

Nam Seng Insurance Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2023

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 31 March 2023, and the related statements of comprehensive income, changes in owners' equity, and cash flows for the three-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 20 to the interim financial statements, which describes events after the reporting period that are related to the proposed for delisting of the Company shares from the Stock Exchange of Thailand. My conclusion is not qualified in respect of this matter.

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 9 May 2023

Nam Seng Insurance Public Company Limited**Statement of financial position****As at 31 March 2023**

		(Unit: Baht)	
	Note	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	3	737,783,349	477,398,261
Premium receivables	4	255,957,074	308,203,509
Accrued investment income		13,064,751	11,501,499
Reinsurance assets	5	182,396,997	197,041,943
Reinsurance receivables	6	95,502,039	53,969,656
Investment assets			
Investments in securities	7	3,023,405,031	3,209,577,259
Loans		7,192,717	8,311,885
Premises and equipment		158,194,867	159,370,753
Right-of-use assets		2,001,966	2,493,582
Intangible assets		1,462,250	1,866,871
Deferred tax assets	8	329,414,261	345,005,611
Receivable from sales of securities		53,102,533	-
Other assets	9	45,656,237	48,606,013
Total assets		4,905,134,072	4,823,346,842

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

Nam Seng Insurance Public Company Limited**Statement of financial position (continued)****As at 31 March 2023**

		(Unit: Baht)	
	Note	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Liabilities and owners' equity			
Liabilities			
Insurance contract liabilities	10	3,061,195,345	2,991,287,224
Amounts due to reinsurers	11	220,672,282	204,101,372
Income tax payable		26,151,724	26,151,724
Lease liabilities		1,311,457	1,791,087
Employee benefit obligations		63,622,297	62,169,081
Accrued commissions		45,402,546	54,272,966
Other liabilities	12	195,629,711	219,254,739
Total liabilities		<u>3,613,985,362</u>	<u>3,559,028,193</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		541,002,134	591,256,930
Other component of owners' equity			
Revaluation surplus on available-for-sale			
investments - net of income taxes		(14,302,896)	(91,387,753)
Total owners' equity		<u>1,291,148,710</u>	<u>1,264,318,649</u>
Total liabilities and owners' equity		<u>4,905,134,072</u>	<u>4,823,346,842</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 31 March 2023

		(Unit: Baht)	
	Note	2023	2022
Profit or loss:			
Revenues			
Gross premium written	16.2	739,799,362	796,414,088
Less: Premium ceded to reinsurers		(47,001,252)	(106,949,015)
Net premium written		692,798,110	689,465,073
Less: Unearned premium reserves increased from prior period		(55,204,404)	(81,938,338)
Net earned premium		637,593,706	607,526,735
Commission and brokerage income from reinsurers		10,650,054	26,299,830
Net investment revenues		17,857,259	14,472,493
Gain (loss) on investments		(88,641,583)	1,082,604
Rental income		3,879,152	3,944,329
Other income		255,802	7,621
Total revenues		581,594,390	653,333,612
Expenses			
Long-term insurance policy reserve increased		(6,221,574)	42,940,897
Gross claims		409,593,280	368,648,544
Less: Claim recovery from reinsurers		(24,223,627)	(22,515,190)
Commission and brokerage expenses	16.2	120,242,968	135,475,818
Other underwriting expenses		65,435,545	52,477,125
Operating expenses	14	71,383,349	97,217,357
Finance cost		26,397	26,156
Expected credit loss (reversal)		(707,288)	12,407
Total expenses		635,529,050	674,283,114
Loss before income tax expenses		(53,934,660)	(20,949,502)
Add: Income tax revenues	8.2	3,679,864	4,540,868
Loss for the period		(50,254,796)	(16,408,634)

