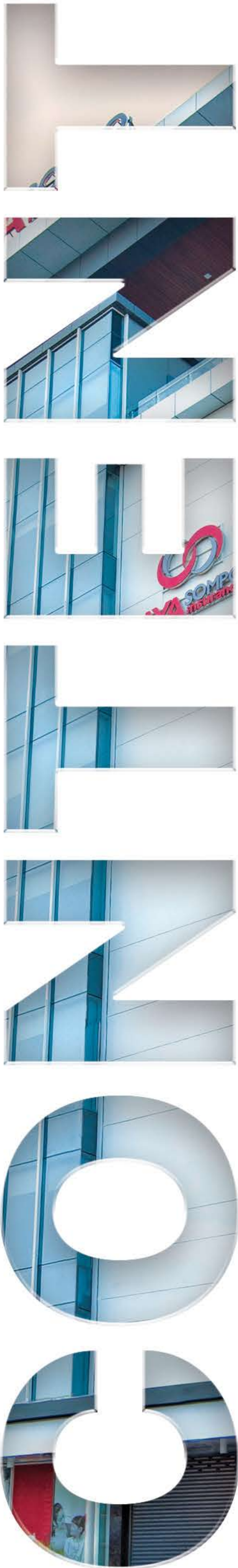


ANNUAL REPORT

2024

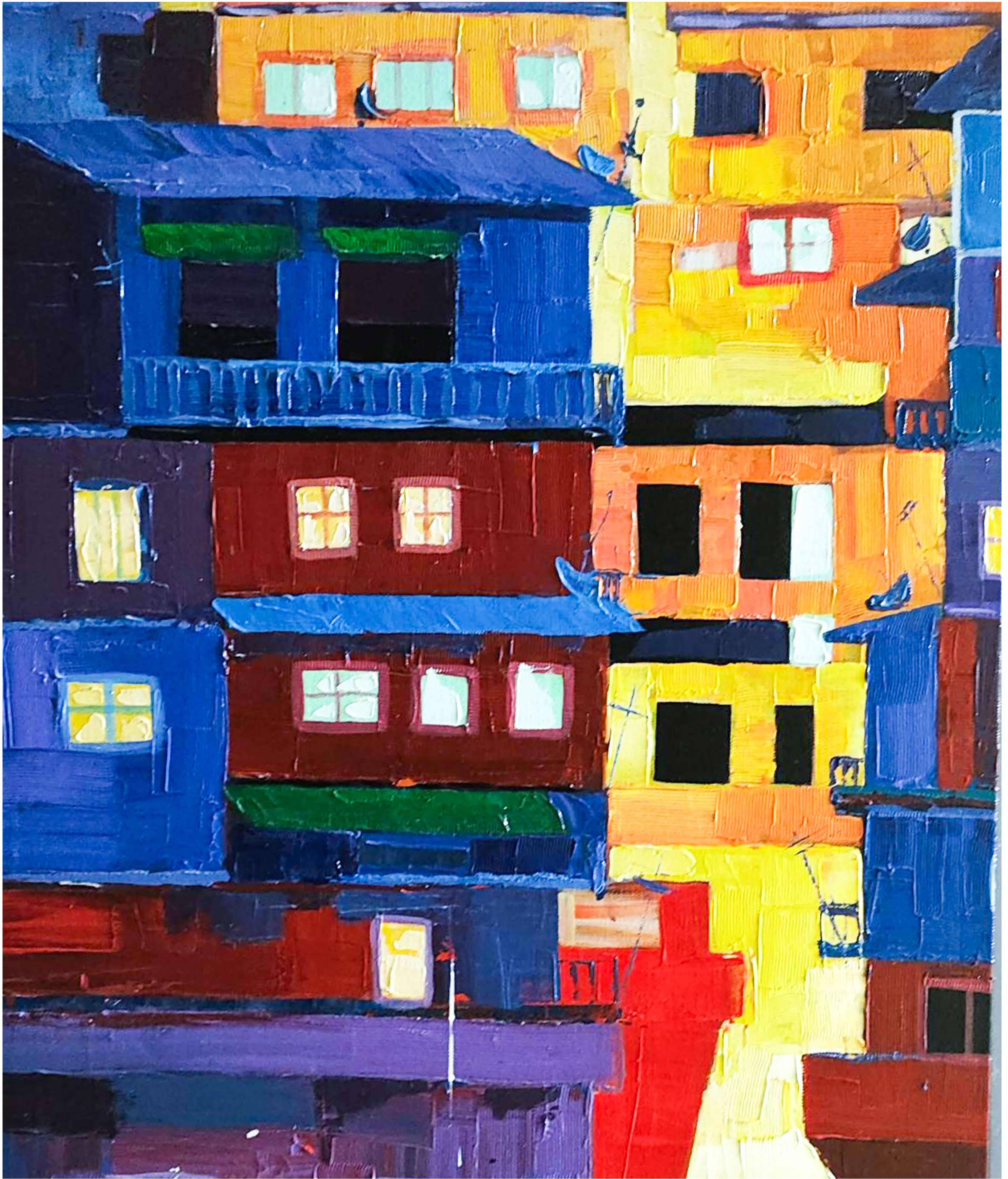




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AYA SOMPO
Annual Report 2024

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01 Leadership Insights

About AYA SOMPO

Embark on AYA SOMPO Insurance's annual report, where our journey towards the future unfolds. Since our establishment in 2013 as one of the leading insurance companies, we have laid strong foundations by cultivating a culture of transparency, trust and ethical business practices. The joint venture with Sampo Holdings in 2019 marked a significant milestone, enabling us to enhance our capital, invest in talent development and pioneer new innovative solutions. AYA SOMPO represents a collaboration between AYA Financial Group and Sampo Holdings, merging local knowledge and network with international expertise. Our unique approach encompasses providing comprehensive coverage and solutions that not only protect individuals, families, and businesses but also offer peace of mind—for now and the future.



Leading the FUTURE

AYA SOMPO Insurance's annual report, where we embark on a journey to the future together. Our story is not just about where we have been but also about the path we envision for tomorrow.

Purpose: Guiding our Future

At AYA SOMPO Insurance, our journey began with a commitment to integrity and innovation. Our vision drives us forward, ensuring that every decision and initiative reflects our dedication to our mission and core values. Our commitment to continuous improvement has driven our ability to adapt and thrive in an ever-evolving industry landscape. We remain committed to our core values:

- Sustainability: Embracing responsible and ethical business practices to ensure long-term resilience.
- Innovation through Digital Capabilities and Real-Data Analytics: Leveraging technology to enhance customer experiences and streamline operational processes.
- Customer Centricity: Enhancing customer experience through integrated propositions that create unique value.

Performance Review: Innovating for Tomorrow's Challenges and Commitment to Excellence and Growth

Innovation is at the heart of our journey. We continually push boundaries, leveraging technology and data analytics to enhance customer experiences, streamline operational processes and develop innovative insurance solutions that meet the evolving needs of our clients. As we reflect on our journey, we remain committed to excellence and growth. We prioritize customer satisfaction, employee well-being, and shareholder value, striving to exceed expectations and create sustainable value for all stakeholders.

People: Empowering Communities through Positive Social Impact

As we journey forward, we recognize the importance of making a positive impact on society beyond financial success. We embarked on social initiatives aimed at empowering communities, supporting youth through work-study programs, promoting diversity and inclusion, and investing in education and skills development of our talents.

Planet: Sustainable Practices for a Better Tomorrow

Our journey to the future is deeply intertwined with sustainability. We embraced responsible business practices, prioritizing environmental stewardship, and reducing our carbon footprint. Through sustainable investments in digital capabilities in our business operations that reduce paper usage, we contribute to building a greener environment and sustainable world for future generations.

Financial Statements: Performance Metrics and Financial Statements for FY 23/24

The journey to the future is not without challenges. We have navigated through uncertainties with resilience and agility, responding swiftly to market changes, embracing digital transformation, and ensuring business continuity to deliver value to our stakeholders.

Charting New Horizons Together

Leading the Future is a collective endeavor. We thank our employees, partners and customers for their unwavering support and trust. Together, we will continue to chart new horizons, innovate and build a future where possibilities are limitless.

Message from Chairman

Dear Valued Partners,

Greetings from AYA SOMPO Insurance.

Thank you once again for another remarkable year in 2023/24.

It is my immense pleasure to announce that AYA SOMPO has once again outperformed market average growth in the financial year while achieving key milestones in our sustainability initiatives. These have contributed to making us one of the fastest growing insurance companies in the industry. This result is a testament to the unwavering trust in our brand as we continue to remain focused in the vision of providing peace of mind to our customers and partners through innovative solutions.

Looking towards a new year, we remain focused on our key missions of sustainability, innovation, and customer centricity. We will continuously strengthen our core competitiveness to provide our partners and customers with unique value propositions. Our teamwork as ONE AYA SOMPO and innovative culture are our treasured assets alongside our fundamental philosophy of sustainable business model. As good corporate citizens, we bear in mind that we are responsible to contribute to our society. We aim to support and be a voice towards a greener environment and support for children's education through our corporate social responsibility programs.

I am confident that AYA SOMPO will continue to contribute to the socio-economic development through new innovations and services to the people and will be an epitome in the insurance industry of Myanmar.

I would like to express my gratitude to all our customers and stakeholders for the continued trust and support. It is through your confidence in our brand that we have been able to achieve remarkable growth and success. As we embark on this journey of sustainable growth, we remain focused on our mission to provide our customers with peace of mind insurance solutions while embracing innovation and sustainability.



Zaw Zaw
Chairman



Key Highlights from Chief Executive Officer

Dear Valued Partners and Stakeholders,

In line with our vision and values, AYA SOMPO has made great strides in providing our customers with innovative insurance solutions that ensure a peace-of-mind future. “Your Partner for Life” is not just a tagline, it is part of our DNA as we strive to achieve a sustainable and responsible business that creates value for all stakeholders including the community that we operate in.

I am delighted to announce that AYA SOMPO has once again achieved remarkable results for the financial year ended March 2024. Besides the usual financial results, we were able to embark on key initiatives that focus on our key mission of creating a sustainable future, mainly on Environmental, Social and Governance. With this, I would like to express my appreciation to all our customers, partners and stakeholders for the unwavering support, trust, and most important of all, dedication in the last 12 months. Despite the challenges, we were able to expand our reach, providing protection to more individuals and companies across the country, embarked on sustainability initiatives contributing to a greener environment and invested in new technologies and development programs to enhance our product and service offerings. We are proud to also introduce the-first-of-its-kind mobile application, My AYASOMPO, providing our customers and partners with access to insurance solutions that are easier, faster, and more convenient. This has elevated insurance awareness and customer experience to the next level. These key milestones would not have been possible without your support and dedication to our brand.

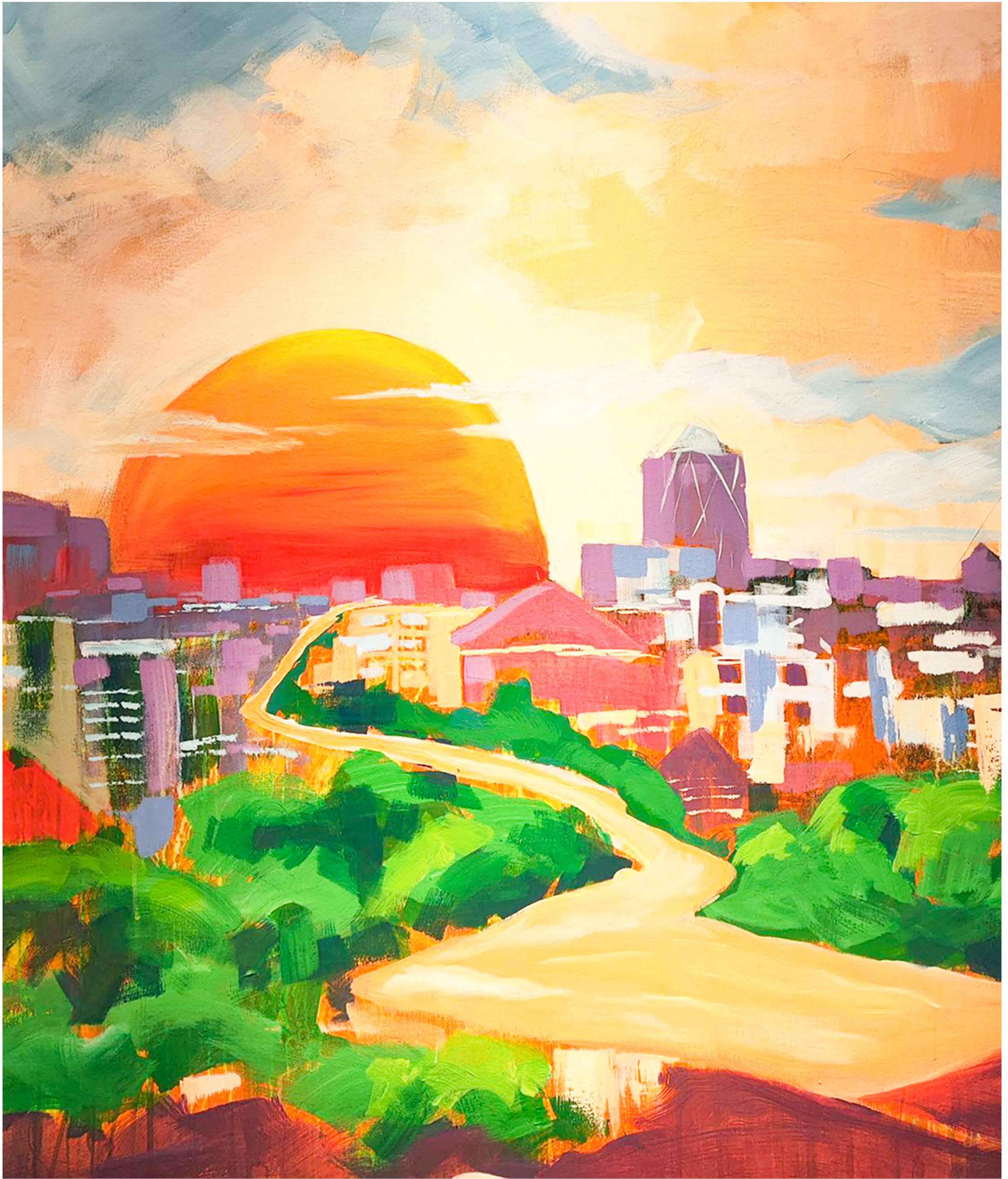
Guided by our vision and missions, we will continue to embrace responsible, ethical, and sustainable business practices as we champion diversity and equality. We are committed to investing in the development of human capital and technology, which will allow us to continue leading the industry. The parallel development in both our human capital and technology will enable us to harmonize new innovations with an enhanced human touch that will enable us to enhance overall customer experience while achieving efficiency in our business operations. In the coming year, we will be inaugurating new initiatives that are refreshing and exciting for our partners and customers.

We owe our success to our customers for the trust in our brand, our partners for the unwavering support, our employees for their resilience and commitment, and our board of directors and shareholders for the confidence. Without the support and trust, none of what we have accomplished would have been possible. We look forward to closer collaboration to achieve our goals that make us stronger and better together.



Myo Min Thu
Chief Executive Officer





02 **Our Purpose**

Guiding our Future

Vision

To be recognized as “Your Partner for Life” providing Peace-of-Mind Insurance Solutions to Customers.

Mission

Through Innovative Solutions, we provide Peace of Mind. For now, and for the Future.

Values

Solutions : Providing customer-centered innovative insurance solutions for you and your loved ones.

Beyond : Going beyond to ensure guaranteed protection beyond now, for the future.

Peace of Mind : Providing the right protection against uncertainties of tomorrow.

Key Commitments

At AYA SOMPO, fair dealing is central to our corporate culture. We are fully committed to ensure our dealings with key stakeholders are in a timely, fair, transparent, and professional manner.

TO OUR CUSTOMERS

We act fairly, reasonably and in their best interest when dealing with our customers.



TO OUR EMPLOYEES

We promote human capital development through internal and external trainings and job enrichment.



TO OUR COMMUNITY

We behave in a socially responsible and environmentally conscious manner in conducting our business.



TO OUR SHAREHOLDERS

We practice corporate governance, provide appropriate disclosure of information and exert our utmost to enhance shareholders' value.



