

Sompo Insurance (Thailand) Public Company Limited
Review report and interim financial information
30 September 2022



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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 2022, the statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2022, 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: 11 November 2022

Sompo Insurance (Thailand) Public Company Limited**Statements of financial position****As at 30 September 2022 and 31 December 2021**

		(Unit: Baht)	
	Note	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	4	572,759,734	312,068,207
Premium receivables	5, 18	514,757,301	567,863,807
Accrued investment income		14,975,731	10,271,902
Reinsurance assets	6	1,830,967,765	1,395,020,640
Receivables from reinsurance contracts	7, 18	267,428,916	305,000,728
Debt financial assets	8	2,921,042,343	2,557,198,198
Equity financial assets	9	22,750,117	22,817,582
Equipment		22,268,149	19,454,406
Right-of-use assets		51,595,824	72,294,654
Intangible assets	10	752,831,730	759,856,569
Deferred tax assets	11	3,315,886	2,885,284
Prepaid premium ceded		14,308,338	35,084,413
Other assets	12, 18	494,997,252	383,443,470
Total assets		7,483,999,086	6,443,259,860

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 2022 and 31 December 2021

(Unit: Baht)

	Note	30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Liabilities and equity			
Liabilities			
Insurance contract liabilities	13	3,160,174,775	2,540,098,492
Due to reinsurers	14, 18	1,750,305,762	1,320,984,974
Lease liabilities		56,897,701	77,682,387
Payable under the Distribution Agreement	10.1	227,648,545	284,984,865
Income tax payable		24,890,472	33,213,306
Employee benefit obligations		36,635,634	34,550,091
Premium received in advance		22,149,429	39,814,681
Accrued commission	18	69,942,055	87,272,962
Others liabilities	15, 18	154,195,798	162,608,500
Total liabilities		5,502,840,171	4,581,210,258
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			
Unappropriated		153,280,455	34,117,170
Other components of equity		17,563,160	17,617,132
Total equity		1,981,158,915	1,862,049,602
Total liabilities and equity		7,483,999,086	6,443,259,860

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

河野 親由

Min Kimura

Directors



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

(Unaudited but reviewed)

Sompo Insurance (Thailand) Public Company Limited

Statements of income

For the three-month periods ended 30 September 2022 and 2021

	Note	2022	2021
(Unit: Baht)			
Income			
Gross premium written		1,259,729,756	962,657,167
Less: Premium ceded to reinsurers		(884,084,443)	(683,285,032)
Net premium written		375,645,313	279,372,135
Less: Unearned premium reserves increased from prior period		(27,341,433)	(27,238,474)
Net earned premium		348,303,880	252,133,661
Fee and commission income from reinsurers		210,680,144	163,902,744
Net investment income		11,637,073	11,322,011
Gain on financial instruments		-	93,077
Other income		574,749	874,832
Total income		571,195,846	428,326,325
Expenses			
Gross claim and loss adjustment expenses		326,841,743	104,257,181
Less: Claim recovery from reinsurers		(150,678,711)	7,877,724
Commission and brokerage expenses		139,422,409	115,799,496
Other underwriting expenses		88,150,396	61,149,426
Operating expenses	16	90,076,274	72,359,583
Financial costs		1,356,173	2,159,579
Expected credit loss		339,753	292,976
Total expenses		495,508,037	363,895,965
Profit before income tax		75,687,809	64,430,360
Less: Income tax expenses	11	(19,932,085)	(12,556,410)
Profit for the period		55,755,724	51,873,950
Earnings per share	17		
Basic earning per share		3.08	1.29
Weighted average number of ordinary share (Shares)		18,103,153	40,200,200

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 2022 and 2021

	(Unit: Baht)	
	2022	2021
Profit for the period	<u>55,755,724</u>	<u>51,873,950</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>	<u>-</u>
Total items not to be recognised in statement of income for subsequent period - net of income tax (loss)	<u>(96,320)</u>	<u>-</u>
Total other comprehensive income for the period (loss)	<u>(96,320)</u>	<u>-</u>
Total comprehensive income for the period	<u><u>55,659,404</u></u>	<u><u>51,873,950</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 2022 and 2021