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 31 March 2023

		(Unit: Baht)	
	Note	2023	2022
Other comprehensive income:			
Items to be recognised in profit or loss in subsequent periods:			
Gain (loss) on revaluation of available-for-sale investments measured at fair value through other comprehensive income		96,356,071	(70,943,735)
Add (less): Benefit (expense) taxes		(19,271,214)	14,188,747
Items to be recognised in profit or loss in subsequent periods - net of income taxes		77,084,857	(56,754,988)
Other comprehensive income for the period (loss)		<u>77,084,857</u>	<u>(56,754,988)</u>
Total comprehensive income for the period (loss)		<u><u>26,830,061</u></u>	<u><u>(73,163,622)</u></u>
Earnings per share	15		
Basic earnings per share			
Profit (loss) for the period		<u><u>(3.62)</u></u>	<u><u>(1.18)</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 three-month period ended 31 March 2023

	(Unit: Baht)	
	2023	2022
Cash flows from (used in) operating activities		
Direct premium written	791,990,463	725,354,067
Cash paid on reinsurance	(41,339,108)	(40,058,946)
Interest income	12,270,067	9,213,596
Dividend income	4,023,940	4,367,329
Other income	4,134,953	3,992,084
Losses paid on direct insurance	(368,829,399)	(312,274,986)
Commissions and brokerages expenses on direct insurance	(129,113,392)	(118,837,108)
Other underwriting expenses	(66,830,822)	(49,394,099)
Operating expenses	(133,366,202)	(94,530,811)
Income taxes	-	(1,546,546)
Cash receive from brokers	46,051,665	75,585,136
Proceeds from sales of investment in securities	318,243,412	44,069,372
Cash paid for purchase of investment in securities	(176,904,307)	(226,711,177)
Loans and interest receivables	1,119,168	690,174
Net cash from operating activities	261,450,438	19,918,085
Cash flows from (used in) investing activities		
Cash received from disposals of premises and equipment	-	8,561
Cash paid for purchase of premises and equipment	(699,281)	(248,543)
Cash paid for purchase of intangible assets	-	(300,000)
Net cash used in investing activities	(699,281)	(539,982)
Cash flows from financing activities		
Repayment of lease liabilities	(506,026)	(536,026)
Net cash flows used in financing activities	(506,026)	(536,026)
Net increase in cash and cash equivalents	260,245,131	18,842,077
Allowance for expected credit loss decreased	139,957	19,289
Cash and cash equivalents at beginning of the period	477,398,261	950,447,203
Cash and cash equivalents at end of the period	737,783,349	969,308,569

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 three-month period ended 31 March 2023

(Unit: Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of owners' equity	Total	
				Appropriated	Unappropriated	Revaluation surplus (deficit) on available-for-sale investments - net of income taxes		
				Statutory reserve	General reserve			
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
Loss for the period		-	-	-	-	(16,408,634)	-	(16,408,634)
Other comprehensive income		-	-	-	-	-	(56,754,988)	(56,754,988)
Total comprehensive income		-	-	-	-	(16,408,634)	(56,754,988)	(73,163,622)
Dividends paid	17	-	-	-	-	(62,550,000)	-	(62,550,000)
Balance as at 31 March 2022		<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>566,192,785</u>	<u>(38,922,259)</u>	<u>1,291,719,998</u>
Balance as at 1 January 2023		139,000,000	594,436,835	24,848,787	6,163,850	591,256,930	(91,387,753)	1,264,318,649
Loss for the period		-	-	-	-	(50,254,796)	-	(50,254,796)
Other comprehensive income		-	-	-	-	-	77,084,857	77,084,857
Total comprehensive income		-	-	-	-	(50,254,796)	77,084,857	26,830,061
Balance as at 31 March 2023		<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>541,002,134</u>	<u>(14,302,896)</u>	<u>1,291,148,710</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 period ended 31 March 2023

1. General information

Nam Seng Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is ThaiSri Insurance Public Company Limited, which was incorporated in Thailand whereby as at 31 March 2023, such major shareholder held 99.47% of the issued and paid-up share capital of the Company. The ultimate parent company of the group is Muenchener Rueckversincherungs Gesellsch (as at 31 December 2022, the Company’s major shareholder is N.S. Alliance Co., Ltd., which was incorporated in Thailand, 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.

