

**Mitsui Sumitomo Insurance Company Limited**  
**Thailand Branch**

Condensed interim financial statements  
for the three-month period ended 31 March 2024  
and  
Independent auditor's review report



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## **Independent auditor’s report on review of interim financial information**

### **To the Management of Mitsui Sumitomo Insurance Company Limited Thailand Branch**

I have reviewed the accompanying statement of financial position of Mitsui Sumitomo Insurance Company Limited Thailand Branch as at 31 March 2024; the statements of comprehensive income, changes in Head Office Account and cash flows for the three-month period ended 31 March 2024, and the condensed notes (“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 the 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”.

(Pantip Gulsantithamrong)  
Certified Public Accountant  
Registration No. 4208

KPMG Phoomchai Audit Ltd.  
Bangkok  
13 May 2024

# Mitsui Sumitomo Insurance Company Limited Thailand Branch

## Statement of financial position

Assets	Note	31 March	31 December
		2024	2023
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3	446,337	449,445
Premiums due and uncollected	4, 10	935,445	1,006,249
Accrued investment income		143,119	68,300
Reinsurance assets	7, 10	1,480,055	1,916,881
Reinsurance receivables	5, 10	46,306	55,360
Investments assets			
Investments in securities	6, 12, 13	22,247,743	21,834,965
Leasehold building improvement and equipment		10,054	11,421
Right-of-use assets		111,671	47,903
Intangible assets		12,723	14,007
Deferred tax assets		581,387	635,488
Other assets	10	42,041	57,035
<b>Total assets</b>		<b>26,056,881</b>	<b>26,097,054</b>

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

# Mitsui Sumitomo Insurance Company Limited Thailand Branch

## Statement of financial position

		31 March	31 December
<b>Liabilities and Head Office Account</b>	<i>Note</i>	2024	2023
		(Unaudited)	
		<i>(in thousand Baht)</i>	
<b>Liabilities</b>			
Insurance contract liabilities	7, 10	5,779,206	6,366,315
Reinsurance payables	8, 10	257,172	253,723
Corporate income tax payable		184,698	132,141
Employee benefit obligations		102,395	98,096
Lease liabilities		113,469	49,376
Other liabilities	10	313,838	356,314
<b>Total liabilities</b>		<b>6,750,778</b>	<b>7,255,965</b>
<b>Head Office Account</b>			
Funds from Head Office	10	13,593,146	13,593,146
Head Office current account	10	(118,420)	(117,145)
Retained earnings		5,970,963	5,605,202
Other components of Head Office Account		(139,586)	(240,114)
<b>Total Head Office Account</b>		<b>19,306,103</b>	<b>18,841,089</b>
<b>Total liabilities and Head Office Account</b>		<b>26,056,881</b>	<b>26,097,054</b>

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

# Mitsui Sumitomo Insurance Company Limited Thailand Branch

## Statement of comprehensive income (Unaudited)

		Three-month period ended	
		31 March	
	Note	2024	2023
		<i>(in thousand Baht)</i>	
<b>Revenues</b>			
Gross premiums written	10	1,143,131	1,163,991
Less premiums ceded	10	<u>(211,757)</u>	<u>(210,712)</u>
Net premiums written		931,374	953,279
Unearned premium reserve decreased from previous period		334,539	298,714
Less reinsurers' share of unearned premium reserve decreased from previous period		<u>(231,511)</u>	<u>(190,342)</u>
Net premiums earned		1,034,402	1,061,651
Commission and brokerage income	10	34,216	27,001
Net investment income		108,297	81,903
Loss on investments		(1,290)	(5,002)
Gain (loss) on foreign exchange rate		51	(717)
Other income		<u>721</u>	<u>502</u>
<b>Total revenues</b>		<b><u>1,176,397</u></b>	<b><u>1,165,338</u></b>
<b>Expenses</b>			
Insurance claims expenses	10	293,277	267,456
Add insurance claims expenses recovered from reinsurers	10	<u>120,307</u>	<u>118,737</u>
Net insurance claims expenses		413,584	386,193
Commission and brokerage expenses	10	159,868	156,124
Other underwriting expenses		73,839	62,303
Operating expenses	10	71,776	66,839
Expected credit loss (reversal)	6	<u>(20)</u>	<u>(21)</u>
<b>Total expenses</b>		<b><u>719,047</u></b>	<b><u>671,438</u></b>
<b>Profit before income tax</b>		<b>457,350</b>	<b>493,900</b>
Income tax expense	9	<u>91,589</u>	<u>98,779</u>
<b>Net profit</b>		<b><u>365,761</u></b>	<b><u>395,121</u></b>