		(Unit: Baht)	
	Note	2022	2021
Income			
Gross premium written		3,216,070,656	2,583,888,737
Less: Premium ceded to reinsurers		(2,165,146,182)	(1,775,979,210)
Net premium written		1,050,924,474	807,909,527
Less: Unearned premium reserves increased from prior period		(98,961,628)	(92,115,390)
Net earned premium		951,962,846	715,794,137
Fee and commission income from reinsurers		519,759,090	462,397,611
Net investment income		32,896,434	32,753,603
Gain on financial instruments		-	145,527
Other income		5,084,331	4,117,878
Total income		1,509,702,701	1,215,208,756
Expenses			
Gross claim and loss adjustment expenses		768,663,243	432,514,489
Less: Claim recovery from reinsurers		(309,370,673)	(77,859,538)
Commission and brokerage expenses		399,725,255	340,754,180
Other underwriting expenses		211,439,349	155,265,384
Operating expenses	16	256,365,558	235,037,258
Financial costs		4,846,657	7,661,183
Expected credit loss (reversal)		(802,050)	780,807
Total expenses		1,330,867,339	1,094,153,763
Profit before income tax		178,835,362	121,054,993
Less: Income tax expenses	11	(59,672,077)	(41,684,206)
Profit for the period		119,163,285	79,370,787
Earnings per share			
	17		
Basic earning per share		6.58	1.97
Weighted average number of ordinary share (Shares)		18,103,153	40,200,200

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 2022 and 2021

	(Unit: Baht)	
	2022	2021
Profit for the period	<u>119,163,285</u>	<u>79,370,787</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	(67,465)	12,528
Add (less): Income tax	<u>13,493</u>	<u>(2,506)</u>
Total items not to be recognised in statement of income for subsequent period - net of income tax (loss)	<u>(53,972)</u>	<u>10,022</u>
Total other comprehensive income for the period (loss)	<u>(53,972)</u>	<u>10,022</u>
Total comprehensive income for the period	<u><u>119,109,313</u></u>	<u><u>79,380,809</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 2022 and 2021

(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 (deficit)		
Balance as at 1 January 2021	4,020,020,000	8,881,806	(2,246,083,428)	11,079,355	1,793,897,733
Profit for the period	-	-	79,370,787	-	79,370,787
Other comprehensive income for the period	-	-	-	10,022	10,022
Total comprehensive income for the period	-	-	79,370,787	10,022	79,380,809
Balance as at 30 September 2021	4,020,020,000	8,881,806	(2,166,712,641)	11,089,377	1,873,278,542
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

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 2022 and 2021

	(Unit: Baht)	
	2022	2021
Cash flows from (used in) operating activities		
Direct premium written	3,065,047,509	2,428,488,389
Cash paid for reinsurance	(840,241,891)	(804,662,563)
Interest income	28,177,558	25,528,214
Dividend income	22,500	22,500
Other income	3,981,531	4,496,181
Loss incurred on direct insurance	(534,413,489)	(373,412,864)
Commission and brokerage expenses on direct insurance	(397,696,468)	(50,226,588)
Other underwriting expenses	(218,504,938)	(300,241,697)
Operating expenses	(412,852,064)	(156,603,371)
Income tax expenses	56,123,517	(318,253,071)
Cash flows from financial assets	360,123,520	1,118,158,882
Cash flows used in financial assets	(723,099,654)	(1,261,853,317)
Net cash flows from operating activities	386,667,631	311,440,695
Cash flows from (used in) investing activities		
Cash receipt from sales of equipment	1,102,798	68,700
Cash paid for purchase of equipment	(10,202,374)	(549,108)
Cash paid for purchase of intangible assets	(32,776,972)	(17,566,730)
Net cash flows used in investing activities	(41,876,548)	(18,047,138)
Cash flows from (used in) financial activities		
Repayment of liabilities under lease agreements	(22,785,903)	(22,591,478)
Repayment of payable under the distribution agreement	(61,361,675)	(268,000,000)
Net cash flows used in financial activities	(84,147,578)	(290,591,478)
Expected credit loss (increase) decrease	48,022	(134,940)
Net increase in cash and cash equivalents	260,691,527	2,667,139
Cash and cash equivalents at beginning of period	312,068,207	261,899,141
Cash and cash equivalents at end of period	572,759,734	264,566,280

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 2022 and 2021

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. Since 9 February 2022, 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%. (31 December 2021: Its parent company was Sompo Japan Insurance Inc., holding 100%).

