

Nam Seng Insurance Public Company Limited  
Review report and interim financial information  
For the three-month and six-month periods ended  
30 June 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 30 June 2023, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in owners' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information").

Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

**Emphasis of Matter**

I draw attention to Note 1 to the interim financial statements, related in 2022 the Extraordinary General Meeting of Shareholders passed to approve the delisting of the Company's securities from the Stock Exchange of Thailand (the "SET"), and approve the entire business transfer. The SET has approved the delisting of the Company's common stocks from 8 April 2023 onwards. My conclusion is not modified in report of this matter.

Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 9 August 2023

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

		(Unit: Baht)	
	Note	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	3	348,483,731	477,398,261
Premium receivables	4	245,417,088	308,203,509
Accrued investment income		15,144,390	11,501,499
Reinsurance assets	5	165,194,658	197,041,943
Reinsurance receivables	6	41,092,390	53,969,656
Investment assets			
Investments in securities	7	3,511,104,530	3,209,577,259
Loans		3,630,677	8,311,885
Premises and equipment		156,495,856	159,370,753
Right-of-use assets		1,579,164	2,493,582
Intangible assets		1,218,496	1,866,871
Deferred tax assets	8	343,673,397	345,005,611
Other assets	9	45,457,312	48,606,013
<b>Total assets</b>		<b>4,878,491,689</b>	<b>4,823,346,842</b>

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 2023**

		(Unit: Baht)	
	Note	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and owners' equity</b>			
<b>Liabilities</b>			
Insurance contract liabilities	10	3,084,201,992	2,991,287,224
Amounts due to reinsurers	11	154,378,078	204,101,372
Income tax payable		12,096,237	26,151,724
Lease liabilities		1,119,896	1,791,087
Employee benefit obligations		64,696,914	62,169,081
Accrued commissions		41,557,974	54,272,966
Other liabilities	12	185,564,275	219,254,739
<b>Total liabilities</b>		<b>3,543,615,366</b>	<b>3,559,028,193</b>
<b>Equity</b>			
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		534,388,736	591,256,930
Other component of owners' equity			
Revaluation surplus (deficit) on available-for-sale			
investments - net of income taxes		36,038,115	(91,387,753)
<b>Total owners' equity</b>		<b>1,334,876,323</b>	<b>1,264,318,649</b>
<b>Total liabilities and owners' equity</b>		<b>4,878,491,689</b>	<b>4,823,346,842</b>
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The accompanying notes are an integral part of the financial statements.

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Directors  
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(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income**  
**For the three-month period ended 30 June 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Profit or loss:</b>			
<b>Revenues</b>			
Gross premium written	17.2	754,327,165	764,375,474
Less: Premium ceded to reinsurers		(44,506,146)	(77,428,961)
Net premium written		709,821,019	686,946,513
Less: Unearned premium reserves increased from prior period		(15,675,400)	(15,993,293)
Net earned premium		694,145,619	670,953,220
Commission and brokerage income from reinsurers		11,931,526	25,289,350
Net investment income		16,928,080	14,381,064
Loss on investments		(70,648,576)	(314,790)
Rental income		3,833,147	3,851,174
Other income		285,446	117,976
<b>Total revenues</b>		<b>656,475,242</b>	<b>714,277,994</b>
<b>Expenses</b>			
Long-term insurance policy reserve increased		33,571,947	90,332,680
Gross claims		372,314,840	341,747,785
Less: Claim recovery from reinsurance		(19,494,273)	(34,202,211)
Commission and brokerage expenses	17.2	128,397,627	125,545,291
Other underwriting expenses		72,051,985	50,031,618
Operating expenses	14	47,158,666	50,390,334
Finance costs		22,465	27,120
Expected credit losses (reversal)	15	40,036,205	(1,225,313)
<b>Total expenses</b>		<b>674,059,462</b>	<b>622,647,304</b>
<b>Profit (loss) before income tax expenses</b>		<b>(17,584,220)</b>	<b>91,630,690</b>
Add (less): Income tax expense	8.2	10,970,821	(18,092,937)
<b>Profit (loss) for the period</b>		<b>(6,613,399)</b>	<b>73,537,753</b>

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 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Other comprehensive income:</b>			
Items to be recognised in profit or loss in subsequent periods:			
Gain (loss) on revaluation of available-for-sale investments		62,926,264	(125,625,291)
Add (less): Benefit (expense) income tax		(12,585,253)	25,125,058
Items to be recognised in profit or loss in subsequent periods - net of income taxes		50,341,011	(100,500,233)
<b>Other comprehensive income for the period (loss)</b>		50,341,011	(100,500,233)
<b>Total comprehensive income for the period (loss)</b>		43,727,612	(26,962,480)
<b>Earnings (loss) per share</b>			
Basic earnings (loss) per share			
Profit (loss) for the period	16	(0.48)	5.29

