

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

Scope of review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 21 to the interim financial statements, which describes events after the reporting period that are related to the proposed for delisting of the Company's shares from the Stock Exchange of Thailand and the entire business transfer to Tender Offeror. My conclusion is not modified in respect of this matter.

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 9 November 2022

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

		(Unit: Baht)	
	Note	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	3	369,588,687	950,447,203
Premium receivables	4	227,218,943	248,658,231
Accrued investment income		9,925,455	6,637,088
Reinsurance assets	5	183,961,339	169,953,895
Reinsurance receivables	6	138,642,974	48,940,998
Investment assets			
Investments in securities	7	3,235,470,121	2,499,595,686
Loans		8,938,064	8,050,201
Property foreclosed		-	8,590,942
Premises and equipment	8	160,858,160	163,508,191
Right-of-use assets		2,985,198	2,858,382
Intangible assets		2,330,957	3,375,858
Deferred tax assets	9	343,288,435	245,414,501
Receivable from sales of securities		-	15,770,334
Other assets	10	56,934,540	25,018,813
Total assets		4,740,142,873	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 September 2022

		(Unit: Baht)	
	Note	30 September 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)
Liabilities and owners' equity			
Liabilities			
Insurance contract liabilities	11	2,887,198,847	2,461,498,680
Amounts due to reinsurers	12	302,707,204	198,667,728
Income tax payable		16,610,616	21,296,882
Lease liabilities		2,609,536	1,985,728
Employee benefit obligations		70,363,686	64,147,756
Accrued commissions		42,094,712	43,757,274
Other liabilities	13	196,747,525	178,032,655
Total liabilities		3,518,332,126	2,969,386,703
Equity			
Share capital			
Registered			
20,000,000 ordinary shares of Baht 10 each		200,000,000	200,000,000
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		625,947,318	645,151,419
Other component of owners' equity			
Revaluation surplus on available-for-sale			
investments - net of income taxes		(168,586,043)	17,832,729
Total owners' equity		1,221,810,747	1,427,433,620
Total liabilities and owners' equity		4,740,142,873	4,396,820,323
		-	-

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 September 2022**

		(Unit: Baht)	
	Note	2022	2021
Profit or loss:			
Revenues			
Gross premium written	17.2	749,506,886	642,864,315
Less: Premium ceded to reinsurers		(29,611,689)	(67,810,721)
Net premium written		719,895,197	575,053,594
Add (less): Unearned premium reserves (increased) decreased from prior period		(50,590,593)	2,432,721
Net earned premium		669,304,604	577,486,315
Commission and brokerage income from reinsurers		940,564	22,137,270
Net investment income		17,137,656	15,960,207
Loss on investments		(280,772)	(2,181,498)
Fair value losses		-	(3,101,710)
Rental income		3,824,855	3,965,867
Other income		778,509	97,751
Total revenues		691,705,416	614,364,202
Expenses			
Long-term insurance policy reserve increased		52,226,464	45,647,673
Gross claims		372,955,924	306,350,145
Less: Claim recovery from reinsurers		(26,176,198)	(14,138,143)
Commission and brokerage expenses	17.2	121,360,753	108,154,876
Other underwriting expenses		62,500,772	47,255,430
Operating expenses	15	82,070,838	78,255,333
Finance cost		37,358	19,051
Expected credit loss (reversal)		713,686	(315,838)
Total expenses		665,689,597	571,228,527
Profit before income tax expenses		26,015,819	43,135,675
Less: Income tax expenses	9.2	(5,053,289)	(8,224,186)
Profit for the period		20,962,530	34,911,489

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 September 2022

		(Unit: Baht)	
	Note	2022	2021
Other comprehensive income:			
Items to be recognised in profit or loss in subsequent periods:			
Loss on revaluation of available-for-sale investments		(36,454,439)	(46,226,788)
Add: Benefit tax		7,290,888	9,245,358
Items to be recognised in profit or loss in subsequent periods			
- net of income taxes		(29,163,551)	(36,981,430)
Other comprehensive income for the period (loss)		<u>(29,163,551)</u>	<u>(36,981,430)</u>
Total comprehensive income for the period (loss)		<u><u>(8,201,021)</u></u>	<u><u>(2,069,941)</u></u>
Earnings per share			
Basic earnings per share			
Profit for the period	16	<u>1.51</u>	<u>2.51</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 nine-month period ended 30 September 2022