Corporate Snapshot: A Glimpse of AYA SOMPO



Top Insurer
Fastest Growing Company



MMK 64 Billion
Paid Up Capital



MMK 112 Billion
Total Asset



MMK 11 Billion
Total Reserves



MMK 38.6 Billion
Gross Written Premium



MMK 18.4 Billion
Net Earned Premium



MMK 4.2 Billion
Net Profit (After Tax Before Reserve)

Nay Pyi Taw

Yangon

Mandalay

1 Head Office

3 Regional Offices

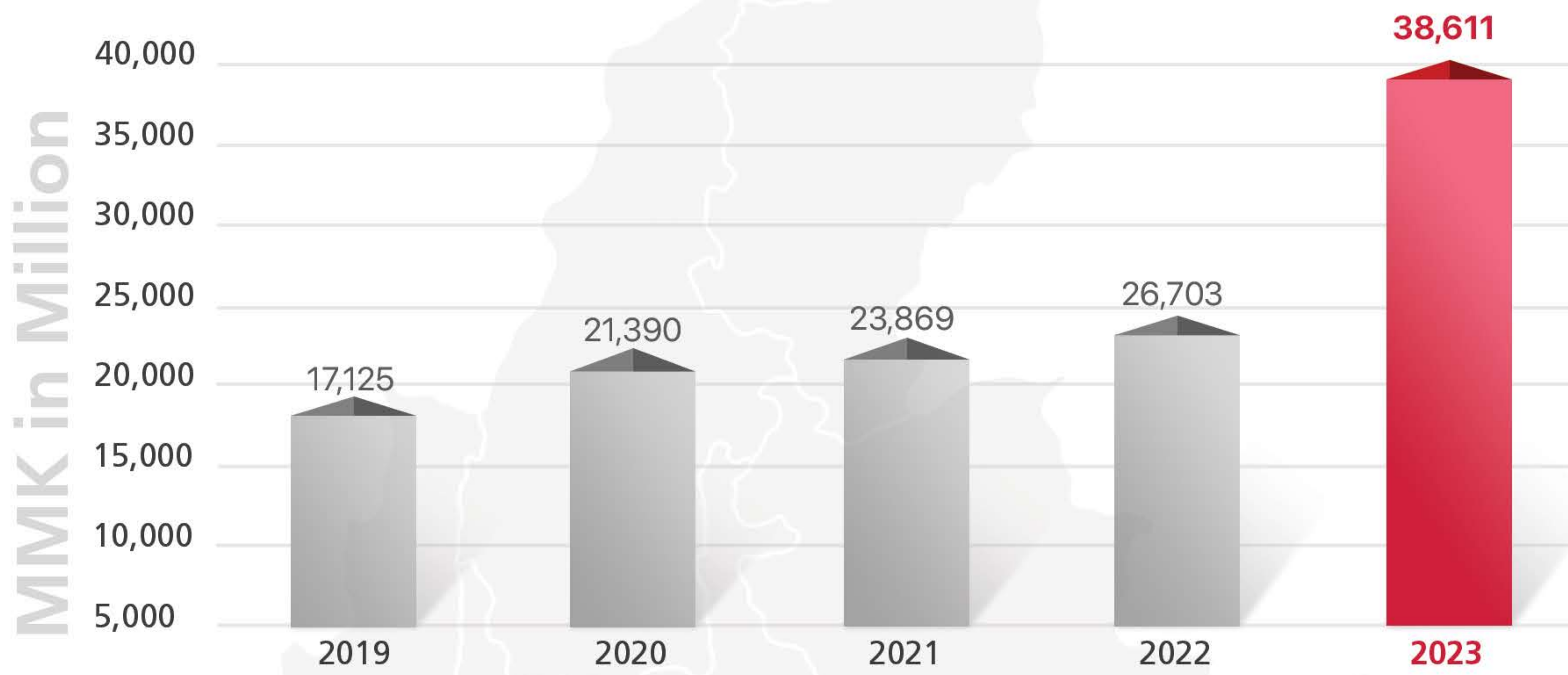
8 Branch Offices

126 Bancassurance Branches

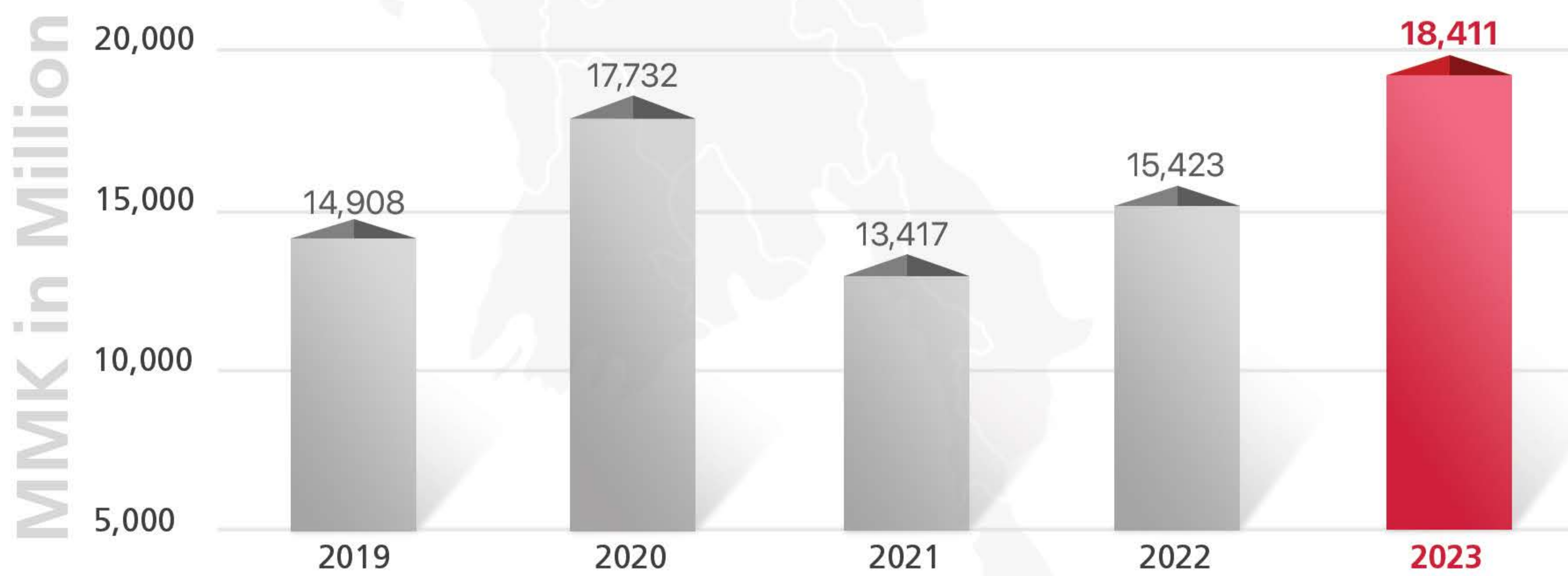
We are **available** at more than **45 cities** across Myanmar

Financial Performance Highlights

Gross Written Premium



Net Earned Premium



AYA SOMPO Milestones : Building the Future

2023

- Launched AYA Health, our innovative health insurance solution designed to meet the unique needs of you, your family, and your employees
- Launched My AYASOMPO App, providing seamless access to comprehensive insurance solutions right at your fingertips



2022

- Launched Robotic Process, Automation (RPA) for Agent Commission and AYA Go/Joy, Data Entry
- Launched the CiRCLE by AYA SOMPO - a partners' privilege program
- Initiated Cash Management System Automation with AYA Bank
- Launch of Advisor's Web Portal

2021

- Launched 1st Multi-System Integrated 360 deg Customer Relationship Management, Solution in Myanmar
- Awarded " Myanmar Customer Experience of the year 2021 " by Asian Experience Awards



2020

- Introduced first-of-its-kind exclusive travel insurance in Myanmar
- Launched Agent Training Center approved by Ministry



SEP 2019

- Joint Venture between AYA and Sampo
- Joint Venture License approved by Ministry



JUN 2019

- Awarded Best Private Insurance Company Myanmar by Global Banking & Finance



2018

- 1st Insurer to introduce Bancassurance Distribution with AYA Bank
- Digital Insurance Initiative Award by Asian Banking & Finance



JUN 2017

- 1st Insurer to embarked on Core Insurance System

SEP 2015

- Became a member of United Nations Global Compact



JUL 2013

- Granted Private Insurer License by Ministry



03

Our Performance Review

Business Expansion, Innovative Offerings and
Unique Value Propositions

Message from Chief Operating Officer

Dear Valued Partners and Stakeholders,

The financial year 2023/2024 has been another transformative year, marked by significant milestones and strategic advancements. Our progress reflects the collective efforts and commitment of all our AYA SOMPO staff, and it is my pleasure to share our progressive journey to date and aspirations for the future.

At AYA SOMPO, our vision is clear: "To be recognized as 'Your Partner for Life.'" This vision drives every strategic decision and operational effort, ensuring that we consistently deliver value and support to our valued customers, partners, and society. Our vision is founded on three core missions: Sustainability, Innovation, and Customer-Centricity.

In accordance with our commitment to sustainability initiatives, we are dedicated to upholding ESG (Environmental, Social, and Governance), DEI (Diversity, Equity, and Inclusion), and the Japanese concept of "SANPO YOSHI." SANPO means "three groups," and YOSHI means "good" in Japanese, signifying "Good for three groups: sellers, buyers, and society." This philosophy underscores that, in business, while it is natural for the seller and buyer to be satisfied, it is equally crucial to contribute to society in a win-win-win relationship based on mutual respect and appreciation. Consequently, our strategy is supported by the creation of a sustainable business model that not only ensures profitability but also adds value benefiting all stakeholders, with a focus on long-term social impact. We consistently deliver optimal products and services designed to benefit all three parties.

In addition to Sustainability, our corporate culture focuses on Innovation. We continually enhance our "Competitive Edge" through innovative value creations by leveraging digital technology and real data analytics. This strategic focus positions us as a market leader, underpinned by our commitment to "Advanced Operational Excellence." Our system automation of underwriting processes for IAR (corporate products) has made approvals and workflows seamless and traceable, resulting in improved operational efficiency and reduced paper usage. We also plan to implement "Rule-based UW System" for high-volume retail products such as motor, health and fire. In parallel, we aim to harmonize the human touch with digital technology in our operations. This balance allows us to shift from routine work towards more creative tasks. Repetitive tasks that do not require human involvement are automated through RPA (Robotic Process Automation), enabling our human resources to concentrate on creative, high-value tasks. We leverage technology to increase operational efficiency while creating value-added services.

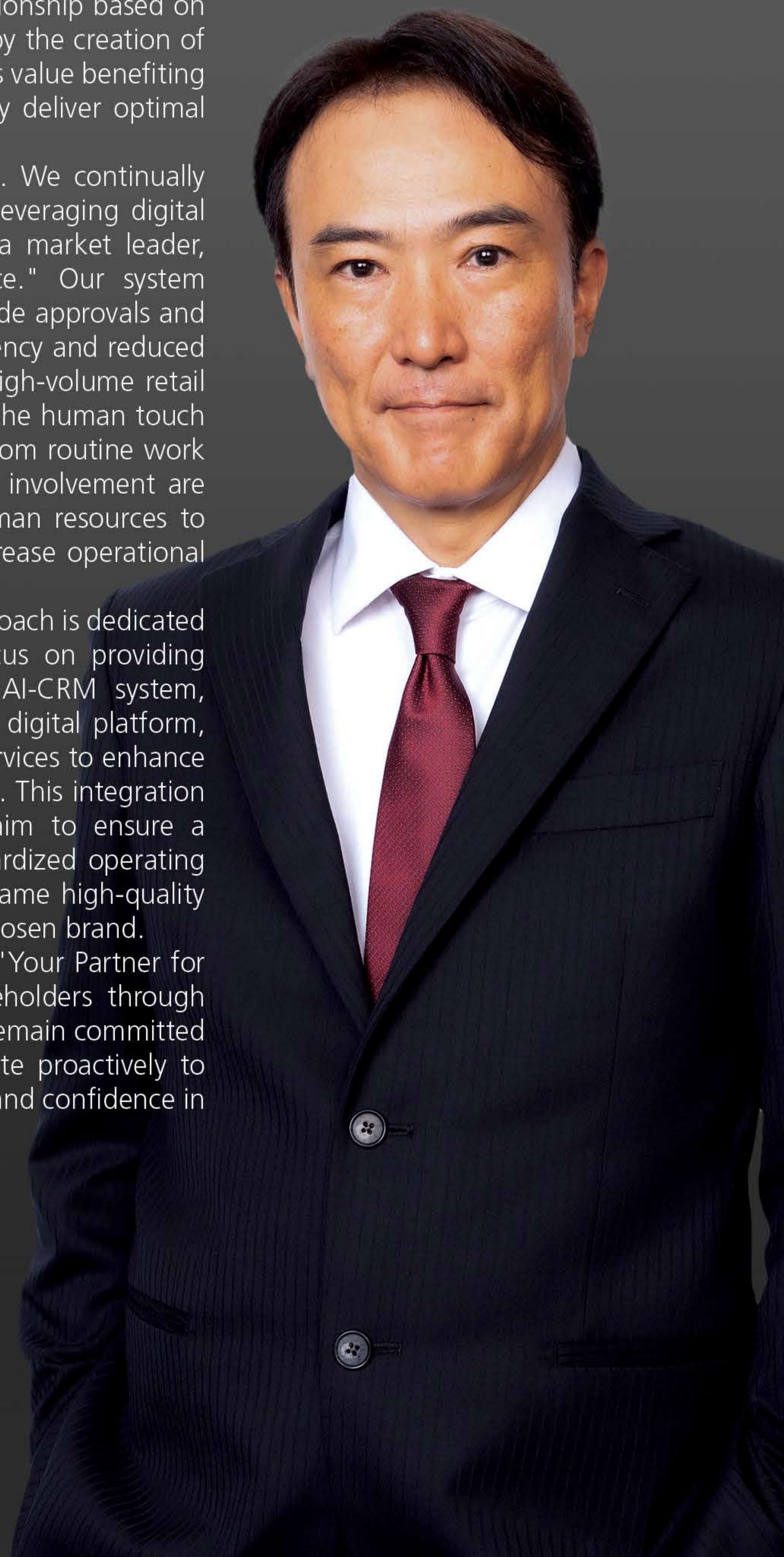
In line with our commitment to Customer-Centricity, our customer-first approach is dedicated to enhancing the customer experience with our unique value. We focus on providing personalized services tailored to each customer's needs through our AI-CRM system, delivering a customer experience that exceeds expectations. Through our digital platform, "My AYASOMPO" application, we comprehensively integrate our digital services to enhance the effective utilization of RPA, AI-CRM, and BI (Business Intelligence) tools. This integration improves customer convenience and service quality. Additionally, we aim to ensure a consistent level of service across all regions by implementing SOP (standardized operating procedures) throughout the company. Providing our customers with the same high-quality service, regardless of their location, is essential for building a trusted and chosen brand.

Last but not least, our journey to be selected by our valued customers as "Your Partner for Life" is built on a foundation of sustainable commitment to our stakeholders through continuous innovation and a sincere dedication to customer-centricity. We remain committed to our vision and missions, striving to exceed expectations and contribute proactively to society. We would like to express our gratitude for your continued support and confidence in AYA SOMPO.

Sincerely,



Hirokazu Mori
Chief Operating Officer



Business and Industry Outlook

Business Outlook

In the coming year, we will continue to embrace the centuries-old Japanese philosophy of "Sanpo Yoshi," which emphasizes on three-way; win-win-win situation, with benefits for the sellers, buyers, and society. This approach will guide us in developing value propositions that benefit all stakeholders, fostering mutual prosperity and sustainable growth.

Our mission is to provide insurance solutions that offer peace of mind. This unwavering commitment shapes our strategic initiatives in our daily operations, with our success measured by the positive impact we make on our customers and communities. We will focus on leveraging our strengths and exploring new opportunities by investing in innovation and customer-centric services. Staying agile and resilient will enable us to expand our market reach and maintain our leadership in the industry.

We are dedicated to integrating Environmental, Social, and Governance (ESG) principles and Diversity, Equity, and Inclusion (DEI) strategies into our daily operations. Our Corporate Social Responsibility (CSR) initiatives will promote sustainable practices, enhance diversity, and ensure equitable opportunities for all. Harnessing real data analytics, we will analyze customer behavior, market trends, and risk factors to create innovative insurance products and services. This data-driven approach will ensure our insurance solutions meet the evolving needs of our clients, providing them with the best possible protection and support.

To ensure a cohesive brand identity, we will unify our efforts under the banner of ONE AYA SOMPO. This alignment will foster a strong sense of community and shared purpose within our organization, enhancing customer and partner experiences and building lasting relationships. We will invest in initiatives that promote a positive mindset and resilience among our workforce. By cultivating a culture of optimism, adaptability, and perseverance, we will empower our employees to navigate industry challenges effectively.

Engaged employees are the cornerstone of our success. We will implement robust engagement initiatives that support professional growth, recognize achievements, and cultivate a sense of belonging. Our focus on developing industry-leading talent will ensure our team is motivated and equipped to drive our business forward.

Our business outlook for the coming year centers on creating value for all stakeholders, driving innovation, and fostering a cohesive, resilient, and engaged workforce. By staying true to our mission and strategic direction, we are confident in our ability to achieve sustainable growth and make a meaningful impact in the insurance industry.



Insurance Industry Outlook

Myanmar's insurance market is on a trajectory of growth, with projections estimating a market size of USD 3.64 billion by 2024, where Non-Life Insurance is expected to dominate at USD 2 billion. This expansion reflects an increase in average spending per capita, anticipated to reach USD 66.20 in 2024. Furthermore, a steady annual growth rate of 1.35% (CAGR 2024-2028) is forecasted, leading to a market volume of USD 3.84 billion by 2028 (Statista Market Forecast).

