

Sompo Insurance (Thailand) Public Company Limited  
Review report and interim financial information  
31 March 2021

## **Independent Auditor's Report on Review of Interim Financial Information**

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

I have reviewed the accompanying statement of financial position of Sompo Insurance (Thailand) Public Company Limited as at 31 March 2021, the related statements of income, comprehensive income, changes in equity and cash flows for the three-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: 12 May 2021

**Sompo Insurance (Thailand) Public Company Limited****Statement of financial position****As at 31 March 2021**

		(Unit: Baht)	
	Note	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	4	663,077,395	261,899,141
Premium receivables	5, 21	460,431,932	516,749,852
Accrued investment income		13,776,949	10,033,652
Reinsurance assets	6	1,173,904,240	1,371,395,268
Receivables from reinsurance contracts	7, 21	157,414,582	57,829,696
Debt financial assets	8	2,438,160,485	2,844,916,916
Equity financial assets	9	14,645,361	14,645,361
Equipment	10	27,720,165	31,208,680
Right-of-use assets		22,730,503	31,106,101
Intangible assets	11	772,869,294	785,916,371
Deferred tax assets	12	5,886,832	5,944,790
Prepaid premium ceded		146,895,918	166,030,357
Other assets	13, 21	326,283,239	363,019,694
<b>Total assets</b>		<b>6,223,796,895</b>	<b>6,460,695,879</b>

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

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

**Statement of financial position (continued)**

**As at 31 March 2021**

		(Unit: Baht)	
	Note	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance contract liabilities	14	2,070,516,699	2,217,755,798
Due to reinsurers	15, 21	1,169,014,902	1,157,137,574
Lease liabilities		26,764,905	34,124,872
Payable under the Distribution Agreement	11.1	757,268,025	754,336,572
Employee benefit obligations		35,333,263	36,657,513
Premium received in advance		172,998,319	176,446,365
Accrued commission	21	57,541,432	70,175,910
Others liabilities	16, 21	142,629,427	220,163,542
<b>Total liabilities</b>		<b>4,432,066,972</b>	<b>4,666,798,146</b>
<b>Equity</b>			
Share capital	17		
Registered			
40,200,200 ordinary shares of Baht 100 each		4,020,020,000	4,020,020,000
Issued and paid-up			
40,200,200 ordinary shares of Baht 100 each		4,020,020,000	4,020,020,000
Retained earnings			
Appropriated - statutory reserve		8,881,806	8,881,806
Unappropriated (deficits)		(2,248,251,238)	(2,246,083,428)
Other components of equity		11,079,355	11,079,355
<b>Total equity</b>		<b>1,791,729,923</b>	<b>1,793,897,733</b>
<b>Total liabilities and equity</b>		<b>6,223,796,895</b>	<b>6,460,695,879</b>

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

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*Min Sumrit*

Directors



**SOMPO**

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

(Unaudited but reviewed)

**Sompo Insurance (Thailand) Public Company Limited****Statement of income**

For the three-month period ended 31 March 2021

	Note	2021	2020
(Unit: Baht)			
<b>Income</b>			
Gross premium written		575,810,202	439,951,890
Less: Premium ceded to reinsurers		(330,254,565)	(247,541,689)
Net premium written		245,555,637	192,410,201
Add (less): Unearned premium reserve (increase) decrease from prior period		(17,504,290)	23,605,910
Net earned premium		228,051,347	216,016,111
Fee and commission income from reinsurers		103,475,672	77,808,982
Net investment income	18	10,581,843	9,433,407
Gain on financial instruments		46,175	2,562
Other income		1,782,644	3,089,569
<b>Total income</b>		<b>343,937,681</b>	<b>306,350,631</b>
<b>Expenses</b>			
Gross claim and loss adjustment expenses		166,520,818	143,354,823
Less: Claim recovery from reinsurers		(35,340,639)	(46,786,264)
Commission and brokerage expenses		80,681,195	67,133,691
Other underwriting expenses		44,398,742	24,835,169
Operating expenses	19	77,439,094	92,015,002
Financial costs		3,169,239	301,736
Expected credit loss (reversal)		(322,608)	(436,643)
<b>Total expenses</b>		<b>336,545,841</b>	<b>280,417,514</b>
<b>Profit before income tax</b>		<b>7,391,840</b>	<b>25,933,117</b>
Add (less): Income tax benefit (expenses)	12	(9,559,650)	444,643
<b>Profit (loss) for the period</b>		<b>(2,167,810)</b>	<b>26,377,760</b>
<b>Earnings per share</b>	20		
Basic earning (loss) per share		(0.05)	0.85
Weighted average number of ordinary shares (Shares)		40,200,200	31,200,200

