

Nam Seng Insurance Public Company Limited
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Nam Seng Insurance Public Company Limited

I have reviewed the accompanying statement of financial position of Nam Seng Insurance Public Company Limited as at 30 June 2022, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in owners' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 9 August 2022

Nam Seng Insurance Public Company Limited**Statement of financial position****As at 30 June 2022**

		(Unit: Baht)	
	Note	30 June 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	3	1,090,355,552	950,447,203
Premium receivables	4	296,210,542	248,658,231
Accrued investment income		7,041,079	6,637,088
Reinsurance assets	5	222,823,669	169,953,895
Reinsurance receivables	6	56,505,083	48,940,998
Investment assets			
Investments in securities	7	2,465,845,436	2,499,595,686
Loans		9,355,542	8,050,201
Property foreclosed		8,590,942	8,590,942
Premises and equipment	8	160,025,917	163,508,191
Right-of-use assets		3,476,814	2,858,382
Intangible assets		2,821,280	3,375,858
Deferred tax assets	9	322,473,525	245,414,501
Receivable from sales of securities		-	15,770,334
Other assets	10	20,014,546	25,018,813
Total assets		4,665,539,927	4,396,820,323

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

Nam Seng Insurance Public Company Limited

Statement of financial position (continued)

As at 30 June 2022

	Note	30 June 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
(Unit: Baht)			
Liabilities and owners' equity			
Liabilities			
Insurance contract liabilities	11	2,813,329,491	2,461,498,680
Amounts due to reinsurers	12	224,474,315	198,667,728
Income tax payable		47,849,710	21,296,882
Lease liabilities		2,823,704	1,985,728
Employee benefit obligations		68,123,265	64,147,756
Accrued commissions		52,132,056	43,757,274
Other liabilities	13	192,049,868	178,032,655
Total liabilities		<u>3,400,782,409</u>	<u>2,969,386,703</u>
Equity			
Share capital			
Registered			
20,000,000 ordinary shares of Baht 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued and paid-up			
13,900,000 ordinary shares of Baht 10 each		139,000,000	139,000,000
Premium on share capital		594,436,835	594,436,835
Retained earnings			
Appropriated			
Statutory reserve		24,848,787	24,848,787
General reserve		6,163,850	6,163,850
Unappropriated			
		639,730,538	645,151,419
Other component of owners' equity			
Revaluation surplus on available-for-sale investments - net of income taxes			
		(139,422,492)	17,832,729
Total owners' equity		<u>1,264,757,518</u>	<u>1,427,433,620</u>
Total liabilities and owners' equity		<u>4,665,539,927</u>	<u>4,396,820,323</u>
		-	-

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

Directors

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 June 2022

		(Unit: Baht)	
	Note	2022	2021
Profit or loss:			
Revenues			
Gross premium written	17.2	764,375,474	623,058,035
Less: Premium ceded to reinsurers		(77,428,961)	(52,251,919)
Net premium written		686,946,513	570,806,116
Less: Unearned premium reserves increased from prior period		(15,993,293)	(11,113,581)
Net earned premium		670,953,220	559,692,535
Commission and brokerage income from reinsurers		25,289,350	17,484,176
Net investment income		14,381,064	19,871,281
Gain (loss) on investments		(314,790)	7,913,982
Fair value loss		-	(5,965,159)
Rental income		3,851,174	3,957,941
Other income		117,976	260,155
Total revenues		714,277,994	603,214,911
Expenses			
Long-term insurance policy reserve increased		90,332,680	42,985,229
Gross claims		341,747,785	303,159,541
Less: Claim recovery from reinsurance		(34,202,211)	(14,402,146)
Commission and brokerage expenses	17.2	125,545,291	99,940,425
Other underwriting expenses		50,031,618	51,685,137
Operating expenses	15	50,390,334	48,821,004
Finance costs		27,120	21,311
Expected credit losses (reversal)		(1,225,313)	766,501
Total expenses		622,647,304	532,977,002
Profit before income tax expenses		91,630,690	70,237,909
Less: Income tax expense	9.2	(18,092,937)	(13,055,441)
Profit for the period		73,537,753	57,182,468

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited
Statement of comprehensive income (continued)
For the three-month period ended 30 June 2022

		(Unit: Baht)	
	Note	2022	2021
Other comprehensive income:			
Items to be recognised in profit or loss in subsequent periods:			
Gain (loss) on revaluation of available-for-sale investments		(125,625,291)	15,689,711
Add (less): Benefit (expense) income tax		25,125,058	(3,137,942)
Items to be recognised in profit or loss in subsequent periods			
- net of income taxes		(100,500,233)	12,551,769
Other comprehensive income for the period (loss)		<u>(100,500,233)</u>	<u>12,551,769</u>
Total comprehensive income for the period (loss)		<u><u>(26,962,480)</u></u>	<u><u>69,734,237</u></u>
Earnings per share			
Basic earnings per share			
Profits for the period	16	<u>5.29</u>	<u>4.11</u>