The Company is principally engaged in the provision of non-life insurance.

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 and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated 4 April 2019.

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 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 2021.

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 2022 do not have any significant impact on the Company's financial statements.

3. Classification of financial assets and financial liabilities

As at 30 September 2022 and 31 December 2021, carrying amounts of financial assets and financial liabilities were classified as follow.

(Unit: Baht)

	30 September 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	-	572,759,734	572,759,734
Accrued investment income	-	14,975,731	14,975,731
Debt financial assets	-	2,921,042,343	2,921,042,343
Equity financial assets	22,750,117	-	22,750,117
Financial liabilities			
Lease liabilities	-	56,897,701	56,897,701

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2021		
	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	-	312,068,207	312,068,207
Accrued investment income	-	10,271,902	10,271,902
Debt financial assets	-	2,557,198,198	2,557,198,198
Equity financial assets	22,817,582	-	22,817,582
Financial liabilities			
Lease liabilities	-	77,682,387	77,682,387

4. Cash and cash equivalents

(Unit: Baht)

	30 September 2022	31 December 2021
Cash on hand	31,000	31,000
Deposits at banks with no fixed maturity date	573,018,083	312,374,578
Total cash and cash equivalents	573,049,083	312,405,578
Less: Allowance for expected credit loss	(289,349)	(337,371)
Cash and cash equivalents - net	572,759,734	312,068,207

5. Premium receivables

The balances as at 30 September 2022 and 31 December 2021 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 2022	31 December 2021
Not yet due	149,703,938	321,139,283
Not over 30 days	107,470,772	167,460,508
Over 31 days to 60 days	123,787,271	40,758,143
Over 61 days to 90 days	60,468,056	6,445,768
Over 91 days	73,706,263	32,439,104
Total	515,136,300	568,242,806
Less: Allowance for doubtful accounts	(378,999)	(378,999)
Total premium receivables - net	514,757,301	567,863,807

(Unaudited but reviewed)

6. Reinsurance assets

	(Unit: Baht)	
	30 September 2022	31 December 2021
Insurance recoverable from reinsurers		
- Loss reserves	475,100,453	338,040,804
- Unearned premium reserves	1,355,867,312	1,056,979,836
Total reinsurance assets	<u>1,830,967,765</u>	<u>1,395,020,640</u>

7. Receivables from reinsurance contracts

	(Unit: Baht)	
	30 September 2022	31 December 2021
Amounts due from reinsurers	<u>267,428,916</u>	<u>305,000,728</u>

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

	(Unit: Baht)	
	30 September 2022	31 December 2021
	Amortised cost	Amortised cost
Debt instruments measured at amortised cost		
Government and state enterprise securities	302,860,734	362,543,198
Private debt instruments	1,149,192,100	958,896,944
Deposits at financial institutions which matured over 3 months	<u>1,470,459,500</u>	<u>1,237,974,621</u>
Total	2,922,512,334	2,559,414,763
Less: Allowance for expected credit loss	<u>(1,469,991)</u>	<u>(2,216,565)</u>
Total debt financial assets - net	<u>2,921,042,343</u>	<u>2,557,198,198</u>

8.2 Classified by stage of credit risk

	30 September 2022			31 December 2021		
	Gross carrying value	Allowance for expected credit loss recognised in statement of income	Net carrying value	Gross carrying value	Allowance for expected credit loss recognised in statement of income	Net carrying value
Debt instruments measured at amortised cost						
Stage 1 - Debt securities with no significant increase in credit risk	<u>2,922,512,334</u>	<u>(1,469,991)</u>	<u>2,921,042,343</u>	<u>2,559,414,763</u>	<u>(2,216,565)</u>	<u>2,557,198,198</u>