		(Unit: Baht)	
	Note	2022	2021
Profit or loss:			
Revenues			
Gross premium written	17.2	2,310,296,448	1,953,669,632
Less: Premium ceded to reinsurers		(213,989,665)	(203,896,219)
Net premium written		2,096,306,783	1,749,773,413
Less: Unearned premium reserves increased from prior period		(148,522,224)	(76,578,680)
Net earned premium		1,947,784,559	1,673,194,733
Commission and brokerage income from reinsurers		52,529,744	58,925,036
Net investment income		45,991,213	59,046,539
Gain on investments		487,042	6,829,410
Fair value losses		-	(3,628,668)
Rental income		11,620,358	11,915,243
Other income		904,106	576,365
Total revenues		2,059,317,022	1,806,858,658
Expenses			
Long-term insurance policy reserve increased		185,500,041	126,379,962
Gross claims		1,083,352,253	940,224,794
Less: Claim recovery from reinsurers		(82,893,599)	(52,587,166)
Commission and brokerage expenses	17.2	382,381,862	324,510,347
Other underwriting expenses		165,009,515	143,269,364
Operating expenses	15	229,678,529	210,188,073
Finance cost		90,634	61,699
Expected credit losses (reversal)		(499,220)	400,881
Total expenses		1,962,620,015	1,692,447,954
Profit before income tax expenses		96,697,007	114,410,704
Less: Income tax expenses	9.2	(18,605,358)	(18,941,632)
Profit for the period		78,091,649	95,469,072

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 nine-month period ended 30 September 2022

		(Unit: Baht)	
	Note	2022	2021
Other comprehensive income:			
Items to be recognised in profit or loss in subsequent periods:			
Loss on revaluation of available-for-sale investments		(233,023,465)	(29,627,329)
Add: Benefit tax		46,604,693	5,925,466
Items to be recognised in profit or loss in subsequent periods			
- net of income taxes		(186,418,772)	(23,701,863)
Other comprehensive income for the period (loss)		<u>(186,418,772)</u>	<u>(23,701,863)</u>
Total comprehensive income for the period		<u><u>(108,327,123)</u></u>	<u><u>71,767,209</u></u>
Earnings per share			
Basic earnings per share			
Profit for the period	16	<u><u>5.62</u></u>	<u><u>6.87</u></u>

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 nine-month period ended 30 September 2022**

		(Unit: Baht)	
	Note	2022	2021
Cash flows from (used in) operating activities			
Direct premium written		2,332,979,896	1,946,556,807
Cash paid on reinsurance		(88,848,230)	(62,835,900)
Interest income		31,377,543	38,446,854
Dividend income		11,325,304	21,937,703
Rental and other income		12,000,054	12,523,615
Losses paid on direct insurance		(981,832,189)	(880,776,748)
Commission and brokerage expenses on direct insurance		(384,043,123)	(325,385,043)
Other underwriting expenses		(171,774,093)	(143,660,644)
Operating expenses		(252,808,045)	(197,466,459)
Income taxes		(74,560,864)	(63,191,120)
Cash received from brokers		31,427,715	23,288,589
Proceeds from sales of investment in securities		290,842,159	1,892,294,602
Cash paid for purchase of investment in securities		(1,243,437,798)	(1,929,842,498)
Loans and interest receivables		(887,863)	177,969
Net cash from (used in) operating activities		(488,239,534)	332,067,727
Cash flows from (used in) investing activities			
Cash received from disposals of premises and equipment		9,574,542	15,743
Cash paid for purchase of premises and equipment		(3,998,910)	(3,968,249)
Cash paid for purchase of intangible assets		(300,000)	(1,198,050)
Net cash from (used in) investing activities		5,275,632	(5,150,556)
Cash flows from (used in) financing activities			
Repayment of lease liabilities		(1,073,579)	(1,641,763)
Dividend paid	20	(97,295,750)	(107,725,000)
Net cash used in financing activities		(98,369,329)	(109,366,763)
Net increase (decreased) in cash and cash equivalents		(581,333,231)	217,550,408
Decreased (increased) in allowance for expected credit loss		474,715	(331,718)
Cash and cash equivalents at beginning of period		950,447,203	590,036,598
Cash and cash equivalents at end of period		369,588,687	807,255,288