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited

Statement of comprehensive income

For the six-month period ended 30 June 2022

		(Unit: Baht)	
	Note	2022	2021
Profit or loss:			
Revenues			
Gross premium written	17.2	1,560,789,562	1,310,805,317
Less: Premium ceded to reinsurers		(184,377,976)	(136,085,498)
Net premium written		1,376,411,586	1,174,719,819
Less: Unearned premium reserves increased from prior period		(97,931,631)	(79,011,401)
Net earned premium		1,278,479,955	1,095,708,418
Commission and brokerage income from reinsurers		51,589,180	36,787,766
Net investment incomes		28,853,557	43,086,332
Gain on investments		767,814	9,010,908
Fair value loss		-	(526,958)
Rental income		7,795,503	7,949,376
Other income		125,597	478,614
Total revenues		1,367,611,606	1,192,494,456
Expenses			
Long-term insurance policy reserve increased		133,273,577	80,732,289
Gross claims		710,396,329	633,874,649
Less: Claim recovery from reinsurance		(56,717,401)	(38,449,023)
Commission and brokerage expenses	17.2	261,021,109	216,355,471
Other underwriting expenses		102,508,743	96,013,934
Operating expenses	15	147,607,691	131,932,740
Finance costs		53,276	42,648
Expected credit losses (reversal)		(1,212,906)	716,719
Total expenses		1,296,930,418	1,121,219,427
Profit before income tax expenses		70,681,188	71,275,029
Less: Income tax expenses	9.2	(13,552,069)	(10,717,446)
Profit for the period		57,129,119	60,557,583

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited
Statement of comprehensive income (continued)
For the six-month period ended 30 June 2022

	(Unit: Baht)		
	Note	2022	2021
Other comprehensive income:			
Items to be recognised in profit or loss in subsequent periods:			
Gain (loss) on revaluation of available-for-sale investments		(196,569,026)	16,599,459
Add (less): Benefit (expense) income tax		39,313,805	(3,319,892)
Items to be recognised in profit or loss in subsequent periods			
- net of income taxes		(157,255,221)	13,279,567
Other comprehensive income for the period (loss)		(157,255,221)	13,279,567
Total comprehensive income for the period		(100,126,102)	73,837,150
Earnings per share			
Basic earnings per share			
Profits for the period	16	4.11	4.36

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited

Statement of cash flows

For the six-month period ended 30 June 2022

	(Unit: Baht)	
	2022	2021
Cash flows from (used in) operating activities		
Direct premium written	1,513,449,704	1,318,983,803
Cash paid on reinsurance	(76,643,511)	(28,557,385)
Interest income	21,127,883	27,101,083
Dividend income	7,321,684	17,599,950
Rental and other income	7,958,897	8,460,931
Losses paid on direct insurance	(623,153,904)	(598,494,446)
Commission and brokerage expenses on direct insurance	(252,644,849)	(219,987,072)
Other underwriting expenses	(109,488,919)	(94,731,773)
Operating expenses	(158,011,722)	(137,920,267)
Income taxes	(24,744,460)	(36,590,254)
Cash received from brokers	45,402,637	6,196,714
Proceeds from sales of investment in securities	259,181,653	657,839,520
Cash paid for purchase of investment in securities	(404,606,834)	(768,200,561)
Loans and interest receivables	(1,305,341)	(668,437)
Net cash provided by operating activities	203,842,918	151,031,806
Cash flows from (used in) investing activities		
Cash received from disposal of premises and equipment	10,897	14,780
Cash received from disposal of intangible assets	-	28
Cash paid for purchase of premises and equipment	(637,504)	(2,502,744)
Cash paid for purchase of intangible assets	(300,000)	(737,150)
Net cash used in investing activities	(926,607)	(3,225,086)
Cash flows from (used in) financing activities		
Repayment of lease liabilities	(822,053)	(1,355,737)
Dividend paid	(62,550,000)	(66,025,000)
Net cash used in financing activities	(63,372,053)	(67,380,737)
Net increase in cash and cash equivalents	139,544,258	80,425,983
Allowance for expected credit losses decreased (increased)	364,091	(284,404)
Cash and cash equivalents at beginning of period	950,447,203	590,036,598
Cash and cash equivalents at end of period	1,090,355,552	670,178,177