(Unaudited but reviewed)

8.3 Financial assets with restrictions and commitments

As at 30 September 2022 and 31 December 2021, 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 2022		31 December 2021	
	Amortised cost	Fair value	Amortised cost	Fair value
Assets pledged				
Government bonds	18.9	19.9	18.8	21.3
Assets reserve as non - life insurance reserve				
Government bonds	230.8	231.7	192.1	205.2
Assets subject to other restriction				
Saving lottery which pledged	2.2	2.2	3.5	3.5
Total	251.9	253.8	214.4	230.0

9. Equity financial assets**9.1 Classified by type of equity financial assets**

(Unit: Baht)

	30 September 2022		31 December 2021	
	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	22,750,117	796,166	22,817,582
Add: Unrealised gain	21,953,951		22,021,416	
Total equity financial assets - net	22,750,117		22,817,582	

10. Intangible assets

(Unit: Baht)

	For the nine-month period ended 30 September 2022			
	Computer software	Computer software in progress	Rights under the Bancassurance agreement	Total
Net book value as at 1 January 2022	16,955,194	34,084,098	708,817,277	759,856,569
Acquisition during the period - at cost	1,513,800	31,263,173	-	32,776,973
Amortisation charge for the period	(1,955,711)	-	(37,846,101)	(39,801,812)
Net book value as at 30 September 2022	16,513,283	65,347,271	670,971,176	752,831,730

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 is effective from 4 November 2020 to 31 December 2035. Under this Agreement, the Company is committed to pay the fees and applicable taxes, in consideration of the Bank and its group granting the Company to access their distribution network 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 is as specified in the agreement, depending on the premium amount the counterparty is 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 2022, the carrying value of the access right to distribution network were Baht 671.0 million (31 December 2021: Baht 708.8 million).

As at 30 September 2022, the payable under the Distribution Agreement was Baht 227.6 million (31 December 2021: Baht 285.0 million) whereby the movement was as below.

	(Unit: Baht)
	For the nine-month period ended 30 September 2022
Balance - beginning of the period	284,984,865
Add: amortisation of deferred interest expenses	4,025,355
Less: payment	(61,361,675)
Balance - end of the period	<u>227,648,545</u>

11. Deferred tax assets / income tax expenses**11.1 Deferred tax assets/liabilities**

The components of deferred tax assets and deferred tax liabilities as at 30 September 2022 and 31 December 2021 are as follows:

	(Unit: Baht)			
			Changes in deferred tax assets and liabilities that are recognised in profit or loss for the nine-month periods ended 30 September	
	30 September 2022	31 December 2021	2022	2021
Deferred tax assets				
Allowance for expected credit loss	-	-	-	(399,823)
Allowance for loss on impairment of equity instruments	379,549	379,549	-	-
Right-of-use assets and lease liabilities	-	-	-	(603,754)
Post employee benefit obligations	7,327,128	6,910,018	417,110	455,326
Total	<u>7,706,677</u>	<u>7,289,567</u>		
Deferred tax liabilities				
Gain on equity instruments designated to be measured at fair value through other comprehensive income	4,390,791	4,404,283	-	-
Total	<u>4,390,791</u>	<u>4,404,283</u>		
Deferred tax assets - net	<u>3,315,886</u>	<u>2,885,284</u>		
Changes in deferred tax assets and liabilities that are recognised in profit or loss			<u>417,110</u>	<u>(548,251)</u>

As at 30 September 2022, the Company has temporary differences available to be utilised as tax deductions in the future of Baht 747.8 million (31 December 2021: Baht 635.2 million). The Company did not record deferred tax assets since the Company's assessment is that there may not be sufficient taxable profit available in the future to utilise these items.