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 nine-month period ended 30 September 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) on available-for-sale investments		
				Statutory reserve	General reserve	- 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		-	-	-	-	95,469,072	-	95,469,072
Other comprehensive income for the period		-	-	-	-	-	(23,701,863)	(23,701,863)
Total comprehensive income for the period		-	-	-	-	95,469,072	(23,701,863)	71,767,209
Dividend paid	20	-	-	-	-	(107,725,000)	-	(107,725,000)
Balance as at 30 September 2021		<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>607,088,852</u>	<u>(10,364,916)</u>	<u>1,361,173,408</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		-	-	-	-	78,091,649	-	78,091,649
Other comprehensive income for the period		-	-	-	-	-	(186,418,772)	(186,418,772)
Total comprehensive income for the period		-	-	-	-	78,091,649	(186,418,772)	(108,327,123)
Dividends paid	20	-	-	-	-	(97,295,750)	-	(97,295,750)
Balance as at 30 September 2022		<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>625,947,318</u>	<u>(168,586,043)</u>	<u>1,221,810,747</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 nine-month periods ended 30 September 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 September 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)	
	<u>30 September 2022</u>	<u>31 December 2021</u>
Cash on hand	79,323	128,593
Deposits at banks with no fixed maturity date	369,874,814	951,158,775
Cash and cash equivalents	369,954,137	951,287,368
Less: Expected credit losses	(365,450)	(840,165)
Total cash and cash equivalents - net	<u>369,588,687</u>	<u>950,447,203</u>

4. Premium receivables

As at 30 September 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 September 2022	31 December 2021
Not yet due	188,184,294	206,246,740
Overdue not longer than 30 days	23,694,448	31,667,385
Overdue 31 days to 60 days	24,022,022	15,691,760
Overdue 61 days to 90 days	3,443,858	4,792,034
Overdue 91 days to 1 year	4,056,593	6,828,969
Overdue longer than 1 year	5,768,238	3,944,985
Total	249,169,453	269,171,873
Less: Allowance for doubtful accounts	(21,950,510)	(20,513,642)
Premium receivables - net	227,218,943	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 September 2022	31 December 2021
Insurance reserves refundable from reinsurers		
- Long-term insurance policy reserves	2,790,409	4,202,156
- Loss reserves	53,142,015	28,538,980
- Unearned premium reserves	128,028,915	137,212,759
Reinsurance assets - net	183,961,339	169,953,895

6. Reinsurance receivables

	(Unit: Baht)	
	30 September 2022	31 December 2021
Amounts deposited on reinsurance	-	3,074
Amounts due from reinsurers	138,642,974	48,937,924
Reinsurance receivables - net	138,642,974	48,940,998

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

	30 September 2022		31 December 2021	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
 measured at fair value through				
 other comprehensive income				
Equity securities	19,496,592	93,569,764	2,148,020	78,080,465
Unit trusts	1,332,487,995	1,024,774,393	1,304,070,406	1,221,535,554
Private enterprises debt securities	618,671,736	617,733,124	441,593,990	446,298,268
Total	1,970,656,323	<u>1,736,077,281</u>	1,747,812,416	<u>1,745,914,287</u>
Add: Unrealised gain (loss)	(210,732,553)		22,290,911	
Less: Allowance for expected credit losses	(1,683,621)		(2,026,172)	
Less: Allowance for impairment	(22,162,868)		(22,162,868)	
Total	<u>1,736,077,281</u>		<u>1,745,914,287</u>	
Held-to-maturity investments				
 measured at amortised cost				
Government and state enterprise securities	298,883,303		292,901,069	
Private enterprise debt securities	505,224,370		415,300,448	
Foreign debt securities	49,998,244		49,878,943	
Deposits at financial institutions which matured over 3 months	655,000,000		5,000,000	
Total	1,509,105,917		763,080,460	
Less: Allowance for expected credit losses	(9,713,077)		(9,399,061)	
Total	<u>1,499,392,840</u>		<u>753,681,399</u>	
Investment in securities - net	<u>3,235,470,121</u>		<u>2,499,595,686</u>	

