

Tune Insurance Public Company Limited
Review report and interim financial information
30 June 2023



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Tune Insurance Public Company Limited

I have reviewed the accompanying statement of financial position of Tune Insurance Public Company Limited as at 30 June 2023, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in owners' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "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.

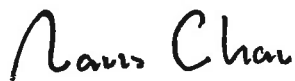
Conclusion

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.

Emphasis of Matter

I draw attention to Note 1 to the interim financial statements regarding the deficits from claim payment to insured. In addition, in Q2 2023, the Company also has the lower gross premium written than the same period in 2022. However, the Company's management has continuously monitored such situations and updated business plan and managed to minimise the impact of that situation.

My conclusion is not modified in respect of this matter.



Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 10 August 2023

Tune Insurance Public Company Limited**Statement of financial position****As at 30 June 2023**


		(Unit: Baht)	
	Note	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	4	26,908,970	67,138,829
Premium receivables	5	75,948,685	82,832,655
Accrued investment income		905,382	932,863
Reinsurance assets	6	52,163,436	76,584,184
Receivables on reinsurance contracts	7	218,018,773	245,201,901
Debt financial assets	8	251,841,765	249,083,439
Equity financial assets	9	80,926,777	80,926,777
Equipments		6,949,039	8,536,252
Right-of-use assets		6,603,295	8,058,521
Intangible assets		7,981,088	8,042,614
Deferred tax assets	10.1	38,695,930	43,652,479
Other assets	11	17,208,374	37,894,784
Total assets		784,151,514	908,885,298


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

Tune Insurance Public Company Limited
Statement of financial position (Continued)
As at 30 June 2023

		(Unit: Baht)	
	Note	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Liabilities and owners' equity			
Liabilities			
Insurance contract liabilities	12	140,364,853	188,251,986
Due to reinsurers	13	200,762,090	248,905,421
Employee benefit obligations		13,978,116	12,179,279
Premium received in advances		9,536,500	14,394,592
Lease liabilities		6,310,969	7,682,279
Other liabilities	14	87,652,113	109,777,646
Total liabilities		458,604,641	581,191,203
Owners' equity			
Share capital			
Registered, issued and fully paid-up			
30,000,000 ordinary shares of Baht 10 each		300,000,000	300,000,000
Retained earnings			
Appropriated - statutory reserve		16,997,780	16,997,780
Unappropriated (deficits)		(15,225,429)	(13,078,207)
Other components of equity		23,774,522	23,774,522
Total owners' equity		325,546,873	327,694,095
Total liabilities and owner's equity		784,151,514	908,885,298

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





Directors

(Unaudited but reviewed)

Tune Insurance Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 June 2023

		(Unit: Baht)	
	Note	2023	2022
Profit or loss:			
Income			
Gross premium written		64,733,809	116,642,426
Less: Premium ceded to reinsurers		(34,289,237)	(54,152,366)
Net premium written		30,444,572	62,490,060
Add (less): Unearned premium reserves decreased (increased) from prior period		(1,906,052)	40,111,318
Net earned premium		28,538,520	102,601,378
Fee and commission income		11,167,812	23,348,066
Net investment income	15	1,504,636	3,616,327
Net gain on financial instruments	16	932	13,389,161
Fair value losses from financial instruments	17	(1,212,106)	(27,492,235)
Other income		1,888,097	1,176,892
Total income		41,887,891	116,639,589
Expenses			
Claim expenses (reversal)		(7,688,734)	208,838,701
Add (less): Claims recovery paid to (received from) reinsurers		4,244,331	(43,303,420)
Unexpired risks reserve increased		-	19,154,511
Commission and brokerage expenses		10,604,830	17,007,724
Other underwriting expenses		5,280,778	14,710,391
Operating expenses	18	25,869,110	33,190,413
Finance costs		43,632	14,618
Expected credit loss (reversal)	19	(504,232)	(14,483,941)
Total expenses		37,849,715	235,128,997
Profit (loss) before income tax expenses		4,038,176	(118,489,408)
Add (less): Income tax revenue (expense)	10.2	(3,135,338)	7,523,591
Profit (loss) for the period		902,838	(110,965,817)

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

(Unaudited but reviewed)

Tune Insurance Public Company Limited
Statement of comprehensive income (Continued)
For the three-month period ended 30 June 2023