The insurance sector in Myanmar is experiencing a steady demand, driven by increasing consumer awareness of the need for financial protection. This surge will be further amplified by a significant digital transformation within the industry. Insurers are increasingly leveraging advanced technologies to enhance their operations and improve customer experiences.

Environmental, Social, and Governance (ESG) factors are also shaping the practices within the insurance sector. There is a growing emphasis on aligning insurance operations with broader societal sustainability trends, reflecting the industry's commitment to responsible business practices. This shift is particularly relevant as the world grapples with environmental challenges and seeks sustainable solutions.

The aftermath of the COVID-19 pandemic has brought a renewed focus on pandemic-related risks and health protection. This has driven innovation in life and health insurance products, as insurers strive to meet the demand for comprehensive health coverage and pandemic-related safeguards.

Regulatory changes continue to influence market operations and product design in Myanmar. Insurers must stay agile and adaptable to navigate the evolving regulatory landscape, ensuring compliance while seizing new opportunities for growth. With the new directives to be introduced in the coming years which shape the accounting standards in the industry, we see more stringent financial reporting amongst the insurers which will instill more confidence from the general public.

Demographic shifts are also affecting the demand for insurance products. As the population's needs evolve, there will be new products introduced in the marketing in the near future, which eventually will also differentiate insurers between each other.

In summary, Myanmar's insurance industry holds a promising outlook, driven by technological advancements and increasing consumer awareness. By staying ahead of regulatory changes, leveraging data and technology, and aligning with ESG principles, insurers can navigate challenges and seize opportunities to meet evolving customer needs and achieve sustainable growth in a dynamic market environment.



Business Overview

Key Distribution Channels and Partnership

● Bancassurance Dynamics

Leading the Way: AYA SOMPO's Bancassurance Collaborative Achievements

Throughout the year, AYA SOMPO has strengthened its bancassurance distribution through enhanced collaborations with our exclusive bank partner, AYA Bank, one of Myanmar's leading financial institutions. AYA SOMPO has leveraged its strong presence and expertise in the insurance industry to provide tailored solutions to AYA Bank customers and local communities. By leveraging AYA Bank's extensive nationwide branches and digital network, we aim to significantly increase insurance penetration across the country. This strategic alliance has not only facilitated AYA SOMPO's market penetration but also expanded its reach across diverse customer segments.



Key achievements this year highlight our commitment to excellence in bancassurance. We exceeded our Bancassurance Target by an impressive 122.99% while registering a stellar growth of 86% against the previous year. This remarkable achievement underscores the effectiveness of our strategies in driving customer engagement and expanding our market presence. In line with our growth plan, we have strategically expanded our branch network to 126 Banca branches and 78 Remote Banca branches, further strengthening our footprint and accessibility throughout Myanmar.

Our commitment to fostering strong relationships was evident through various team-building activities. The Half-Year Trip to Bagan, which included engaging activities and team bonding exercises, was a notable highlight that strengthened connections among AYA Bank Division Heads and Qualifiers. The Annual Trip to Hua Hin, Thailand marked a significant milestone as our first overseas trip for qualified Staff, Branch Managers and Division Heads of AYA Bank, highlighting our dedication to recognizing and rewarding excellent performers within our partner network.

As we continue to evolve and innovate through strategic partnerships and dedicated teamwork, AYA SOMPO remains committed to driving excellence in bancassurance. Our sustained focus on growth and exceptional service ensures that we meet the diverse insurance needs of our customers in Myanmar and beyond.



● Agency Development

AYA SOMPO Agency Development: A Year of Strategic Growth and Innovation

Last year was transformative for Agency Development, marked by strategic initiatives, innovative improvements, and strong partnerships that advanced our leadership in the insurance industry. This annual report highlights our key achievements, performance metrics, and future directions, demonstrating our commitment to excellence and growth.

Our strategic initiatives delivered impressive results, achieving 120% of our targets and establishing us as a major growth driver across all business channels. By diversifying our portfolio and entering new markets, we have expanded our reach and introduced innovations that enhance our partners' sales efficiency.

With the aim of shaping AYA SOMPO to be the preferred insurance partner in the industry, we focused on delivering exceptional customer service, innovative products, and reliable solutions. This has strengthened our brand reputation as we expanded our reach to more consumers, making us the insurer of choice in the country. We introduced comprehensive training programs designed to enhance the skills and knowledge of our partners. These programs included intensive onboarding interviews, professional development programs, and advanced sales training, ensuring our partners are well-prepared to meet and exceed client expectations. Regular product training sessions, conducted monthly and bi-weekly by our Agency Managers, ensured that our partners were always well-informed about our latest offerings and industry developments. These programs enhanced their ability to serve clients effectively and maintain high levels of customer satisfaction.

Rewards & Recognitions

To motivate and retain our top performers, we launched partners' rewards and recognition programs. These initiatives included performance-based campaigns, public recognition events, and exclusive reward trips. Our top partners were part of an exclusive trip to Phuket, Thailand as part of the reward programs that enabled them to unwind and network with the senior management and other top performing partners. The "Star of AYA SOMPO" initiative and various ad-hoc campaigns have played a vital role in recognizing outstanding performances and enhancing engagement. These campaigns, spearheaded by our Corporate Communications team, have been instrumental in promoting the branding and motivation within the organization.



Events, Activities & New Initiatives

We have successfully launched new products like New Motor and AYA Health Insurance Solutions at agents' networking events, showcasing our commitment to innovation and meeting our clients' changing needs. We have also organized proactive networking events such as Quarterly and Mid-Year Partners' Appreciation Events, fostering connections among agent partners to share insights and celebrate achievements.

Our "Key to Success" events provided valuable knowledge-sharing opportunities while "Kickstart your Career with AYA SOMPO" career fairs showcased the rewarding career paths and provided potential candidates with detailed information about growth opportunities within our organization.



We have made significant strides in technological innovation with My AYASOMPO App. As we enhance agent features, we streamline workflows for better client relationship management, including real-time policy updates and performance tracking tools, to boost efficiency and service quality.



Over the past year, AYA SOMPO has seen strategic growth, innovative improvements, and strengthened partnerships. Our commitment to excellence has led to significant achievements, positioning us for future success. Moving forward, we are dedicated to unparalleled service, strong relationships, and ongoing innovation to meet client and agent needs. This year's foundation will propel us to new heights in the years ahead.



● **Corporate Partnership**

AYA SOMPO's Strategic Collaborations Enhancing Healthcare and Travel Experiences

At AYA SOMPO, we take pride in being a leading general insurance company that goes beyond traditional insurance offerings. Our goal is to provide comprehensive solutions that improve the lives of our clients. Through strategic collaborations, we continuously seek to innovate and elevate the insurance experience.

AYA SOMPO's Innovative Travel Insurance Partnership with ATOM Telecommunication

In collaboration with ATOM Telecommunication, AYA SOMPO proudly introduces an innovative solution that revolutionizes travel insurance for ATOM store users. Starting from April 2024, travelers can seamlessly purchase AYA SOMPO travel insurance, alongside ATOM roaming packs, ensuring comprehensive coverage and peace of mind throughout their journeys. This strategic partnership exemplifies AYA SOMPO's commitment to providing accessible and high-quality insurance solutions tailored to the evolving needs of modern travelers.



AYA SOMPO & Pun Hlaing Hospitals: Maternity & Newborn Insurance Bundle

In another exciting collaboration, AYA SOMPO has partnered with Pun Hlaing Hospitals to introduce first bundling product of AYA Health Insurance and Maternity Package. This innovative offering allows customers who purchase a Maternity package from Pun Hlaing Hospitals to conveniently add AYA Health Insurance coverage for their newborn babies. This partnership showcases our dedication to providing comprehensive support and coverage for families during significant life events.



BEYOND NOW, XPERIENCE THE FUTURE – PARTNERS' NIGHT 2023

With a theme of “Beyond Now, Xperience the Future”, our Partners’ Night was held to celebrate a night of excellence, collaboration, and collective success of the remarkable journey we have undertaken together. The night also provided a glimpse of our future innovation. It was dedicated to acknowledging the unwavering support, commitment and dedication that has fueled our collective success.

Top Partners awards such as Rising Star Awards, Growth Achiever Awards, Top Sales Achiever Awards, CEO Award, Promising Corporate Partner Award, and Top Corporate Partner Award were presented to our top achievers. Together with the top awards, there were also recognition awards for our Top Auto Partners, Exclusive Digital Partner, and Exclusive Bank Partner for their continuous support and contribution.

Together with the awards, we were thrilled to announce the launch of My AYASOMPO, a cutting-edge mobile application designed to provide smart insurance solutions and digital services for our customers. As we embark on a new journey of 2024, this night was also an opportunity to cast our gaze toward the future focusing on the sustainability of the industry and the community with our new innovations. We thank all our partners for lighting up the night.



Top Auto Partners



Stars of AYA SOMPO



Rising Stars



Growth Achievers



Top Sales Achievers



Promising Corporate Partner



Top Corporate Partner



CEO Award



Exclusive Digital Partner



Exclusive Bank Partner



My AYASOMPO: Revolutionizing Customer Experience

In an era defined by digital transformation, AYA SOMPO Insurance remains dedicated to being at the forefront of innovation. With the recent launch of My AYASOMPO, the-first-of-its-kind mobile application, we continue to demonstrate our commitment to leading-edge solutions. This initiative, led by the High-Po Program Batch II candidates, showcases our ongoing efforts to enhance the customer experience and streamline access to our services.

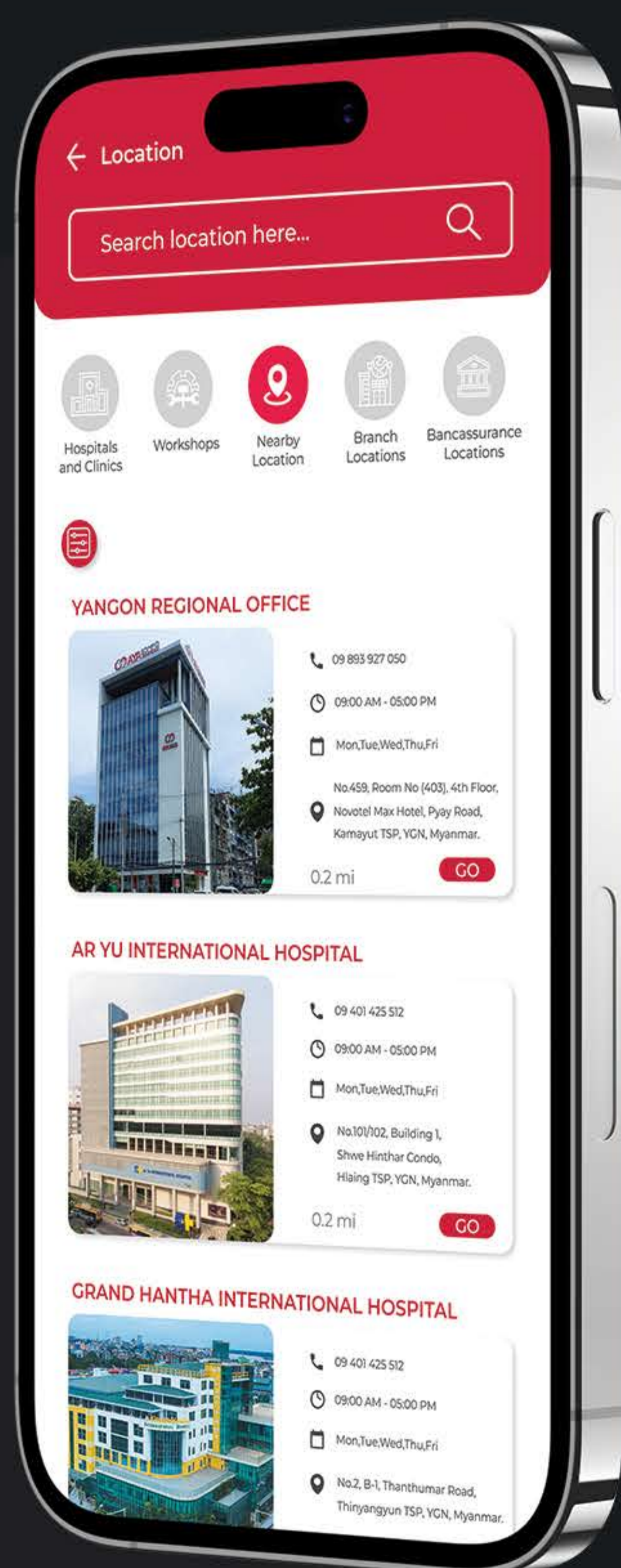


At the heart of AYA SOMPO is an innovative culture that consistently drives us to create digital solutions that cater to the evolving needs of our customers and partners. My AYASOMPO App represents a significant milestone in our journey. This progressive foundation has set the stage for further advancements, solidifying our position as a frontrunner in digital innovation within the insurance sector.

Our customers have increasingly engaged with AYA SOMPO website, utilizing it for various services such as purchasing travel insurance, inquiring about products and submitting E-Claims. Listening to their needs and feedback, we developed the My AYASOMPO App to offer a more integrated and user-friendly experience, providing our customers and partners with access to insurance solutions that are easier, faster, and more convenient. This has elevated insurance awareness and customer experience to the next level.

Enhancing Customer Experience with My AYASOMPO App

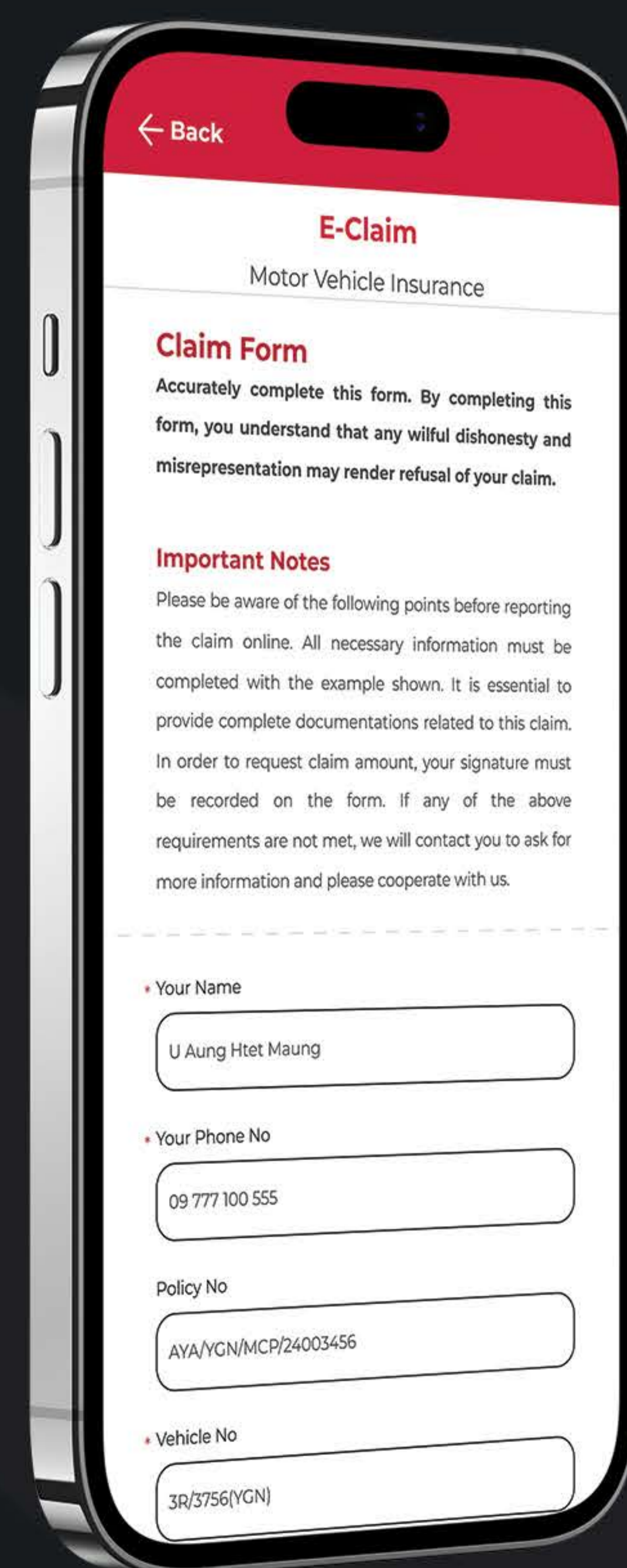
My AYASOMPO App is designed with simplicity and accessibility in mind, empowering our customers with the latest technology. With Effortless Registration, customers can register on the App without having to visit a physical office. By simply entering their Policy Number and completing the online registration process, they can register on the App within a minute. The App ensures:



Accessibility Anywhere, Anytime:
Available for use from any location at any time.