7.2 Classified by stage of credit risk

(Unit: Baht)

	30 September 2022		31 December 2021	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for 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	617,733,124	(1,683,621)	446,298,268	(2,026,172)
Total	617,733,124	(1,683,621)	446,298,268	(2,026,172)

(Unit: Baht)

	30 September 2022			31 December 2021		
	Amortised cost - gross	Allowance for expected credit losses	Carrying value	Amortised cost - gross	Allowance for expected credit losses	Carrying value
Held-to-maturity investments measured at amortised cost						
Stage 1 - Debt securities without a significant increase of credit risk	1,464,107,673	(1,175,469)	1,462,932,204	718,201,517	(931,530)	717,269,987
Stage 2 - Debt securities with a significant increase of credit risk	29,998,244	(572,608)	29,425,636	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	1,509,105,917	(9,713,077)	1,499,392,840	763,080,460	(9,399,061)	753,681,399

7.3 Investments subject to restriction and obligation

As at 30 September 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.

(Unit: Million Baht)

	30 September 2022		31 December 2021	
	Cost	Fair value	Cost	Fair value
Placed as securities				
Stated enterprise bonds	15.9	14.6	16.2	15.7
Placed as insurance reserves				
Government and state enterprise bonds	242.2	235.6	204.9	214.2
Placed as securities with the Court				
Deposits with financial institutions due more than 3 months	0.4	0.4	0.5	0.5
Placed to secure against performance obligations				
Government and state enterprise bond	25.8	24.7	25.6	25.5

8. Premises and equipment

The movement of premises and equipment for the nine-month period ended 30 September 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	-	-	3,802,510	-	196,400	3,998,910
Transfer in (out)	-	-	196,400	-	(196,400)	-
Disposals/write-off - net book value	-	-	(459,187)	-	-	(459,187)
Depreciation charge for the period	-	(1,433,834)	(4,153,913)	(602,007)	-	(6,189,754)
Net book value as at 30 September 2022	120,562,866	21,304,427	14,061,154	4,920,513	9,200	160,858,160

9. Deferred tax assets/Income taxes

9.1 Deferred tax assets

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

(Unit: Baht)

	Changes in deferred tax assets and liabilities					
	30 September	31 December	For the three-month		For the nine-month	
			periods ended 30 September		periods ended 30 September	
	2022	2021	2022	2021	2022	2021
Deferred tax assets (liabilities) arose from:						
Allowance for doubtful accounts	4,733,317	4,674,120	108,305	1,356,659	59,197	1,686,051
Allowance for impairment on available-for-sale investments measured at fair value through other comprehensive income	4,432,574	4,432,574	-	-	-	(173,184)
Premium reserves	193,676,013	154,594,230	8,976,083	3,433,665	39,081,783	22,842,481
Loss reserves on claims incurred and reported	59,533,077	48,373,393	3,150,155	4,564,594	11,159,684	730,609
Loss reserves on claims incurred but not yet reported	22,391,300	22,665,464	643,168	439,532	(274,164)	1,261,676
Employee benefits obligations	14,072,737	12,829,551	448,084	300,836	1,243,186	1,181,513
Unrealised gain on revaluation of Trading investments measured at fair value through profit or loss	-	-	-	620,342	-	725,734
Available-for-sale investments measured at fair value through profit or loss	42,146,511	(4,458,182)	7,290,888	9,245,358	46,604,693	5,925,466
Expected credit losses	2,378,038	2,477,882	142,737	(63,168)	(99,844)	80,176
Right of use assets and lease liabilities	(75,132)	(174,531)	55,490	45,166	99,399	(19,823)
Deferred tax assets	<u>343,288,435</u>	<u>245,414,501</u>				
Total changes			<u>20,814,910</u>	<u>19,942,984</u>	<u>97,873,934</u>	<u>34,240,699</u>
Changes in deferred tax assets or liabilities that are recognised:						
- Profit or loss			13,524,022	10,697,626	51,269,241	28,315,233
- Other comprehensive income			<u>7,290,888</u>	<u>9,245,358</u>	<u>46,604,693</u>	<u>5,925,466</u>
			<u>20,814,910</u>	<u>19,942,984</u>	<u>97,873,934</u>	<u>34,240,699</u>