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

# Mitsui Sumitomo Insurance Company Limited Thailand Branch

## Statement of comprehensive income (Unaudited)

	Three-month period ended	
	31 March	
	Note	
	2024	2023
	<i>(in thousand Baht)</i>	
<b>Other comprehensive income (loss)</b>		
<b><i>Items that will be reclassified subsequently to profit or loss</i></b>		
Gain (loss) on remeasurement of investments - fair value through other comprehensive income (loss)		
	125,660	(19,899)
Income tax relating to components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss	9	
	<u>(25,132)</u>	<u>3,980</u>
<b>Other comprehensive income (loss) for the period, net of income tax</b>	<b><u>100,528</u></b>	<b><u>(15,919)</u></b>
<b>Total comprehensive income for the period</b>	<b><u>466,289</u></b>	<b><u>379,202</u></b>

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

## Mitsui Sumitomo Insurance Company Limited Thailand Branch

### Statement of changes in Head Office Account (Unaudited)

	Funds from Head Office	Head Office current account	Retained earnings	Other components of Head Office Account  Gain (loss) on investments measured at fair value through other comprehensive income (loss)	Total Head Office Account
<i>(in thousand Baht)</i>					
<b>Three-month period ended 31 March 2023</b>					
<b>Balance at 1 January 2023</b>	<b>13,593,146</b>	<b>(130,777)</b>	<b>4,384,860</b>	<b>(92,171)</b>	<b>17,755,058</b>
<b>Comprehensive income (loss) for the period</b>					
Net profit	-	-	395,121	-	395,121
Other comprehensive income (loss)	-	-	-	(15,919)	(15,919)
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>395,121</b>	<b>(15,919)</b>	<b>379,202</b>
Head Office current account	-	35,038	-	-	35,038
<b>Balance at 31 March 2023</b>	<b>13,593,146</b>	<b>(95,739)</b>	<b>4,779,981</b>	<b>(108,090)</b>	<b>18,169,298</b>

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

## Mitsui Sumitomo Insurance Company Limited Thailand Branch

### Statement of changes in Head Office Account (Unaudited)

	Funds from Head Office	Head Office current account	Retained earnings	Other components of Head Office Account  Gain (loss) on investments measured at fair value through other comprehensive income (loss)	Total Head Office Account
<i>(in thousand Baht)</i>					
<b>Three-month period ended 31 March 2024</b>					
<b>Balance at 1 January 2024</b>	<b>13,593,146</b>	<b>(117,145)</b>	<b>5,605,202</b>	<b>(240,114)</b>	<b>18,841,089</b>
<b>Comprehensive income (loss) for the period</b>					
Net profit	-	-	365,761	-	365,761
Other comprehensive income (loss)	-	-	-	100,528	100,528
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>365,761</b>	<b>100,528</b>	<b>466,289</b>
Head Office current account	-	(1,275)	-	-	(1,275)
<b>Balance at 31 March 2024</b>	<b>13,593,146</b>	<b>(118,420)</b>	<b>5,970,963</b>	<b>(139,586)</b>	<b>19,306,103</b>

