137	1,074,209	(72)	-
Rights under the bancassurance agreement	2,514,372	2,667,763	(153,391)	-
Loss reserve	82,720,136	24,158,719	58,561,417	-
Unearned premium reserve	61,256,611	21,618,895	39,637,716	-
Employee benefit obligations	7,707,439	7,183,463	523,976	417,110
Gain on equity instruments designated to be measured at fair value through other comprehensive income	(5,425,716)	(5,401,049)	-	-
Others	949,080	-	949,080	-
Deferred tax assets - net	151,513,014	52,013,706		
Changes in deferred tax assets and liabilities recognised in the statement of income			99,523,975	417,110

As at 30 September 2023, the Company has temporary differences of Baht 167.4 million (31 December 2022: Baht 585.1 million) to be utilised as tax deductions in the future. The Company did not record this amount as deferred tax assets since the Company assessed that there may not be sufficient taxable profit available in the future to utilise these items.

11.2 Income tax expenses

Income tax expenses (benefits) for the three-month and nine-month periods ended 30 September 2023 and 2022 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge for the period	7,183,712	19,698,539	32,325,418	62,403,809
Adjustment in respect of current income tax of previous period	-	-	(956,679)	(2,314,622)
Deferred tax:				
Relating to origination and reversal of temporary differences	(33,391,621)	233,546	(99,523,975)	(417,110)
Income tax expenses (benefits) reported in the statement of income	<u>(26,207,909)</u>	<u>19,932,085</u>	<u>(68,155,236)</u>	<u>59,672,077</u>

The reconciliations between income tax expenses (benefits) and the product of accounting profit for the three-month and nine-month periods ended 30 September 2023 and 2022 and the applicable tax rate are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Accounting profit before income tax expenses	<u>62,511,719</u>	<u>75,687,809</u>	<u>107,709,136</u>	<u>178,835,362</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before income tax expenses multiplied by applicable tax rate	12,502,344	15,137,562	21,541,827	35,767,072
Adjustment in respect of current income tax of previous period	-	-	(956,679)	(2,314,622)
Tax effect of:				
Temporary differences recognised/ not recognised as deferred tax	(38,987,147)	6,889,322	(82,594,492)	24,823,142
Non-taxable income and non-deductible expenses	<u>276,894</u>	<u>(2,094,799)</u>	<u>(6,145,892)</u>	<u>1,396,485</u>
Income tax expenses (benefits) reported in the statement of income	<u>(26,207,909)</u>	<u>19,932,085</u>	<u>(68,155,236)</u>	<u>59,672,077</u>

(Unaudited but reviewed)

12. Other assets

(Unit: Baht)

	30 September 2023	31 December 2022
Withholding tax refundable	65,868,640	65,868,640
Input tax refundable	7,048,197	33,910,356
Suspense input tax	58,735,253	38,404,040
Deposits on rice field insurance scheme	52,461,154	106,947,977
Prepaid commission expenses	63,646,180	63,323,483
Others	45,969,903	29,680,919
Total other assets	<u>293,729,327</u>	<u>338,135,415</u>

13. Insurance contract liabilities

(Unit: Baht)

	30 September 2023		
	Liabilities		
	Insurance contract	recovered from	
	liabilities	reinsurance	Net
Loss reserves			
- Claim incurred and reported	402,776,755	(123,359,382)	279,417,373
- Claim incurred but not reported	509,060,381	(197,043,619)	312,016,762
Unearned premium reserves	2,167,861,711	(1,157,317,624)	1,010,544,087
Total	<u>3,079,698,847</u>	<u>(1,477,720,625)</u>	<u>1,601,978,222</u>

(Unit: Baht)

	31 December 2022		
	Liabilities		
	Insurance contract	recovered from	
	liabilities	reinsurance	Net
Loss reserves			
- Claim incurred and reported	336,326,248	(124,160,081)	212,166,167
- Claim incurred but not reported	499,382,458	(194,074,788)	305,307,670
Unearned premium reserves	2,130,798,749	(1,173,506,824)	957,291,925
Total	<u>2,966,507,455</u>	<u>(1,491,741,693)</u>	<u>1,474,765,762</u>

(Unaudited but reviewed)

13.1 Loss reserves

(Unit: Baht)