9.2 Income tax

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

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Current income taxes:				
Interim corporate income tax charge	(18,577,310)	(18,921,812)	(69,874,598)	(47,256,865)
Deferred tax:				
Relating to origination and reversal of temporary differences	13,524,021	10,697,626	51,269,240	28,315,233
Income tax expenses reported in profit or loss	<u>(5,053,289)</u>	<u>(8,224,186)</u>	<u>(18,605,358)</u>	<u>(18,941,632)</u>

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

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Accounting profits before income tax expenses	26,015,819	43,135,675	96,697,007	114,410,704
Applicable tax rate	20%	20%	20%	20%
Accounting profits before income tax expenses multiplied by the applicable tax rate	(5,203,163)	(8,627,135)	(19,339,401)	(22,882,141)
Net tax effect on tax-exempted revenues and non-deductible expenses	149,874	402,949	734,043	3,940,509
Income tax expenses reported in profit or loss	<u>(5,053,289)</u>	<u>(8,224,186)</u>	<u>(18,605,358)</u>	<u>(18,941,632)</u>

(Unaudited but reviewed)

10. Other assets

	(Unit: Baht)	
	30 September 2022	31 December 2021
Other assets - financial assets		
Advances payment	2,124,200	1,159,116
Postdated cheques received	14,842,423	3,524,526
Claim receivables from litigants - net	2,735,528	1,991,278
Accrued income	2,061,410	4,686,995
Total	21,763,561	11,361,915
Other assets - others		
Deposit on rice field insurance scheme	24,342,478	-
Prepaid expenses	15,915	151,466
Undue input value added taxes	3,124,040	3,784,600
Others	7,688,546	9,720,832
Total	35,170,979	13,656,898
Total other assets	56,934,540	25,018,813

11. Insurance contract liabilities

	(Unit: Baht)		
	30 September 2022		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Long-term insurance policy reserves	853,961,925	(2,790,409)	851,171,516
Loss reserves			
- Claims incurred and reported	569,569,011	(35,138,488)	534,430,523
- Claims incurred but not yet reported	129,960,027	(18,003,527)	111,956,500
Unearned premium reserves	1,333,707,884	(128,028,915)	1,205,678,969
Total	2,887,198,847	(183,961,339)	2,703,237,508

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2021		
	Insurance contract liabilities	Reinsurance on liabilities	Net
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 nine-month period ended	For the year ended
	30 September 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	377,037,735	376,660,608
Reserves decreased from insurance policies	(192,949,442)	(211,489,146)
Balance - end of the period	853,961,925	669,873,632

11.2 Loss reserves

(Unit: Baht)

	For the nine-month period ended	For the year ended
	30 September 2022	31 December 2021
Balances - beginning of the period	597,255,544	549,509,454
Claims incurred during the period	1,047,129,595	1,203,537,154
Changes in loss reserves of prior periods' claims	11,140,007	9,349,050
Changes in assumptions in calculation of loss reserves	8,228,779	10,136,900
Claims paid during the period	(964,224,887)	(1,175,277,014)
Balances - end of the period	699,529,038	597,255,544

11.3 Unearned premium reserves

(Unit: Baht)

	For the nine-month period ended 30 September 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	1,933,258,713	2,273,213,060
Decrease in policy reserves	(1,793,920,333)	(2,128,113,205)
Balances - end of the period	<u>1,333,707,884</u>	<u>1,194,369,504</u>

12. Amounts due to reinsurers

(Unit: Baht)