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited**Statement of changes in owners' equity****For the six-month period ended 30 June 2022**

(Unit: Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of owners' equity	Total	
				Appropriated		Revaluation surplus (deficit)		
				Statutory reserve	General reserve	on available-for-sale investments - net of income taxes		
Balance as at 1 January 2021		139,000,000	594,436,835	24,848,787	6,163,850	619,344,780	13,336,947	1,397,131,199
Profit for the period		-	-	-	-	60,557,583	-	60,557,583
Other comprehensive income for the period		-	-	-	-	-	13,279,567	13,279,567
Total comprehensive income for the period		-	-	-	-	60,557,583	13,279,567	73,837,150
Dividend paid	20	-	-	-	-	(66,025,000)	-	(66,025,000)
Balance as at 30 June 2021		<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>613,877,363</u>	<u>26,616,514</u>	<u>1,404,943,349</u>
Balance as at 1 January 2022		139,000,000	594,436,835	24,848,787	6,163,850	645,151,419	17,832,729	1,427,433,620
Profit for the period		-	-	-	-	57,129,119	-	57,129,119
Other comprehensive income		-	-	-	-	-	(157,255,221)	(157,255,221)
Total comprehensive income		-	-	-	-	57,129,119	(157,255,221)	(100,126,102)
Dividends paid	20	-	-	-	-	(62,550,000)	-	(62,550,000)
Balance as at 30 June 2022		<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>639,730,538</u>	<u>(139,422,492)</u>	<u>1,264,757,518</u>

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

Nam Seng Insurance Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 Corporate information

Nam Seng Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is N.S. Alliance Co., Ltd., which was incorporated in Thailand whereby as at 30 June 2022 and 31 December 2021, such major shareholder held 28.75% of the issued and paid-up share capital of the Company. The Company is principally engaged in the provision of non-life insurance while its head office is located in Bangkok and has 26 sub-branches located in other provinces. The Company’s registered office is located at No. 767 Krungthep-Nonthaburi Road, Bangsue Sub-district, Bangsue District, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis for preparation of financial statement

2.1 Basis for preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting whereby the Company choose to present condensed interim financial statements. However, the Company presented each line item in the statements of financial position, comprehensive income, changes in owners’ equity and cash flows in the same full format as that used in its annual financial statements, and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated 4 April 2019.

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

The interim financial information in Thai language are the official statutory financial statements of the Company. The interim financial statement in English language have been translated from such financial statements in Thai language.

2.2 New financial reporting standards

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

However, the Company applied the temporary exemption for the adoption of Thai Financial Reporting Standard 9 (TFRS 9) : Financial Instruments and Thai Financial Reporting Standard 7 (TFRS 7) : Disclosure of Information relating to Financial Instruments, which were revised in Thai Financial Reporting Standard 4: Insurance Contracts allowing the extension of the exemption period for the adoption of such TFRS 9 and TFRS 7 whereby the exemption period will end for the financial statements having the fiscal period starts on or after 1 January 2024 or when Thai Financial Reporting Standard 17: Insurances Contracts becomes effective.

2.3 Significant accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2021.

3. Cash and cash equivalents

	(Unit: Baht)	
	30 June 2022	31 December 2021
Cash on hand	113,918	128,593
Deposits at banks with no fixed maturity date	1,090,717,708	951,158,775
Cash and cash equivalents	1,090,831,626	951,287,368
Less: Expected credit losses	(476,074)	(840,165)
Total cash and cash equivalents - net	<u>1,090,355,552</u>	<u>950,447,203</u>

4. Premium receivables

As at 30 June 2022 and 31 December 2021, the outstanding balances of premium receivables from direct insurance are classified by overdue periods, counted from the maturity date under the stipulated law of the premium collection, as follows:

	(Unit: Baht)	
	30 June 2022	31 December 2021
Not yet due	241,644,528	206,246,740
Overdue not longer than 30 days	36,565,974	31,667,385
Overdue 31 days to 60 days	23,754,073	15,691,760
Overdue 61 days to 90 days	4,187,863	4,792,034
Overdue 91 days to 1 year	7,340,755	6,828,969
Overdue longer than 1 year	4,106,336	3,944,985
Total	317,599,529	269,171,873
Less: Allowance for doubtful accounts	(21,388,987)	(20,513,642)
Premium receivables - net	296,210,542	248,658,231

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

5. Reinsurance assets

	(Unit: Baht)	
	30 June 2022	31 December 2021
Insurance reserves refundable from reinsurers		
- Long-term insurance policy reserves	3,174,563	4,202,156
- Loss reserves	47,338,089	28,538,980
- Unearned premium reserves	172,311,017	137,212,759
Reinsurance assets - net	222,823,669	169,953,895