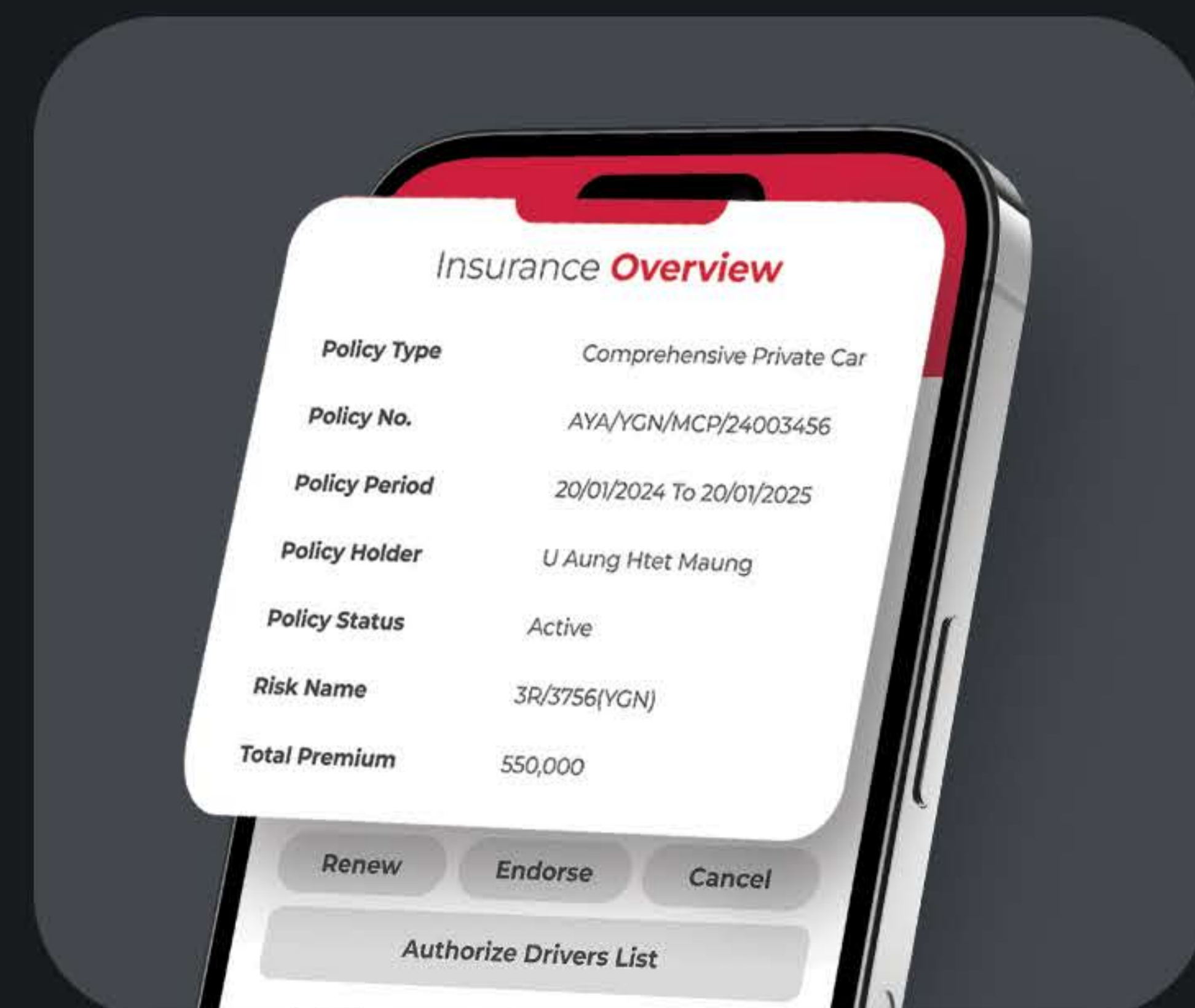
User-Friendly Interface:
Simple and easy to navigate.



Advanced Technology:
Allows policyholders to engage with the latest insurance technology.

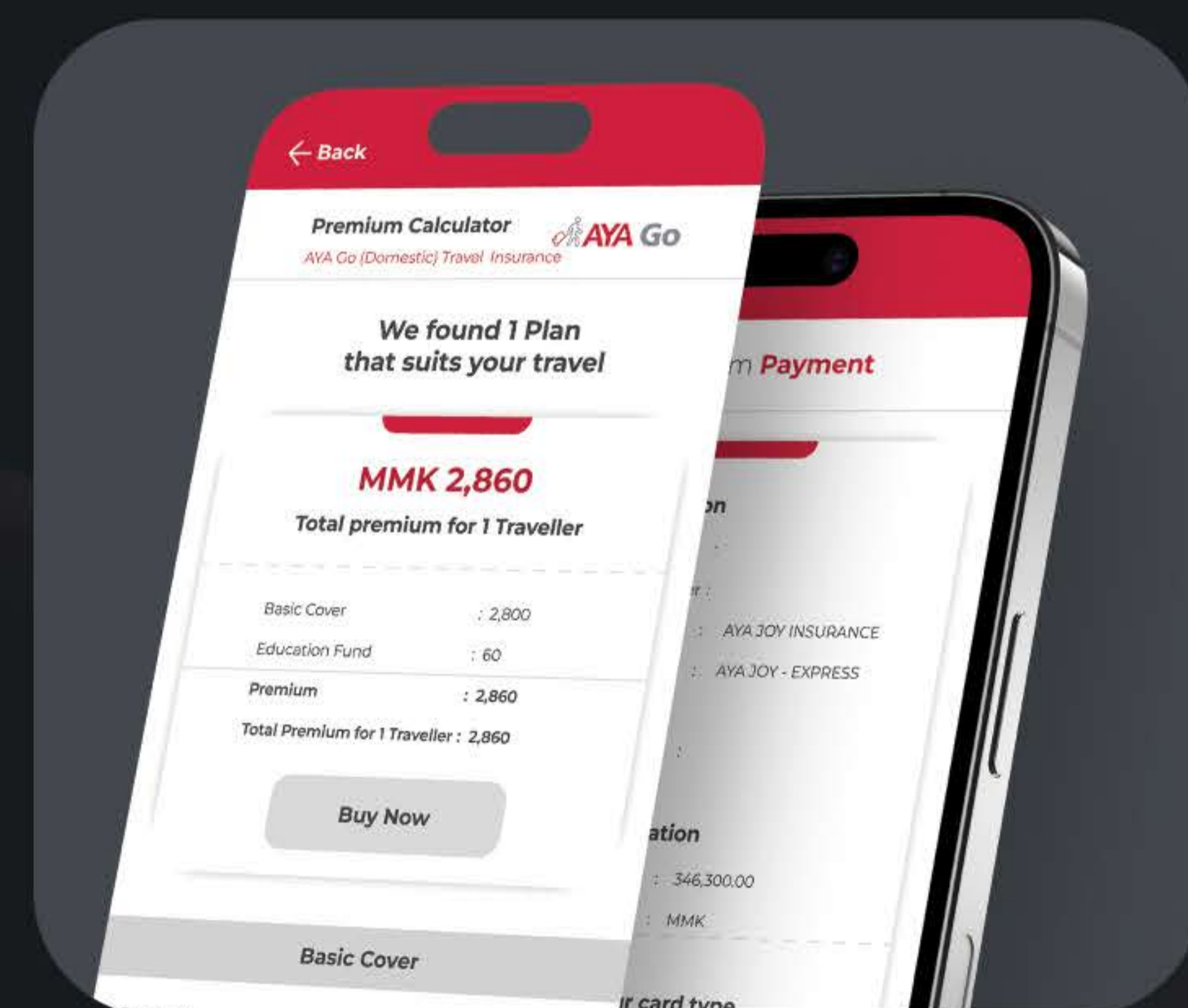
Access your Policy Documents/ Information on your fingertips

My AYASOMPO App offers a variety of features to ensure a seamless experience for users. Customers can perform quick checks on their policy details and explore comprehensive insurance solutions. In addition, non-policyholders can utilize Guest Mode to explore available insurance solutions. The App features a Premium Calculator to enable users to estimate costs based on their individual requirements. In the event that users want to purchase a policy, the App makes it simple to notify us directly.



Seamless Purchase of Travel Insurance

My AYASOMPO App simplifies the process of purchasing travel insurance, AYA Go and AYA Joy Travel Insurance. Users can easily navigate the App to make their purchase, ensuring a seamless and convenient experience from start to finish.



Policy Renewal Notification ensuring all your policies are renewed on time

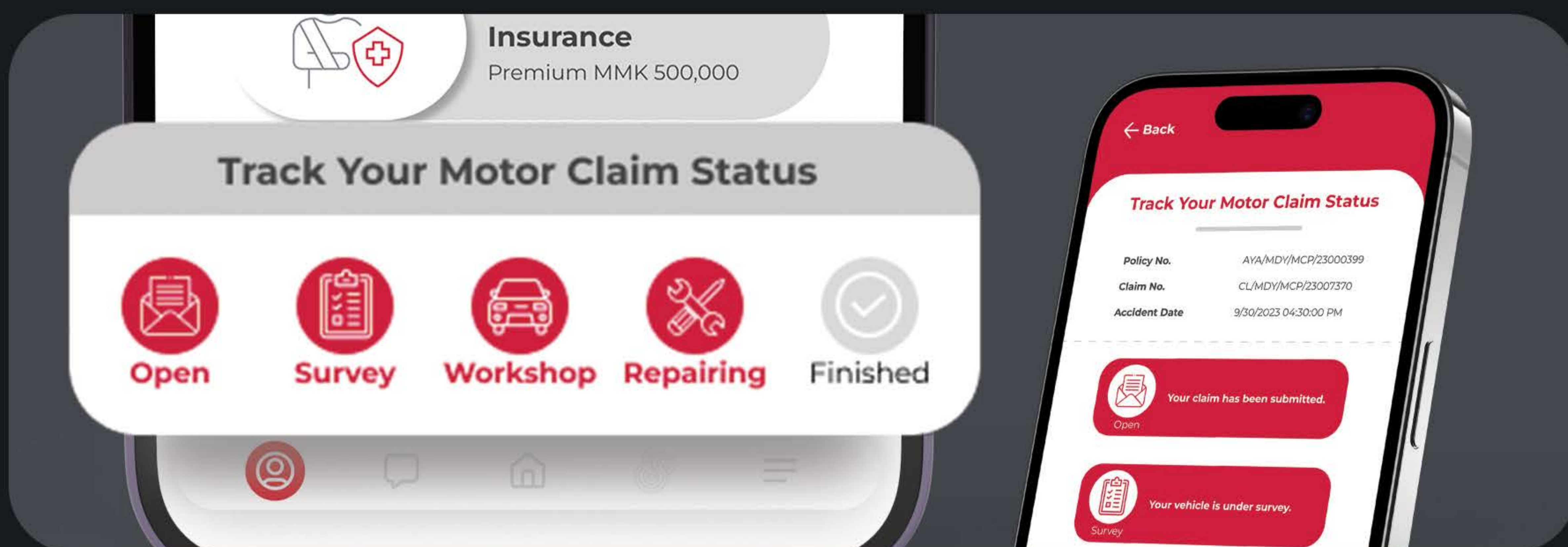
My AYASOMPO App provides timely notifications to users regarding policy renewals, ensuring that they stay informed about upcoming deadlines. Payments for policy renewals can be conveniently made directly through the App. Additionally, users have the option to extend their policy immediately, allowing for a hassle-free process and eliminating any concerns about missing renewal deadlines.



Hassle-free Claim Submission

Claim intimation can be a tedious process, especially on regular motor claim. The claim process was made easier, faster and more seamless through the new features:

- ❶ Seamless Submission: Submission through E-Claim made easier, faster and with less hassle.
- ❷ Fast Reporting: Reporting a claim without any delays for quick initiation of claims.
- ❸ Claim Status Tracking: Users can track every stage of the claim process and receive notifications, from submission of a claim to collection of vehicles from the workshop, ensuring timely service delivery and ease of monitoring.



Additional Features

The App offers additional useful features to enhance user experience:

- ❶ Location Map: Users can easily locate AYA SOMPO branches, workshops, and hospitals using the integrated map feature, which also provides navigation to the nearest location.
- ❷ Communication: Users have the option to reach out to us either through ChatBot or Hotline for any inquiries or assistance.
- ❸ The CiRCLE: AYA SOMPO's own privilege program that allows our partners to enjoy exclusive benefits and privileges focusing on mental and physical wellness.

Future Developments

We are developing additional features for our partners, enabling them to track sales information, monitor and follow up on renewals effortlessly. Both customers and partners will benefit from a unified account system within the App.

My AYASOMPO App represents a significant step forward in our mission to revolutionize customer experience. By leveraging advanced technology and listening to customer feedback, we are providing a comprehensive, user-friendly platform that meets the evolving needs of our clients. We look forward to continuing this journey and further enhancing the value we deliver to our stakeholders.

Exploring Our Range of Insurance Solutions

Our Insurance Solutions

AYA SOMPO is committed to provide peace of mind insurance solutions to individuals and families in Myanmar. We aim to deliver high quality service and innovative products through internal and external distribution channels to assist our customers to protect their assets from the uncertainties of tomorrow.



Personal Insurance Solutions



Motor Vehicle Insurance

Protect your vehicles against losses resulting from accidents.

AYA+health AYA Health Insurance

Provide coverages for medical, surgical, and hospitalization expenses.



Personal Accident Insurance

Protect individual against unexpected loss caused by injury, total permanent disabilities and death due to accident.



AYA Go Domestic Travel Insurance

Provide you with covers against accidents and mishaps that may arise during your travels.



AYA Joy Overseas Travel Insurance

Provide you a range of cover including medical expenses due to accidents and flight/baggage delays.



Fire Insurance

Protect properties and assets against unexpected losses due to fire and natural disasters.



Industrial All Risk (IAR) Insurance

Protect your properties, premises and machineries from sudden and unforeseen loss by any perils other than by exclusions.



Commercial Insurance Solutions



Cargo/Inland Transit Insurance

Protect from unforeseen losses to cargo and goods during transportation or transit by land within Myanmar.



Contractor's & Erection All Risk Insurance

Provide you with protection from any damage that occurs during the construction or erection process.



Marine Cargo Insurance

Coverage for export and import shipments by ocean in case of any unexpected loss of goods during transportation overseas.

AYA+health

We are proud to introduce our unique and exclusive health insurance with our renowned name, AYA. AYA Health is a comprehensive health solution designed to enhance the well-being and peace of mind of the people of Myanmar. This innovative product provides access to a wide range of private hospitals, including options for overseas treatment. AYA Health aims to improve social security by reducing the financial burden associated with healthcare and ensuring easy access to quality medical services. With AYA Health, we are committed to supporting the health and financial stability of our community.



AYA Health offers an extensive range of coverage designed to meet the diverse healthcare needs of our policyholders at every stage of life. From infants as young as 15 days old to senior citizens, AYA Health is designed to be a comprehensive healthcare solution for individuals and families. Our coverage includes additional benefits such as Infant and Children Covers, Overseas Medical Treatment, Dental & Optical Care, Outpatient Treatments, Personal Accident Insurance, and Chronic Diseases and Diagnosis. Key benefits include:



Medical and Hospital Care

Comprehensive inpatient services that ensure the best possible care during hospital stays, including overseas medical treatment at partner hospitals in Yangon and Thailand.



Outpatient Services

Access to consultations, diagnostics, and treatments without the need for hospitalization, making routine healthcare more accessible and convenient.



Dental Care

Coverage for regular dental check-ups, treatments, and emergency dental procedures, promoting overall oral health.



Personal Accident Insurance

Financial protection against the unexpected, covering medical expenses and providing support in the event of accidental injuries.

AYA Health is not just about individual care; it is a lifelong partner in health for you and your family. Our plans are tailored to support you through all of life's stages, from young adulthood and growing families to retirement. This ensures that no matter your age or family situation, you have access to the healthcare you need, when you need it.

With AYA Health, we are dedicated to providing a holistic healthcare solution that not only addresses immediate medical needs but also promotes long-term well-being and peace of mind for you and your loved ones.