	30 September 2022	31 December 2021
Amounts withheld on reinsurance	114,917,526	129,311,981
Other reinsurance payables	<u>187,789,678</u>	<u>69,355,747</u>
Total amounts due to reinsurers	<u>302,707,204</u>	<u>198,667,728</u>

13. Other liabilities

(Unit: Baht)

	30 September 2022	31 December 2021
Account payable - Revenue Department	9,614,990	7,996,902
Withholding income tax payable	5,530,735	3,255,331
Undue output value added taxes	9,975,527	11,542,239
Short-term employee benefit payable	24,249,798	33,961,600
Accrued expenses	13,125,875	13,251,724
Cash received from brokers	114,609,431	83,181,716
Others	<u>19,641,169</u>	<u>24,843,143</u>
Total other liabilities	<u>196,747,525</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 nine-month periods ended 30 September 2022 and 2021 were presented as follows:

	(Unit: Baht)					
	Motor insurance		Others insurance		Total	
	For the three-month periods ended 30 September		For the three-month periods ended 30 September		For the three-month periods ended 30 September	
	2022	2021	2022	2021	2022	2021
Underwriting revenues						
Gross premium written	433,207,362	389,016,179	316,299,524	253,848,136	749,506,886	642,864,315
Less: Premium ceded to reinsurers	(1,067,343)	(2,368,531)	(28,544,346)	(65,442,190)	(29,611,689)	(67,810,721)
Net premium written	432,140,019	386,647,648	287,755,178	188,405,946	719,895,197	575,053,594
Add (less): Unearned premium reserves						
(increased) decrease from prior period	9,526,847	14,386,493	(60,117,440)	(11,953,772)	(50,590,593)	2,432,721
Net earned premium	441,666,866	401,034,141	227,637,738	176,452,174	669,304,604	577,486,315
Commission and brokerage income from reinsurers	59,311	49,651	881,253	22,087,619	940,564	22,137,270
Total underwriting revenues	441,726,177	401,083,792	228,518,991	198,539,793	670,245,168	599,623,585
Underwriting expenses						
Long-term insurance policy reserve increased	-	-	52,226,464	45,647,673	52,226,464	45,647,673
Gross claims	274,393,374	227,324,797	98,562,550	79,025,348	372,955,924	306,350,145
Less: Claim recovery from reinsurers	-	-	(26,176,198)	(14,138,143)	(26,176,198)	(14,138,143)
Commission and brokerage expenses	73,743,251	65,958,751	47,617,502	42,196,125	121,360,753	108,154,876
Other underwriting expenses	36,522,197	27,975,703	25,978,575	19,279,727	62,500,772	47,255,430
Total underwriting expenses before operating expenses	384,658,822	321,259,251	198,208,893	172,010,730	582,867,715	493,269,981
Gross profits from underwriting	57,067,355	79,824,541	30,310,098	26,529,063	87,377,453	106,353,604
Operating expenses					(82,070,838)	(78,255,333)
Finance cost					(37,358)	(19,051)
Profits from underwriting					5,269,257	28,079,220
Net investment income					17,137,656	15,960,207
Loss on investments					(280,772)	(2,181,498)
Fair value losses					-	(3,101,710)
Rental income					3,824,855	3,965,867
Other income					778,509	97,751
Expected credit loss (reversal)					(713,686)	315,838
Profits before income tax expenses					26,015,819	43,135,675
Income tax expenses					(5,053,289)	(8,224,186)
Profit for the period					20,962,530	34,911,489

(Unaudited but reviewed)

