

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

## 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 June 2023, the statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2023, and the related statements of changes in equity and cash flows for the six-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: 9 August 2023

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

(Unit: Baht)

	Note	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	4	581,073,993	390,909,011
Premium receivables	5, 19	775,443,597	739,404,074
Accrued investment income		12,144,127	10,800,439
Reinsurance assets	6	1,871,904,116	1,491,741,693
Receivables from reinsurance contracts	7, 19	378,729,026	186,071,205
Debt financial assets	8	2,724,055,672	2,568,611,196
Equity financial assets	9	27,924,744	27,801,409
Equipment		19,343,767	22,776,032
Right-of-use assets		32,066,960	45,510,301
Intangible assets	10	752,034,492	759,316,680
Deferred tax assets	11	118,121,393	52,013,706
Prepaid premium ceded		6,070,022	10,986,929
Other assets	12, 19	295,477,654	338,135,415
<b>Total assets</b>		<b>7,594,389,563</b>	<b>6,644,078,090</b>

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 June 2023 and 31 December 2022**

(Unit: Baht)

	Note	30 June 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance contract liabilities	13	3,498,591,203	2,966,507,455
Due to reinsurers	14, 19	1,679,256,228	1,254,254,480
Lease liabilities		37,311,981	50,881,346
Income tax payable		12,033,470	30,286,925
Employee benefit obligations		36,579,092	35,917,317
Premium received in advance		16,185,879	19,700,434
Accrued commission	19	95,412,207	93,764,890
Others liabilities	15, 19	164,976,531	200,965,683
<b>Total liabilities</b>		<b>5,540,346,591</b>	<b>4,652,278,530</b>
<b>Equity</b>			
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		214,294,211	152,149,467
Other components of equity		21,702,862	21,604,194
<b>Total equity</b>		<b>2,054,042,972</b>	<b>1,991,799,560</b>
<b>Total liabilities and equity</b>		<b>7,594,389,563</b>	<b>6,644,078,090</b>

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

河野 親由

*kinu onuma*



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

(Unaudited but reviewed)

**Sompo Insurance (Thailand) Public Company Limited**

**Statements of income**

**For the three-month periods ended 30 June 2023 and 2022**

		(Unit: Baht)	
	Note	2023	2022
<b>Income</b>			
Gross premium written		1,327,760,388	1,199,336,439
Less: Premium ceded to reinsurers		(888,464,941)	(833,234,859)
Net premium written		439,295,447	366,101,580
Less: Unearned premium reserves increased from prior period		(65,674,383)	(64,177,055)
Net earned premium		373,621,064	301,924,525
Fee and commission income from reinsurers		198,383,255	186,789,119
Net investment income		13,806,352	10,980,183
Other income		1,505,053	1,543,145
<b>Total income</b>		<b>587,315,724</b>	<b>501,236,972</b>
<b>Expenses</b>			
Gross claim and loss adjustment expenses		550,541,370	169,827,428
Less: Claim recovery from reinsurers		(337,536,010)	(57,137,111)
Commission and brokerage expenses		170,468,831	156,368,749
Other underwriting expenses		83,668,249	66,052,163
Operating expenses	16	107,590,553	89,298,323
Financial costs		169,277	1,744,391
Expected credit loss (reversal)		177,868	(1,263,785)
<b>Total expenses</b>		<b>575,080,138</b>	<b>424,890,158</b>
<b>Profit before income tax</b>		<b>12,235,586</b>	<b>76,346,814</b>
Income tax benefit (expenses)	11	29,144,625	(23,878,770)
<b>Profit for the period</b>		<b>41,380,211</b>	<b>52,468,044</b>
<b>Earnings per share</b>	17		
Basic earning per share		2.29	2.90