		(Unit: Baht)	
	Note	2023	2022
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period (loss)		<u>902,838</u>	<u>(110,965,817)</u>
Earning (loss) per share:	20		
Basic profit (loss) per share			
Profit (loss) for the period		<u>0.03</u>	<u>(3.70)</u>

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

(Unaudited but reviewed)

Tune Insurance Public Company Limited
Statement of comprehensive income
For the six-month period ended 30 June 2023

		(Unit: Baht)	
	Note	2023	2022
Profit or loss:			
Income			
Gross premium written		150,948,690	292,520,140
Less: Premium ceded to reinsurers		(79,081,825)	(144,229,995)
Net premium written		71,866,865	148,290,145
Add (less): Unearned premium reserves decreased (increased) from prior period		(1,308,855)	48,386,258
Net earned premium		70,558,010	196,676,403
Fee and commission income		23,813,487	63,088,810
Net investment income	15	2,879,680	6,426,695
Net gain on financial instruments	16	5,158	15,186,343
Fair value gain (loss) from financial instruments	17	1,228,107	(34,170,233)
Other income		3,200,007	2,652,674
Total income		101,684,449	249,860,692
Expenses			
Claim expenses (reversal)		(6,353,951)	389,823,481
Add (less): Claims recovery paid to (received from) reinsurers		2,435,271	(115,926,377)
Unexpired risk reserve increased		-	19,154,511
Commission and brokerage expenses		23,554,219	43,592,827
Other underwriting expenses		18,712,532	28,699,113
Operating expenses	18	60,940,049	64,763,994
Finance costs		91,669	28,086
Expected credit loss (reversal)	19	(504,667)	(14,816,073)
Total expenses		98,875,122	415,319,562
Profit (loss) before income tax expenses		2,809,327	(165,458,870)
Add (less): Income tax revenue (expense)	10.2	(4,956,549)	14,352,849
Loss for the period		(2,147,222)	(151,106,021)

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

(Unaudited but reviewed)

Tune Insurance Public Company Limited
Statement of comprehensive income (Continued)
For the six-month period ended 30 June 2023

		(Unit: Baht)	
	Note	2023	2022
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period (loss)		<u>(2,147,222)</u>	<u>(151,106,021)</u>
Loss per share:	20		
Basic loss per share			
Loss for the period		<u>(0.07)</u>	<u>(5.04)</u>

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

Tune Insurance Public Company Limited
Statement of changes in owners' equity

(Unaudited but reviewed)

For the six-month period ended 30 June 2023

(Unit: Baht)

	Other component of owners' equity				Total
	Issued and fully paid-up share capital	Retained earnings	Revaluation surplus on investments in equity designated at fair value through other comprehensive income	- net of income tax	
	Appropriated	Unappropriated			
Balance as at 1 January 2022	300,000,000	16,997,780	225,228,835	19,831,967	562,058,582
Loss for the period	-	-	(151,106,021)	-	(151,106,021)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period (loss)	-	-	(151,106,021)	-	(151,106,021)
Balance as at 30 June 2022	300,000,000	16,997,780	74,122,814	19,831,967	410,952,561
Balance as at 1 January 2023	300,000,000	16,997,780	(13,078,207)	23,774,522	327,694,095
Loss for the period	-	-	(2,147,222)	-	(2,147,222)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period (loss)	-	-	(2,147,222)	-	(2,147,222)
Balance as at 30 June 2023	300,000,000	16,997,780	(15,225,429)	23,774,522	325,546,873

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

(Unaudited but reviewed)

Tune Insurance Public Company Limited

Statement of cash flows

For the six-month period ended 30 June 2023

	(Unit: Baht)	
	2023	2022
Cash flows from operating activities		
Direct premium written	154,837,603	278,427,577
Cash paid for reinsurance	(65,980,148)	(50,060,010)
Interest income	3,463,823	10,170,019
Dividend income	40,500	2,674,443
Other income	3,200,008	2,652,674
Loss incurred on direct insurance	(32,263,871)	(396,361,613)
Commissions and brokerages on direct insurance	(26,852,504)	(41,849,070)
Other underwriting expenses	(16,463,963)	(30,693,637)
Operating expenses	(58,362,498)	(106,293,491)
Income tax revenue (expenses)	1,706,458	(1,898,560)
Cash received from debt and equity securities	124,500,000	520,409,428
Cash paid for debt and equity securities	(126,365,837)	(238,757,354)
Net cash used in operating activities	(38,540,429)	(51,579,594)
Cash flows from investing activities		
Purchased of equipment	(195,000)	(324,165)
Purchased of intangible asset	-	(812,930)
Net cash used in investing activities	(195,000)	(1,137,095)
Cash flows from financing activities		
Repayment of lease liabilities	(1,497,552)	(1,497,552)
Net cash flows used in financing activities	(1,497,552)	(1,497,552)
Net decrease in cash and cash equivalents	(40,232,981)	(54,214,241)
Decreased in allowance for expected credit loss	3,122	22,066
Cash and cash equivalents at beginning of period	67,138,829	75,937,863
Cash and cash equivalents at end of period	26,908,970	21,745,688