	For the nine-month period ended 30 September 2023	For the year ended 31 December 2022
Beginning balance	835,708,706	729,611,639
Claim expenses incurred during the period/year	988,995,737	839,131,342
Change in loss reserves of claim incurred in prior period/year	(9,454,959)	75,937,488
Change in assumption in calculating loss reserves	9,677,923	80,242,395
Claim paid during the period/year	(913,090,271)	(889,214,158)
Ending balance	911,837,136	835,708,706

13.2 Unearned premium reserves

(Unit: Baht)

	For the nine-month period ended 30 September 2023	For the year ended 31 December 2022
Beginning balance	2,130,798,749	1,810,486,853
Premium written for the period/year	3,172,451,481	4,178,490,930
Premium earned for the current period/year	(3,135,388,519)	(3,858,179,034)
Ending balance	2,167,861,711	2,130,798,749

14. Due to reinsurers

(Unit: Baht)

	30 September 2023	31 December 2022
Amounts withheld on reinsurance	460,938,161	550,296,662
Other reinsurance payable	779,231,520	703,957,818
Total due to reinsurers	1,240,169,681	1,254,254,480

15. Other liabilities

(Unit: Baht)

	30 September 2023	31 December 2022
Commission received in advance	41,555,180	41,262,854
Accrued expenses	64,052,301	81,363,846
Short - term employee benefits	29,868,271	33,754,755
Other payables	3,667,633	1,481,840
Undue output tax	4,165,180	16,515,299
Others	27,990,894	26,587,089
Total other liabilities	171,299,459	200,965,683

(Unaudited but reviewed)

16. Operating expenses

(Unit: Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Personnel expenses which are not expenses for underwriting and claims	55,393,020	49,851,472	173,548,418	145,236,750
Premises and equipment expenses which are not expenses for underwriting and claims	17,469,974	14,076,550	44,249,406	40,722,471
Taxes and duties	1,063,371	2,742,023	2,089,157	5,184,985
Other operating expenses	25,375,193	23,406,229	85,735,499	65,221,352
Total operating expenses	99,301,558	90,076,274	305,622,480	256,365,558

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the period.

18. Dividend paid

Dividends declared during the period 2023 consist of the following:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividends for year 2022	Annual General Meeting of the shareholders on 26 April 2023	25.00	1.38
Total dividends for the period 2023		25.00	1.38

19. Related party transactions

19.1 Nature of relationship

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

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

Name of related parties	Nature of relationship
Sompo Japan Insurance Inc.	Ultimate parent company and shareholder
C.K.T Holding Company Limited	Major shareholder
Sompo Brokers (Thailand) Company Limited	Common shareholder in the same group
Sompo Insurance Singapore Pte. Ltd.	Common shareholder in the same group
Sompo Holdings (Asia) Pte. Ltd.	Common shareholder in the same group
Sompo Holding Inc.	Common shareholder in the same group
Sompo International Holdings Ltd.	Common shareholder in the same group
Sompo Japan Nipponkoa Reinsurance (Hong Kong) Company Limited	Common shareholder in the same group
Universal Sompo General Insurance Co., Ltd.	Common shareholder in the same group
Endurance Assurance Corporation	Common shareholder in the same group
Endurance Worldwide Insurance Ltd.	Common shareholder in the same group
Endurance Specialty Insurance Ltd.	Common shareholder in the same group

(Unaudited but reviewed)

19.2 Intercompany transactions

During the periods, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those parties are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Transfer pricing policy
	2023	2022	2023	2022	
	Transactions with ultimate parent company				
Premium ceded	105.3	321.3	647.7	1,128.7	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	24.4	126.8	143.8	344.4	Reinsurance rate depending on type of insurance and reinsurance contracts
Claim recovery (reversal)	(25.2)	34.6	238.8	110.7	According to terms of reinsurance contracts depending on types of insurance and reinsurance
Transactions with related companies					
Reinsurance premium income	-	-	46.1	48.3	Reinsurance rate depending on type of insurance and reinsurance contracts
Commission paid on reinsurance	-	-	1.9	2.0	Reinsurance rate depending on type of insurance and reinsurance contracts
Premium ceded	23.7	58.9	26.3	66.2	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	9.1	5.7	9.6	7.3	Reinsurance rate depending on type of insurance and reinsurance contracts
Commission paid on direct insurance	26.6	26.9	82.3	91.6	In accordance with the Notification by the Registrar regarding "Commission rate for Non-life insurance"
Claim recovery	1.3	-	41.1	4.3	According to terms of reinsurance contracts depending on types of insurance and reinsurance
Management fee	1.5	1.2	4.5	3.6	At contract price

(Unaudited but reviewed)

The Company had the following outstanding balances with related parties as at 30 September 2023 and 31 December 2022.