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

(Unaudited but reviewed)

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

**Statement of comprehensive income**

**For the three-month period ended 31 March 2021**

	(Unit: Baht)	
Note	2021	2020
<b>Profit (loss) for the period</b>	<u>(2,167,810)</u>	<u>26,377,760</u>
<b>Total other comprehensive income for the period</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period (loss)</b>	<u><u>(2,167,810)</u></u>	<u><u>26,377,760</u></u>

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

(Unaudited but reviewed)

## Sampo Insurance (Thailand) Public Company Limited

## Statement of changes in equity

For the three-month period ended 31 March 2021

(Unit: Baht)

	Issued and paid up share capital	Retained earnings		Other components of equity - instruments designated to be measured at fair value through other comprehensive income	Total
		Appropriated - statutory reserve	Unappropriated (Deficits)		
<b>Balance as at 1 January 2020</b>	3,120,020,000	8,881,806	(2,257,147,072)	21,478,649	893,233,383
Profit for the period	-	-	26,377,760	-	26,377,760
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	26,377,760	-	26,377,760
<b>Balance as at 31 March 2020</b>	<u>3,120,020,000</u>	<u>8,881,806</u>	<u>(2,230,769,312)</u>	<u>21,478,649</u>	<u>919,611,143</u>
<b>Balance as at 1 January 2021</b>	4,020,020,000	8,881,806	(2,246,083,428)	11,079,355	1,793,897,733
Loss for the period	-	-	(2,167,810)	-	(2,167,810)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period (loss)	-	-	(2,167,810)	-	(2,167,810)
<b>Balance as at 31 March 2021</b>	<u>4,020,020,000</u>	<u>8,881,806</u>	<u>(2,248,251,238)</u>	<u>11,079,355</u>	<u>1,791,729,923</u>

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

(Unaudited but reviewed)

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

**Statement of cash flows**

**For the three-month period ended 31 March 2021**

	(Unit: Baht)	
	2021	2020
<b>Cash flows from (used in) operating activities</b>		
Direct premium written	588,823,076	593,240,591
Cash paid for reinsurance	(221,252,309)	(98,073,493)
Interest income	6,885,277	7,694,926
Other income	1,782,644	3,049,570
Loss incurred on direct insurance	(142,507,295)	(219,591,903)
Commission and brokerage expenses on direct insurance	(74,674,465)	(70,291,851)
Other underwriting expenses	(34,005,608)	(35,166,085)
Operating expenses	(120,899,377)	(65,797,814)
Cash flows from financial assets	464,834,581	297,573,236
Cash used in financial assets	(57,533,133)	(508,046,971)
<b>Net cash flow from (used in) operating activities</b>	<b>411,453,391</b>	<b>(95,409,794)</b>
<b>Cash flows from (used in) investing activities</b>		
Cash receipt from sales of equipment	-	40,000
Cash paid for purchase of equipment	(2,512,050)	(3,336,900)
Cash paid for purchase of intangible assets	-	(2,690,895)
<b>Net cash flows used in investing activities</b>	<b>(2,512,050)</b>	<b>(5,987,795)</b>
<b>Cash flows from (used in) financial activities</b>		
Repayment of liabilities under lease agreements	(7,540,121)	(7,440,857)
<b>Net cash flows used in financial activities</b>	<b>(7,540,121)</b>	<b>(7,440,857)</b>
<b>Increase in allowance for expected credit loss</b>	<b>(222,966)</b>	<b>(230,132)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>401,178,254</b>	<b>(109,068,578)</b>
Cash and cash equivalents at beginning of period	261,899,141	423,889,560
<b>Cash and cash equivalents at end of period</b>	<b>663,077,395</b>	<b>314,820,982</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 period ended 31 March 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. Its parent company is Sompo Japan Insurance Inc. which was incorporated in Japan. The Company is principally engaged in the provision of non-life insurance and its registered address is 990 Abdulrahim Place 12<sup>th</sup> and 14<sup>th</sup> Floor, Rama 4 Road, Silom, Bangrak, Bangkok.