11.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2022 and 2021 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge for the period	19,698,539	12,916,498	62,403,809	41,313,773
Adjustment in respect of current income tax of previous period	-	-	(2,314,622)	(177,818)
Deferred tax:				
Relating to origination and reversal of temporary differences	233,546	(360,088)	(417,110)	548,251
Income tax expenses reported in the statement of income	19,932,085	12,556,410	59,672,077	41,684,206

The reconciliations between income tax expenses and the product of accounting profit for the three-month and nine-month periods ended 30 September 2022 and 2021 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	
	2022	2021	2022	2021
Accounting profit before income tax	75,687,809	64,430,360	178,835,362	121,054,993
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	15,137,562	12,886,072	35,767,072	24,210,999
Adjustment in respect of current income tax of previous period	-	-	(2,314,622)	(177,818)
Tax effect of:				
Temporary differences not treated as deductible expenses and not recognised as deferred tax	6,889,322	(595,936)	24,823,142	19,410,464
Non-taxable income and non-deductible expenses	(2,094,799)	266,274	1,396,485	(1,759,439)
Income tax expenses reported in the statement of income	19,932,085	12,556,410	59,672,077	41,684,206

(Unaudited but reviewed)

12. Other assets

	(Unit: Baht)	
	30 September 2022	31 December 2021
Withholding tax refundable	65,868,641	135,323,889
Input tax refundable	-	55,093,781
Suspense input tax	66,828,717	35,237,361
Deposits on rice field insurance scheme	283,256,012	87,609,049
Prepaid commission expenses	53,313,798	41,202,908
Others	25,730,084	28,976,482
Total other assets	494,997,252	383,443,470

13. Insurance contract liabilities

	(Unit: Baht)		
	30 September 2022		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
- Claim incurred and reported	344,112,183	(158,699,853)	185,412,330
- Claim incurred but not reported	607,726,635	(316,400,600)	291,326,035
Unearned premium reserves	2,208,335,957	(1,355,867,312)	852,468,645
Total	3,160,174,775	(1,830,967,765)	1,329,207,010

	(Unit: Baht)		
	31 December 2021		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
- Claim incurred and reported	310,471,576	(131,059,316)	179,412,260
- Claim incurred but not reported	419,140,063	(206,981,488)	212,158,575
Unearned premium reserves	1,810,486,853	(1,056,979,836)	753,507,017
Total	2,540,098,492	(1,395,020,640)	1,145,077,852

(Unaudited but reviewed)

13.1 Loss reserves

(Unit: Baht)

	For the nine-month period ended 30 September 2022	For the year ended 31 December 2021
Beginning balance	729,611,639	766,636,492
Claim expenses for the period	577,017,459	695,032,907
Change in loss reserves of prior period's claim	(25,613,272)	(59,551,129)
Change in assumption in calculating loss reserves	188,586,572	42,759,593
Claim paid during the period	(517,763,580)	(715,266,224)
Ending balance	951,838,818	729,611,639

13.2 Unearned premium reserves

(Unit: Baht)

	For the nine-month period ended 30 September 2022	For the year ended 31 December 2021
Beginning balance	1,810,486,853	1,451,119,306
Premium written for the period	3,216,070,656	3,504,124,760
Premium earned for the current period	(2,818,221,552)	(3,144,757,213)
Ending balance	2,208,335,957	1,810,486,853

14. Due to reinsurers

(Unit: Baht)

	30 September 2022	31 December 2021
Amounts withheld on reinsurance	673,917,485	617,261,346
Other reinsurance payable	1,076,388,277	703,723,628
Total due to reinsurers	1,750,305,762	1,320,984,974

15. Other liabilities

(Unit: Baht)

	30 September 2022	31 December 2021
Commission received in advance	38,555,974	36,898,447
Accrued expenses	46,967,765	55,215,904
Short - term employee benefits	27,390,845	29,521,571
Revenue department payable	19,531,128	-
Other payables	5,561,027	700,179
Undue output tax	4,551,966	17,796,728
Others	11,637,093	22,475,671
Total other liabilities	154,195,798	162,608,500

(Unaudited but reviewed)

16. Operating expenses

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2022	2021	2022	2021
Personnel expenses which are not expenses for underwriting and claims	49,851,472	45,018,693	145,236,750	143,179,589
Premises and equipment expenses which are not expenses for underwriting	14,076,550	13,373,390	40,722,471	42,671,815
Taxes and duties	2,742,023	353,893	5,184,985	2,139,985
Bad debt and doubtful accounts (reversal)	-	-	-	(5,431,730)
Other operating expenses	23,406,229	13,613,607	65,221,352	52,477,599
Total operating expenses	90,076,274	72,359,583	256,365,558	235,037,258

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 in issue during the period.