On 9 December 2022, the Extraordinary General Meeting of Shareholders No. 1/2565 passed to approve the delisting of the Company’s securities from the Stock Exchange of Thailand (the “SET”), through a tender offer by ThaiSri Insurance Public Company Limited (the “ThaiSri”) to purchase all of the Company’s ordinary shares at the price of Baht 215.0 per share and approve the entire business transfer to ThaiSri. After the completion of the tender offer, ThaiSri will pay compensation in the aggregated amount of not exceeding Baht 2,988.5 million to the Company.

As a result of the tender offer made between 18 January - 22 March 2023, ThaiSri is a major shareholder, holds 99.47% of the Company’s issued and paid-up share capital.

However, the Company prepares its financial statements using the going concern basis of accounting since the Company’s operations will continue and be combined with the operations of ThaiSri after transferring the entire business of the Company to ThaiSri.

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 of non-life insurance companies B.E. 2566 dated 8 February 2023.

This interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, 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 Significant accounting policies

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

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

3. Cash and cash equivalents

	(Unit: Baht)	
	31 March 2023	31 December 2022
Cash on hand	131,781	107,452
Deposits at banks with no fixed maturity date	737,884,876	477,664,074
Cash and cash equivalents	738,016,657	477,771,526
Less: Expected credit losses	(233,308)	(373,265)
Total cash and cash equivalents - net	737,783,349	477,398,261

4. Premium receivables

As at 31 March 2023 and 31 December 2022, 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)	
	31 March 2023	31 December 2022
Not yet due	215,503,978	267,866,794
Overdue not longer than 30 days	25,657,563	28,713,444
Overdue 31 days to 60 days	23,336,973	17,272,611
Overdue 61 days to 90 days	5,039,123	3,136,700
Overdue 91 days to 1 year	5,790,633	4,163,941
Overdue longer than 1 year	5,239,486	5,686,034
Total	280,567,756	326,839,524
Less: Allowance for doubtful accounts	(24,610,682)	(18,636,015)
Premium receivables - net	255,957,074	308,203,509

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)	
	31 March 2023	31 December 2022
Insurance reserves refundable from reinsurers		
- Long-term insurance policy reserves	2,134,692	2,417,041
- Loss reserves	63,307,774	59,058,315
- Unearned premium reserves	116,954,531	135,566,587
Reinsurance assets - net	182,396,997	197,041,943

6. Reinsurance receivables

	(Unit: Baht)	
	31 March 2023	31 December 2022
Amounts due from reinsurers	95,502,039	53,969,656
Reinsurance receivables - net	95,502,039	53,969,656

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

	31 March 2023		31 December 2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
 measured at fair value through				
 other comprehensive income				
Equity securities	19,935,614	110,733,363	19,899,840	111,217,499
Unit trusts	937,895,745	804,758,171	1,332,378,452	1,024,534,751
Private enterprises debt securities	472,143,000	473,102,516	612,151,810	614,580,340
Total	1,429,974,359	1,388,594,050	1,964,430,102	1,750,332,590
Add: Unrealised gain (loss)	(17,878,620)		(114,234,691)	
Less: Allowance for expected credit losses	(1,338,821)		(1,743,223)	
Less: Allowance for impairment	(22,162,868)		(98,119,598)	
Total	1,388,594,050		1,750,332,590	
Held-to-maturity investments				
 measured at amortised cost				
Government and state enterprise securities	388,628,102		298,186,995	
Private enterprise debt securities	580,172,042		495,197,989	
Foreign debt securities	20,000,000		20,000,000	
Deposits at financial institutions which matured over 3 months	655,000,000		655,000,000	
Total	1,643,800,144		1,468,384,984	
Less: Allowance for expected credit losses	(8,989,163)		(9,140,315)	
Total	1,634,810,981		1,459,244,669	
Investment in securities - net	3,023,405,031		3,209,577,259	