**1.2 The Covid-19 pandemic**

The Covid-19 pandemic is continuing to evolve, and is directly and indirectly affecting businesses in many sectors, resulting in an economic slowdown and instability in money markets and capital markets. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**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.

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

## **2.2 New financial reporting standards**

### **2.2.1 Financial reporting standards that became effective in the current period**

During the period, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2021. 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 of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

### **2.2.2 Financial reporting standards that became effective for fiscal year beginning on or after 1 January 2022**

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

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

## **2.3 Significant accounting policies**

The interim financial information is prepared by using the same accounting policies and methods of computation as these were used for the financial statements for the year ended 31 December 2020.

### 3. Classification of financial assets and financial liabilities

As at 31 March 2021 and 31 December 2020, carrying amounts of financial assets and financial liabilities were classified as follow.

	(Unit: Baht)		
	31 March 2021		
	Equity instruments designed 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	-	663,077,395	663,077,395
Accrued investment income	-	13,776,949	13,776,949
Debt financial assets	-	2,438,160,485	2,438,160,485
Equity financial assets	14,645,361	-	14,645,361
<b>Financial liabilities</b>			
Lease liabilities	-	26,764,905	26,764,905
			(Unit: Baht)
	31 December 2020		
	Equity instruments designed 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	-	261,899,141	261,899,141
Accrued investment income	-	10,033,652	10,033,652
Debt financial assets	-	2,844,916,916	2,844,916,916
Equity financial assets	14,645,361	-	14,645,361
<b>Financial liabilities</b>			
Lease liabilities	-	34,124,872	34,124,872

(Unaudited but reviewed)

#### 4. Cash and cash equivalents

	(Unit: Baht)	
	31 March 2021	31 December 2020
Cash on hand	31,000	31,000
Deposits at banks with no fixed maturity date	313,395,848	262,105,711
Deposits at banks with fixed maturity date	350,111,083	-
Total cash and cash equivalents	663,537,931	262,136,711
Less: Allowance for expected credit loss	(460,536)	(237,570)
Cash and cash equivalents - net	663,077,395	261,899,141

#### 5. Premium receivables

The balances as at 31 March 2021 and 31 December 2020 of premium receivables which due from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)	
	31 March 2021	31 December 2020
Not yet due	312,764,041	380,140,640
Not over 30 days	41,467,062	71,595,437
Over 31 days to 60 days	76,667,350	37,631,812
Over 61 days to 90 days	8,651,591	7,067,809
Over 91 days	21,260,887	21,257,226
Total	460,810,931	517,692,924
Less: Allowance for doubtful accounts	(378,999)	(943,072)
Total premium receivables - net	460,431,932	516,749,852

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company has the legal process with such agents and brokers.