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

Tune Insurance Public Company Limited
Notes to interim financial statements
For the six-month period ended 30 June 2023

1. General information

Tune Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Tune Protect Group Berhad, a company is incorporated in Malaysia, is the major shareholder of the Company and holds 49 percent of total ordinary shares. The Company is principally engaged in providing non-life insurance. The registered address of the Company is at 3199 Maleenont Tower 14th Floor, Rama IV Road, Klongton Sub-district, Klongtoey District, Bangkok.

The COVID-19 pandemic has a significant impact to the Company's operations in relation to claim payment according to the coverage specified in the insurance policies until 2022, resulting in the Company's deficits. In addition, gross premium written has been continuously decreasing in the current year. In the second quarter of 2023, the Company has the lower gross premium written than the same period in 2022 and its business plan.

However, the Company's management has continuously monitored such situations and updated business plan and managed to minimise the impact of that situation.

2. Basis for preparation of the financial information

2.1 Basis for 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, 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, conditions and terms for preparation and submission of financial statements of non-life insurance companies B.E. 2566 dated 8 February 2023.

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

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 using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2022.

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

3. Classification of Financial assets and financial liabilities

As at 30 June 2023 and 31 December 2022, the carrying value of the financial assets and financial liabilities are classified as follows:

(Unit: Baht)

	30 June 2023			Total
	Financial instruments measured at fair value through profit or loss	Equity instruments designated at fair value through comprehensive income	Financial Instruments measured at amortised cost	
Financial assets				
Cash and cash equivalents	-	-	26,908,970	26,908,970
Accrued investment income	-	-	905,382	905,382
Debt financial assets	145,744,941	-	106,096,824	251,841,765
Equity financial assets	-	80,926,777	-	80,926,777
Other assets - financial assets	-	-	7,867,645	7,867,645
Financial liabilities				
Other liabilities - financial liabilities	-	-	34,912,254	34,912,254
Lease liabilities	-	-	6,310,969	6,310,969

(Unaudited but reviewed)

(Unit: Baht)

31 December 2022

	Financial instruments measured at fair value through profit or loss	Equity instruments designated at fair value through comprehensive income	Financial Instruments measured at amortised cost	Total
Financial assets				
Cash and cash equivalents	-	-	67,138,829	67,138,829
Accrued investment income	-	-	932,863	932,863
Debt financial assets	129,293,648	-	119,789,791	249,083,439
Equity financial assets	-	80,926,777	-	80,926,777
Other assets - financial assets	-	-	25,616,807	25,616,807
Financial liabilities				
Other liabilities - financial liabilities	-	-	56,225,011	56,225,011
Lease liabilities	-	-	7,682,279	7,682,279

4. Cash and cash equivalents

(Unit: Baht)

	30 June 2023	31 December 2022
Cash	61,263	61,263
Deposits at banks with no fixed maturity date	26,523,850	66,757,470
Deposits at banks with fixed maturity date and certificates deposits at bank	326,178	325,539
Total	26,911,291	67,144,272
Less: Allowance for expected credit loss	(2,321)	(5,443)
Cash and cash equivalents	26,908,970	67,138,829

5. Premium receivables

As at 30 June 2023 and 31 December 2022, the balances of premium receivables from direct insurance are classified by overdue periods from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)	
	30 June 2023	31 December 2022
Not yet due	45,439,988	61,860,453
Not over 30 days	4,830,742	5,609,355
Overdue 30 days to 60 days	12,195,945	1,279,484
Overdue 60 days to 90 days	4,659,449	2,103,925
Overdue longer than 90 days	23,156,042	29,384,212
Total	90,282,166	100,237,429
Less: Allowance for doubtful debt	(14,333,481)	(17,404,774)
Premium receivables, net	<u>75,948,685</u>	<u>82,832,655</u>