18. Related party transactions

18.1 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

(Unaudited but reviewed)

18.2 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
	2022	2021	2022	2021	
	Transactions with ultimate parent company				
Premium ceded	321.3	293.7	1,128.7	994.8	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	126.8	98.3	344.4	298.7	Reinsurance rate depending on type of insurance and reinsurance contracts
Claim recovery (reversal)	34.6	(39.4)	110.7	8.9	According to terms of reinsurance contracts depending on types of insurance and reinsurance
Transactions with related companies					
Premium ceded	58.9	36.2	66.2	37.8	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	5.7	3.8	7.3	4.1	Reinsurance rate depending on type of insurance and reinsurance contracts
Commission paid on direct insurance	26.9	23.8	91.6	80.3	In accordance with the Notification by the Registrar regarding "Commission rate for Non-life insurance"
Claim recovery	-	1.3	4.3	4.4	According to terms of reinsurance contracts depending on types of insurance and reinsurance
Management fee	1.2	1.2	3.6	3.6	At contract price

(Unaudited but reviewed)

The Company had the following related party outstanding balances as at 30 September 2022 and 31 December 2021.

	(Unit: Million Baht)	
	30 September 2022	31 December 2021
Transactions with ultimate parent company		
Receivables from reinsurance contracts	68.1	62.7
Due to reinsurers - amounts withheld on reinsurance	410.7	409.9
Due to reinsurers - other reinsurance payable	444.7	148.5
Transactions with related companies		
Premium receivables	89.5	108.5
Receivables from reinsurance contracts	7.4	11.5
Other assets	1.5	1.4
Due to reinsurers - amounts withheld on reinsurance	43.6	27.2
Due to reinsurers - other reinsurance payable	20.1	2.9
Accrued commission	16.0	15.1
Other liabilities	3.6	5.7

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2022 and 2021, 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	
	2022	2021	2022	2021
Short-term benefits	10.0	9.2	29.5	29.5
Long-term benefits	0.1	0.2	0.3	2.9
Total	10.1	9.4	29.8	32.4

19. Commitments and contingent liabilities

19.1 Operating lease and services commitments

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

	(Unit: Million Baht)
Payable within:	
Within 1 year	5.3
1 to 4 years	2.6

19.2 Bank guarantees

As at 30 September 2022, there were outstanding bank guarantees of Baht 2.3 million (31 December 2021: 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.

19.3 Litigation

As at 30 September 2022, the Company has been sued for damaged totaling approximately Baht 21.9 million (31 December 2021: Baht 20.9 million) as insurer. The total maximum sum insured per the relevant policy is Baht 38.2 million (31 December 2021: Baht 52.3 million). The outcomes of these cases have not yet finalised but the Company has recorded loss reserves for its contingent loss amounting to Baht 12.7 million (31 December 2021: Baht 9.8 million) in the financial statements. The Company's management believes that such provision is adequate.

20. Fair value financial instruments

As at 30 September 2022 and 31 December 2021, the Company had financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	30 September 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	-	-	22.8	22.8
	(Unit: Million Baht)			
	31 December 2021			
	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	-	-	22.8	22.8

(Unaudited but reviewed)

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 cost but has to disclose their fair value, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income and debt instruments. 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 instruments whose fair value was differ from the carrying amount as follows.

(Unit: Million Baht)

	30 September 2022		31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
Debt instruments measured at amortised cost				
Government and state enterprise securities	302.9	304.7	362.5	378.0
Private debt securities	1,148.6	1,122.3	957.9	967.6
Deposits at financial institutions which matured over 3 months	1,469.5	1,470.5	1,236.8	1,238.0
	<u>2,921.0</u>	<u>2,897.5</u>	<u>2,557.2</u>	<u>2,583.6</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.

21. Approval of interim financial information

These interim financial information were authorised for issue by the Company's authorised directors on 11 November 2022.