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



# Mitsui Sumitomo Insurance Company Limited Thailand Branch

## Statement of cash flows (Unaudited)

	Note	Three-month period ended	
		31 March	
		2024	2023
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Premium received		1,220,072	1,215,659
Cash received from (paid to) reinsurers		(81,349)	129,296
Interest received		33,477	17,429
Other income		722	501
Insurance claims expenses		(540,235)	(495,150)
Commission and brokerage expenses		(170,106)	(175,787)
Other underwriting expenses		(73,839)	(62,303)
Operating expenses		(81,397)	(70,645)
Income tax paid		(10,062)	(9,272)
Cash received - financial assets		3,038,490	3,123,767
Cash payment - financial assets		(3,326,878)	(3,784,011)
<b>Net cash flows provided by (used in) operating activities</b>		<b>8,895</b>	<b>(110,516)</b>
<b><i>Cash flows from investing activities</i></b>			
<b>Cash flows provided by</b>			
Proceeds from sale of leasehold building improvement and equipment		-	5
<b>Cash provided by investing activities</b>		<b>-</b>	<b>5</b>
<b>Cash flows used in</b>			
Purchase of leasehold building improvement and equipment		(86)	(885)
<b>Cash used in investing activities</b>		<b>(86)</b>	<b>(885)</b>
<b>Net cash flows used in investing activities</b>		<b>(86)</b>	<b>(880)</b>
<b><i>Cash flows from financing activities</i></b>			
Payment of lease liabilities		(10,693)	(9,028)
Head Office current account	10	(1,275)	35,038
<b>Net cash flows provided by (used in) financing activities</b>		<b>(11,968)</b>	<b>26,010</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,159)</b>	<b>(85,386)</b>
Cash and cash equivalents at beginning of period		449,445	1,142,020
Effect of exchange rate changes on balances held in foreign currencies		51	(717)
<b>Cash and cash equivalents at ending of period</b>	3	<b>446,337</b>	<b>1,055,917</b>

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

**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

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**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the management on 13 May 2024.

**1 General information**

The principal business of the Branch is the provision of non-life insurance.

**2 Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statement”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions. In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements of Non-Life insurance Companies” B.E. 2566, dated 8 February 2023 which was applicable for the financial reporting period starting from 1 January 2023. The interim financial statements focus on new activities, events, and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Branch for the year ended 31 December 2023.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Branch’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that were described in the financial statements for the year ended 31 December 2023.

The Branch has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Branch’s operations are disclosed in note 15.

**3 Cash and cash equivalents**

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Cheque on hand	4,557	4,239
Deposits at banks - call deposits	222,358	203,541
Deposits at banks - time deposits	-	150,000
Highly liquid short - term investments	219,422	91,665
<b>Total</b>	<b>446,337</b>	<b>449,445</b>

**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

**4 Premiums due and uncollected**

As at 31 March 2024 and 31 December 2023, the aging analyses for premiums due and uncollected were as follows:

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Within credit terms	810,564	847,532
Overdue:		
Not over 30 days	46,693	123,542
31 - 60 days	69,873	27,347
61 - 90 days	5,857	1,222
91 days - 1 year	3,284	5,944
Over 1 year	(826)	662
<b>Total</b>	<b><u>935,445</u></b>	<b><u>1,006,249</u></b>

The normal credit term for brokers granted by the Branch is not over 60 days.

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

**5 Reinsurance receivables**

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Due from reinsurers	46,306	55,360
<b>Total</b>	<b><u>46,306</u></b>	<b><u>55,360</u></b>

**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

**6 Investments in securities**

**6.1 Investment in securities by measurement are as follows:**

	31 March 2024		31 December 2023	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
<i>(in thousand Baht)</i>				
<b><i>Investment measured at fair value through other comprehensive income (loss)</i></b>				
Government and state enterprise debt securities	15,398,901	15,252,754	15,171,968	14,915,172
Private debt securities	3,665,134	3,650,907	3,605,001	3,565,960
Unit trusts	410,528	384,289	410,528	394,374
Equity securities	7,492	15,597	7,492	15,263
<b>Total</b>	<b>19,482,055</b>	<b>19,303,547</b>	<b>19,194,989</b>	<b>18,890,769</b>
Less unrealised loss	(175,076)	-	(300,788)	-
Less allowance for impairment loss	(3,432)	-	(3,432)	-
<b>Total investment measured at fair value through other comprehensive income</b>	<b>19,303,547</b>	<b>19,303,547</b>	<b>18,890,769</b>	<b>18,890,769</b>
Allowance for expected credit loss	624	-	644	-
<b><i>Investment measured at amortised cost</i></b>				
Deposits at banks with original maturities over 3 months	2,944,196	2,944,196	2,944,196	2,944,196
<b>Total investment measured at amortised cost</b>	<b>2,944,196</b>	<b>2,944,196</b>	<b>2,944,196</b>	<b>2,944,196</b>
<b>Total investment in securities</b>	<b>22,247,743</b>	<b>22,247,743</b>	<b>21,834,965</b>	<b>21,834,965</b>