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 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Profit or loss:</b>			
<b>Revenues</b>			
Gross premium written	17.2	1,494,126,527	1,560,789,562
Less: Premium ceded to reinsurers		(91,507,398)	(184,377,976)
Net premium written		1,402,619,129	1,376,411,586
Less: Unearned premium reserves increased from prior period		(70,879,804)	(97,931,631)
Net earned premium		1,331,739,325	1,278,479,955
Commission and brokerage income from reinsurers		22,581,580	51,589,180
Net investment incomes		34,785,339	28,853,557
Gain (loss) on investments		(159,290,159)	767,814
Rental income		7,712,299	7,795,503
Other income		541,248	125,597
<b>Total revenues</b>		<b>1,238,069,632</b>	<b>1,367,611,606</b>
<b>Expenses</b>			
Long-term insurance policy reserve increased		27,350,373	133,273,577
Gross claims		781,908,120	710,396,329
Less: Claim recovery from reinsurance		(43,717,900)	(56,717,401)
Commission and brokerage expenses	17.2	248,640,595	261,021,109
Other underwriting expenses		137,487,530	102,508,743
Operating expenses	14	118,542,015	147,607,691
Finance costs		48,862	53,276
Expected credit losses (reversal)	15	39,328,916	(1,212,906)
<b>Total expenses</b>		<b>1,309,588,511</b>	<b>1,296,930,418</b>
<b>Profit (loss) before income tax expenses</b>		<b>(71,518,879)</b>	<b>70,681,188</b>
Add (less): Income tax revenue (expense)	8.2	14,650,685	(13,552,069)
<b>Profit (loss) for the period</b>		<b>(56,868,194)</b>	<b>57,129,119</b>

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 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Other comprehensive income:</b>			
Items to be recognised in profit or loss in subsequent periods:			
Gain (loss) on revaluation of available-for-sale investments		159,282,335	(196,569,026)
Add (less): Benefit (expense) income tax		(31,856,467)	39,313,805
Items to be recognised in profit or loss in subsequent periods - net of income taxes		127,425,868	(157,255,221)
<b>Other comprehensive income for the period (loss)</b>		127,425,868	(157,255,221)
<b>Total comprehensive income for the period (loss)</b>		70,557,674	(100,126,102)
<b>Earnings (loss) per share</b>			
Basic earnings (loss) per share			
Profit (loss) for the period	16	(4.09)	4.11

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 2023**

	(Unit: Baht)	
	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Direct premium written	1,559,778,206	1,513,449,704
Cash paid on reinsurance	(58,391,568)	(76,643,511)
Interest income	24,099,005	21,127,883
Dividend income	7,043,443	7,321,684
Rental and other income	8,253,388	7,958,897
Losses paid on direct insurance	(759,096,212)	(623,153,904)
Commission and brokerage expenses on direct insurance	(261,355,595)	(252,644,849)
Other underwriting expenses	(137,493,613)	(109,488,919)
Operating expenses	(175,489,024)	(158,011,722)
Income taxes	(29,929,054)	(24,744,460)
Cash received from brokers	31,367,520	45,402,637
Proceeds from sales of investment in securities	551,680,166	259,181,653
Cash paid for purchase of investment in securities	(892,710,579)	(404,606,834)
Loans and interest receivables	4,681,208	(1,305,341)
<b>Net cash from (used in) operating activities</b>	<b>(127,562,709)</b>	<b>203,842,918</b>
<b>Cash flows from (used in) investing activities</b>		
Cash received from disposal of premises and equipment	472	10,897
Cash paid for purchase of premises and equipment	(878,605)	(637,504)
Cash paid for purchase of intangible assets	-	(300,000)
<b>Net cash used in investing activities</b>	<b>(878,133)</b>	<b>(926,607)</b>
<b>Cash flows from (used in) financing activities</b>		
Repayment of lease liabilities	(720,052)	(822,053)
Dividend paid	-	(62,550,000)
<b>Net cash used in financing activities</b>	<b>(720,052)</b>	<b>(63,372,053)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(129,160,894)</b>	<b>139,544,258</b>
Allowance for expected credit losses decreased	246,364	364,091
Cash and cash equivalents at beginning of period	477,398,261	950,447,203
<b>Cash and cash equivalents at end of period</b>	<b>348,483,731</b>	<b>1,090,355,552</b>