6. Reinsurance receivables

	(Unit: Baht)	
	30 June 2022	31 December 2021
Amounts deposited on reinsurance	-	3,074
Amounts due from reinsurers	56,505,083	48,937,924
Reinsurance receivables - net	56,505,083	48,940,998

7. Investments in securities**7.1 Classified by type of investment**

(Unit: Baht)

	30 June 2022		31 December 2021	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Available-for-sale investments				
measured at fair value through				
other comprehensive income				
Equity securities	19,496,592	94,568,752	2,148,020	78,080,465
Unit trusts	1,333,074,205	1,058,329,799	1,304,070,406	1,221,535,554
Private enterprises debt securities	558,693,639	560,404,899	441,593,990	446,298,268
Total	1,911,264,436	1,713,303,450	1,747,812,416	1,745,914,287
Add: Unrealised gain (loss)	(174,278,115)		22,290,911	
Less: Allowance for expected credit losses	(1,520,003)		(2,026,172)	
Less: Allowance for impairment	(22,162,868)		(22,162,868)	
Total	1,713,303,450		1,745,914,287	
Held-to-maturity investments				
measured at amortised cost				
Government and state enterprise securities	271,402,222		292,901,069	
Private enterprise debt securities	435,250,155		415,300,448	
Foreign debt securities	49,957,866		49,878,943	
Deposits at financial institutions which matured over 3 months	5,000,000		5,000,000	
Total	761,610,243		763,080,460	
Less: Allowance for expected credit losses	(9,068,257)		(9,399,061)	
Total	752,541,986		753,681,399	
Investment in securities - net	2,465,845,436		2,499,595,686	

7.2 Classified by stage of credit risk

(Unit: Baht)

	30 June 2022		31 December 2021	
	Fair value	Allowance for	Fair value	Allowance for
		expected credit losses		expected credit losses
Available-for-sale investments				
measured at fair value through other comprehensive income				
Stage 1 - Debt securities without a significant increase of credit risk	560,404,899	(1,520,003)	446,298,268	(2,026,172)
Total	560,404,899	(1,520,003)	446,298,268	(2,026,172)

(Unit: Baht)

	30 June 2022			31 December 2021		
	Amortised cost - gross	Allowance for	Carrying value	Amortised cost - gross	Allowance for	Carrying value
		expected credit losses			expected credit losses	
Held-to-maturity investments						
measured at amortised cost						
Stage 1 - Debt securities without a significant increase of credit risk	716,652,377	(537,797)	716,114,580	718,201,517	(931,530)	717,269,987
Stage 2 - Debt securities with a significant increase of credit risk	29,957,866	(565,460)	29,392,406	29,878,943	(607,531)	29,271,412
Stage 3 - Debt securities with credit impairment	15,000,000	(7,965,000)	7,035,000	15,000,000	(7,860,000)	7,140,000
Total	761,610,243	(9,068,257)	752,541,986	763,080,460	(9,399,061)	753,681,399

7.3 Investments subject to restriction and obligation

As at 30 June 2022 and 31 December 2021, the Company had the following assets placed with the Registrar as securities and insurance reserves in accordance with the Non-life Insurance Act and place with court and other units to secure against performance obligations as required in normal course of business.

	30 June 2022		31 December 2021	
	Cost	Fair value	Cost	Fair value
Placed as securities				
Stated enterprise bonds	16.0	14.8	16.2	15.7
Placed as insurance reserves				
Government and state enterprise bonds	209.6	205.8	204.9	214.2
Placed as securities with the Court				
Deposits with financial institutions				
due more than 3 months	1.6	1.6	0.5	0.5
Placed to secure against performance obligations				
Government and state enterprise bond	26.4	25.4	25.6	25.5

8. Premises and equipment

The movement of premises and equipment for the six-month period ended 30 June 2022 is as follows:

(Unit: Baht)

	Land	Buildings and improvements	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
Net book value as at						
1 January 2022	120,562,866	22,738,261	14,675,344	5,522,520	9,200	163,508,191
Additions	-	-	637,504	-	-	637,504
Disposals/write-off - net						
book value	-	-	(48,695)	-	-	(48,695)
Depreciation charge for						
the period	-	(950,637)	(2,709,197)	(411,249)	-	(4,071,083)
Net book value as at						
30 June 2022	120,562,866	21,787,624	12,554,956	5,111,271	9,200	160,025,917