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 June 2023 and 2022**

	(Unit: Baht)	
	2023	2022
<b>Profit for the period</b>	<u>41,380,211</u>	<u>52,468,044</u>
<b>Other comprehensive income</b>		
Items not to be recognised in statement of income for subsequent period		
Gain on equity instruments designated to be measured at fair value through other comprehensive income	123,335	52,935
Less: income tax	<u>(24,667)</u>	<u>(10,587)</u>
Total items not to be recognised in statement of income for subsequent period - net of income tax	<u>98,668</u>	<u>42,348</u>
<b>Total other comprehensive income for the period</b>	<u>98,668</u>	<u>42,348</u>
<b>Total comprehensive income for the period</b>	<u><u>41,478,879</u></u>	<u><u>52,510,392</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 six-month periods ended 30 June 2023 and 2022**

		(Unit: Baht)	
	Note	2023	2022
<b>Income</b>			
Gross premium written		2,191,537,647	1,956,340,900
Less: Premium ceded to reinsurers		(1,323,922,275)	(1,281,061,739)
Net premium written		867,615,372	675,279,161
Less: Unearned premium reserves increased from prior period		(93,570,789)	(71,620,195)
Net earned premium		774,044,583	603,658,966
Fee and commission income from reinsurers		313,593,479	309,078,946
Net investment income		25,200,306	21,259,361
Other income		3,517,560	4,509,582
<b>Total income</b>		<b>1,116,355,928</b>	<b>938,506,855</b>
<b>Expenses</b>			
Gross claim and loss adjustment expenses		919,666,775	441,821,500
Less: Claim recovery from reinsurers		(497,595,017)	(158,691,962)
Commission and brokerage expenses		291,190,885	260,302,846
Other underwriting expenses		150,987,432	123,288,953
Operating expenses	16	206,320,922	166,289,284
Financial costs		792,537	3,490,484
Reversal expected credit loss		(205,023)	(1,141,803)
<b>Total expenses</b>		<b>1,071,158,511</b>	<b>835,359,302</b>
<b>Profit before income tax</b>		<b>45,197,417</b>	<b>103,147,553</b>
Income tax benefit (expenses)	11	41,947,327	(39,739,992)
<b>Profit for the period</b>		<b>87,144,744</b>	<b>63,407,561</b>
<b>Earnings per share</b>	17		
Basic earning per share		4.81	3.50

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 six-month periods ended 30 June 2023 and 2022**

	(Unit: Baht)	
	2023	2022
	<u>                    </u>	<u>                    </u>
<b>Profit for the period</b>	<u>87,144,744</u>	<u>63,407,561</u>
<b>Other comprehensive income</b>		
Items not to be recognised in statement of income for subsequent period		
Gain on equity instruments designated to be measured at fair value through other comprehensive income	123,335	52,935
Less: Income tax	<u>(24,667)</u>	<u>(10,587)</u>
Total items not to be recognised in statement of income for subsequent period - net of income tax	<u>98,668</u>	<u>42,348</u>
<b>Total other comprehensive income for the period</b>	<u>98,668</u>	<u>42,348</u>
<b>Total comprehensive income for the period</b>	<u><u>87,243,412</u></u>	<u><u>63,449,909</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 six-month periods ended 30 June 2023 and 2022**

(Unit: Baht)

	Issued and paid up share capital	Retained earnings		Total
		Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2022</b>	1,810,315,300	-	34,117,170	1,862,049,602
Profit for the period	-	-	63,407,561	63,407,561
Other comprehensive income for the period	-	-	-	42,348
Total comprehensive income for the period	-	-	63,407,561	63,449,909
<b>Balance as at 30 June 2022</b>	1,810,315,300	-	97,524,731	1,925,499,511
<b>Balance as at 1 January 2023</b>	1,810,315,300	7,730,599	152,149,467	1,991,799,560
Dividend paid (Note 18)	-	-	(25,000,000)	(25,000,000)
Profit for the period	-	-	87,144,744	87,144,744
Other comprehensive income for the period	-	-	-	98,668
Total comprehensive income for the period	-	-	87,144,744	87,243,412
<b>Balance as at 30 June 2023</b>	1,810,315,300	7,730,599	214,294,211	2,054,042,972