(Unaudited but reviewed)

7.2 Classified by stage of credit risk

	31 March 2023		31 December 2022	
	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	473,102,516	(1,338,821)	614,580,340	(1,743,223)
Total	473,102,516	(1,338,821)	614,580,340	(1,743,223)

	31 March 2023			31 December 2022		
	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	1,628,800,144	(1,024,163)	1,627,775,981	1,453,384,984	(1,175,315)	1,452,209,669
Stage 2 - Debt securities with a significant increase of credit risk	-	-	-	-	-	-
Stage 3 - Debt securities with credit impairment	15,000,000	(7,965,000)	7,035,000	15,000,000	(7,965,000)	7,035,000
Total	1,643,800,144	(8,989,163)	1,634,810,981	1,468,384,984	(9,140,315)	1,459,244,669

7.3 Investments subject to restriction and obligation

As at 31 March 2023 and 31 December 2022, 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.

	31 March 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
	Placed as securities with the Registrar			
Stated enterprise bonds	15.7	15.00	15.8	15.1
Placed as insurance reserves with the Registrar				
Government and state enterprise bonds	250.7	253.2	241.6	243.0
Placed as securities with the Court				
Deposits with financial institutions due more than 3 months	-	-	0.5	0.5
Placed to secure against performance obligations				
Government and state enterprise bonds	35.6	35.0	25.7	25.1

8. Deferred tax assets/Income taxes**8.1 Deferred tax assets**

As at 31 March 2023 and 31 December 2022, the components of deferred tax assets (liabilities) arose from the following temporary differences:

	(Unit: Baht)			
	Changes in deferred tax assets or liabilities that are recognised in profit or loss			
	For the three-month periods ended			
	31 March			
	31 March	31 December		
	2023	2022	2023	2022
Deferred tax assets (liabilities) arose from:				
Allowance for doubtful accounts	5,085,820	3,890,886	1,194,934	4,427,897
Allowance for impairment on available-for-sale investments measured at fair value through other comprehensive income	4,432,574	19,623,920	(15,191,346)	-
Premium reserves	210,472,653	200,942,737	9,529,916	18,131,737
Loss reserves on claims incurred and reported	68,980,881	61,071,790	7,909,091	6,691,289
Loss reserves on claims incurred but not yet reported	22,147,043	22,061,357	85,686	337,391
Employee benefits obligations	12,724,459	12,433,816	290,643	347,018
Unrealised gain (loss) on revaluation of Available-for-sale investments measured at fair value through other comprehensive income	3,575,724	22,846,938	(19,271,214)	14,188,747
Allowance for expected credit losses	2,133,209	2,274,666	(141,457)	2,481
Right-of-use assets and lease liabilities	(138,102)	(140,499)	2,397	(3,277)
Deferred tax assets	<u>329,414,261</u>	<u>345,005,611</u>	<u>(15,591,350)</u>	<u>44,123,283</u>
Changes in deferred tax assets or liabilities that are recognised				
- Profit or loss			3,679,864	29,934,536
- Other comprehensive income			(19,271,214)	14,188,747
			<u>(15,591,350)</u>	<u>44,123,283</u>

8.2 Income tax

Income tax revenues for the three-month periods ended 31 March 2023 and 2022 are made up as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2023	2022
Current income taxes:		
Interim corporate income tax charge	-	(25,393,668)
Deferred tax:		
Relating to origination and reversal of temporary differences	3,679,864	29,934,536
Income tax revenues reported in profit or loss	<u>3,679,864</u>	<u>4,540,868</u>