9. Deferred tax assets/Income taxes

9.1 Deferred tax assets

As at 30 June 2022 and 31 December 2021, the components of deferred tax assets (liabilities) arose from the following temporary differences:

(Unit: Baht)

	30 June	31 December	Changes in deferred tax assets and liabilities			
			For the three-month		For the six-month	
			periods ended 30 June	periods ended 30 June	periods ended 30 June	periods ended 30 June
	2022	2021	2022	2021	2022	2021
Deferred tax assets (liabilities) arose from:						
Allowance for doubtful accounts	4,625,012	4,674,120	(4,477,005)	(3,573,076)	(49,108)	329,392
Allowance for impairment on available-for-sale investments measured at fair value through other comprehensive income	4,432,574	4,432,574	-	(173,184)	-	(173,184)
Premium reserves	184,699,930	154,594,230	11,973,963	(472,280)	30,105,700	19,408,816
Loss reserves on claims incurred and reported	56,382,922	48,373,393	1,318,240	(9,868,272)	8,009,529	(3,833,985)
Loss reserves on claims incurred but not yet reported	21,748,132	22,665,464	(1,254,723)	825,145	(917,332)	822,143
Employee benefits obligations	13,624,653	12,829,551	448,084	421,177	795,102	880,678
Unrealised gain on revaluation of Trading investments measured at fair value through profit or loss	-	-	-	1,193,032	-	105,392
Available-for-sale investments measured at fair value through profit or loss	34,855,623	(4,458,182)	25,125,058	(3,137,946)	39,313,805	(3,319,891)
Expected credit losses	2,235,301	2,477,882	(245,062)	153,300	(242,581)	143,344
Right of use assets and lease liabilities	(130,622)	(174,531)	47,186	(66,382)	43,909	(64,989)
Deferred tax assets	322,473,525	245,414,501				
Total changes			32,935,741	(14,698,486)	77,059,024	14,297,716
Changes in deferred tax assets or liabilities that are recognised:						
- Profit or loss			7,810,683	(11,560,544)	37,745,219	17,617,607
- Other comprehensive income			25,125,058	(3,137,942)	39,313,805	(3,319,891)
			32,935,741	(14,698,486)	77,059,024	14,297,716

9.2 Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2022 and 2021 were made up as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	(25,903,620)	(1,494,897)	(51,297,288)	(28,335,053)
Deferred tax:				
Relating to origination and reversal of temporary differences	7,810,683	(11,560,544)	37,745,219	17,617,607
Income tax expense reported in profit or loss	<u>(18,092,937)</u>	<u>(13,055,441)</u>	<u>(13,552,069)</u>	<u>(10,717,446)</u>

Reconciliations between income tax expenses and the product of accounting profits for the three-month and six-month periods ended 30 June 2022 and 2021 and the applicable tax rate were as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Accounting profits before income tax expenses	91,630,690	70,237,909	70,681,188	71,275,029
Applicable tax rate	20%	20%	20%	20%
Accounting profits before income tax expenses multiplied by the applicable tax rate	(18,326,138)	(14,047,582)	(14,136,238)	(14,255,006)
Net tax effect on tax-exempted revenues and non-deductible expenses	233,201	992,141	584,169	3,537,560
Income tax expense reported in profit or loss	<u>(18,092,937)</u>	<u>(13,055,441)</u>	<u>(13,552,069)</u>	<u>(10,717,446)</u>

(Unaudited but reviewed)

10. Other assets

	(Unit: Baht)	
	30 June	31 December
	2022	2021
Other assets - financial assets		
Advances payment	3,394,217	1,159,116
Postdated cheques received	3,524,956	3,524,526
Claim receivables from litigants - net	1,294,541	1,991,278
Accrued income	2,061,410	4,686,995
Total	<u>10,275,124</u>	<u>11,361,915</u>
Other assets - others		
Prepaid expenses	59,368	151,466
Undue input value added taxes	3,482,862	3,784,600
Others	6,197,192	9,720,832
Total	<u>9,739,422</u>	<u>13,656,898</u>
Total other assets	<u>20,014,546</u>	<u>25,018,813</u>

11. Insurance contract liabilities

	(Unit: Baht)		
	30 June 2022		
	Insurance	Reinsurance	
	contract liabilities	on liabilities	Net
Long-term insurance policy reserves	802,119,615	(3,174,563)	798,945,052
Loss reserves			
- Claims incurred and reported	563,599,062	(35,867,330)	527,731,732
- Claims incurred but not yet reported	120,211,421	(11,470,759)	108,740,662
Unearned premium reserves	1,327,399,393	(172,311,017)	1,155,088,376
Total	<u>2,813,329,491</u>	<u>(222,823,669)</u>	<u>2,590,505,822</u>