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 six-month periods ended 30 June 2023 and 2022**

(Unit: Baht)

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Direct premium written	2,021,089,510	1,693,343,524
Cash paid for reinsurance	(554,415,399)	(512,728,382)
Interest income	23,825,165	18,865,000
Dividend income	30,000	22,500
Other income	3,517,560	3,406,783
Loss incurred on direct insurance	(472,159,284)	(342,420,957)
Commission and brokerage expenses on direct insurance	(270,408,343)	(254,732,699)
Other underwriting expenses	(140,449,992)	(125,279,320)
Operating expenses	(195,593,028)	(127,218,978)
Income tax benefit (expenses)	(10,135,262)	38,696,762
Cash flows from financial assets	973,124,279	174,896,662
Cash flows used in financial assets	(1,128,612,670)	(295,063,166)
<b>Net cash flows from operating activities</b>	<b>249,812,536</b>	<b>271,787,729</b>
<b>Cash flows from (used in) investing activities</b>		
Cash receipt from sales of equipment	-	1,102,799
Cash paid for purchase of equipment	(500,899)	(184,096)
Cash paid for purchase of intangible assets	(19,149,572)	(14,373,022)
<b>Net cash flows used in investing activities</b>	<b>(19,650,471)</b>	<b>(13,454,319)</b>
<b>Cash flows from (used in) financial activities</b>		
Dividend paid	(25,000,000)	-
Repayment of liabilities under lease agreements	(15,025,472)	(15,240,095)
Repayment of payable under the distribution agreement	-	(61,361,676)
<b>Net cash flows used in financial activities</b>	<b>(40,025,472)</b>	<b>(76,601,771)</b>
Expected credit loss decrease	28,389	101,529
<b>Net increase in cash and cash equivalents</b>	<b>190,164,982</b>	<b>181,833,168</b>
Cash and cash equivalents at beginning of period	390,909,011	312,068,207
<b>Cash and cash equivalents at end of period</b>	<b>581,073,993</b>	<b>493,901,375</b>

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 six-month periods ended 30 June 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.

## 3. Classification of financial assets and financial liabilities

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

(Unit: Baht)

	30 June 2023		
	Equity instruments designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>			
Cash and cash equivalents	-	581,073,993	581,073,993
Accrued investment income	-	12,144,127	12,144,127
Debt financial assets	-	2,724,055,672	2,724,055,672
Equity financial assets	27,924,744	-	27,924,744
<b>Financial liabilities</b>			
Lease liabilities	-	37,311,981	37,311,981

(Unaudited but reviewed)

(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
<b>Financial assets</b>			
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
<b>Financial liabilities</b>			
Lease liabilities	-	50,881,346	50,881,346

**4. Cash and cash equivalents**

(Unit: Baht)

	30 June 2023	31 December 2022
Cash on hand	31,000	31,000
Deposits at banks with no fixed maturity date	581,243,838	391,107,245
Total cash and cash equivalents	581,274,838	391,138,245
Less: Allowance for expected credit loss	(200,845)	(229,234)
Cash and cash equivalents - net	581,073,993	390,909,011

**5. Premium receivables**

The balances as at 30 June 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 June 2023	31 December 2022
Not yet due	270,463,617	335,794,218
Not over 30 days	74,502,090	251,372,797
Over 31 days to 60 days	332,404,178	39,841,295
Over 61 days to 90 days	31,910,741	5,909,786
Over 91 days	66,541,970	106,864,977
Total	775,822,596	739,783,073
Less: Allowance for doubtful accounts	(378,999)	(378,999)
Total premium receivables - net	775,443,597	739,404,074

(Unaudited but reviewed)

**6. Reinsurance assets**

	(Unit: Baht)	
	30 June 2023	31 December 2022
Insurance reserves recoverable from reinsurers		
- Loss reserves	697,451,416	318,234,869
- Unearned premium reserves	1,174,452,700	1,173,506,824
Total reinsurance assets	<u>1,871,904,116</u>	<u>1,491,741,693</u>