**6. Reinsurance assets**

	(Unit: Baht)	
	31 March 2021	31 December 2020
Insurance recoverable from reinsurers		
- Loss reserves	409,025,674	427,756,030
- Unearned premium reserves	764,878,566	943,639,238
Total reinsurance assets	<u>1,173,904,240</u>	<u>1,371,395,268</u>

**7. Receivables from reinsurance contracts**

	(Unit: Baht)	
	31 March 2021	31 December 2020
Amounts due from reinsurers	157,414,582	63,097,754
Less: Allowance for doubtful accounts	-	(5,268,058)
Total receivables from reinsurance contracts - net	<u>157,414,582</u>	<u>57,829,696</u>

The balances as at 31 March 2021 and 31 December 2020 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	31 March 2021	31 December 2020
Not yet due	103,603,883	45,182,674
Not over 1 year	50,572,117	14,427,000
Over 1 year to 2 years	3,227,821	3,477,319
Over 2 years	10,761	10,761
Total amounts due from reinsurers	<u>157,414,582</u>	<u>63,097,754</u>
Less: Allowance for doubtful accounts	-	(5,268,058)
Total receivables from reinsurance contracts - net	<u>157,414,582</u>	<u>57,829,696</u>

(Unaudited but reviewed)

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

	(Unit: Baht)	
	31 March 2021	31 December 2020
	Amortised cost	Amortised cost
<b>Debt instruments measured at amortised cost</b>		
Government and state enterprise securities	288,651,167	339,623,986
Private debt instruments	998,943,577	943,370,292
Deposits at financial institutions which matured over 3 months	1,151,769,683	1,563,671,597
<b>Total</b>	<b>2,439,364,427</b>	<b>2,846,665,875</b>
Less: Allowance for expected credit loss	(1,203,942)	(1,748,959)
<b>Total debt financial assets - net</b>	<b>2,438,160,485</b>	<b>2,844,916,916</b>

**8.2 Classified by stage of credit risk**

	(Unit: Baht)					
	31 March 2021			31 December 2020		
	Carrying value - gross	Allowance for expected credit loss recognised in profit or loss	Carrying value	Carrying value - gross	Allowance for expected credit loss recognised in profit or loss	Carrying value
<b>Debt instruments measured at amortised cost</b>						
Stage 1 - Debt securities with no significant increase in credit risk	2,439,364,427	(1,203,942)	2,438,160,485	2,846,665,875	(1,748,959)	2,844,916,916

(Unaudited but reviewed)

### 8.3 Financial assets with restrictions and commitments

As at 31 March 2021 and 31 December 2020, 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)

	31 March 2021		31 December 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Assets pledged</b>				
Government bonds	18.8	21.6	18.8	22.4
<b>Assets reserve as non - life insurance reserve</b>				
Government bonds	193.4	207.8	193.8	214.4
<b>Assets subject to other restriction</b>				
Saving lottery which pledged	2.9	2.9	3.2	3.2
<b>Total</b>	<b>215.1</b>	<b>232.3</b>	<b>215.8</b>	<b>240.0</b>

## 9. Equity financial assets

### 9.1 Classified by type of equity financial assets

(Unit: Baht)

	31 March 2021		31 December 2020	
	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	14,645,361	796,166	14,645,361
Add: Unrealised gain	13,849,195		13,849,195	
<b>Total equity financial assets - net</b>	<b>14,645,361</b>		<b>14,645,361</b>	

(Unaudited but reviewed)

## 10. Equipment

(Unit: Baht)

	For the three-month period ended 31 March 2021			
	Leasehold improvement	Office equipment	Motor vehicles	Total
Net book value as at 1 January 2021	8,556,870	21,595,443	1,056,367	31,208,680
Acquisition during the period - at cost	4,500	174,090	-	178,590
Write-off during the period - net book value	-	(574,625)	-	(574,625)
Depreciation charge for the period	(722,632)	(2,305,867)	(63,981)	(3,092,480)
Net book value as at 31 March 2021	<u>7,838,738</u>	<u>18,889,041</u>	<u>992,386</u>	<u>27,720,165</u>

## 11. Intangible assets

(Unit: Baht)