**6.2 Investment measured at fair value through other comprehensive income (loss)**

	31 March 2024		31 December 2023	
	Fair value	Allowance for expected credit loss / Allowance for impairment loss	Fair value	Allowance for expected credit loss / Allowance for impairment loss
<i>(in thousand Baht)</i>				
Debt securities - no significant increase in credit risk (stage 1)	18,903,661	624	18,481,132	644
Debt securities - unit trusts	384,289	-	394,374	-
Equity securities	15,597	3,432	15,263	3,432
<b>Total</b>	<b>19,303,547</b>	<b>4,056</b>	<b>18,890,769</b>	<b>4,076</b>

**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

**6.3 Investment measured at amortised cost**

	Book value	31 March 2024 Allowance for expected credit loss <i>(in thousand Baht)</i>	Net book value
Debt securities - no significant increase in credit risk (stage 1)	2,944,196	-	2,944,196
<b>Total</b>	<b><u>2,944,196</u></b>	<b><u>-</u></b>	<b><u>2,944,196</u></b>
		31 December 2023 Allowance for expected credit loss <i>(in thousand Baht)</i>	
	Book value		Net book value
Debt securities - no significant increase in credit risk (stage 1)	2,944,196	-	2,944,196
<b>Total</b>	<b><u>2,944,196</u></b>	<b><u>-</u></b>	<b><u>2,944,196</u></b>

**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

**7 Insurance contract liabilities**

	31 March 2024			31 December 2023		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
<b>Short-term technical reserves</b>						
Loss reserves and outstanding claims						
- Case reserves	1,122,058	(430,206)	691,852	1,412,408	(635,523)	776,885
- Incurred but not reported	1,571,897	(437,721)	1,134,176	1,534,119	(437,721)	1,096,398
Total loss reserves and outstanding claims	<u>2,693,955</u>	<u>(867,927)</u>	<u>1,826,028</u>	<u>2,946,527</u>	<u>(1,073,244)</u>	<u>1,873,283</u>
Unearned premium reserves	3,085,251	(612,128)	2,473,123	3,419,788	(843,637)	2,576,151
<b>Total</b>	<b><u>5,779,206</u></b>	<b><u>(1,480,055)</u></b>	<b><u>4,299,151</u></b>	<b><u>6,366,315</u></b>	<b><u>(1,916,881)</u></b>	<b><u>4,449,434</u></b>

**7.1 Loss reserves and outstanding claims**

At 1 January	2,946,527	(1,073,244)	1,873,283	3,473,721	(1,872,077)	1,601,644
Insurance claim expenses incurred during the period / year	237,175	120,307	357,482	1,218,780	18,154	1,236,934
Insurance claim expenses paid during the period / year	(527,525)	85,010	(442,515)	(2,308,972)	724,046	(1,584,926)
Change in estimation and assumption	37,778	-	37,778	562,998	56,633	619,631
<b>At 31 March 2024 / 31 December 2023</b>	<b><u>2,693,955</u></b>	<b><u>(867,927)</u></b>	<b><u>1,826,028</u></b>	<b><u>2,946,527</u></b>	<b><u>(1,073,244)</u></b>	<b><u>1,873,283</u></b>

**7.2 Unearned premium reserves**

At 1 January	3,419,788	(843,637)	2,576,151	3,451,468	(777,159)	2,674,309
Premiums written during the period / year	1,143,132	(211,758)	931,374	5,997,378	(1,827,826)	4,169,552
Earned premium in the period / year	(1,477,669)	443,267	(1,034,402)	(6,029,058)	1,761,348	(4,267,710)
<b>At 31 March 2024 / 31 December 2023</b>	<b><u>3,085,251</u></b>	<b><u>(612,128)</u></b>	<b><u>2,473,123</u></b>	<b><u>3,419,788</u></b>	<b><u>(843,637)</u></b>	<b><u>2,576,151</u></b>