AYA Health

Our Value-Added Services



24/7 Services

24 hour one-stop claims/
survey services country-wide



Nationwide Network

Available at more than
45 cities across Myanmar



E-Claim

Submit your claims online



My AYASOMPO

One stop application which
provides customers with the
easiest way of accessing to policy
information, e-claim and
policy renewal



Premium Calculator

Calculate your insurance
premium at your fingertips



Live Chat with our Customer Services

Answers and addresses to
queries anytime with zero
response delays



Workshop and Service Centers

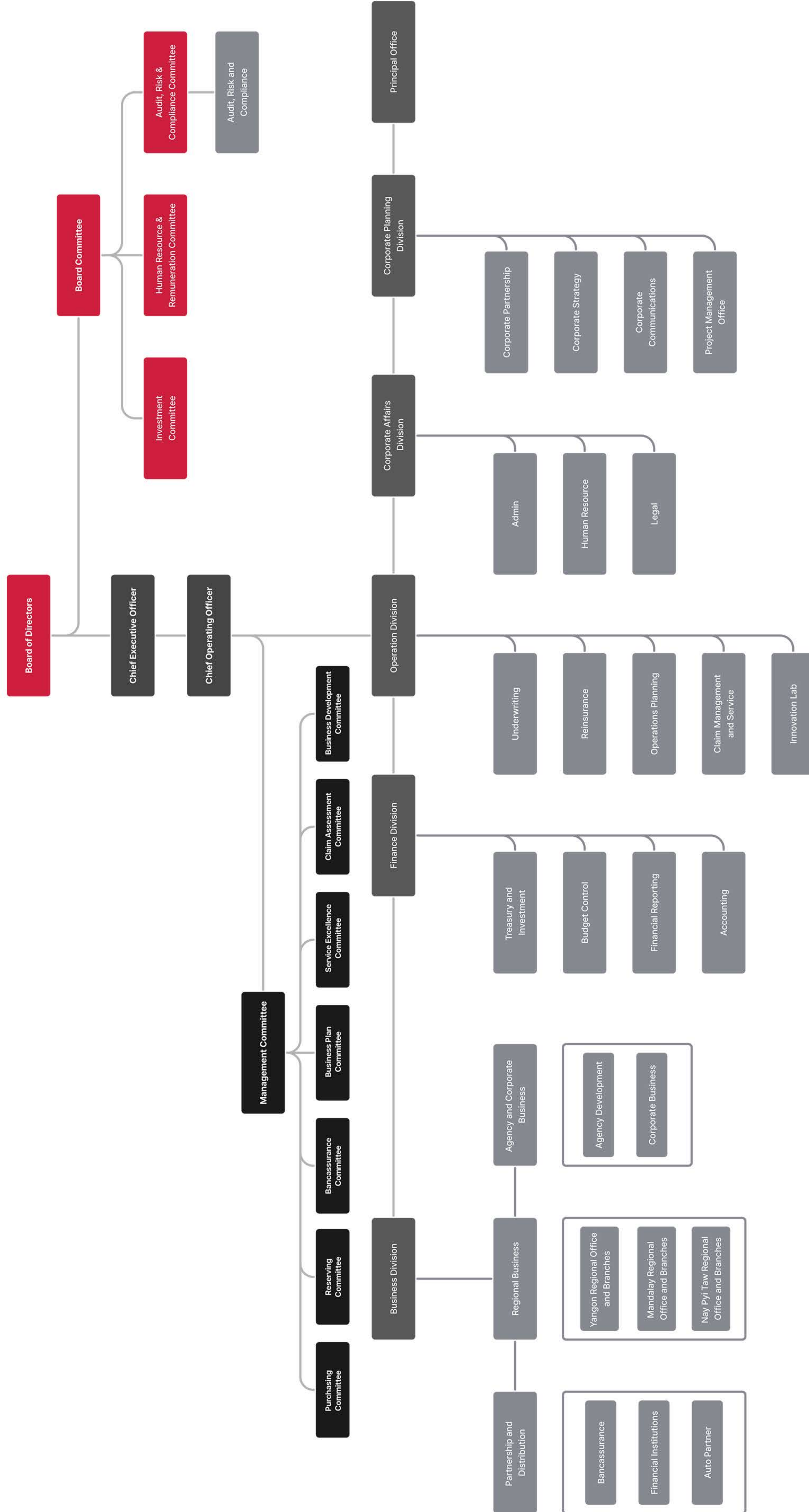
A wide range of workshops at
different regions in Myanmar



04 **Our People**

The Heart of AYA SOMPO

Organization Structure



Board of Directors



U Zaw Zaw

Chairman

U Zaw Zaw is the visionary founder and Executive Chairman of AYA SOMPO Insurance Company Limited, a joint venture between AYA Myanmar Insurance (AMI) and Sampo Japan Insurance Inc., and a key member of AYA Financial Group.

With over 25 years of distinguished management experience, U Zaw Zaw is a prominent entrepreneur and influential business leader in Myanmar. He is the founder of Max Myanmar Group of Companies, one of the nation's leading conglomerates and Founder and Chairman of AYA Bank.

U Zaw Zaw is also the President of the Myanmar Football Federation (MFF) and Senior Vice President of Asian Football Confederation (AFC). He was awarded AFC Distinguished Service Award in early 2024 for his exemplary initiatives in fostering positive impact in the communities.

U Zaw Zaw is deeply committed to social responsibility and philanthropy. As the founder of the Ayeyarwady Foundation, he has led numerous Corporate Social Responsibility initiatives, including the establishment of the Yankin Children Hospital, Ayeyarwady Covid-19 Center and made significant contributions to various charitable causes. His dedication to the development of football in Myanmar is also reflected in his generous donations and active involvement in promoting the sport.

U Than Zaw

Vice Chairman

U Than Zaw is the Vice Chairman of AYA SOMPO Insurance Company Limited, a joint venture between AYA Myanmar Insurance (AMI) and Sampo Japan Insurance Inc., and a key member of AYA Financial Group.

U Than Zaw was instrumental in the establishment of AYA Myanmar Insurance (AMI), taking on the role of Managing Director when the insurance market opened to private insurers in 2013. From 2011 to 2013, U Than Zaw also held the position of Managing Director at AYA Bank, where he continues to contribute as the Executive Director of the Board at AYA Bank.

Throughout his career, U Than Zaw has demonstrated exceptional leadership and strategic vision, contributing to the expansion of AYA Bank's brand and network across Myanmar. His diverse experience includes an eight-year term as Treasurer of the Olympic Committee and a two-year period as Chief Executive Officer of the Myanmar Football Federation.



U Myo Min Thu

Chief Executive Officer

U Myo Min Thu is the Chief Executive Officer of AYA SOMPO Insurance Company Limited, a joint venture between AYA Myanmar Insurance (AMI) and Sampo Japan Insurance Inc., and a key member of the AYA Financial Group.

Since joining AMI as Managing Director in January 2015, U Myo Min Thu has been pivotal in elevating the company to a leading position among private insurers in Myanmar, offering insurance solutions through innovative channels. Under his leadership, AMI became the first insurer in Myanmar to embark on a digital transformation, winning regional and global awards over the past six years. In 2019, he played a crucial role in establishing AYA SOMPO Insurance Company Limited in partnership with Sampo Japan Insurance Inc.

Prior to his tenure at AMI, U Myo Min Thu held various senior management positions in Singapore and overseas, bringing a wealth of knowledge and global experience to the organization.

U Myo Min Thu holds a Bachelor of Science (Hons) degree in Banking and Finance from the London School of Economics (LSE), UK, and a Master of Business Administration (MBA) from Edinburgh Business School (EBS) – Heriot Watt University, UK.





Mr. Takashi Kurumisawa

Director

Mr. Takashi Kurumisawa is a Director at AYA SOMPO Insurance, bringing a wealth of experience from his extensive career with the Sampo Group since 1995. He has held several key senior management roles, including Chief Executive Officer at Sampo International Insurance (Europe).

Currently, Mr. Kurumisawa is the Chief Financial Officer at Sampo Asia Pacific, Sampo Holdings (Asia) where he oversees the financial operations and strategic financial planning for the region, ensuring robust financial health and operational efficiency. Before this, he was the Executive Vice President of Transaction-Strategy at Sampo International for three years.

Mr. Kurumisawa holds a Bachelor of Arts in History from Keio University, Japan.

Daw Thazin Aung

Non-Executive Director

Daw Thazin Aung is a Non-Executive Director at AYA SOMPO Insurance Company Limited, a joint venture between AYA Myanmar Insurance (AMI) and Sampo Japan Insurance Inc. She holds the position of Deputy Chief Executive Officer at AYA Bank.

With a distinguished career spanning over 16 years, Daw Thazin Aung previously held the role of PwC Advisory Partner and served as the local Lead Director/Partner for PwC Myanmar. Her professional journey includes 11.5 years with PwC in Singapore and Myanmar, focusing on audit, financial advisory, and consulting and 5 years in Myanmar's Maritime service industry.

Throughout her tenure at PwC, Daw Thazin Aung specialized in banking and investment management, demonstrating a strong understanding of asset management, investment funds, trade flow processes, structured finance, treasury products, financial analysis, due diligence transactions, and operational transformation within private and investment banking sectors. She notably led local teams in PwC Myanmar, overseeing consulting, government, and banking advisory projects.

Daw Thazin Aung is also an active member of the USASEAN Business Council (USABC), contributing significantly to the Council's initiatives related to foreign investments and community development in Myanmar.



Management Team



U Myo Min Thu
Chief Executive Officer



Mr. Hirokazu Mori
Chief Operating Officer



Daw Wai Zin Maung
Chief Corporate Affairs Officer



U Kyaw Myo Win
Chief Partnership
& Distribution Officer



U Thant Sin Tun
Principal Officer



Daw Myat Myat Htwe
Director of Finance Division



U Thiha Win Ni
Director of Risk Management
& Operations Planning



Mr. Tetsuro Kaneko
Director of Agency
& Corporate Business



U Htet Wai Min
Director of Regional Business
& Corporate Communications

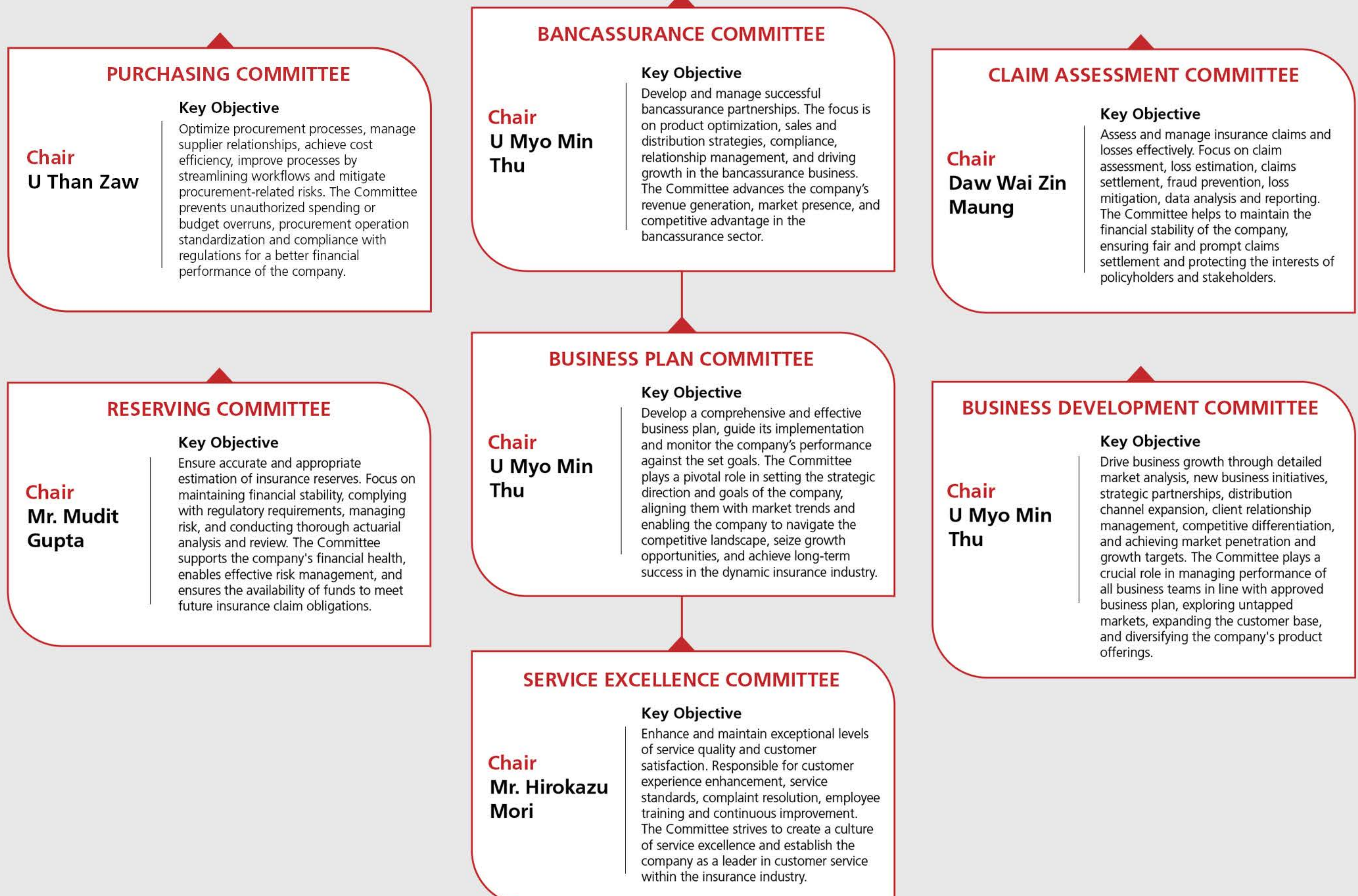


U Aung Htet Maung
Director of Claim Management
& Innovation Lab

Board & Board Committees



Management Committees



Developing Our Talents

In the dynamic landscape of our industry, the cornerstone of our success is not just the innovations we bring to the market, but the people who drive those innovations. This year, we have dedicated ourselves to cultivating an environment where our talents can flourish, grow, and exceed their potential. Our commitment to developing our talents is reflected in every aspect of our operations, from professional growth opportunities to fostering an inclusive culture.

Reflecting on the past year, we are proud of the strides we have made in empowering our talents. Our focus on comprehensive training programs, leadership development initiatives, and well-being support has strengthened our workforce, enabling us to navigate challenges and seize new opportunities.

By investing in our talents, we are investing in our future. This commitment ensures that our team remains at the forefront of industry excellence and innovation. Our dedication to talent development shapes our identity and drives vision for the future.

Employee Engagement and Empowerment

Engaging and empowering our employees is essential to fostering a motivated and productive workforce. This year, we launched several initiatives to enhance employee engagement, including quarterly town halls, Employee Engagement Programs, and a revamped employee recognition program. The improvement in our employee engagement score from 4.12 to 4.33 is a strong testament to the positive impact of these ongoing efforts. We also emphasize empowerment by providing employees with the autonomy to make decisions and encouraging innovative thinking through various on-the-job learning and group projects.

Empowerment is another cornerstone of our strategy. We encourage innovative thinking and provide employees with the freedom to make decisions through continuous learning opportunities and group projects. This not only enhances individual confidence but also drives collective success.



AYA SOMPO Sports Day was organized by the Human Resources Department to promote employee well-being and foster a sense of inclusiveness within the company. The event encouraged physical activity, team spirit, and camaraderie among our staff, contributing to a healthier and more connected workplace.



To promote sustainability and environmental responsibility, AYA SOMPO has organized tree planting activities as an annual CSR initiative. This initiative not only helps in creating a greener environment but also fosters a sense of collective purpose among our employees.



Employee's Night 2023 was held to celebrate the year of collective success with our team members. The celebration provides opportunity for our teams to celebrate their hard work and achievements in a fun and relaxed atmosphere.

Together, these initiatives illustrate our commitment to creating a conducive, innovative, and sustainable workplace where every employee feels valued and empowered to contribute their best.

Diversity and Inclusion in Talent Development

Diversity and inclusion are fundamental to our approach to talent development at AYA SOMPO. We recognize that a diverse workforce drives creativity and innovation. Our recruitment and development programs are designed to attract, retain, and advance individuals from a wide range of backgrounds. Additionally, we conduct regular training sessions on inclusive leadership to ensure that all employees feel valued and respected. Our commitment to diversity and inclusion has resulted in a more dynamic and cohesive workplace, and we are proud to report that our workforce is now more diverse than ever.

AYA SOMPO is dedicated to nurturing the talents of our employees. Through comprehensive training and development programs, robust career development opportunities, a culture of continuous learning, active employee engagement, and a steadfast commitment to diversity and inclusion, we are building a stronger, more capable, and more inclusive team. We look forward to continuing these efforts and achieving even greater success together.

Learning and Development

We believe that our greatest asset is our people. To support their growth and maximize their potential, we have invested in comprehensive learning and development programs. Over the year, we introduced new initiatives aimed at enhancing both technical skills and leadership capabilities. Our programs include on-site workshops, online learning courses, and mentorship opportunities that cater to diverse learning styles and career stages. By partnering with industry experts and educational institutions, we ensure that our employees have access to cutting-edge knowledge and practices.

Continuous learning is at the heart of our talent development strategy. We have cultivated a culture that values education and ongoing professional development. Employees are encouraged to pursue further professional development training through our training reimbursement program. Additionally, we offer access to an online learning course from Strategy First University (SFUX).

AYA SOMPO has also made significant strides in providing international learning exposure through our ASEAN school for Young Insurance Managers Program and Global University (GU) Program which collaboration with National University of Singapore (NUS). These initiatives send selected employees abroad to participate in advanced training sessions, industry conferences, and academic courses at prestigious institutions. By immersing our employees in different cultural and professional environments, we broaden their perspectives and enhance their leadership skills. This year, 5 employees participated in these programs, gaining invaluable insights and experiences that they have brought back to enrich our organization.



ASEAN School for Young ASEAN Insurance Managers Program



The ASEAN School for Young ASEAN Insurance Managers Program is a prestigious training initiative designed to equip emerging leaders in the insurance sector with advanced industry knowledge, strategic management skills, and a deep understanding of regional markets. By participating in this program, our talented professionals of AYA SOMPO gain exposure to best practices, innovative solutions, and a network of peers across ASEAN, fostering collaboration and mutual growth. Sending our talents to this program ensures they are well-prepared to drive our company's success, navigate the complexities of the ASEAN insurance landscape, and contribute to the sustainable development of the industry in the region.