**7. Receivables from reinsurance contracts**

	(Unit: Baht)	
	30 June 2023	31 December 2022
Amounts due from reinsurers	<u>378,729,026</u>	<u>186,071,205</u>

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

	(Unit: Baht)	
	30 June 2023	31 December 2022
	Amortised cost	Amortised cost
<b>Debt instruments measured at amortised cost</b>		
Government and state enterprise securities	631,060,630	286,286,312
Private debt instruments	1,316,798,216	1,126,417,507
Deposits at financial institutions with maturity over 3 months	<u>777,439,499</u>	<u>1,157,328,138</u>
Total	2,725,298,345	2,570,031,957
Less: Allowance for expected credit loss	<u>(1,242,673)</u>	<u>(1,420,761)</u>
Total debt financial assets - net	<u>2,724,055,672</u>	<u>2,568,611,196</u>

**8.2 Classified by stage of credit risk**

	30 June 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
<b>Debt instruments measured at amortised cost</b>						
Stage 1 - Debt securities with no significant increase in credit risk	<u>2,725,298,345</u>	<u>(1,242,673)</u>	<u>2,724,055,672</u>	<u>2,570,031,957</u>	<u>(1,420,761)</u>	<u>2,568,611,196</u>

(Unaudited but reviewed)

### 8.3 Financial assets with restrictions and commitments

As at 30 June 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 June 2023		31 December 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Assets pledged</b>				
Government bonds	18.9	20.0	18.9	20.5
<b>Assets reserve as insurance reserve</b>				
Government bonds	239.0	243.2	190.5	196.7
<b>Assets subject to other restriction</b>				
Saving lottery which pledged	0.9	0.9	1.7	1.7
<b>Total</b>	<b>258.8</b>	<b>264.1</b>	<b>211.1</b>	<b>218.9</b>

## 9. Equity financial assets

### 9.1 Classified by type of equity financial assets

(Unit: Baht)

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

(Unaudited but reviewed)

## 10. Intangible assets

(Unit: Baht)

	For the six-month period ended 30 June 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	-	19,149,572	-	19,149,572
Amortisation charge for the period	(1,339,656)	-	(25,092,104)	(26,431,760)
Net book value as at 30 June 2023	14,489,704	104,419,714	633,125,074	752,034,492

### 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 June 2023, the carrying value of the access right to distribution channel were Baht 633.1 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 June 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 six-month periods ended 30 June	
	30 June	31 December		
	2023	2022	2023	2022
<b>Deferred tax assets/(liabilities)</b>				
Allowance for expected credit loss	291,152	332,157	(41,005)	-
Allowance for loss on impairment of equity instruments	379,549	379,549	-	-
Right-of-use assets and lease liabilities	1,049,004	1,074,209	(25,205)	-
Rights under the bancassurance agreement	2,566,064	2,667,763	(101,699)	-
Loss reserve	69,453,470	24,158,719	45,294,751	-
Unearned premium reserve	41,859,332	21,618,895	20,240,437	-
Employee benefit obligations	7,315,818	7,183,463	132,355	650,656
Gain on equity instruments designated to be measured at fair value through other comprehensive income	(5,425,716)	(5,401,049)	-	-
Others	632,720	-	632,720	-
<b>Deferred tax assets - net</b>	<b>118,121,393</b>	<b>52,013,706</b>		
Changes in deferred tax assets and liabilities recognised in the statement of income			66,132,354	650,656

As at 30 June 2023, the Company has temporary differences of Baht 362.4 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 (benefit) for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Current income tax charge for the period	7,760,868	26,518,720	25,141,706	42,705,270
Adjustment in respect of current income tax of previous period	(956,679)	(2,314,622)	(956,679)	(2,314,622)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(35,948,814)	(325,328)	(66,132,354)	(650,656)
Income tax expenses (benefit) reported in the statement of income	(29,144,625)	23,878,770	(41,947,327)	39,739,992