Reconciliations between income tax revenues and the product of accounting profit (loss) for the three-month periods ended 31 March 2023 and 2022 and the applicable tax rate are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2023	2022
Accounting loss before income tax expenses	<u>(53,934,660)</u>	<u>(20,949,502)</u>
Applicable tax rate	20%	20%
Accounting loss before income tax expenses multiplied by the applicable tax rate	10,786,932	4,189,900
Net tax effect on revenues or expenses that are not taxable or not deductible in determining taxable profits	213,185	350,968
Net tax effect on tax loss which are not recorded as deferred tax assets	<u>(7,320,251)</u>	<u>-</u>
Income tax revenues reported in profit or loss	<u>3,679,864</u>	<u>4,540,868</u>

(Unaudited but reviewed)

9. Other assets

	(Unit: Baht)	
	31 March	31 December
	2023	2022
Other assets - financial assets		
Advances payment	3,039,021	1,541,800
Postdated cheques received	2,308,772	4,086,483
Claim receivables from litigants - net	2,084,010	3,027,597
Accrued income	1,748,810	1,748,810
Total	9,180,613	10,404,690
Other assets - others		
Deposit on rice field insurance scheme	20,860,127	24,120,921
Prepaid expenses	102,817	394,142
Undue input value added taxes	4,098,173	3,955,492
Others	11,414,507	9,730,768
Total	36,475,624	38,201,323
Total other assets	45,656,237	48,606,013

10. Insurance contract liabilities

	(Unit: Baht)		
	31 March 2023		
	Insurance	Reinsurance	
	contract liabilities	on liabilities	Net
Long-term insurance policy reserves	902,532,217	(2,134,692)	900,397,525
Loss reserves			
- Claims incurred and reported	648,200,254	(52,679,854)	595,520,400
- Claims incurred but not yet reported	121,363,135	(10,627,920)	110,735,215
Unearned premium reserves	1,389,099,739	(116,954,531)	1,272,145,208
Total	3,061,195,345	(182,396,997)	2,878,798,348

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2022		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Long-term insurance policy reserves	909,036,139	(2,417,041)	906,619,098
Loss reserves			
- Claims incurred and reported	603,056,759	(42,678,168)	560,378,591
- Claims incurred but not yet reported	126,686,935	(16,380,147)	110,306,788
Unearned premium reserves	1,352,507,391	(135,566,587)	1,216,940,804
Total	2,991,287,224	(197,041,943)	2,794,245,281

10.1 Long-term insurance policy reserves

(Unit: Baht)

	For the three-month period ended 31 March 2023	For the year ended 31 December 2022
	Balances - beginning of the period	909,036,139
Reserves increased from net of new policies and enforced policies	68,515,494	505,005,474
Reserves decreased from insurance policies	(75,019,416)	(265,842,967)
Balance - end of the period	902,532,217	909,036,139

10.2 Loss reserves

(Unit: Baht)

	For the three-month period ended 31 March 2023	For the year ended 31 December 2022
	Balances - beginning of the period	729,743,694
Claims incurred during the period	361,005,834	1,436,598,237
Changes in loss reserves of prior periods' claims	48,370,139	(17,087,174)
Changes in assumptions in calculation of loss reserves	(5,323,800)	4,955,687
Claims paid during the period	(364,232,478)	(1,291,978,600)
Balances - end of the period	769,563,389	729,743,694

(Unaudited but reviewed)

10.3 Unearned premium reserves

(Unit: Baht)

	For the three-month period ended 31 March 2023	For the year ended 31 December 2022
Balances - beginning of the period	1,352,507,391	1,194,369,504
Premium written for the period	671,283,869	2,580,670,032
Decrease in policy reserves	(634,691,521)	(2,422,532,145)
Balances - end of the period	<u>1,389,099,739</u>	<u>1,352,507,391</u>

11. Amounts due to reinsurers

(Unit: Baht)

	31 March 2023	31 December 2022
Amounts withheld on reinsurance	107,997,832	112,505,274
Other reinsurance payables	112,674,450	91,596,098
Total amounts due to reinsurers	<u>220,672,282</u>	<u>204,101,372</u>

12. Other liabilities

(Unit: Baht)