6. Reinsurance assets

	(Unit: Baht)	
	30 June 2023	31 December 2022
Insurance reserve refundable from reinsurers		
Loss reserves	14,894,333	29,142,488
Unearned premium reserves	37,269,103	47,441,696
Reinsurance assets	<u>52,163,436</u>	<u>76,584,184</u>

7. Receivables on reinsurance contracts

	(Unit: Baht)	
	30 June 2023	31 December 2022
Amounts due from reinsurers	347,600,862	371,786,265
Less: Allowance for doubtful accounts	(129,582,089)	(126,584,364)
Receivables on reinsurance contracts	<u>218,018,773</u>	<u>245,201,901</u>

As of 30 June 2023, and 31 December 2022, the Company has receivables from reinsurance contracts amounting to Baht 259 million and Baht 253 million, respectively, which is the outstanding amount from entering into a reinsurance contract with a reinsurance broker. In November 2022, the Company filed a lawsuit with the Central Intellectual Property and International Trade Court against the reinsurance broker and its associate. From the opinion of the Company's legal advisor, the Company is in a position to have an advantage in litigation. However, there is still uncertainty in the outcome of the case. Therefore, the allowance for doubtful accounts of Baht 129 million is recorded in the financial statements (31 December 2022: Baht 127 million).

However, in March 2023, reinsurance broker and its associate filed a statement of defense and counterclaim against the Company for damages amounting to Baht 111 million and in April 2023, the Central Intellectual Property and International Trade Court set the dispute and scheduled an appointment for witness examination in October 2023.

8. Debt financial assets

8.1 Classified by type of financial assets

	(Unit: Baht)			
	30 June 2023		31 December 2022	
	Cost/ Amortised cost	Fair Value	Cost/ Amortised cost	Fair Value
Debt instruments measured at fair value through profit or loss				
Government and state enterprise securities	91,172,985	92,992,723	75,919,148	76,320,291
Private enterprise debt securities	53,773,488	52,752,218	53,804,139	52,973,357
Total	144,946,473	145,744,941	129,723,287	129,293,648
Add (less): Unrealised gain (loss)	798,468	-	(429,639)	-
Total	145,744,941	145,744,941	129,293,648	129,293,648
	<u>Amortised cost</u>		<u>Amortised cost</u>	
Debt instruments measured at amortised cost				
Government and state enterprise securities	46,033,075		45,987,562	
Private enterprise debt securities	30,000,000		50,000,000	
Fixed deposits and certificates of deposits	30,160,549		24,160,349	
Total	106,193,624		120,147,911	
Less: Allowance for expected credit loss	(96,800)		(358,120)	
Total	106,096,824		119,789,791	
Total debt financial assets - net	<u>251,841,765</u>		<u>249,083,439</u>	

(Unaudited but reviewed)

8.2 Classified by stage of credit risk

(Unit: Baht)

	30 June 2023			31 December 2022		
	Carrying	Allowance for	Carrying	Carrying	Allowance for	Carrying
	value - gross	expected credit loss	value - net	value - gross	expected credit loss	value - net
Debt instruments measured at amortised cost						
Stage 1 - Debt securities without a significant increase in credit risk	106,193,624	(96,800)	106,096,824	100,147,911	(33,641)	100,114,270
Stage 2 - Debt securities with a significant increase in credit risk	-	-	-	20,000,000	(324,479)	19,675,521
Total	106,193,624	(96,800)	106,096,824	120,147,911	(358,120)	119,789,791

8.3 Investments subject to restrictions

As at 30 June 2023 and 31 December 2022, the Company has placed government securities at amortised cost as securities and reserves with the Registrar of the Office of Insurance Commission under the Non-life Insurance Act as follows:

(Unit: Baht)

	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Securities pledged				
Government bonds	16,957,718	16,747,836	16,908,073	16,109,306
Securities reserve				
Government bonds	29,075,357	28,050,373	29,079,488	27,956,785

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

(Unit: Baht)

	30 June 2023		31 December 2022	
	Cost	Fair Value	Cost	Fair Value
Equity instruments designated at fair value through other comprehensive income				
Non-listed domestic equity instruments	728,830	26,432,682	728,830	26,432,682
Non-listed foreign equity instruments	50,479,792	54,494,095	50,479,792	54,494,095
Total	51,208,622	80,926,777	51,208,622	80,926,777
Add: Unrealised gain	29,718,155	-	29,718,155	-
Total	80,926,777	80,926,777	80,926,777	80,926,777
Total equity financial assets - net	80,926,777	80,926,777	80,926,777	80,926,777

9.2 Derecognition of equity securities

During the period, the Company did not sell investments in equity instruments designated at fair value through other comprehensive income from account.