Global University (GU) Program

The Global University (GU) Program is designed to foster the development and learning of young managers through a rigorous project management and action learning curriculum, engaging participants from diverse countries within SOMPO companies at National University of Singapore (NUS). This program aims to cultivate cross-cultural collaboration, enhance managerial competencies, and drive innovative solutions by immersing participants in real-world projects and interactive learning experiences. Through this initiative, young managers gain valuable insights, practical skills, and a global perspective, empowering them to effectively lead and contribute to the dynamic and interconnected SOMPO network.



Career Development Opportunities

We understand that career progression is a key factor in employee satisfaction and retention. Therefore, we have established clear career pathways and development plans for our team members. Our career development framework includes regular performance reviews, personalized development plans, and internal job postings. We encourage employees to take charge of their career trajectories and provide the necessary support to help them achieve their professional goals. During the last 12 months, we proudly promoted 20% of our staff to higher positions, a testament to our commitment to development and growth.

This year, we have successfully implemented the continued development of our Hi-Po Program Batch 2, Emerging Program Batch 2, and Apprentice Program Batch 2. These programs are designed to nurture and advance the skills of our high-potential employees, emerging leaders, and apprentices, ensuring a robust pipeline of talent ready to take up managerial to management roles within the organization in the future.



We have also offered a short-term assignment and secondments at Sompo regional Asia office in Singapore, allowing our employees to work in a different cultural context, learn new skills, and gain fresh perspectives and interacting with colleagues from various backgrounds enhances cross-cultural communication and collaboration.

Our Moments



May Thet Hnin Chit
High-Po Program

It was a privilege to be a part of Hi-Po program which is an annual initiative, tailored for employees with high potential and provided me with invaluable opportunities for growth. During the program, I delved into academic subjects that have directly supported my career growth. Additionally, I had the privilege of engaging in mentoring sessions with senior management, which not only inspired me to expand my knowledge but also provided invaluable guidance.

One of the highlights of my time in the program was the implementation of the My AYASOMPO App, a significant milestone in our company's digital transformation journey. This app is revolutionizing how our customers interact with insurance solutions by providing a user-friendly platform accessible anytime, anywhere. Our My AYASOMPO app offers a range of features, including a premium calculator for easy cost estimation, E-Claim submission for seamless insurance claims processing, and convenient premium payment options. Moreover, it includes location-based services to help users find partnered hospitals, clinics, workshops, and AYA SOMPO offices with ease.

My involvement in the Hi-Po program has greatly enhanced my skills and expertise across various aspects, including group collaboration, project management, UI/UX development, customer journey mapping, commercial video production, problem-solving, and leadership. I am very proud to have contributed to the development of the My AYASOMPO App alongside my dedicated team members.

One of the most impactful development programs I participated in was a Hi-Po program. This program was a mix of online modules, group discussions and assignments as well as performance reviews that focused on enhancing various leadership skills, such as strategic thinking, effective communication, and team management.

This year I had the chance to work on the development of our company's new mobile app which has been an incredibly rewarding experience for me. From the initial brainstorming sessions to the final rollout, every step of the process was a true team effort. I had the opportunity to collaborate with a diverse group of talented individuals, each bringing their unique skills and perspectives to the table. We faced numerous challenges, from ensuring a seamless user interface to optimizing the app's performance across different devices within the set timeline.

One of the highlights for me was working on the app's innovative features that enhance user engagement and provide real value. It was so exciting to witness our ideas come to life from the knowledge sharing, support and guidance from the management team. Participating in this project not only honed my technical skills but also deepened my appreciation for teamwork and innovation. I am proud to have been a part of this journey and look forward to contributing to future projects that push the boundaries of technology.



Saint Thiri Thwin
High-Po Program

Overseas Learning Experience

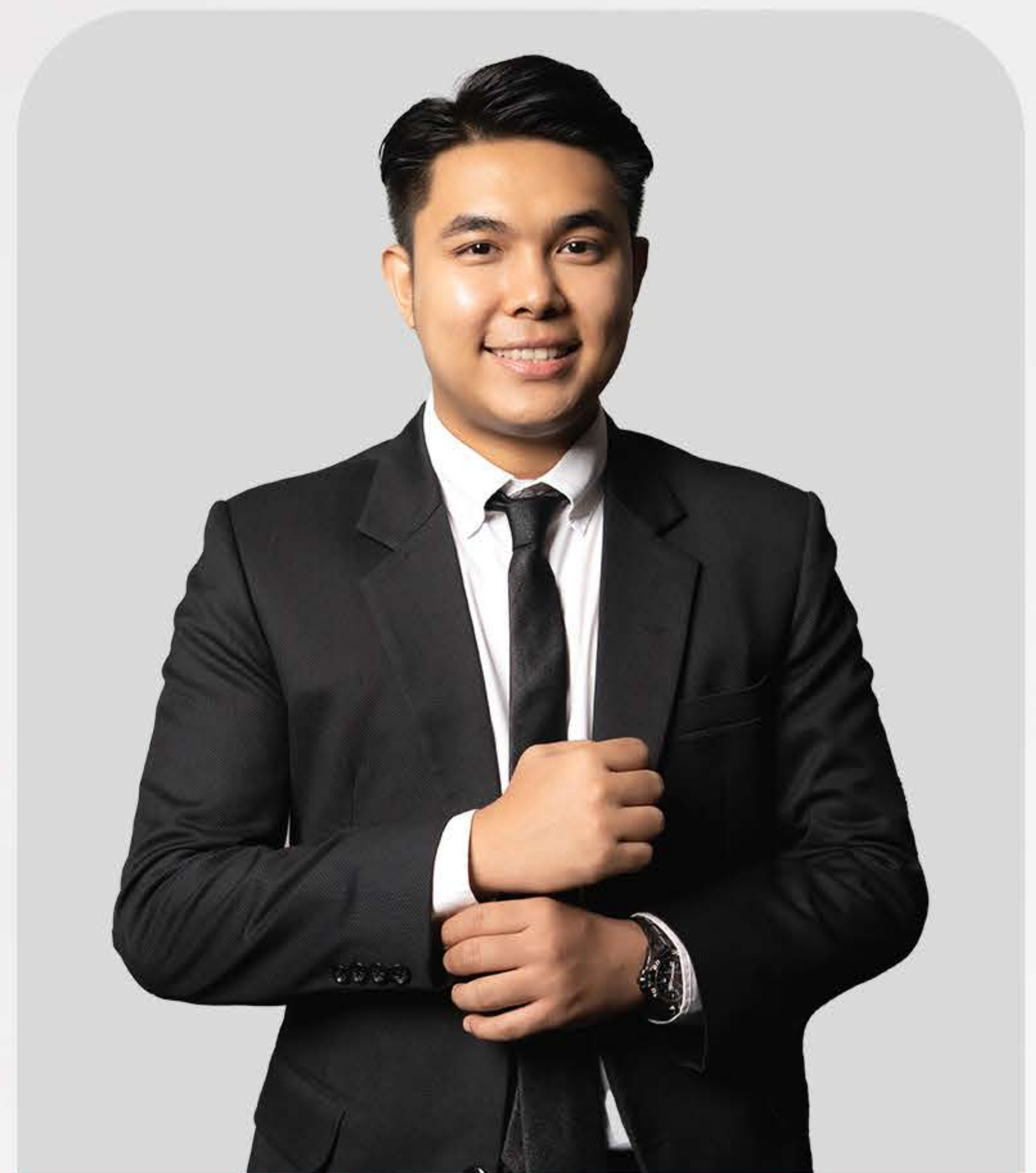
Participating in the SOMPO-NUS program in Singapore, organized by SOMPO Asia Holding, has been a truly enriching experience. This program has provided me with a deep understanding of various cultures from around the world and valuable insights into SOMPO Japan.



The curriculum is exceptionally well-designed, with expert professors who bring a wealth of knowledge and experience. The program's strong focus on leadership and innovation has significantly contributed to my professional development. I have acquired essential skills in strategic planning, effective communication, and team management, which I now apply daily in my role.

The university's diverse community and outstanding career services have significantly broadened my perspective and supported my career growth. Through this training, I have gained valuable insights into innovative digital solutions with AI at Microsoft and sustainability initiatives for the ESG movement at KPMG. Furthermore, I have learned to apply business strategies such as Value Proposition and Business Model Canvas to my daily work processes.

Overall, my time at the SOMPO-NUS program has been transformative. It has equipped me with the skills and knowledge necessary to excel in my role at AYA SOMPO Insurance Company. I highly recommend this institution to anyone looking to develop their leadership potential and advance their career.



Ye Mann
SOMPO-NUS
Global University Program

I am immensely grateful for the opportunity to participate in the secondment program in Singapore, facilitated and endorsed by U Myo Min Thu, Mr. Kurumisawa, and the leadership of AYA SOMPO and Sompō APAC RHQ. This experience has been invaluable for my professional growth and development.

During my time in Singapore, I had the chance to improve my reserving skills and test my insurance pricing capabilities through on-the-job training. These hands-on experiences have significantly enhanced my technical expertise and practical knowledge in the field.

Furthermore, the program allowed me to build and strengthen connections with numerous colleagues from the Regional Head Office. These relationships have not only broadened my professional network but also fostered a deeper understanding of our organizational culture and global operations.

A highlight of my secondment was my participation in the annual reserving committee's working group. This role provided me with the unique opportunity to collaborate with and learn from actuaries from Sompō entities worldwide. The insights and experiences shared during these interactions have been instrumental in my development as an actuary.

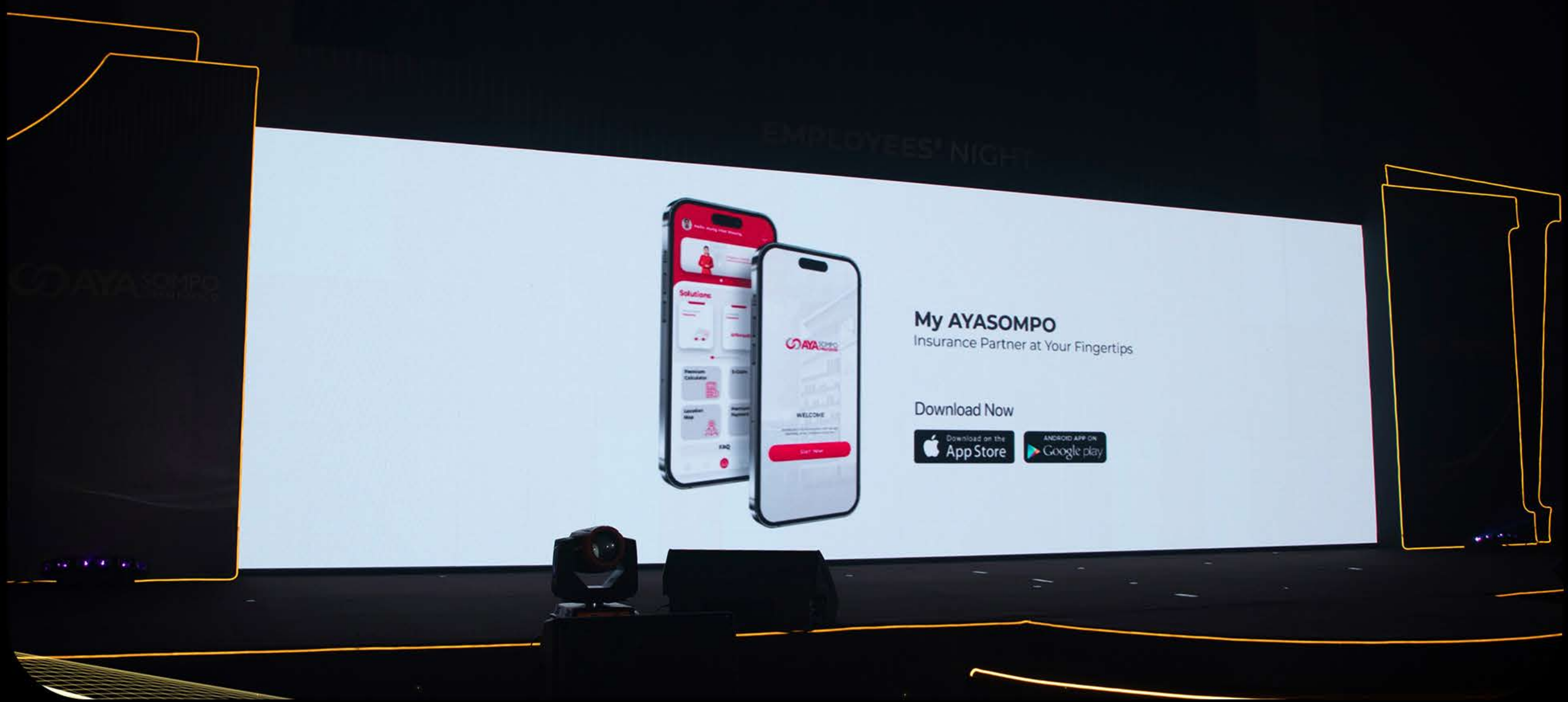
I would like to extend my heartfelt thanks to U Myo Min Thu, Mr. Kurumisawa, and the management of AYA Sompō and Sompō APAC RHQ for their unwavering support and approval. This secondment program has been a transformative experience, and I am confident that the skills and connections I have gained will greatly contribute to my future career success and to the development of the Actuarial function at AYA Sompō.



Employees' Night Celebrating Achievements at AYA SOMPO

At AYA SOMPO, we embrace a culture of celebrating our collective wins, recognizing unwavering commitment and honoring the outstanding contributions of our employees. Our annual Employees' Night stands as a testament to this spirit. During this special event, we come together to applaud our top-performing colleagues. The evening is filled with memorable activities, including captivating performances, award presentations, and an introduction to My AYASOMPO application. As we gather, we reinforce the sense of pride that comes from being part of One AYASOMPO—a united force capable of achieving remarkable feats.

These shared moments create lasting memories, fostering joy and strong connections among employees. We take pride in celebrating not only our individual accomplishments but also the collective journey that defines us as AYA SOMPO.



“

As HR Team, organizing this event was a privilege and proof of our commitment to creating remarkable memories for our employees. The night was filled with excitement, set in a luxurious atmosphere at the prestigious Novotel Max Hotel Yangon, complete with a delightful premium buffet. The true highlight of the night was the celebration of our future emerging leaders, high-flyers, and top achievers of 2023 who are potential that drives our organization forward and it was incredibly inspiring me with pride. I believe that employees' night was more than just a celebration, it was a heartfelt moment of our team's dedication and unity of ONE AYA SOMPO!

Phoo Mon Mon Kyaw (Human Resource)

“

The Employees' Night was an unforgettable experience that merged celebration and connection. The energy was electric, with conversations and laughter flowing through the ballroom and the delicious spread. Everything was top-notch. My favorite part - the award ceremony was inspiring to see our colleagues being recognized for their hard work and dedication. The game session was filled with excitement and laughter, while live performances by the music band and dancers added to the festive atmosphere. In one sentence, the Employees' Night was a remarkable event that celebrated achievements, reinforced the strong bond among employees, and made everyone feel like ONE AYA SOMPO.

Eaint Mhuu Thet (Claim Management)





05

Our Planet

Commitment to a Sustainable Future

Environmental

AYA SOMPO's Sustainability Vision

At AYA SOMPO, sustainability is more than just a goal; it is integral to every aspect of our operations. We believe in creating a future where economic success harmonizes with environmental stewardship and the well-being of society. Our initiatives are designed to not only meet the needs of today but also safeguard the interests of future generations across Myanmar.

United Nations Global Compact

AYA SOMPO has been a proud member of the United Nations Global Compact since September 2015. We are committed to responsible and positive initiatives that advance socio-economic development in Myanmar. Guided by our corporate values and a principles-based approach, we align our business operations with the UN Global Compact's principles covering human rights, labor, environment, and anti-corruption.



United Nations
Global Compact

Environmental Sustainability

As Myanmar's preferred insurer, we are committed to leading by example in environmental responsibility. We have initiated key initiatives to make our planet a better place to live, including reduction in plastic waste and making our office a paper-less environment.

● Tree Plantation

Ensuring our environment remains green is everyone's responsibility. Tree-plantation initiatives have been part of our anniversary projects to mark our yearly achievements. The planting of trees contributes not only to reducing carbon dioxide levels, but also to soil conservation, water retention, and preserving biodiversity. As part of our commitment, we will continue to expand our tree plantation initiatives, knowing that it can have a lasting impact on the environment for generations to come.