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2021		Net
	Insurance contract liabilities	Reinsurance on liabilities	
Long-term insurance policy reserves	669,873,632	(4,202,156)	665,671,476
Loss reserves			
- Claims incurred and reported	475,524,296	(20,135,051)	455,389,245
- Claims incurred but not yet reported	121,731,248	(8,403,929)	113,327,319
Unearned premium reserves	1,194,369,504	(137,212,759)	1,057,156,745
Total	2,461,498,680	(169,953,895)	2,291,544,785

11.1 Long-term insurance policy reserves

(Unit: Baht)

	For the six-month period ended	For the year ended
	30 June 2022	31 December 2021
Balances - beginning of the period	669,873,632	504,702,170
Reserves increased from net of new policies and enforced policies	256,444,240	376,660,608
Reserves decreased from insurance policies	(124,198,257)	(211,489,146)
Balance - end of the period	802,119,615	669,873,632

11.2 Loss reserves

(Unit: Baht)

	For the six-month period ended	For the year ended
	30 June 2022	31 December 2021
Balances - beginning of the period	597,255,544	549,509,454
Claims incurred during the period	678,897,928	1,203,537,154
Changes in loss reserves of prior periods' claims	18,416,446	9,349,050
Changes in assumptions in calculation of loss reserves	(1,519,827)	10,136,900
Claims paid during the period	(609,239,608)	(1,175,277,014)
Balances - end of the period	683,810,483	597,255,544

(Unaudited but reviewed)

11.3 Unearned premium reserves

	(Unit: Baht)	
	For the six-month period ended 30 June 2022	For the year ended 31 December 2021
Balances - beginning of the period	1,194,369,504	1,049,269,649
Premium written for the period	1,304,345,322	2,273,213,060
Decrease in policy reserves	(1,171,315,433)	(2,128,113,205)
Balances - end of the period	<u>1,327,399,393</u>	<u>1,194,369,504</u>

12. Amounts due to reinsurers

	(Unit: Baht)	
	30 June 2022	31 December 2021
Amounts withheld on reinsurance	151,762,693	129,311,981
Other reinsurance payables	72,711,622	69,355,747
Total amounts due to reinsurers	<u>224,474,315</u>	<u>198,667,728</u>

13. Other liabilities

	(Unit: Baht)	
	30 June 2022	31 December 2021
Account payable - Revenue Department	7,138,167	7,996,902
Withholding income tax payable	3,229,092	3,255,331
Undue output value added taxes	12,180,262	11,542,239
Short-term employee benefit payable	16,166,532	33,961,600
Accrued expenses	7,422,147	13,251,724
Cash received from brokers	128,584,353	83,181,716
Others	17,329,315	24,843,143
Total other liabilities	<u>192,049,868</u>	<u>178,032,655</u>

14. Operating segment information

The Company is organised into two non-life insurance business segments, which are motor insurance and other insurance whereby the segmental profit or loss for the three-month and six-month periods ended 30 June 2022 and 2021 were presented as follows:

	(Unit: Baht)					
	Motor		Others		Total	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2022	2021	2022	2021	2022	2021
Underwriting revenues						
Gross premium written	433,471,947	395,483,407	330,903,527	227,574,628	764,375,474	623,058,035
Less: Premium ceded to reinsurers	(434,821)	(1,966,716)	(76,994,140)	(50,285,203)	(77,428,961)	(52,251,919)
Net premium written	433,037,126	393,516,691	253,909,387	177,289,425	686,946,513	570,806,116
Add (less): Unearned premium reserves						
(increased) decreased from prior period	(3,130,875)	263,111	(12,862,418)	(11,376,692)	(15,993,293)	(11,113,581)
Net earned premium	429,906,251	393,779,802	241,046,969	165,912,733	670,953,220	559,692,535
Commission and brokerage income from reinsurance	-	15,311	25,289,350	17,468,865	25,289,350	17,484,176
Total underwriting revenues	429,906,251	393,795,113	266,336,319	183,381,598	696,242,570	577,176,711
Underwriting expenses						
Long-term insurance policy reserve increased	-	-	90,332,680	42,985,229	90,332,680	42,985,229
Gross claims	239,293,409	239,374,300	102,454,376	63,785,241	341,747,785	303,159,541
Less: Claim recovery from reinsurance	-	-	(34,202,211)	(14,402,146)	(34,202,211)	(14,402,146)
Commission and brokerage expenses	73,428,005	66,686,860	52,117,286	33,253,565	125,545,291	99,940,425
Other underwriting expenses	22,723,444	29,590,403	27,308,174	22,094,734	50,031,618	51,685,137
Total underwriting expenses before operating expenses	335,444,858	335,651,563	238,010,305	147,716,623	573,455,163	483,368,186
Gross profit from underwriting	94,461,393	58,143,550	28,326,014	35,664,975	122,787,407	93,808,525
Operating expenses					(50,390,334)	(48,821,004)
Finance costs					(27,120)	(21,311)
Profit from underwriting					72,369,953	44,966,210
Net investment income					14,381,064	19,871,281
Loss on investments					(314,790)	7,913,982
Fair value loss					-	(5,965,159)
Rental income					3,851,174	3,957,941
Other income					117,976	260,155
Expected credit losses (reversal)					1,225,313	(766,501)
Profit before income tax expenses					91,630,690	70,237,909
Income tax expense					(18,092,937)	(13,055,441)
Profit for the period					73,537,753	57,182,468