	(Unit: Baht)					
	Motor insurance		Others insurance		Total	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021	2022	2021
Underwriting revenues						
Gross premium written	1,349,320,105	1,217,635,917	960,976,343	736,033,715	2,310,296,448	1,953,669,632
Less: Premium ceded to reinsurers	(2,056,610)	(6,312,525)	(211,933,055)	(197,583,694)	(213,989,665)	(203,896,219)
Net premium written	1,347,263,495	1,211,323,392	749,043,288	538,450,021	2,096,306,783	1,749,773,413
Less: Unearned premium reserves increased from prior period	(55,165,002)	(35,808,226)	(93,357,222)	(40,770,454)	(148,522,224)	(76,578,680)
Net earned premium	1,292,098,493	1,175,515,166	655,686,066	497,679,567	1,947,784,559	1,673,194,733
Commission and brokerage income from reinsurers	95,199	83,442	52,434,545	58,841,594	52,529,744	58,925,036
Total underwriting revenues	1,292,193,692	1,175,598,608	708,120,611	556,521,161	2,000,314,303	1,732,119,769
Underwriting expenses						
Long-term insurance policy reserve increased	-	-	185,500,041	126,379,962	185,500,041	126,379,962
Gross claims	764,519,574	709,459,230	318,832,679	230,765,564	1,083,352,253	940,224,794
Less: Claim recovery from reinsurers	-	-	(82,893,599)	(52,587,166)	(82,893,599)	(52,587,166)
Commission and brokerage expenses	229,234,093	205,203,637	153,147,769	119,306,710	382,381,862	324,510,347
Other underwriting expenses	91,275,052	84,393,730	73,734,463	58,875,634	165,009,515	143,269,364
Total underwriting expenses before operating expenses	1,085,028,719	999,056,597	648,321,353	482,740,704	1,733,350,072	1,481,797,301
Gross profits from underwriting	207,164,973	176,542,011	59,799,258	73,780,457	266,964,231	250,322,468
Operating expenses					(229,678,529)	(210,188,073)
Finance cost					(90,634)	(61,699)
Profits from underwriting					37,195,068	40,072,696
Net investment income					45,991,213	59,046,539
Gain on investments					487,042	6,829,410
Fair value losses					-	(3,628,668)
Rental income					11,620,358	11,915,243
Other income					904,106	576,365
Expected credit loss (reversal)					499,220	(400,881)
Profits before income tax expenses					96,697,007	114,410,704
Income tax expenses					(18,605,358)	(18,941,632)
Profit for the period					78,091,649	95,469,072

For the three-month and nine-month periods ended 30 September 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 85.9 million and Baht 266.7 million, respectively (2021: Baht 91.4 million and Baht 251.2 million, respectively), from the motor segment, contributing 11% and 12%, respectively (2021: 14% and 13%, respectively), of total premium written in each period.

(Unaudited but reviewed)

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

(Unit: Baht)

	Motor	Others	Unallocated assets/liabilities	Total
Assets				
30 September 2022	167,258,634	382,564,622	4,190,319,617	4,740,142,873
31 December 2021	188,943,303	278,609,821	3,929,267,199	4,396,820,323
Liabilities				
30 September 2022	1,473,055,708	1,763,151,472	282,124,946	3,518,332,126
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 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Personnel expenses	28,019,204	25,150,081	81,874,366	76,805,523
Premise and equipment expenses	15,544,487	13,200,731	44,463,309	41,018,629
Taxes and duties	210,238	224,666	1,610,739	1,639,181
Bad debts and doubtful accounts	541,523	6,783,293	295,981	8,430,256
Other operating expenses	37,755,386	32,896,562	101,434,134	82,294,484
Total operating expenses	<u>82,070,838</u>	<u>78,255,333</u>	<u>229,678,529</u>	<u>210,188,073</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 nine-month periods	
	ended 30 September		ended 30 September	
	2022	2021	2022	2021
Gross premium written				
Dung Seng Insurance Broker Co., Ltd. ⁽¹⁾	85.9	91.4	266.7	251.2
Asia Hotel Plc.	0.6	0.7	0.7	0.7
Asia Pattaya Hotel Co., Ltd.	0.2	0.3	0.2	0.3
Zeer Property Plc.	3.5	4.0	3.5	4.0
Asia Airport Hotel Co., Ltd.	0.4	0.5	0.4	0.5
Commission and brokerage expenses				
Dung Seng Insurance Broker Co., Ltd.	14.6	15.8	45.7	43.5