	For the three-month period ended 31 March 2021			
	Computer software	Computer software in progress	Rights under the Bancassurance agreement	Total
Net book value as at 1 January 2021	18,299,587	8,199,408	759,417,376	785,916,371
Acquisition during the period - at cost	53,500	-	-	53,500
Write-off during the period - net book value	(6,700)	-	-	(6,700)
Amortisation charge for the period	(617,140)	-	(12,476,737)	(13,093,877)
Net book value as at 31 March 2021	<u>17,729,247</u>	<u>8,199,408</u>	<u>746,940,639</u>	<u>772,869,294</u>



## 11.1 Rights under the bancassurance agreement

On 19 September 2017, the Company entered into a Distribution agreement (“Agreement”) with a Commercial bank and certain companies of the 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 the group company granting the Company access to the distribution network for insurance products and also acting as the insurance agents for the Company 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, which will be recognised as expenses on an accrual basis in the statement of income in the period they are incurred.

As at 31 March 2021, the carrying value of the access right to distribution network were Baht 746.9 million (31 December 2020: Baht 759.4 million) and net payables under the Distribution Agreement were Baht 757.3 million (31 December 2020: Baht 754.3 million).

## 12. Deferred tax assets / income tax expenses

### 12.1 Deferred tax assets/liabilities

The components of deferred tax assets and deferred tax liabilities as at 31 March 2021 and 31 December 2020 are as follows:

	(Unit: Baht)	
	31 March 2021	31 December 2020
<b>Deferred tax assets</b>		
Allowance for expected credit loss	335,301	399,823
Allowance for loss on impairment of investments in securities	379,549	379,549
Right-of-use assets and lease liabilities	875,168	603,754
Post employee benefit obligations	7,066,653	7,331,503
Total	<u>8,656,671</u>	<u>8,714,629</u>
<b>Deferred tax liabilities</b>		
Gain on changes in value of investments designated at fair value through other comprehensive income	2,769,839	2,769,839
Total	<u>2,769,839</u>	<u>2,769,839</u>
Deferred tax assets - net	<u>5,886,832</u>	<u>5,944,790</u>

(Unaudited but reviewed)

As at 31 March 2021, the Company has temporary differences available to be utilised as tax deductions in the future of Baht 512.8 million (31 December 2020: temporary differences for tax deductions of Baht 466.7 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.

## 12.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2021 and 2020 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2021	2020
<b>Current income tax:</b>		
Current income tax charge for the period	9,501,692	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	57,958	(444,643)
<b>Income tax expenses (benefit) reported in the statement of income</b>	<b>9,559,650</b>	<b>(444,643)</b>

The reconciliations between income tax expenses and the product of accounting profit for the three-month periods ended 31 March 2021 and 2020 and the applicable tax rate are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Accounting profit before income tax expenses	7,391,840	25,933,117
Applicable tax rate	20%	20%
Accounting profit before income tax expenses multiple by applicable tax rate	1,478,368	5,186,623
Tax effect of:		
Tax loss brought forward utilise during current period	-	(2,549,614)
Temporary differences not treated as tax deductible expenses and was not recognised as deferred tax	9,204,828	(3,321,170)
Non-taxable income and non-deductible expenses	(1,123,546)	239,518
<b>Income tax expenses (benefit) reported in the statement of income</b>	<b>9,559,650</b>	<b>(444,643)</b>

(Unaudited but reviewed)

### 13. Other assets

(Unit: Baht)

	31 March 2021	31 December 2020
Revenue Department receivable	132,442,312	136,876,067
Undue input tax	34,317,227	29,677,095
Deposits on rice field insurance scheme	78,857,490	115,326,587
Prepaid commission expenses	42,296,998	37,697,322
Others	38,369,212	43,442,623
Total other assets	<u>326,283,239</u>	<u>363,019,694</u>

### 14. Insurance contract liabilities

(Unit: Baht)