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

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Accounting profit before income tax expenses	12,235,586	76,346,814	45,197,417	103,147,553
Applicable tax rate	20%	20%	20%	20%
Accounting profit before income expenses tax multiplied by applicable tax rate	2,447,117	15,269,363	9,039,483	20,629,511
Adjustment in respect of current income tax of previous period	(956,679)	(2,314,622)	(956,679)	(2,314,622)
Tax effect of:				
Temporary differences recognised/ not recognised as deferred tax	(23,981,263)	7,652,574	(43,607,345)	17,933,820
Non-taxable income and non-deductible expenses	(6,653,800)	3,271,455	(6,422,786)	3,491,283
Income tax expenses (benefit) reported in the statement of income	(29,144,625)	23,878,770	(41,947,327)	39,739,992

(Unaudited but reviewed)

## 12. Other assets

(Unit: Baht)

	30 June 2023	31 December 2022
Withholding tax refundable	65,868,640	65,868,640
Input tax refundable	1,631,802	33,910,356
Suspense input tax	60,291,161	38,404,040
Deposits on rice field insurance scheme	69,439,071	106,947,977
Prepaid commission expenses	64,466,478	63,323,483
Others	33,780,502	29,680,919
Total other assets	<u>295,477,654</u>	<u>338,135,415</u>

## 13. Insurance contract liabilities

(Unit: Baht)

	30 June 2023		
	Liabilities		
	Insurance contract	recovered from	Net
	liabilities	reinsurance	Net
Loss reserves			
- Claim incurred and reported	674,437,745	(411,671,768)	262,765,977
- Claim incurred but not reported	598,838,044	(285,779,648)	313,058,396
Unearned premium reserves	<u>2,225,315,414</u>	<u>(1,174,452,700)</u>	<u>1,050,862,714</u>
Total	<u>3,498,591,203</u>	<u>(1,871,904,116)</u>	<u>1,626,687,087</u>

(Unit: Baht)

	31 December 2022		
	Liabilities		
	Insurance contract	recovered from	Net
	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	<u>2,130,798,749</u>	<u>(1,173,506,824)</u>	<u>957,291,925</u>
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 six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balance	835,708,706	729,611,639
Claim expenses incurred during the period/year	802,766,116	839,131,342
Change in loss reserves of claim incurred in prior period/year	(7,481,753)	75,937,488
Change in assumption in calculating loss reserves	99,455,585	80,242,395
Claim paid during the period/year	(457,172,865)	(889,214,158)
Ending balance	1,273,275,789	835,708,706

### 13.2 Unearned premium reserves

(Unit: Baht)

	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balance	2,130,798,749	1,810,486,853
Premium written for the period/year	2,191,537,647	4,178,490,930
Premium earned for the current period/year	(2,097,020,982)	(3,858,179,034)
Ending balance	2,225,315,414	2,130,798,749

### 14. Due to reinsurers

(Unit: Baht)

	30 June 2023	31 December 2022
Amounts withheld on reinsurance	662,932,979	550,296,662
Other reinsurance payable	1,016,323,249	703,957,818
Total due to reinsurers	1,679,256,228	1,254,254,480

### 15. Other liabilities

(Unit: Baht)

	30 June 2023	31 December 2022
Commission received in advance	41,003,536	41,262,854
Accrued expenses	63,954,344	81,363,846
Short - term employee benefits	19,912,178	33,754,755
Other payables	2,427,741	1,481,840
Undue output tax	7,365,855	16,515,299
Others	30,312,877	26,587,089
Total other liabilities	164,976,531	200,965,683

(Unaudited but reviewed)

## 16. Operating expenses

(Unit: Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Personnel expenses which are not expenses for underwriting and claims	65,155,031	49,785,176	118,155,398	95,385,278
Premises and equipment expenses which are not expenses for underwriting and claims	13,239,794	13,559,702	26,779,432	26,645,921
Taxes and duties	371,400	982,896	1,025,786	2,442,962
Other operating expenses	28,824,328	24,970,549	60,360,306	41,815,123
Total operating expenses	107,590,553	89,298,323	206,320,922	166,289,284