⁽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 September 2022 and 31 December 2021, the outstanding balances of accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)	
	30 September 2022	31 December 2021
Premium receivables		
Dung Seng Insurance Broker Co., Ltd.	65.0	77.3
Accrued commission expenses		
Dung Seng Insurance Broker Co., Ltd.	11.0	13.3

17.4 Directors' and key management's benefits

During the three-month and nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Short-term employee benefits	3.5	3.6	10.7	10.8
Long-term employee benefits	0.1	0.1	0.2	0.3
Total	<u>3.6</u>	<u>3.7</u>	<u>10.9</u>	<u>11.1</u>

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 September 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	298.9	290.6	292.9	302.3
Private enterprise debt securities	496.8	485.0	406.6	416.7
Foreign debt securities	49.3	49.5	49.1	49.5

18.2 Fair value of financial instruments

As of 30 September 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 September 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
Available-for-sale investments measured at fair value through other comprehensive income				
Equity securities	15.5	-	78.1	93.6
Unit trusts	149.5	875.3	-	1,024.8
Private enterprise debt securities	-	617.7	-	617.7

(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 September 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 September 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)	
<u>Payable within</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
1 year	2.0	7.5

19.3 Litigation

As at 30 September 2022 and 31 December 2021, the Company had been sued as insurer, with damaged totaling Baht 272.7 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 43.6 million and Baht 29.3 million, respectively, in the financial statements.

20. Dividends paid

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

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend</u>
		(Million Baht)	per share
			(Baht)
The interim dividends for 2022	Meeting of Board of Directors on 24 August 2022	34.75	2.50
Final dividends for 2021	Meeting of Board of Directors on 31 March 2022	62.55	4.50
Total		<u>97.30</u>	<u>7.00</u>
The interim dividends for 2021	Meeting of Board of Directors on 24 August 2021	41.70	3.00
Final dividends for 2020	Annual General Meeting of the shareholders on 31 March 2021	66.03	4.75
Total		<u>107.73</u>	<u>7.75</u>

21. Events after the reporting period

On 28 October 2022, the Board of Director's meeting of the Company No. 8/2565 passed the following resolutions.

- 21.1** To propose to the shareholders' meeting to consider and approve the delisting of the Company's ordinary shares from the Stock Exchange of Thailand (the "SET").

The Company was informed by a group of major shareholders of the Company that they have received a letter of intent from ThaiSri Insurance Public Company Limited (the "ThaiSri") that ThaiSri wishes to make a tender offer to purchase all the Company's ordinary shares in order to voluntarily delist the Company's ordinary shares from the SET pursuant to the regulations of the Stock Exchange of Thailand. In this regards, ThaiSri wishes to make an offer to purchase the Company's ordinary shares from all shareholders of the Company at the price of Baht 215.00 per share, totaling not exceeding Baht 2,988.5 million. After the completion of the Tender Offer, ThaiSri plans to make the entire business transfer by requiring the Company to transfer to ThaiSri its entire business, that exist on the date of completion of the business transfer.

In this regard, the Tender Offer by ThaiSri is subject to the important conditions. For example the shareholders' meeting of the Company shall have approved (1) the delisting of the Company's shares from the SET, (2) the entire business transfer to ThaiSri, and (3) the amendment of the Company's Articles of Association regarding the proportion of shareholders and the proportion of the Company's directors. In addition, the Company shall have been notified by the SET regarding the results of the preliminary approval for the delisting of the Company's ordinary shares from the SET, and the Company shall have obtained an approved by the Office Insurance Commission ("OIC") for the acquisition of shares in the Company by ThaiSri and the Entire Business Transfer Transaction, including an approval from OIC in relation to the capital increase of Thaisri.

- 21.2** To propose the shareholders' meeting to consider and approve the entire business transfer.

The Company will transfer all assets, liabilities, rights, duties, and liabilities that exist on the date of completion of the business transfer to ThaiSri, whereby ThaiSri will pay consideration to the Company in the aggregated amount of not exceeding Baht 2,988.5 million.

- 21.3** To approve the determination of the date of the Extraordinary General Meeting of Shareholders No. 1/2022, which is scheduled to be held on 9 December 2022.

22. Approval of the interim financial information

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