	31 March 2021		
	Insurance contract	Reinsurance on	
	liabilities	liabilities	Net
Loss reserves			
- Claim incurred and reported	391,463,728	(212,077,052)	179,386,676
- Claim incurred but not reported	389,190,047	(196,948,622)	192,241,425
Unearned premium reserves	1,289,862,924	(764,878,566)	524,984,358
Total	<u>2,070,516,699</u>	<u>(1,173,904,240)</u>	<u>896,612,459</u>

(Unit: Baht)

	31 December 2020		
	Insurance contract	Reinsurance on	
	liabilities	liabilities	Net
Loss reserves			
- Claim incurred and reported	390,256,021	(226,278,653)	163,977,368
- Claim incurred but not reported	376,380,471	(201,477,377)	174,903,094
Unearned premium reserves	1,451,119,306	(943,639,238)	507,480,068
Total	<u>2,217,755,798</u>	<u>(1,371,395,268)</u>	<u>846,360,530</u>

(Unaudited but reviewed)

#### 14.1 Loss reserves

(Unit: Baht)

	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balance	766,636,492	855,789,385
Claim expenses for the period	187,140,724	883,856,885
Change in loss reserves of prior period's claim	(29,278,118)	(150,446,292)
Change in assumption in calculating loss reserves	-	34,492,207
Claim paid during the period	(143,845,323)	(857,055,693)
Ending balance	780,653,775	766,636,492

As at 31 March 2021, the Company has loss reserves and outstanding claim under reinsurance contracts amounting to Baht 102.9 million (31 December 2020: Baht 110.8 million).

#### 14.2 Unearned premium reserves

(Unit: Baht)

	For the three-month period ended 31 March 2021	For the year ended 31 December 2020
Beginning balance	1,451,119,306	1,367,283,401
Premium written for the period	575,810,202	2,877,895,115
Premium earned for the current period	(737,066,584)	(2,794,059,210)
Ending balance	1,289,862,924	1,451,119,306

#### 15. Due to reinsurers

(Unit: Baht)

	31 March 2021	31 December 2020
Amounts withheld on reinsurance	550,184,167	627,392,375
Other reinsurance payable	618,830,735	529,745,199
Total due to reinsurers	1,169,014,902	1,157,137,574

(Unaudited but reviewed)

## 16. Other liabilities

	(Unit: Baht)	
	31 March 2021	31 December 2020
Commission received in advance	62,831,017	68,722,567
Accrued expenses	28,359,342	68,979,746
Short - term employee benefits	22,502,310	20,497,826
Other payables	10,564,345	20,929,810
Undue output tax	5,914,280	16,086,736
Others	12,458,133	24,946,857
Total other liabilities	<u>142,629,427</u>	<u>220,163,542</u>

## 17. Share capital

On 6 October 2020, the Extraordinary General Meeting of shareholders No. 2/2020 of the Company approved the increase its registered share capital from Baht 3,120 million to Baht 4,020 million, through the issuance of 9 million common shares with a par value of Baht 100 per share, total amounting to Baht 900 million. The Company received full payment for the shares on 8 October 2020 and registered the increase in its registered share capital with the Ministry of Commerce on 21 October 2020.

## 18. Net investment income

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Interest income from debt instruments	10,935,807	9,749,474
Less: Investment expenses	(353,964)	(316,067)
Net investment income	<u>10,581,843</u>	<u>9,433,407</u>

## 19. Operating expenses

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Personnel expenses	52,025,155	54,193,748
Premises and equipment expenses	15,121,723	14,072,416
Taxes and duties	442,195	57,832
Bad debts and doubtful accounts (reversal)	(5,431,730)	-
Other operating expenses	15,281,751	23,691,006
Total operating expenses	<u>77,439,094</u>	<u>92,015,002</u>

## 20. 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.

## 21. Related party transactions

### 21.1 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	Parent company
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

**21.2 Nature of relationship**

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 business between the Company and those parties are as follows:

(Unit: Million Baht)