**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

**8 Reinsurance payables**

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	4,728	4,477
Due to reinsurers	252,444	249,246
<b>Total</b>	<b><u>257,172</u></b>	<b><u>253,723</u></b>

**9 Income tax expense**

*Income tax recognised in profit and loss*

*For the three-month period ended 31 March*

*Current tax expense*

	2024	2023
	<i>(in thousand Baht)</i>	
Current period	62,620	75,959

*Deferred tax expense*

Movements in temporary differences	28,969	22,820
<b>Total</b>	<b><u>91,589</u></b>	<b><u>98,779</u></b>

*Income tax recognised in other comprehensive income (loss)*

*For the three-month period ended 31 March*

*Deferred tax expense*

	2024	2023
	<i>(in thousand Baht)</i>	
Gain (loss) on remeasurement of investments - fair value through other comprehensive income (loss)	(25,132)	3,980
<b>Total</b>	<b><u>(25,132)</u></b>	<b><u>3,980</u></b>

*Reconciliation of effective tax rate*

*For the three-month period ended 31 March*

	2024		2023	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax		457,350		493,900
Income tax using the Thai corporation tax rate	20.0	91,470	20.0	98,780
Expenses not deductible for tax purposes	0.0	119	0.0	(1)
<b>Total</b>	<b><u>20.0</u></b>	<b><u>91,589</u></b>	<b><u>20.0</u></b>	<b><u>98,779</u></b>



**Mitsui Sumitomo Insurance Company Limited Thailand Branch**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2024 (Unaudited)**

**10 Related parties**

There is no material change in relationships with key management and related parties during the period.

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

<b>Transactions</b>	<b>Pricing policies</b>
Gross premium written	At contractually agreed prices
Commission and brokerage income	At contractually agreed prices
Insurance claims expenses recovered from reinsurers	As it incurred and at contractually agreed prices
Premiums ceded	At contractually agreed prices
Insurance claims expenses	As it incurred and at contractually agreed prices
Commission and brokerage expenses	Within range of rates announced by the Office of Insurance Commission or as stated in the agreement
Other operating expenses	At contractually agreed prices

Significant transactions for the three-month period ended 31 March 2024 and 2023 with key management and related parties were summarised as follows:

<i>For the three-month period ended 31 March</i>	2024	2023
	<i>(in thousand Baht)</i>	
<b>Revenues</b>		
<b>Other related parties</b>		
Gross premiums written (refund)	(14,954)	37,486
Commission and brokerage income	4,074	2,755
Insurance claims expenses recovered from reinsurers (reversal)	(6,653)	(23,506)
<b>Expenses</b>		
<b>Other related parties</b>		
Premiums ceded	29,478	16,207
Insurance claims expenses (reversal)	(320)	11,576
Commission and brokerage expenses	94,397	98,308
Other operating expenses	37,539	32,036
<b>Key management compensation</b>		
Short-term and long-term benefits	2,857	2,300

Significant balances as at 31 March 2024 and 31 December 2023 with related parties were as follows:

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
<b>Premiums due and uncollected</b>		
Other related parties	<u>35,395</u>	<u>25,402</u>
<b>Reinsurance assets</b>		
<b>Reinsurance's share of liabilities</b>		
Other related parties	<u>51,678</u>	<u>63,298</u>

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	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
<b><i>Reinsurance receivables</i></b>		
<b>Due from reinsurers</b>		
Other related parties	<u>1,316</u>	<u>33,383</u>
<b><i>Other assets</i></b>		
Other related parties	<u>11,423</u>	<u>11,137</u>
<b><i>Insurance contract liabilities</i></b>		
<b>Loss reserves and outstanding claims</b>		
Other related parties	<u>48,994</u>	<u>64,147</u>
<b>Accrued loss adjustment expenses</b>		
Other related parties	<u>791</u>	<u>536</u>
<b><i>Reinsurance payables</i></b>		
<b>Due to reinsurers</b>		
Other related parties	<u>34,470</u>	<u>49,273</u>
<b>Amount withheld on reinsurance</b>		
Other related parties	<u>86</u>	<u>81</u>
<b><i>Other liabilities</i></b>		
<b>Commission payables</b>		
Other related parties	<u>82,183</u>	<u>78,996</u>
<b>Others</b>		
Other related parties	<u>18,816</u>	<u>28,252</u>
<b>Funds from Head Office</b>	<u>13,593,146</u>	<u>13,593,146</u>
<b>Head Office current account</b>	<u>(118,420)</u>	<u>(117,145)</u>