10. Deferred tax assets/liabilities and income tax expenses

10.1 Deferred tax assets/liabilities

As at 30 June 2023 and 31 December 2022, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	30 June 2023	31 December 2022	Change in Deferred tax assets and liabilities	
			For the six-month periods ended 30 June	
			2023	2022
Deferred tax assets				
Provision for loss incurred but not yet reported	3,608,231	8,142,153	(4,533,922)	9,008,644
Loss reserves	4,501,824	4,922,950	(421,126)	1,207,350
Premium reserves	-	-	-	(2,809,591)
Unexpired risk reserve	-	-	-	3,830,902
Allowance for doubtful accounts	28,783,114	28,797,828	(14,714)	(285,696)
Employee benefit obligations	2,795,623	2,435,856	359,767	387,242
Allowance for impairment of investments	2,772,042	2,772,042	-	(856,833)
Expected credit losses	2,336,811	2,437,744	(100,933)	(2,963,215)
Unrealised loss on changes in value of financial assts designated at fair value through profit or loss	-	85,405	(85,405)	724,869
Total	44,797,645	49,593,978		
Deferred tax liabilities				
Unrealised gains on changes in value of financial assets designated at fair value through profit or loss	160,216	-	160,216	6,109,177
Unrealised gains on changes in value of equity instruments designated at fair value through other comprehensive income	5,941,499	5,941,499	-	-
Total	6,101,715	5,941,499		
Deferred tax assets - net	38,695,930	43,652,479		
Total changes			(4,956,549)	14,352,849
Changes were recognised in:				
- Profit or loss			(4,956,549)	14,352,849
- Other comprehensive income			-	-
			(4,956,549)	14,352,849

10.2 Income tax expense (revenue)

Income tax expense (revenue) for the three-month and six-month periods ended 30 June 2023 and 2022 are made up as follows:

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge for the period	-	-	-	-
Deferred income tax:				
Deferred income tax relating to origination and reversal of temporary differences	3,135,338	(7,523,591)	4,956,549	(14,352,849)
Income tax expense (revenue) as reported in the profit or loss	3,135,338	(7,523,591)	4,956,549	(14,352,849)

Reconciliation between income tax expense (revenue) and product of accounting profit (loss) multiplied by the applicable tax rate for the three-month and six-month periods ended 30 June 2023 and 2022 are shown below.

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Accounting profit (loss) before income tax	4,038,176	(118,489,408)	2,809,327	(165,458,870)
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	807,635	(23,697,882)	561,865	(33,091,774)
Tax losses for the periods that were not recognised as deferred tax assets	2,247,106	16,092,078	4,225,836	18,573,866
Tax effect of:				
Net effect of exempted income and non-deductible expenses	80,597	82,213	168,848	165,059
Income tax expense (revenue) as reported in the profit or loss	3,135,338	(7,523,591)	4,956,549	(14,352,849)

As at 30 June 2023, the Company has unused tax losses totaling Baht 281 million, which is expired by 2026 until 2028. The Company has not recognised as deferred tax asset since it believes future taxable profits may not be sufficient to allow utilization of unused tax losses.

(Unaudited but reviewed)

11. Other assets

	(Unit: Baht)	
	30 June 2023	31 December 2022
Other assets - financial assets		
Other account receivable	15,812,729	33,596,000
Less: Allowance for expected credit loss	(11,584,606)	(11,824,606)
Other account receivable - net	4,228,123	21,771,394
Deposits	3,315,073	3,315,073
Advance payment	324,449	530,340
Total	7,867,645	25,616,807
Other assets - other		
Prepaid commission and brokerages expenses	1,524,940	2,437,215
Prepaid expenses	402,451	887,539
Prepaid reinsurance premium	184,317	803,541
Input tax not due	2,368,209	1,965,053
Revenue department receivables	1,964,023	2,361,129
Others	2,896,789	3,823,500
Total	9,340,729	12,277,977
Total other assets	17,208,374	37,894,784