	For the three-month periods		Transfer pricing policy
	ended 31 March		
	2021	2020	
<b>Transactions with parent company</b>			
Premium ceded	155.1	156.9	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	58.1	53.2	Reinsurance rate depending on type of insurance and reinsurance contracts
Claim recovery	14.6	25.1	According to terms of reinsurance contracts depending on types of insurance and reinsurance
<b>Transactions with related companies</b>			
Premium ceded	1.0	0.5	Reinsurance rate depending on type of insurance and reinsurance contracts
Fee and commission income	0.2	0.1	Reinsurance rate depending on type of insurance and reinsurance contracts
Commission paid on direct insurance	16.3	20.8	In accordance with the Notification by the Registrar regarding "Commission rate for Non-life insurance"
Claim recovery (reversal)	3.3	(0.1)	According to terms of reinsurance contracts depending on types of insurance and reinsurance

(Unaudited but reviewed)

The Company had the following related party outstanding balances as at 31 March 2021 and 31 December 2020.

	(Unit: Million Baht)	
	31 March 2021	31 December 2020
<b>Transactions with parent company</b>		
Receivables from reinsurance contracts	24.8	10.8
Due to reinsurers - amounts withheld on reinsurance	458.2	478.9
Due to reinsurers - other reinsurance payable	178.7	249.2
<b>Transactions with related companies</b>		
Premium receivables	54.3	162.4
Receivables from reinsurance contracts	3.3	0.9
Other assets	0.8	0.6
Due to reinsurers - amounts withheld on reinsurance	1.4	22.5
Due to reinsurers - other reinsurance payable	0.9	10.6
Accrued commission	8.1	25.0
Other liabilities	1.2	9.4

#### **Directors and management's remuneration**

During the three-month periods ended 31 March 2021 and 2020, the Company had employment benefit expenses of its directors and management personnel as following.

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Short-term benefits	11.0	8.0
Long-term benefits	2.5	0.2
Total	13.5	8.2



**22. Commitments and contingent liabilities****22.1 Operating lease and services commitments**

As at 31 March 2021, future minimum lease payments required under these lease and services agreements which are not recognised as right-of-use assets are as follow.

	(Unit: Million Baht)
Payable within:	
Within 1 year	4.2
1 to 4 years	3.8

**22.2 Bank guarantees**

As at 31 March 2021, there were outstanding bank guarantees of approximately Baht 2.3 million (31 December 2020: 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.

**22.3 Litigation**

As at 31 March 2021, the Company has been sued for damaged totaling approximately Baht 26.0 million (31 December 2020: Baht 15.3 million) as insurer. The total maximum sum insured per the relevant policy is Baht 23.9 million (31 December 2020: Baht 19.8 million). The outcomes of these cases have not yet finalised but the Company has recorded loss reserves for its contingent loss amounting to Baht 10.4 million (31 December 2020: Baht 10.4 million) in the financial statements.

**23. Financial instruments**

As at 31 March 2021 and 31 December 2020, the Company had financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)							
	31 March 2021				31 December 2020			
	Level 1	Level 2	Level 3	Total	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	-	-	14.6	14.6	-	-	14.6	14.6

(Unaudited but reviewed)

In addition, the Company has financial assets and liabilities measured at cost but has to disclose at fair value, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income and lease liabilities, which are classified as short-term and/or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value. However, excluding certain amounts of debt instruments measured at amortised cost that fair value is different from carrying amounts as follows.

(Unit: Million Baht)

	31 March 2021		31 December 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Debt financial instruments measured at amortised cost</b>				
Government and state enterprise securities	288.7	305.8	339.7	364.3
Private debt securities	998.4	1,011.1	942.8	957.1
Deposits at financial institutions which matured over 3 months	1,151.1	1,151.8	1,562.5	1,563.7
	<u>2,438.2</u>	<u>2,468.7</u>	<u>2,845.0</u>	<u>2,885.1</u>

During the 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.

#### 24. Approval of interim financial information

These interim financial information were authorised for issue by the Company's authorised directors on 12 May 2021.