## 11 Financial instruments

### Carrying amounts and fair value

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

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<i>At 31 March 2024</i>	<i>Note</i>	<b>Fair value</b>			<b>Total</b>
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>Financial assets</b>					
Investment in securities	6				
Government and state enterprise					
debt securities	15,252,754	-	15,252,754	-	15,252,754
Private debt securities	3,650,907	-	3,650,907	-	3,650,907
Unit trusts	384,289	-	384,289	-	384,289
Equity securities	15,597	4,665	-	10,932	15,597
<b>Total</b>	<b>19,303,547</b>	<b>4,665</b>	<b>19,287,950</b>	<b>10,932</b>	<b>19,303,547</b>

**At 31 December 2023**

<b>Financial assets</b>					
Investment in securities	6				
Government and state enterprise					
debt securities	14,915,172	-	14,915,172	-	14,915,172
Private debt securities	3,565,960	-	3,565,960	-	3,565,960
Unit trusts	394,374	-	394,374	-	394,374
Equity securities	15,263	4,331	-	10,932	15,263
<b>Total</b>	<b>18,890,769</b>	<b>4,331</b>	<b>18,875,506</b>	<b>10,932</b>	<b>18,890,769</b>

**Measurement of fair values**

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

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Branch determines Level 1 fair values of investment in marketable equity using last bid price from SET at the reporting date.

The Branch determines Level 2 fair values of investment in debt securities by reference to the price provided by the Thai Bond Market Association at the reporting date, and for unit trusts using net assets value (NAV) published by asset management companies at the reporting date.

The Branch determines Level 3 for fair values for non-listed equity securities using the discounted cash flow method which is the last value published by General Insurance Association or net asset values of those non-listed companies.

The Branch recognises transfers between levels of the fair value hierarchy as of the end of reporting period during which the transfer has occurred.

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**12 Securities and assets pledged with the Registrar**

12.1 The Branch's investments in deposits at banks were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

	31 March 2024		31 December 2023	
	Book value	Face value	Book value	Face value
		<i>(in thousand Baht)</i>		
<b>Time deposits at banks</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>

12.2 The Branch's investments in debt securities were reserved with the Registrar in accordance with the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for unearned premium reserve of Non-Life Insurance Company B.E.2557" as follows:

	31 March 2024		31 December 2023	
	Book value	Face value	Book value	Face value
		<i>(in thousand Baht)</i>		
<b>Government bonds</b>	<b>1,895,709</b>	<b>1,843,000</b>	<b>1,880,157</b>	<b>1,843,000</b>

**13 Restricted and collateral assets**

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
<b><i>Deposits at banks - time deposits</i></b>		
To secure bank guarantee facilities issued by banks	<b>196</b>	<b>196</b>

**14 Contingent liabilities**

As at 31 March 2024, lawsuits have been brought against the Branch, in relation to insurance claims in the normal course of business totalling approximately Baht 1,604 million (*31 December 2023: Baht 1,639 million*). The Branch's management believes that the recorded amount of provision in the financial statements for potential losses in respect of those claims is adequate.

**15 Thai Financial Reporting Standards (TFRS) not yet adopted**

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

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 17	Insurance contracts

\* TFRS - Financial instruments standards

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**(a) TFRS - Financial instruments standards**

TFRS 9 and TFRS 7 became effective for the annual periods beginning on or after 1 January 2020. However, TFRS 4 Insurance Contracts has allowed insurance entities that meet the conditions as laid down by TFRS 4, to use the deferral approach in application of TFRS 9 and TFRS 7 for insurance entities and continue to apply Accounting Guidance: Financial Instruments and Disclosures for Insurance Business until TFRS 17 Insurance contract becomes effective in 2025.

These TFRSs establish requirements related to definition, classification, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

**(b) TFRS 17 - Insurance contracts**

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

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

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

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

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