12. Insurance contract liabilities

	(Unit: Baht)		
	30 June 2023		
	Insurance	Reinsurance on	
	contract liabilities	liabilities	Net
Loss reserves			
- Claims incurred and reported	25,450,267	(2,941,148)	22,509,119
- Claims incurred but not yet reported	29,994,341	(11,953,185)	18,041,156
Premium reserves			
- Unearned premium reserves	84,920,245	(37,269,103)	47,651,142
Total	140,364,853	(52,163,436)	88,201,417

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2022		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
- Claims incurred and reported	33,160,019	(8,545,271)	24,614,748
- Claims incurred but not yet reported	61,307,983	(20,597,217)	40,710,766
Premium reserves			
- Unearned premium reserves	93,783,984	(47,441,696)	46,342,288
Total	188,251,986	(76,584,184)	111,667,802

12.1 Loss reserves

(Unit: Baht)

	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
	Balance - beginning of the period/year	94,468,002
Claim expenses for the period/year	40,790,379	539,431,939
Change in loss reserves and assumptions	(50,936,673)	(110,933,022)
Claim expenses paid during the period/year	(28,877,100)	(593,333,461)
Balance - end of the period	55,444,608	94,468,002

As at 30 June 2023 and 31 December 2022, the Company had loss reserves under reinsurance contracts of Baht 2.3 million and Baht 4.8 million, respectively.

12.2 Unearned premium reserves

(Unit: Baht)

	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
	Balance - beginning of the period/year	93,783,984
Premium written for the period/year	150,948,690	454,704,967
Premium earned for the current period/year	(159,812,429)	(617,037,086)
Balance of unearned premium reserves	84,920,245	93,783,984

(Unaudited but reviewed)

13. Due to reinsurers

	(Unit: Baht)	
	30 June 2023	31 December 2022
Amounts withheld on reinsurance	70,952,249	116,304,211
Amounts due to reinsurers	129,809,841	132,601,210
Total	200,762,090	248,905,421

14. Other liabilities

	(Unit: Baht)	
	30 June 2023	31 December 2022
Other liabilities - financial liabilities		
Accrued expenses	21,777,466	45,313,574
Other account payables	13,134,788	10,911,437
Total	34,912,254	56,225,011
Other liabilities - other		
Accrued commission expenses	15,665,659	20,236,723
Accrued marketing expenses	10,590,028	8,341,458
Deposits for insurance premium	13,042,749	13,212,967
Revenue department payable	2,558,760	1,994,273
Other payables	6,592,295	6,158,478
Others	4,290,368	3,608,736
Total	52,739,859	53,552,635
Total other liabilities	87,652,113	109,777,646

15. Net investment income

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Interest income	1,648,560	2,657,173	3,204,817	5,055,290
Dividend income	40,500	1,596,947	40,500	2,674,443
Investment expenses	(184,424)	(637,793)	(365,637)	(1,303,038)
Total	1,504,636	3,616,327	2,879,680	6,426,695

(Unaudited but reviewed)

16. Net gains on financial instruments

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Gain from disposal and derecognition				
Debt instruments measured at fair value through profit or loss	932	4,036,370	5,158	3,347,278
Equity instruments measured at fair value through profit or loss	-	9,352,791	-	11,839,065
Total	932	13,389,161	5,158	15,186,343

17. Fair value gain (loss) from financial instruments

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Debt instruments measure at fair value through profit or loss	(1,212,106)	(12,993,674)	1,228,107	(18,057,655)
Equity instruments measure at fair value through profit or loss	-	(14,498,561)	-	(16,112,578)
Total	(1,212,106)	(27,492,235)	1,228,107	(34,170,233)

18. Operating expenses

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Personnel expenses	21,376,425	25,416,299	39,782,233	47,095,089
Premises and equipment expenses	5,994,489	5,526,643	11,957,556	10,820,176
Taxes and duties	3,212	68,976	6,708	187,964
Bad debts and doubtful accounts (reversal)	(6,016,590)	(1,428,481)	(73,568)	(1,428,481)
Other operating expenses	4,511,574	3,606,976	9,267,120	8,089,246
Total operating expenses	25,869,110	33,190,413	60,940,049	64,763,994

19. Expected credit loss

(Unit: Baht)

	For the three-month periods		For the six-month periods ended	
	ended 30 June		30 June	
	2023	2022	2023	2022
Expected credit loss from (reversal)				
Cash and cash equivalents	104	(16,603)	(3,122)	(22,066)
Debt instruments measured at amortised cost	(261,320)	(13,998,863)	(261,320)	(14,246,043)
Accrued investment incomes	(3,016)	(108,475)	(225)	(7,964)
Other financial assets	(240,000)	(360,000)	(240,000)	(540,000)
Total	(504,232)	(14,483,941)	(504,667)	(14,816,073)