● Plastic Waste Reduction

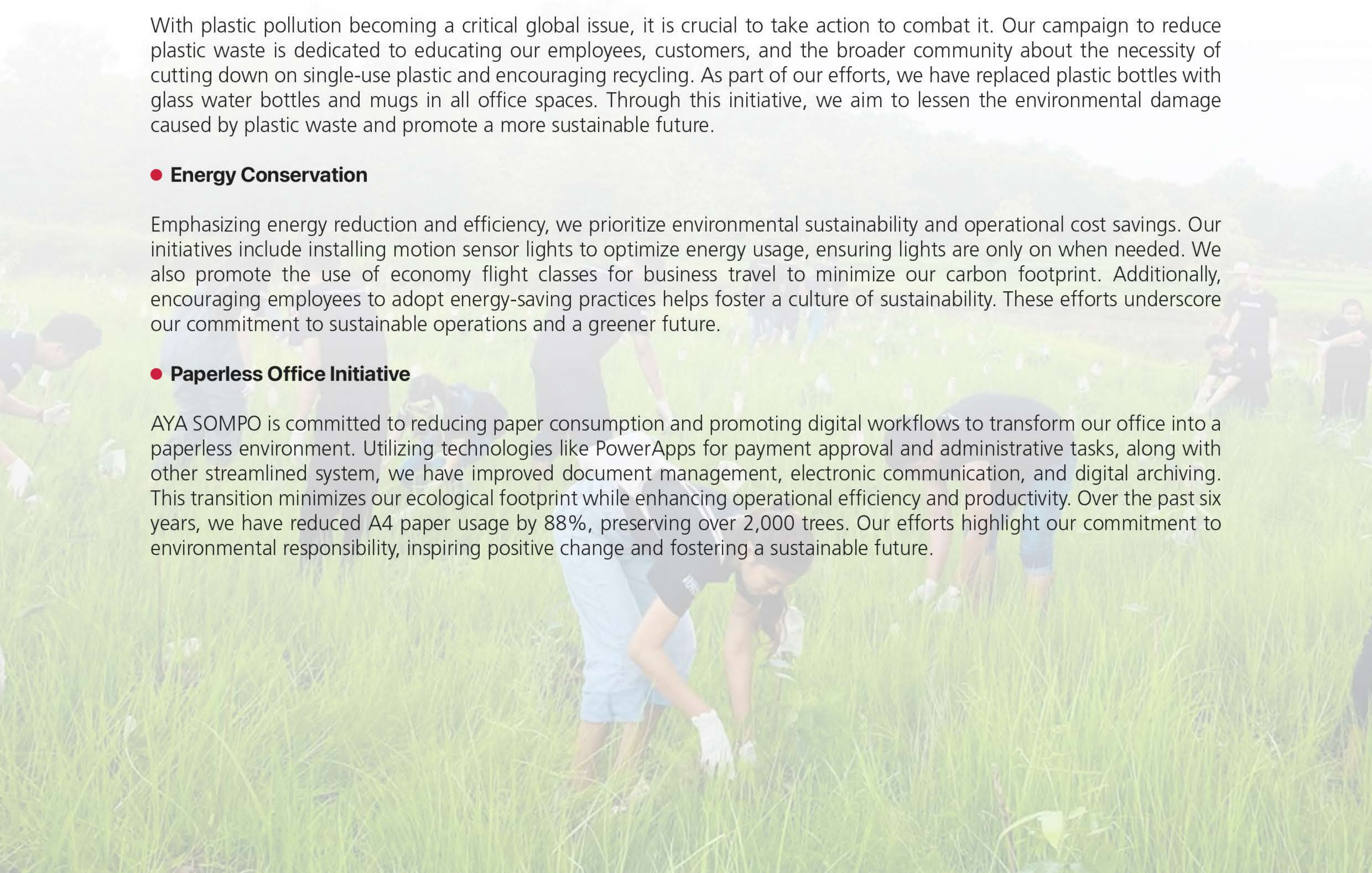
With plastic pollution becoming a critical global issue, it is crucial to take action to combat it. Our campaign to reduce plastic waste is dedicated to educating our employees, customers, and the broader community about the necessity of cutting down on single-use plastic and encouraging recycling. As part of our efforts, we have replaced plastic bottles with glass water bottles and mugs in all office spaces. Through this initiative, we aim to lessen the environmental damage caused by plastic waste and promote a more sustainable future.

● Energy Conservation

Emphasizing energy reduction and efficiency, we prioritize environmental sustainability and operational cost savings. Our initiatives include installing motion sensor lights to optimize energy usage, ensuring lights are only on when needed. We also promote the use of economy flight classes for business travel to minimize our carbon footprint. Additionally, encouraging employees to adopt energy-saving practices helps foster a culture of sustainability. These efforts underscore our commitment to sustainable operations and a greener future.

● Paperless Office Initiative

AYA SOMPO is committed to reducing paper consumption and promoting digital workflows to transform our office into a paperless environment. Utilizing technologies like PowerApps for payment approval and administrative tasks, along with other streamlined systems, we have improved document management, electronic communication, and digital archiving. This transition minimizes our ecological footprint while enhancing operational efficiency and productivity. Over the past six years, we have reduced A4 paper usage by 88%, preserving over 2,000 trees. Our efforts highlight our commitment to environmental responsibility, inspiring positive change and fostering a sustainable future.



Social

At AYA SOMPO, our dedication to social responsibility is one of our key objectives. We are committed to making a lasting positive impact on the communities we serve through initiatives that promote quality job creation, diversity and inclusion, health and wellness, and social investments. Here is how we have contributed this year:

Quality Job Creation: Recognizing the importance of employment opportunities in promoting economic growth and social stability, we have partnered with educational institutions to implement initiatives aimed at enhancing employability. We have established scholarship programs in partnership with educational institutions to provide financial support, gain valuable work experience, develop industry-specific skills, and enhance employability, setting them on the path towards successful careers.

Diversity and Inclusion: Promoting diversity and inclusion in our workforce is a priority. Through inclusive hiring practices, comprehensive diversity training, and fostering a supportive and equitable work environment, we ensure that employees from all backgrounds feel valued and respected. Our goal is to create a workplace where everyone can thrive and contribute to our collective success.

Health and Wellness: The health and well-being of our employees are our top priority. We offer comprehensive healthcare benefits, wellness programs, and initiatives that prioritize both physical and mental health. One initiative was providing our newly launched AYA Health Insurance by offering cost-sharing with a subsidized amount by the company and the option of monthly installment payments, making healthcare more accessible to our employees and contributing to a healthier workforce and community.

Social Investments: We actively invest in social impact projects, charitable activities, and community development initiatives that address critical social challenges. By supporting these projects, we aim to create positive change in society and contribute to the sustainable development of our communities.

At AYA SOMPO, we are proud of our social commitment and the positive changes we are driving. Our ongoing efforts in job creation, diversity and inclusion, health and wellness, and social investments reflect our dedication to building a better future for our employees, communities, and society as a whole.



Governance

At AYA SOMPO, robust corporate governance is the cornerstone of our success. We are committed to fostering transparency, accountability, and ethical conduct, which are vital to maintaining stakeholder trust and ensuring sustainable growth. This year, we have further refined our governance practices to align with our strategic objectives and uphold our corporate values.

Board of Directors

Our Board of Directors plays a critical role in shaping the strategic direction, managing risks, and overseeing the performance of the company. Composed of experienced professionals with diverse backgrounds, our Board provides invaluable insights and expertise to our decision-making processes. Regular Board meetings and annual general meetings allow us to review company performance, discuss strategic initiatives, and refine our governance practices. The Board ensures that our actions align with our corporate values and objectives, promoting responsible and sustainable growth.

Cultivating an Ethical Culture

At AYA SOMPO, we prioritize ethics and integrity as fundamental principles guiding our operations. Our robust Code of Conduct clearly outlines the ethical standards expected of every employee, promoting a culture of transparency, respect, and accountability. Through continuous training and ethical awareness initiatives, we ensure that our team consistently adheres to these high standards. This unwavering commitment to ethical practices not only enhances our corporate reputation but also strengthens the trust and confidence our stakeholders place in us.

Proactive Risk Management

AYA SOMPO places a strong emphasis on proactive risk management as fundamental to our operations. We employ a comprehensive framework to systematically identify, assess, and mitigate risks across all areas of our business, integrating robust processes and controls to safeguard stakeholder interests and ensure long-term stability. Continuous improvement and oversight by the Board and Management Committee ensure our readiness to address emerging challenges effectively, maintaining a secure operational environment and bolstering stakeholder confidence.

Audit, Risk and Compliance

At AYA SOMPO, we maintain rigorous standards in audit, risk, and compliance to uphold transparency and accountability throughout our operations. Our dedicated team conducts independent evaluations of our controls and risk management processes, identifying areas for improvements. We foster a proactive approach to compliance, continuously updating our practices to meet evolving standards and mitigate risks effectively. Our collaboration with external auditors further enhances the integrity of our financial reporting and internal controls, providing stakeholders with assurance of our commitment to sound governance practices.

Stakeholder Management

Stakeholder management at AYA SOMPO is integral to our commitment to transparency and collaboration. We value our relationships with all stakeholders including customers, employees, regulators, and the communities we serve and strive to engage with them openly and responsively. Through active communication channels and feedback mechanisms, we listen attentively to their needs and concerns, incorporating their perspectives into our decision-making processes. This proactive engagement not only strengthens mutual understanding but also enables us to deliver solutions that resonate with stakeholders' expectations. By fostering these meaningful connections, we build trust, enhance satisfaction, and drive sustainable value across our stakeholder network.

AYA SOMPO is dedicated to evolving our governance practices to meet the highest standards. We actively monitor changes in regulatory requirements and industry trends, implementing necessary adjustments to our governance framework. This commitment to continuous improvement ensures that we maintain the trust and confidence of our stakeholders, driving long-term value creation and sustainable success.





06

Our Financial Statements

For Financial Year 23/24

Our Financial Statements for FY 23/24

The Period from 1 April 2023 to 31 March 2024

Corporate information

COMPANY	AYA SOMPO INSURANCE COMPANY LIMITED	
REGISTRATION NUMBER	101200531	
BOARD OF DIRECTORS	U ZAW ZAW	CHAIRMAN
	U THAN ZAW	VICE CHAIRMAN
	U MYO MIN THU	CHIEF EXECUTIVE OFFICER
	MR. TAKASHI KURUMISAWA	DIRECTOR
	DAW THAZIN AUNG	DIRECTOR
	MR. HIROKAZU MORI	CHIEF OPERATING OFFICER (RESIGNED FROM DIRECTOR ON 1 NOVEMBER 2023)
REGISTERED OFFICE	NO. 245, MAHA BANDULA ROAD, BOTAHTAUNG TOWNSHIP, YANGON, MYANMAR	
AUDITORS	THE RIGHT PARTNER CONSULTING GROUP COMPANY LIMITED SUITE 01-06, UNION BUSINESS CENTRE (UBC) NAT MAUK ROAD, BO CHO QUARTER, BAHAN TOWNSHIP, YANGON MYANMAR TEL: +95 9451-062-790	

Director's Report

The Period from 1 April 2023 to 31 March 2024

We are pleased to submit this report to the members of the Company together with the audited financial statements for the year ended 31 March 2024.

Directors

The directors in office at the date of this report are as follows:

U Zaw Zaw	Chairman
U Than Zaw	Vice Chairman
U Myo Min Thu	Chief Executive Officer
Mr. Takashi Kurumisawa	Director
Daw Thazin Aung	Director
Mr. Hirokazu Mori	Chief Operating Officer (Resigned from Director on 1 November 2023)

Arrangement to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' contractual benefits

Since the end of the last financial year, except as disclosed in the note to the financial statements, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share Options

- (a) No option to take up unissued shares of the Company was granted during the financial year.
- (b) During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.
- (3) There were no unissued shares of the Company under option at the end of the financial year.

Auditors

The financial statements have been audited by Tin Swe Aye, Certified Public Accountant of "The Right Partner Consulting Group Company Limited", an independent auditor of the Company.

On behalf of the Board of Directors



U Than Zaw
Vice Chairman



U Myo Min Thu
Chief Executive Officer

28 June 2024

Management's responsibilities in respect of the financial statements

For the Financial Year Ended 31 March 2024

Management of AYA SOMPO Insurance Company Limited (the "Company") is responsible for the preparation of the financial statements for the year ended 31 March 2024, in accordance with the Myanmar Financial Reporting Standards ("MFRS") and the provisions of Myanmar Companies Laws (the "Law"). In preparing the financial statements, management is required to:

- i) Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii) Comply with the MFRS and the Law;
- iii) Maintain adequate accounting records and an effective system of internal controls;
- iv) Take reasonable steps for safeguarding the assets of the Company and for preventing and detecting fraud, error and other irregularities;
- v) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- vi) Effectively control and direct the Company and be involved in all material decisions affecting the Company's operations and performance and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that they have complied with the above requirements in preparation of the financial statements

Directors' statement

In our opinion,

- (a) the financial statements set out are drawn up, in all material aspects, so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the Myanmar Financial Reporting Standards ("MFRS") and the provisions of Myanmar Companies Laws (the "Law"); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



U Than Zaw
Vice Chairman

28 June 2024



U Myo Min Thu
Chief Executive Officer

Independent Auditors' Report

To the Members of AYA SOMPO Insurance Company Limited

Opinion

We have audited the financial statements of AYA SOMPO Insurance Company Limited (the "Company"), which comprise the statement of financial position as at 31 March 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects, in accordance with Myanmar Financial Reporting Standards ("MFRS") and the provision of Myanmar Companies Law (the "Law") so as to give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance, changes in equity and its cash flows for the financial year then ended.

Basis for opinion

We conducted our audit in accordance with Myanmar Standards on Auditing (MSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards ("MFRS") and the provision of Myanmar Companies Law (the "Law") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with MSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with MSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Further to our opinion we report as follows:

- (a) The proper books of account have been kept by the Company in accordance with the provisions of the Law.
- (b) In accordance with the provisions the Law
 - We have obtained all the information and explanations we have required; and
 - The financial statements are drawn up in conformity with the provisions of the Law.



Tin Swe Aye
Audit Partner
Certified Public Accountant (P.A. 830)



28 June 2024

Statement of Financial Position

Assets	31 March 2024	31 March 2023
	(in MMK)	
Non-current assets		
Property and equipment	11,206,684,889	11,077,902,038
Investment property	3,666,250,000	3,771,250,000
Right-of-use asset	275,933,147	317,038,791
Intangible assets	118,494,658	138,974,302
Investments in securities	51,850,000,000	54,350,000,000
Total non-current assets	67,117,362,694	69,655,165,131
Current assets		
Cash and cash equivalents	10,861,503,925	9,549,251,614
Investments in securities	19,040,100,000	8,400,000,000
Premiums due and uncollected, net	893,183,891	586,685,498
Reinsurance assets	7,800,154,880	6,099,091,389
Reinsurance receivables	1,112,858,574	670,500,035
Other receivables	2,373,862,629	2,267,617,617
Other current assets	3,072,262,546	1,770,044,081
Total current assets	45,153,926,445	29,343,190,234
Total assets	112,271,289,139	98,998,355,365

Statement of Financial Position

Liabilities and shareholders' equity

31 March
2024

31 March
2023

(in MMK)

Shareholders' equity

Share capital

Authorised share capital

(475,342 ordinary shares, value at MMK 133,874.64 per share)

63,636,241,541

63,636,241,541

Issued and paid share capital

(475,342 ordinary shares, value at MMK 133,874.64 per share)

63,636,241,541

63,636,241,541

Retained earnings

Appropriated

Reserve

11,142,117,739

9,606,581,342

Unappropriated

4,229,846,421

3,696,164,467

Total shareholders' equity

79,008,205,701

76,938,987,350

Liabilities

Non-current liability

Lease liabilities

169,730,331

244,552,005

Total non-current liability

169,730,331

244,552,005

Current liabilities

Insurance contract liabilities

20,465,446,962

13,961,672,275

Reinsurance premium payable

8,394,081,289

4,503,508,211

Co-insurance premium payable

911,427,689

990,836,080

Commission payable

410,408,311

272,585,585

Current portion of lease liabilities

135,397,044

91,724,659

Other current liabilities

2,776,591,812

1,994,489,200

Total current liabilities

33,093,353,107

21,814,816,010

Total liabilities

33,263,083,438

22,059,368,015

Total liabilities and shareholders' equity

112,271,289,139

98,998,355,365

Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 March 2024	For the year ended 31 March 2023
	(in MMK)	
Revenue		
Gross premium written	38,610,652,206	26,702,928,522
Less Premium ceded	(15,883,780,004)	(10,508,427,918)
Net premiums written	22,726,872,202	16,194,500,604
Less unearned premium reserve	(4,316,343,140)	(771,610,061)
Net premium earned	18,410,529,062	15,422,890,543
Commission income	4,040,671,204	2,737,490,320
Gain on disposal of fixed asset	158,500,000	3,750,000
Other income	6,877,137,346	6,235,270,538
Total revenues	29,486,837,612	24,399,401,401
Expenses		
Gross claim expenses	10,914,255,979	8,000,098,350
Reinsurance recovery	(1,042,461,767)	1,116,036,414
Net claim expenses	9,871,794,212	9,116,134,764
Acquisition costs and direct expenses	2,874,918,354	1,732,141,602
Operating expenses	11,459,720,716	9,316,907,956
Total expenses	24,206,433,282	20,165,184,322
Profit before income tax expense	5,280,404,330	4,234,217,079
Income tax expense	1,130,305,951	930,658,997
Net profit for the year	4,150,098,379	3,303,558,082