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 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	
			Statutory reserve	General reserve			- net of income taxes	
<b>Balance as at 1 January 2022</b>		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	18	-	-	-	-	(62,550,000)	-	(62,550,000)
<b>Balance as at 30 June 2022</b>		<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>
<b>Balance as at 1 January 2023</b>		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		-	-	-	-	(56,868,194)	-	(56,868,194)
Other comprehensive income		-	-	-	-	-	127,425,868	127,425,868
Total comprehensive income		-	-	-	-	(56,868,194)	127,425,868	70,557,674
<b>Balance as at 30 June 2023</b>		<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>534,388,736</u>	<u>36,038,115</u>	<u>1,334,876,323</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 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 ERGO Insurance (Thailand) Public Company Limited (Formerly known as “ThaiSri Insurance Public Company Limited”), which was incorporated in Thailand whereby as at 30 June 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 Rueckversicherungs 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 ERGO Insurance Public Company Limited (the “ERGO”) 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 ERGO. After the completion of the tender offer, ERGO 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, ERGO is a major shareholder, holds 99.47% of the Company’s issued and paid-up share capital.

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.

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 ERGO.

## 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)	
	30 June 2023	31 December 2022
Cash on hand	115,304	107,452
Deposits at banks with no fixed maturity date	348,495,328	477,664,074
Cash and cash equivalents	348,610,632	477,771,526
Less: Expected credit losses	(126,901)	(373,265)
Total cash and cash equivalents - net	348,483,731	477,398,261

**4. Premium receivables**

As at 30 June 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)	
	30 June 2023	31 December 2022
Not yet due	204,225,043	267,866,794
Overdue not longer than 30 days	32,204,380	28,713,444
Overdue 31 days to 60 days	13,720,029	17,272,611
Overdue 61 days to 90 days	3,417,770	3,136,700
Overdue 91 days to 1 year	3,285,639	4,163,941
Overdue longer than 1 year	5,578,923	5,686,034
Total	262,431,784	326,839,524
Less: Allowance for doubtful accounts	(17,014,696)	(18,636,015)
Premium receivables - net	245,417,088	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)	
	30 June 2023	31 December 2022
Insurance reserves refundable from reinsurers		
- Long-term insurance policy reserves	1,941,516	2,417,041
- Loss reserves	55,396,349	59,058,315
- Unearned premium reserves	107,856,793	135,566,587
Reinsurance assets - net	165,194,658	197,041,943

**6. Reinsurance receivables**

	(Unit: Baht)	
	30 June 2023	31 December 2022
Amounts due from reinsurers	41,092,390	53,969,656
Reinsurance receivables - net	41,092,390	53,969,656

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

	30 June 2023		31 December 2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Available-for-sale investments</b>				
<b>    measured at fair value through</b>				
<b>    other comprehensive income</b>				
Equity securities	19,391,174	108,679,122	19,899,840	111,217,499
Unit trusts	1,459,271,026	1,341,903,887	1,332,378,452	1,024,534,751
Private enterprises debt securities	432,143,000	391,720,117	612,151,810	614,580,340
Total	1,910,805,200	1,842,303,126	1,964,430,102	1,750,332,590
Add: Unrealised gain (loss)	45,047,645		(114,234,691)	
Less: Allowance for expected credit losses	(41,146,052)		(1,743,223)	
Less: Allowance for impairment	(72,403,667)		(98,119,598)	
Total	1,842,303,126		1,750,332,590	
<b>Held-to-maturity investments</b>				
<b>    measured at amortised cost</b>				
Government and state enterprise securities	377,883,223		298,186,995	
Private enterprise debt securities	625,145,885		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	1,678,029,108		1,468,384,984	
Less: Allowance for expected credit losses	(9,227,704)		(9,140,315)	
Total	1,668,801,404		1,459,244,669	
<b>Investment in securities - net</b>	<b>3,511,104,530</b>		<b>3,209,577,259</b>	

## 7.2 Classified by stage of credit risk

(Unit: Baht)

	30 June 2023		31 December 2022	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
<b>Available-for-sale investments</b>				
<b>measured at fair value through other comprehensive income</b>				
Stage 1 - Debt securities without a significant increase of credit risk	391,720,117	(1,146,052)	614,580,340	(1,743,223)
Stage 2 - Debt securities with a significant increase of credit risk	-	-	-	-
Stage 3 - Debt securities with credit impairment	-	(40,000,000)	-	-
<b>Total</b>	<b>391,720,117</b>	<b>(41,146,052)</b>	<b>614,580,340</b>	<b>(1,743,223)</b>