(Unaudited but reviewed)

(Unit: Baht)

	Motor		Others		Total	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021	2022	2021
Underwriting revenues						
Gross premium written	916,112,743	828,619,738	644,676,819	482,185,579	1,560,789,562	1,310,805,317
Less: Premium ceded to reinsurers	(989,267)	(3,943,994)	(183,388,709)	(132,141,504)	(184,377,976)	(136,085,498)
Net premium written	915,123,476	824,675,744	461,288,110	350,044,075	1,376,411,586	1,174,719,819
Less: Unearned premium reserves increased from prior period	(64,691,849)	(50,194,719)	(33,239,782)	(28,816,682)	(97,931,631)	(79,011,401)
Net earned premium	850,431,627	774,481,025	428,048,328	321,227,393	1,278,479,955	1,095,708,418
Commission and brokerage income from reinsurance	35,888	33,791	51,553,292	36,753,975	51,589,180	36,787,766
Total underwriting revenues	850,467,515	774,514,816	479,601,620	357,981,368	1,330,069,135	1,132,496,184
Underwriting expenses						
Long-term insurance policy reserve increased	-	-	133,273,577	80,732,289	133,273,577	80,732,289
Gross claims	490,126,200	482,134,433	220,270,129	151,740,216	710,396,329	633,874,649
Less: Claim recovery from reinsurance	-	-	(56,717,401)	(38,449,023)	(56,717,401)	(38,449,023)
Commission and brokerage expenses	155,490,842	139,244,886	105,530,267	77,110,585	261,021,109	216,355,471
Other underwriting expenses	54,752,855	56,418,027	47,755,888	39,595,907	102,508,743	96,013,934
Total underwriting expenses before operating expenses	700,369,897	677,797,346	450,112,460	310,729,974	1,150,482,357	988,527,320
Gross profit from underwriting	150,097,618	96,717,470	29,489,160	47,251,394	179,586,778	143,968,864
Operating expenses					(147,607,691)	(131,932,740)
Finance costs					(53,276)	(42,648)
Profit from underwriting					31,925,811	11,993,476
Net investment income					28,853,557	43,086,332
Gain on investments					767,814	9,010,908
Fair value loss					-	(526,958)
Rental income					7,795,503	7,949,376
Other income					125,597	478,614
Expected credit losses (reversal)					1,212,906	(716,719)
Profit before income tax expenses					70,681,188	71,275,029
Income tax expenses					(13,552,069)	(10,717,446)
Profit for the period					57,129,119	60,557,583

For the three-month and six-month periods ended 30 June 2022, the Company had premium written from a major broker (having gross premium written from the broker more than 10% of total gross premium written in each period), which is its related party, amounting to Baht 92.9 million and Baht 180.8 million, respectively (2021: Baht 79.0 million and Baht 159.8 million, respectively), from the motor segment, contributing 12% (2021: 13% and 12%, respectively), of total premium written in each period.

(Unaudited but reviewed)

Segment assets and liabilities as at 30 June 2022 and 31 December 2021 are as follows:

(Unit: Baht)

	Motor	Others	Unallocated assets/liabilities	Total
Assets				
30 June 2022	199,177,569	376,361,724	4,090,000,634	4,665,539,927
31 December 2021	188,943,303	278,609,821	3,929,267,199	4,396,820,323
Liabilities				
30 June 2022	1,486,027,163	1,606,866,749	307,888,497	3,400,782,409
31 December 2021	1,379,660,268	1,327,405,490	262,320,945	2,969,386,703