## 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

## 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		For the six-month periods ended		Transfer pricing policy
	30 June		30 June		
	2023	2022	2023	2022	
<b>Transactions with ultimate parent company</b>					
Premium ceded	355.8	615.6	542.4	807.4	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	50.3	149.8	119.4	217.6	Reinsurance rate depending on type of insurance and reinsurance contracts
Claim recovery	229.3	34.5	264.0	76.1	According to terms of reinsurance contracts depending on types of insurance and reinsurance
<b>Transactions with related companies</b>					
Reinsurance premium income	46.1	48.3	46.1	48.3	Reinsurance rate depending on type of insurance and reinsurance contracts
Commission paid on reinsurance	1.9	2.0	1.9	2.0	Reinsurance rate depending on type of insurance and reinsurance contracts
Premium ceded	1.2	5.6	2.6	7.3	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	0.2	1.2	0.5	1.6	Reinsurance rate depending on type of insurance and reinsurance contracts
Commission paid on direct insurance	33.0	38.7	55.7	64.7	In accordance with the Notification by the Registrar regarding "Commission rate for Non-life insurance"
Claim recovery	5.3	0.1	39.8	4.3	According to terms of reinsurance contracts depending on types of insurance and reinsurance
Management fee	1.5	1.2	3.0	2.4	At contract price

(Unaudited but reviewed)

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

	(Unit: Million Baht)	
	30 June 2023	31 December 2022
<b>Transactions with ultimate parent company</b>		
Receivables from reinsurance contracts	12.3	57.6
Other assets	1.8	-
Due to reinsurers - amounts withheld on reinsurance	328.7	294.0
Due to reinsurers - other reinsurance payable	349.1	219.8
<b>Transactions with related companies</b>		
Premium receivables	155.5	162.2
Receivables from reinsurance contracts	34.6	7.4
Other assets	2.2	2.0
Due to reinsurers - amounts withheld on reinsurance	141.6	90.8
Due to reinsurers - other reinsurance payable	80.4	25.4
Accrued commission	22.0	24.2
Other liabilities	3.0	6.1

### Directors and management's remuneration

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

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Short-term benefits	9.2	10.4	18.4	19.5
Long-term benefits	0.2	0.1	0.4	0.2
Total	9.4	10.5	18.8	19.7



## 20. Commitments and contingent liabilities

### 20.1 Operating lease and services commitments

As at 30 June 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)	
	30 June 2023	31 December 2022
Payable within:		
1 year	4.1	3.9
1 to 4 years	2.7	2.6

### 20.2 Bank guarantees

As at 30 June 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 June 2023, the Company has been sued for damaged totaling approximately Baht 29.9 million (31 December 2022: Baht 35.4 million) as insurer. The total maximum sum insured per the relevant policy is Baht 318.9 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 7.4 million (31 December 2022: Baht 16.7 million) in the financial statements. The Company's management believes that such provision is adequate.

## 21. Fair value of financial instruments

As at 30 June 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 June 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Equity financial assets - Equity instruments designated to be measured at fair value through other comprehensive income	-	-	27.9	27.9

(Unaudited but reviewed)

(Unit: Million Baht)

	31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Equity financial assets - Equity instruments designated to be measured at fair value through other comprehensive income	-	-	27.8	27.8

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 June 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Debt financial assets measured at amortised cost</b>				
Government and state enterprise securities	631.1	636.4	286.3	294.1
Private debt securities	1,316.0	1,301.3	1,125.8	1,119.3
Deposits at financial institutions with maturity over 3 months	777.0	777.4	1,156.5	1,157.3
	<u>2,724.1</u>	<u>2,715.1</u>	<u>2,568.6</u>	<u>2,570.7</u>

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	<u>0.1</u>
Balance as of 30 June 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 9 August 2023.