20. Earning (loss) per share

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

21. Related party transactions

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	Relationship with the Company
Tune Protect Group Berhad	Related by way of common directors and shareholding
Thai AirAsia Co., Ltd.	Related by way of common directors
Thai AirAsia X Co., Ltd.	Related by way of common directors

(Unaudited but reviewed)

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended		For the six-month periods ended		Pricing policy
	30 June		30 June		
	2023	2022	2023	2022	
Transactions with related companies					
Premium written	15.4	3.2	26.3	5.6	According to term of underwriting agreements
Commission and brokerage expenses	2.8	0.6	4.3	1.0	As stated in the agreement upon normal commercial terms

As at 30 June 2023 and 31 December 2022, the balances of the accounts between the Company and its related parties are as follows:

	(Unit: Baht)	
	30 June 2023	31 December 2022
Premium receivables		
Thai AirAsia Co., Ltd.	11,462,001	3,242,714
Thai AirAsia X Co., Ltd.	2,329,177	876,512
Loss reserves		
Thai AirAsia Co., Ltd.	800	-

Directors and key management's remuneration

During the three-month and six-month periods ended 30 June 2023 and 2022, the Company had employment benefit expenses in relation to its directors and key management as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
	Short-term benefits	17.3	17.6	39.7
Post employment benefits	0.7	0.9	1.6	1.8
Total	18.0	18.5	41.3	45.8

22. Financial Instrument

22.1 Fair value of financial instrument

Most of the Company's financial instruments measured at amortised cost 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.

22.2 Fair value hierarchy

As of 30 June 2023 and 31 December 2022, the Company had the following financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	30 June 2023			
	Fair value			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Debt instruments measured at fair value				
through profit or loss	93	-	93	-
Government and state enterprise securities	53	-	53	-
Private enterprises debt securities				
Equity instruments designated at fair value				
through other comprehensive income				
Non-listed domestic equity instruments	26	-	-	26
Non-listed foreign equity instruments	54	-	-	54
	(Unit: Million Baht)			
	31 December 2022			
	Fair value			
	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Debt instruments measured at fair value				
through profit or loss				
Government and state enterprise securities	76	-	76	-
Private enterprises debt securities	53	-	53	-
Equity instruments designated at fair value				
through other comprehensive income				
Non-listed domestic equity instruments	26	-	-	26
Non-listed foreign equity instruments	54	-	-	54

During the current period, the Company does not change the valuation technique and assumptions used in the valuation of financial assets, and there were no transfers within the fair value hierarchy.

23. Commitments and contingent liabilities

23.1 Operating lease and service commitments

- As at 30 June 2023, the Company has entered into several lease agreements in respect of office equipment and other services. The lease agreements consist of short-term lease and leases of low-value assets, lease term 1 - 4 years. The future minimum payments required under these agreements were as follows:

	(Unit: Million Baht)
	30 June 2023
Payable within:	
Within 1 year	7.4
Over 1 to 3 years	4.2
Total	<u>11.6</u>

- The Company has entered into service agreement to obtain notification claims services for travel insurance policy at the rate 0.7 % of insurance premium per month.

23.2 Litigation

As at 30 June 2023, the Company has been sued for damages as an insurer. The total exposure of a couple of litigation cases amounts to Baht 7.2 million (31 December 2022: Baht 8.7 million) However, the Company is only obligated under the insurance liabilities totaling Baht 2.1 million (31 December 2022: Baht 3.4 million). And according to aforementioned in Note 7 to the interim financial statements, the Company was sued for damages from reinsurance broker and associate in the amount of Baht 111 million. The outcomes of the cases have not yet been finalized, since the case is in the step of further appointment. Therefore, the Company has set aside provision for potential losses in the financial statement amounting to Baht 0.7 million (31 December 2022: Baht 1.7 million) and the Company's management believes that upon the conclusion from litigation, the remaining amount will not be material to the Company's financial positions and operating result.

23.3 Capital commitments

As at 30 June 2023 and 31 December 2022, the Company had capital commitments of approximately Baht 5.2 million and Baht 6.0 million, respectively, relating to computer software development.

24. Approval of interim financial statements

These interim financial information were authorised for issue by the Company's Board of Directors on 10 August 2023.