Statement of Changes in Equity

	Issued and Paid-up Share Capital	Retained earnings		Total Shareholders' Equity
		Reserve	Unappropriated	
		(in MMK)		
Year ended 31 March 2023				
Balance at 1 April 2022	63,636,241,541	8,384,477,198	1,662,873,252	73,683,591,991
Dividend paid	-	-	(48,162,723)	(48,162,723)
Transfer of reserve	-	1,222,104,144	(1,222,104,144)	-
Net profit for the year	-	-	3,303,558,082	3,303,558,082
Balance at 31 March 2023	63,636,241,541	9,606,581,342	3,696,164,467	76,938,987,350
Year ended 31 March 2024				
Balance at 1 April 2023	63,636,241,541	9,606,581,342	3,696,164,467	76,938,987,350
Dividend paid	-	-	(2,080,880,028)	(2,080,880,028)
Transfer of reserve	-	1,535,536,397	(1,535,536,397)	-
Net profit for the year	-	-	4,150,098,379	4,150,098,379
Balance at 31 March 2024	63,636,241,541	11,142,117,739	4,229,846,421	79,008,205,701

Statement of Cash Flows

	For the year ended 31 March 2024	For the year ended 31 March 2023
	(in MMK)	
<i>Cash flows from operating activities</i>		
Profit before income tax expense	5,280,404,330	4,234,217,079
<i>Adjustments for:</i>		
Property and equipment write off expense	-	10,452,475
Gain on disposal of property and equipment	(158,500,000)	(3,750,000)
Interest expense on lease	26,495,340	32,651,973
Depreciation	884,039,410	841,748,926
Amortisation	62,329,644	91,100,356
	<u>6,094,768,724</u>	<u>5,206,420,809</u>
<i>Changes in operating assets and liabilities</i>		
Changes in insurance and other receivables	(3,858,383,900)	4,716,819,159
Changes in provision, claims and other payables	11,403,058,761	(6,874,815,194)
Income tax paid	(1,298,500,000)	(284,000,000)
Net cash from (used in) operating activities	<u>12,340,943,585</u>	<u>2,764,424,774</u>
<i>Cash flows from investing activities</i>		
Acquisition of intangible assets	(41,850,000)	(29,331,563)
Acquisition of property and equipment	(776,373,330)	(337,538,118)
Proceeds from disposal of property and equipment	186,552,084	12,000,000
Changes in investment	(8,140,100,000)	(2,200,000,000)
Net cash (used in) from investing activities	<u>(8,771,771,246)</u>	<u>(2,554,869,681)</u>
<i>Cash flows from financing activities</i>		
Repayment of lease liability	(176,040,000)	(153,000,000)
Dividend paid	(2,080,880,028)	(48,162,723)
Net cash used in financing activities	<u>(2,256,920,028)</u>	<u>(201,162,723)</u>
Net increase in cash and cash equivalents	1,312,252,311	8,392,370
Cash and cash equivalents at beginning of the year	9,549,251,614	9,540,859,244
Cash and cash equivalents at end of the year	<u>10,861,503,925</u>	<u>9,549,251,614</u>

Notes to the Financial Statements

For the year ended 31 March 2024

These notes form an integral part of the financial statements.

1. General information

AYA SOMPO Insurance Company Limited, (the "Company") (Company Registration No. 101200531), was incorporated on 12 July 2018 in Republic of the Union of Myanmar and has its registered office at No. 245, Maha Bandula Road, Botahtaung Township, Yangon, Myanmar.

The Company was issued composite insurance business licenses No. 008 dated 14 June 2013 by Insurance Business Regulatory Board (IBRB) granting to operate both life and non-life insurance business under the pursuance of sub-section(a) of the section 38 of Insurance Business Law on 25 May 2013.

The shareholders during the financial year were AYA Myanmar Insurance Company Limited (84% shareholding), a company incorporated in Myanmar, SOMPO Japan Insurance Inc. (15% shareholding), a company incorporated in Japan and U Zaw Zaw (1% shareholding).

The principal business of the Company is underwriting of non-life insurance which included Fire insurance, Comprehensive Motor insurance, Marine insurance, Cash in Transit insurance, Cash in Safe insurance, Fidelity insurance, Travel insurance, Health insurance, Property insurance and other general insurance business lines permitted by the Ministry of Planning, Finance and Industry.

2. Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with the Myanmar Financial Reporting Standards ("MFRS") and the provisions of Myanmar Companies Law (the "Law").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated in the accounting policies.

(c) Functional and presentation currency

The financial statements are presented in Myanmar Kyats ("MMK") which is the Company's functional currency.

(d) Use of judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key sources of estimation uncertainty

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements.

Insurance contract liabilities

Insurance contract liabilities consist of loss reserve, outstanding claims and unearned premium reserves.

Process involved in determining assumptions of loss reserve and outstanding claims

The Company determines the loss reserve and outstanding claims in accordance with the Company's policy and procedures. The assumptions used in the estimation of assets and liabilities are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be different from estimated liability.

Provision is made at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses, less amounts already paid.

The Company uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims, for example, as below.

The actuarial best estimates for Incurred But Not Reported ("IBNR") are neither deliberately optimistic nor pessimistic. The IBNR include allowance for pure IBNR reserves (late reported claims), Incurred But Not Yet Reported ("IBNER") reserves (development of known claims) and reopened claims.

The following generally accepted actuarial methods are applied to the attritional or total claims triangles to estimate the best estimate IBNR for each line of reserving on an accident quarter basis:

- Chain Ladder method on incurred claims ("ICL");
- Bornhuetter-Ferguson method on incurred claims ("IBF"); and
- Expected Loss Ratio ("ELR") method.

In the ICL method, the loss development factors are generally selected based on the following considerations:

- Smooth progression of individual loss development factors and average factors across different development periods;
- Stability of loss development factors for the same development period;
- Credibility of the experience;
- Changes in the development patterns; and
- Applicability of historical experience.

Where it indicates that the claims development is less developed, for instance in the more recent development periods, the IBF method or the ELR method is selected to balance the actual emerging experience.

A separate analysis has been conducted to estimate the ultimate claim liabilities of large losses for Motor and Fire. We generally relied on the Frequency-Severity method to estimate the large loss IBNR. This method was based on the historical large loss emergence in each development period and the average loss amount of such large losses.

IBNR estimates are first calculated on a gross of reinsurance basis. As for IBNR estimates on a net of reinsurance basis, they are generally calculated using by applying ceded ratios for Earned Premium or Incurred Loss onto the gross total IBNR estimates.

Both qualitative and quantitative aspects have been taken into consideration with the aim of projecting IBNR reserves that appropriately reflect the future claims liabilities as at the valuation date.

We have used the Kittel's Refinement of the Classical Paid-to-Paid method to derive the Claims Handling Expenses ("CHE") assumption, as documented by Conger and Nolibos in "Estimating Unallocated Loss Adjustment Expenses ("ULAE") Liabilities: Rediscovering and Expanding Kittel's Approach". Kittel's use of the ratio of CHE to the average of paid losses and reported losses is derived based on the assumption that half of a claim's CHE is expended when a loss is reported, half when it is paid. The formula is outlined below:

$$\text{CHE Ratio} = \text{Total Paid CHE} / [0.5 * (\text{Total Claims Paid} + \text{Total Claims Reported})]$$

To derive the Paid CHE, each expense item is categorised into: 1) claims handling, 2) policy administration, and 3) business acquisition, using the actual expenses information provided by Finance. We note that there is a scope to refine the expense allocation approach applied in estimating the CHE ratio and PAC ratio.

To calculate the CHE amount for claims liability, the CHE Ratio is applied using the following formula:

$$\text{CHE for Claims Liability} = \text{CHE Ratio} * [0.5 * \text{Case Reserves} + \text{IBNR}]$$

The policy administration cost ("PAC") is an ongoing cost that arises from the unearned portion of premium. The PAC ratio is calculated as follows:

$$\text{PAC Ratio} = \text{Allocated PAC} / \text{Gross Earned Premium}$$

We assume no reinsurance recoveries from CHE and PAC. As such, the amount of CHE and PAC is the same on both gross and net of reinsurance basis.

The best estimate of Unexpired Risk Reserve ("URR") is calculated from Unearned Premium Reserve ("UPR"), taking into account all potential future payments, including but not limited to future claims payments, CHE, and PAC. This is as follows:

$$\text{Gross URR} = (\text{Gross UPR Gross of DAC} \times \text{Cost of Future Claims Payment \%}) + \text{CHE} + \text{PAC}$$

$$\text{Net URR} = (\text{Net UPR Gross of DAC} \times \text{Cost of Future Claims Payment \%}) + \text{CHE} + \text{PAC} + \text{Cost of Reinsurance}$$

To calculate the CHE amount for URR, the same CHE ratio is applied to the cost of future claims payment in the unexpired period. The full allowance was used as future losses have yet to occur.

In determining the PAC amount for URR, the PAC ratio is applied to the UPR gross of DAC.

We have allowed for the cost of renewing reinsurance coverage associated with unexpired risks on a net of reinsurance basis only. In particular, we have allowed for the excess of loss reinsurance treaties as they are written on a loss occurring basis, where accidents arising after the treaty expiration date would not benefit from the same protection.

The cost of reinsurance assumptions are using the actual 2023/24 treaty premium rates. The Company's whole account catastrophe excess of loss and surplus reinsurance treaty starts from 1 Oct 2022 and ends on 30 Sep 2023. In addition, the Company's whole account catastrophe excess of loss and quota share, and surplus reinsurance treaty starts from 1 Oct 2023. The three layers of the treaty cover all lines of business except for Health. No additional costs of reinstatement were considered.

The cost of reinsurance assumptions are then applied to the net UPR gross of DAC to obtain the cost of reinsurance.

Process involved in determining of premium reserves

The Company determines the premium reserves based on the greater amount of unearned premium reserves and unexpired risk reserves which as of reporting date the unearned premium reserves are still higher.

Further information about the methods used in calculating the unearned premium reserves is disclosed in Note 3 (f).

Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Property and equipment

Recognition and measurement

Property and equipment are stated at cost less accumulated depreciation and impairment losses, except for land which is stated at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of building and equipment have different useful lives, they are accounted for as separate items (major components) of building and equipment.

Any gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of properties and equipment. The estimated useful lives are as follows:

Buildings	40 years
Machinery and equipment	4 - 16 years
Furniture, Fixtures and Office equipment	5 - 20 years
Vehicles	8 years
Computer and equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

b. Investment property

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property and are recognised in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Building	40 years
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c. Intangible assets

Intangible asset that are acquired by the Company and have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software licenses	3-5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

d. Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset [or its cash-generating unit] exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e. Investment**Investments in debt security**

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

f. Recognition and measurement of insurance contracts**Premiums**

Premium income is recognised as revenue on the inception date of the insurance contract that meets the risk transfer requirement. Premium written are disclosed gross of commission and tax levied on premium for inward coinsurance, premiums are recorded based on the declaration made by the ceding company or the term specified on the coinsurance contracts. Revenue from premium is determined after considering the unearned portion of premium. The unearned portion of premium income is recognised as a liability.

Reinstatement fee

Reinstatement fee is recognised as income when insurance policy is extended to certain period under the terms and conditions set out in the policy.

Premiums due and uncollected

Premiums due and uncollected are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed on analysis primarily of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Claims and loss adjustment expenses

Claims and loss adjustment expenses consist of claims and loss adjustment expenses of direct insurance and reinsurance, and include the amounts of claims, related expenses and loss adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any) and claims refundable from reinsurers and coinsurers.

Claims and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claims and loss adjustment expenses of reinsurance are recognised as expenses when the reinsured company submits the loss advice or the statement of accounts with the Company.

Insurance contract liabilities consist of loss reserve and outstanding claims and premium reserves.

Loss reserve and outstanding claims

The purpose of loss reserve and outstanding claims is to cover the ultimate cost of settling an insurance claim. The loss reserve and outstanding claims include claims incurred and reported, and claims incurred but not reported (IBNR) as well as claim handling costs including unallocated loss adjustment expenses (ULAE).

A liability for outstanding claims (claim incurred) is recognised for all claims incurred which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates while taking into consideration the past claims settlement experience including handling costs and the Company's reserving policy.

Incurred but not reported (IBNR) reserve represents the reserves that are required to provide for losses that have incurred or are in the occurrence period as at the end of reporting year but have not been reported to the Company by the end of reporting year, and for losses that have been reported by the end of reporting year, but still subject to further changes in loss amount in the future as the complete loss information is not available to the Company at the end of reporting year.

IBNR calculation is based on historical claims data, current trends, and actual payment patterns for all insurance business lines and anything else that could impact amount to be paid in accordance with actuarial technique. The assessment for IBNR as at 31 March 2024 has been carried out by actuarial specialist engaged by the Company using commonly accepted IBNR calculation methods such as Chain Ladder method, Bornhuetter-Ferguson method, and Expected Loss Ratio method on individual class of business.

Premium reserve

Premium reserves consist of unearned premium reserve (UPR) and unexpired risk reserve (URR).

Unearned premium reserve (UPR) represents the prorated portion of written premiums that relates to the unexpired period. Provision for unearned premium is calculated by applying 365 days method.

Unexpired risk reserve (URR) represents the reserve that is required to cover future insurance claims and expenses which are expected to emerge from the related unexpired risks. The Company recognises a premium deficiency reserve in profit and loss when the URR is higher than UPR.

The Company determines the premium reserves based on the greater amount of unearned premium reserves and unexpired risk reserves which as of reporting date the unearned premium reserves are still higher.

g. Commission and brokerage expenses

Commission expense / acquisition cost incurred in obtaining and recording policies is deferred and recognised as an expense in accordance with the pattern of recognition of premium revenue.

h. Reinsurance transactions

Transactions relating to reinsurance assumed and ceded are accounted for and presented in the statements of financial position and comprehensive income in the same manner as the direct business transactions. The reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Reinsurance receivables and assets are the Company's net contractual rights under reinsurance agreements. These consist of accrued reinsurance commission, claim receivables and other amounts due from Reinsurers. The allowance for impairment of reinsurance assets is established based on latest publicly available credit rating information and past collection experiences.

Due to reinsurers represents the amount payable to reinsurers and the amounts withheld on reinsurance. Outstanding payables consist of reinsurance premiums and other payables due to reinsurers.

The reinsurance assets and liabilities are presented on a net basis in the statement of financial position when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance asset is consistent with the measurement of the underlying insurance contracts.

Premium ceded, reinsurer's share of change in unearned premium reserve, fee and commission income and claims and loss adjustment expenses recovered from reinsurers are recognized as expense or income in accordance with the pattern of reinsurance service received when incurred.

Amounts recoverable under reinsurance contracts are assessed for impairment at reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

j. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

k. Other income

Other income comprises interest income recognised in profit loss from investments and bank deposits.

l. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

m. Foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in the profit or loss.

n. Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to the items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

o. Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease liability is measured at amortised cost using the effective interest method.

The Company presents right-of-use assets in 'land, property and equipment, net' and lease liabilities in 'other liabilities' in the statement of financial position.

4. Risk management

4.1 Financial risk management

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risk occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection rate at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or can do so on terms that are materially disadvantageous. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise of interest rate risk, foreign currency risk and other price risk. The Company manages the market risk exposures by internal risk management policies.

4.2 Insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty in the amount of compensation to the insured. Generally, most insurance contracts carry the insurance risk for a period of one year.

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage, and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. The insurance contracts are provided to all types of customers based on assessment of insurance risk by the Company. Adequate coinsurance is arranged to mitigate the effect of potential losses to the Company from individual large insured events. Further, the Company adopts strict claim review policies including active management of the claims, regular detailed review of claim handling procedures and investigation of possible false claims.

5. Authorisation of financial statements

On the date of directors' statement, these financial statements were authorised for issue by the Board of Directors.

6. Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) Compliance

The Company is aware of the compliance requirements and guidelines laid down under the Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) regulations. This compliance has been achieved through the establishment of a compliance monitoring system. The key components of this system include:

1. Policy and Procedures: The Company has developed and implemented AML/CFT policies and procedures. These policies are designed to ensure that all aspects of the Company's operations are in alignment with regulatory requirements and best practices.

2. Training Program: The Company has instituted an ongoing training program for all relevant employees. This program covers the latest AML/CFT regulations, the importance of compliance, and the procedures for identifying and reporting suspicious activities.

3. Detection – Know Your Customer (KYC): A KYC process is in place to verify the identity of all customers. This process helps in preventing illegal activities by ensuring that the Company only engages with legitimate and verified clients.

4. Evaluation of Suspicious Transactions and Threshold Transactions: The Company actively monitors transactions for any suspicious activities or those that exceed predefined thresholds. Any such transactions are promptly evaluated and reported as required.

5. Record Keeping: Records of all transactions, customer information, and compliance activities are maintained. These records are kept in accordance with the retention requirements set forth by AML/CFT regulations.

6. Reporting to Myanmar Financial Intelligence Unit (MFIU): The Company ensures timely and accurate reporting of suspicious transactions and other relevant information to the MFIU. This reporting is critical in aiding the national and global effort to combat money laundering and terrorist financing.

By adhering to these measures, the Company demonstrates its commitment to combating money laundering and terrorist financing. This commitment ensures the integrity of its operations and compliance with all applicable laws and regulations.

Your Partner for Life

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