	31 March 2023	31 December 2022
Account payable - Revenue Department	8,587,930	7,625,700
Withholding income tax payable	3,526,734	3,706,797
Undue output value added taxes	11,914,671	11,516,341
Short-term employee benefit payable	9,613,563	32,291,767
Accrued expenses	9,561,183	55,800,082
Cash received from brokers	133,556,019	87,504,354
Others	18,869,611	20,809,698
Total other liabilities	<u>195,629,711</u>	<u>219,254,739</u>

13. 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 periods ended 31 March 2023 and 2022 were presented as follows:

	(Unit: Baht)					
	Motor		Others		Total	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2023	2022	2023	2022	2023	2022
Underwriting revenues						
Gross premium written	493,480,137	482,640,796	246,319,225	313,773,292	739,799,362	796,414,088
Less: Premium ceded to reinsurers	(2,592,699)	(554,446)	(44,408,553)	(106,394,569)	(47,001,252)	(106,949,015)
Net premium written	490,887,438	482,086,350	201,910,672	207,378,723	692,798,110	689,465,073
Less: Unearned premium reserves increased from prior period	(42,945,576)	(61,560,974)	(12,258,828)	(20,377,364)	(55,204,404)	(81,938,338)
Net earned premium	447,941,862	420,525,376	189,651,844	187,001,359	637,593,706	607,526,735
Commission and brokerage income from reinsurers	11,923	35,888	10,638,131	26,263,942	10,650,054	26,299,830
Total underwriting revenues	447,953,785	420,561,264	200,289,975	213,265,301	648,243,760	633,826,565
Underwriting expenses						
Long-term insurance policy reserve increased (decreased)	-	-	(6,221,574)	42,940,897	(6,221,574)	42,940,897
Gross claims	288,246,435	250,832,791	121,346,845	117,815,753	409,593,280	368,648,544
Less: Claim recovery from reinsurers	(23,100)	-	(24,200,527)	(22,515,190)	(24,223,627)	(22,515,190)
Commission and brokerage expenses	83,483,334	82,062,837	36,759,634	53,412,981	120,242,968	135,475,818
Other underwriting expenses	38,578,545	32,029,411	26,857,000	20,447,714	65,435,545	52,477,125
Total underwriting expenses before operating expenses	410,285,214	364,925,039	154,541,378	212,102,155	564,826,592	577,027,194
Gross profit from underwriting	37,668,571	55,636,225	45,748,597	1,163,146	83,417,168	56,799,371
Operating expenses					(71,383,349)	(97,217,357)
Finance cost					(26,397)	(26,156)
Gain (loss) from underwriting					12,007,422	(40,444,142)
Net investment revenues					17,857,259	14,472,493
Gain (loss) on investments					(88,641,583)	1,082,604
Rental income					3,879,152	3,944,329
Other income					255,802	7,621
Expected credit losses (reversal)					707,288	(12,407)
Loss before income tax expenses					(53,934,660)	(20,949,502)
Income tax revenues					3,679,864	4,540,868
Loss for the period					(50,254,796)	(16,408,634)

(Unaudited but reviewed)

For the three-month periods ended 31 March 2023 and 2022, the Company has premium written from a major broker (gross premium written from the broker is more than 10% of total gross premium written in each period), which is its related party, amounting to Baht 74 million and Baht 88 million, respectively, from the motor segment, contributing 10% and 11%, respectively, of total premium written.