15. Operating expenses

(Unit: Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Personnel expenses	26,872,399	25,496,404	53,855,162	51,655,442
Premise and equipment expenses	14,114,116	12,624,067	28,918,822	27,817,898
Taxes and duties	303,706	440,105	1,400,501	1,414,515
Bad debts and doubtful accounts (reversal)	(22,385,029)	(17,865,379)	(245,542)	1,646,963
Other operating expenses	31,485,142	28,125,807	63,678,748	49,397,922
Total operating expenses	<u>50,390,334</u>	<u>48,821,004</u>	<u>147,607,691</u>	<u>131,932,740</u>

16. Earnings per share

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

17. Related party transactions

17.1 Nature of relationship

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship with the Company
Dung Seng Insurance Broker Co., Ltd.	Related by way of common shareholder
Asia Hotel Plc.	Related by way of common directors
Asia Pattaya Hotel Co., Ltd.	Related by way of common directors
Zeer Property Plc.	Related by way of common directors
Asia Airport Hotel Co., Ltd.	Related by way of common directors
N.S.B. Co., Ltd.	Related by way of common directors

17.2 Related party transactions

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

	(Unit: Million Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2022	2021	2022	2021
Gross premium written				
Dung Seng Insurance Broker Co., Ltd. ⁽¹⁾	92.9	79.0	180.8	159.8
Commission and brokerage expenses				
Dung Seng Insurance Broker Co., Ltd.	16.0	13.7	31.1	27.7

⁽¹⁾ Premium written from non-life insurance brokers

Transaction with related parties	Transfer pricing policy
Gross premium written	Normal commercial terms for underwriting
Commission and brokerage expenses	Normal commercial terms for non-life insurance broker

17.3 Outstanding balances

As at 30 June 2022 and 31 December 2021, the outstanding balances of accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)	
	30 June 2022	31 December 2021
Premium receivables		
Dung Seng Insurance Broker Co., Ltd.	67.4	77.3
Accrued commission expenses		
Dung Seng Insurance Broker Co., Ltd.	11.5	13.3

17.4 Directors' and key management's benefits

During the three-month and six-month periods ended 30 June 2022 and 2021, the Company had employee benefit expenses incurred on directors and key management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Short-term employee benefits	3.6	3.6	7.2	7.2
Long-term employee benefits	-	0.1	0.1	0.2
Total	3.6	3.7	7.3	7.4

18. Financial instruments**18.1 Fair value of financial instruments**

Most of the Company's financial instruments, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income, loans and interest receivables, other financial assets and lease liabilities are classified as short-term and/or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value. However, excluding held-to-maturity investments measured at amortised cost that fair value is different from carrying amounts, the comparison is as follows

(Unaudited but reviewed)

(Unit: Million Baht)

	30 June 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities	271.4	265.7	292.9	302.3
Private enterprise debt securities	426.9	420.3	406.6	416.7
Foreign debt securities	49.2	49.4	49.1	49.5

18.2 Fair value of financial instruments

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

(Unit: Million Baht)

	30 June 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
Available-for-sale investments measured at fair value through other comprehensive income				
Equity securities	16.5	-	78.1	94.6
Unit trusts	152.4	905.9	-	1,058.3
Private enterprise debt securities	-	560.4	-	560.4

(Unit: Million Baht)

	31 December 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Available-for-sale investments measured at fair value through other comprehensive income				
Equity securities	-	-	78.1	78.1
Unit trusts	159.9	1,061.6	-	1,221.5
Private enterprise debt securities	-	446.3	-	446.3

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

19. Commitments and contingent liabilities**19.1 Capital commitment**

As at 30 June 2022, the Company did not have capital commitments contracted for computer program development (31 December 2021: Baht 0.3 million).

19.2 Operating lease commitments and relate services

As at 30 June 2022 and 31 December 2021, future minimum lease payments required under short-term leases and leases of low-value and related service agreements were as follows:

	(Unit: Million Baht)	
Payable within	30 June 2022	31 December 2021
1 year	4.0	7.5

19.3 Litigation

As at 30 June 2022 and 31 December 2021, the Company had been sued as insurer, with damaged totaling Baht 272.9 million and Baht 185.8 million, respectively. The outcomes of the cases have not yet been finalised. However, the Company considered the estimated losses that might be incurred and already recognised as loss reserves of Baht 39.6 and Baht 29.3 million, respectively, in the financial statements.

20. Dividends paid

Dividends declared during the six-month periods ended 30 June 2022 and 2021 were as follows:

	Approved by	Total dividends	Dividend
		(Million Baht)	per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 31 March 2022	62.55	4.50
Final dividends for 2020	Annual General Meeting of the shareholders on 31 March 2021	66.03	4.75

21. Approval of the interim financial information

These interim financial information were authorised for issue by the Audit Committee on 9 August 2022.