	(Unit: Million Baht)	
	<u>30 September 2023</u>	<u>31 December 2022</u>
Transactions with ultimate parent company		
Receivables from reinsurance contracts	64.4	57.6
Other assets	1.2	-
Due to reinsurers - amounts withheld on reinsurance	245.0	294.0
Due to reinsurers - other reinsurance payable	165.4	219.8
Transactions with related companies		
Premium receivables	89.7	162.2
Receivables from reinsurance contracts	36.2	7.4
Other assets	3.5	2.0
Due to reinsurers - amounts withheld on reinsurance	206.3	90.8
Due to reinsurers - other reinsurance payable	160.8	25.4
Accrued commission	13.1	24.2
Other liabilities	4.5	6.1

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Company had employment benefit expenses of its directors and management personnel as following.

	(Unit: Million Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term benefits	8.2	10.0	26.6	29.5
Long-term benefits	0.2	0.1	0.6	0.3
Total	<u>8.4</u>	<u>10.1</u>	<u>27.2</u>	<u>29.8</u>

20. Commitments and contingent liabilities

20.1 Operating lease and services commitments

As at 30 September 2023 and 31 December 2022, future minimum lease payments required under lease and services agreements which are not recognised as right-of-use assets are as follows.

	(Unit: Million Baht)	
	<u>30 September 2023</u>	<u>31 December 2022</u>
Payable within:		
1 year	3.3	3.9
1 to 4 years	2.2	2.6

20.2 Bank guarantees

As at 30 September 2023, there were outstanding bank guarantees of Baht 2.3 million (31 December 2022: Baht 2.3 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

20.3 Litigation

As at 30 September 2023, the Company has been sued for damaged totaling approximately Baht 27.5 million (31 December 2022: Baht 35.4 million) as insurer. The total maximum sum insured per the relevant policy is Baht 318.3 million (31 December 2022: Baht 324.3 million). The outcomes of these cases have not yet finalised but the Company has recorded loss reserves for its contingent loss amounting to Baht 7.8 million (31 December 2022: Baht 16.7 million) in the financial statements. The Company's management believes that such provision is adequate.

(Unaudited but reviewed)

21. Fair value of financial instruments

As at 30 September 2023 and 31 December 2022, the Company had financial assets that were measured at fair value, presenting levels of fair value hierarchy as following:

(Unit: Million Baht)

30 September 2023			
Level 1	Level 2	Level 3	Total

Financial assets measured at fair value

Equity financial assets - Equity instruments designated

to be measured at fair value through other

comprehensive income

-	-	27.9	27.9
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(Unit: Million Baht)

31 December 2022			
Level 1	Level 2	Level 3	Total

Financial assets measured at fair value

Equity financial assets - Equity instruments designated

to be measured at fair value through other

comprehensive income

-	-	27.8	27.8
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In addition to the financial assets that are presented at fair value as mentioned above, the Company also has financial assets that are presented at amortised cost but has to disclose their fair value. Most of those financial assets are classified as short-term and/or have interest rates that are close to market rates, therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value, except for certain investments in debt financial assets measured at amortised cost whose fair value differ from the carrying amount as follows.

(Unit: Million Baht)

	30 September 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
Debt financial assets measured at amortised cost				
Government securities	384.3	386.3	286.3	294.1
Private debt securities	1,511.8	1,484.6	1,125.8	1,119.3
Deposits at financial institutions with maturity over 3 months	806.5	807.0	1,156.5	1,157.3
	<u>2,702.6</u>	<u>2,677.9</u>	<u>2,568.6</u>	<u>2,570.7</u>

(Unaudited but reviewed)

During the current period, there were no change in the methods and assumption used by the Company in estimating the fair value of financial instruments and no transfers within the fair value hierarchy.

A reconciliation of equity financial assets measured at fair value which are categorised as Level 3 of the fair value hierarchy were presented below:

	(Unit: Million Baht)
Balance as of 1 January 2023	27.8
Gain recognised into other comprehensive income	0.1
Balance as of 30 September 2023	<u>27.9</u>

22. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Audit Committee on 13 November 2023.