Segment assets and liabilities as at 31 March 2023 and 31 December 2022 are as follows:

(Unit: Baht)

	Motor	Others	Unallocated assets/liabilities	Total
Assets				
31 March 2023	204,965,105	328,891,005	4,371,277,962	4,905,134,072
31 December 2022	186,110,815	373,104,293	4,264,131,734	4,823,346,842
Liabilities				
31 March 2023	1,548,217,690	1,781,527,400	284,240,272	3,613,985,362
31 December 2022	1,478,494,916	1,773,812,116	306,721,161	3,559,028,193

14. Operating expenses

(Unit: Baht)

	For the three-month periods ended 31 March	
	2023	2022
Personnel expenses	25,441,180	26,982,763
Premises and equipment expenses	12,742,983	14,804,706
Taxes and duties	1,322,234	1,096,795
Bad debts and doubtful accounts	6,208,194	22,139,487
Other operating expenses	25,668,758	32,193,606
Total operating expenses	71,383,349	97,217,357

15. Loss per share

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

16. Related party transactions

16.1 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
Muenchener Rueckversicherungs Gesellsch ⁽¹⁾	Ultimate parent company
Munich Reinsurance Company (Singapore Branch) ⁽¹⁾	Affiliate branch of ultimate parent company
ThaiSri Insurance Plc. ⁽¹⁾	Parent 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

⁽¹⁾ Since January 2023, it is related party.

16.2 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 ended 31 March	
	2023	2022
Gross premium written		
Dung Seng Insurance Broker Co., Ltd. ⁽¹⁾	74.5	87.9
Commission and brokerage expenses		
Dung Seng Insurance Broker Co., Ltd.	12.5	15.1

⁽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

16.3 Outstanding balances

As at 31 March 2023 and 31 December 2022, the outstanding balances of accounts between the Company and those related parties are as follows:

	(Unit: Million Baht)	
	31 March 2023	31 December 2022
Premium receivables		
Dung Seng Insurance Broker Co., Ltd.	54.6	73.0
Accrued commission expenses		
Dung Seng Insurance Broker Co., Ltd.	9.1	12.4

16.4 Directors' and key management's benefits

During the three-month periods ended 31 March 2023 and 2022, the Company had employee benefit expenses incurred on directors and key management as below.

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	2023	2022
Short-term employee benefits	3.4	3.6
Long-term employee benefits	0.3	0.1
Total	<u>3.7</u>	<u>3.7</u>

17. Dividends paid

Dividends declared during the three-month period ended 31 March 2022 were as follows:

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

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

(Unit: Million Baht)

	31 March 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities	388.6	390.9	298.2	298.7
Private enterprise debt securities	571.6	572.0	486.7	485.4
Foreign debt securities	19.9	19.7	19.9	19.7

18.2 Fair value of financial instruments

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

(Unit: Million Baht)

	31 March 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Available-for-sale investments measured at fair value through other comprehensive income				
Equity securities	14.8	-	96.0	110.8
Unit trusts	146.4	658.4	-	804.8
Private enterprise debt securities	-	473.1	-	473.1

(Unaudited but reviewed)

(Unit: Million Baht)

	31 December 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
Available-for-sale investments measured at fair value through other comprehensive income				
Equity securities	15.3	-	95.9	111.2
Unit trusts	149.3	875.2	-	1,024.5
Private enterprise debt securities	-	614.6	-	614.6

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 Operating lease commitments and relate services

As at 31 March 2023 and 31 December 2022, future minimum lease payments required under short-term leases and leases of low-value and related service agreements were as follows:

Payable within	(Unit: Million Baht)	
	31 March 2023	31 December 2022
1 year	3.0	5.2

19.2 Litigation

As at 31 March 2023 and 31 December 2022, the Company had been sued as insurer, with damaged totaling Baht 300.9 million and Baht 297.5 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 43.4 million and Baht 44.2 million, respectively, in the financial statements.

20. Events after the reporting period

On 8 April 2023, the Company (NSI) has complied with the Stock Exchange of Thailand (SET) rules and regulations re: Delisting of Securities, 2021. By virtue of Section 171 (4) of the Securities and Exchange Act B.E. 2535 (1992), The SET has approved the delisting of NSI's common stocks from 8 April 2023 onwards. Hence, 7 April 2023 will be the last trading day of NSI's common stocks.

21. Approval of the interim financial information

These interim financial information were authorised for issue by the Audit Committee on 9 May 2023.