(Unit: Baht)

	30 June 2023			31 December 2022		
	Amortised cost - gross	Allowance for expected credit losses	Carrying value	Amortised cost - gross	Allowance for expected credit losses	Carrying value
<b>Held-to-maturity investments</b>						
<b>measured at amortised cost</b>						
Stage 1 - Debt securities without a significant increase of credit risk	1,663,029,108	(1,151,704)	1,661,877,404	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	(8,076,000)	6,924,000	15,000,000	(7,965,000)	7,035,000
<b>Total</b>	<b>1,678,029,108</b>	<b>(9,227,704)</b>	<b>1,668,801,404</b>	<b>1,468,384,984</b>	<b>(9,140,315)</b>	<b>1,459,244,669</b>



### 7.3 Investments subject to restriction and obligation

As at 30 June 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.

	(Unit: Million Baht)			
	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
<b>Placed as securities with the Registrar</b>				
Stated enterprise bonds	15.6	14.8	15.8	15.1
<b>Placed as insurance reserves with the Registrar</b>				
Government and state enterprise bonds	250.2	250.0	241.6	243.0
<b>Placed as securities with the Court</b>				
Deposits with financial institutions				
due more than 3 months	-	-	0.5	0.5
<b>Placed to secure against performance obligations</b>				
Government and state enterprise bonds	25.6	24.8	25.7	25.1

## 8. Deferred tax assets/Income taxes

### 8.1 Deferred tax assets

As at 30 June 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 and liabilities				
		For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	30 June 2023	31 December 2022	2023	2022	2023	2022
<b>Deferred tax assets (liabilities) arose from:</b>						
Allowance for doubtful accounts	3,566,623	3,890,886	(1,519,197)	(4,477,005)	(324,263)	(49,108)
Allowance for impairment on available-for-sale investments measured at fair value through other comprehensive income	14,480,734	19,623,920	10,048,160	-	(5,143,186)	-
Premium reserves	218,492,168	200,942,737	8,019,515	11,973,963	17,549,431	30,105,700
Loss reserves on claims incurred and reported	70,166,427	61,071,790	1,185,546	1,318,240	9,094,637	8,009,529
Loss reserves on claims incurred but not yet reported	22,988,995	22,061,357	841,952	(1,254,723)	927,638	(917,332)
Employee benefits obligations	12,939,383	12,433,816	214,924	448,084	505,567	795,102
Unrealised gain (loss) on valuation of available-for-sale investments measured at fair value through profit or loss	(9,009,529)	22,846,938	(12,585,253)	25,125,058	(31,856,467)	39,313,805
Expected credit losses	10,140,450	2,274,666	8,007,241	(245,062)	7,865,784	(242,581)
Right of use assets and lease liabilities	(91,854)	(140,499)	46,248	47,186	48,645	43,909
Deferred tax assets	<u>343,673,397</u>	<u>345,005,611</u>				
Total changes			<u>14,259,136</u>	<u>32,935,741</u>	<u>(1,332,214)</u>	<u>77,059,024</u>
Changes in deferred tax assets or liabilities that are recognised:						
- Profit or loss			26,844,389	7,810,683	30,524,253	37,745,219
- Other comprehensive income			<u>(12,585,253)</u>	<u>25,125,058</u>	<u>(31,856,467)</u>	<u>39,313,805</u>
			<u>14,259,136</u>	<u>32,935,741</u>	<u>(1,332,214)</u>	<u>77,059,024</u>

**8.2 Income tax**

Income tax expenses for the three-month and six-month periods ended 30 June 2023 and 2022 were made up as follows:

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Interim corporate income tax charge	(15,873,568)	(25,903,620)	(15,873,568)	(51,297,288)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	26,844,389	7,810,683	30,524,253	37,745,219
Income tax revenue (expense) reported in profit or loss	<u>10,970,821</u>	<u>(18,092,937)</u>	<u>14,650,685</u>	<u>(13,552,069)</u>

Reconciliations between income tax expenses and the product of accounting profits (loss) for the three-month and six-month periods ended 30 June 2023 and 2022 and the applicable tax rate were as follows:

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Accounting profits (losses) before income tax expenses	<u>(17,584,220)</u>	<u>91,630,690</u>	<u>(71,518,879)</u>	<u>70,681,188</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profits (losses) before income tax expenses multiplied by the applicable tax rate	3,516,845	(18,326,138)	14,303,775	(14,136,238)
Net tax effect on tax-exempted revenues and non-deductible expenses	133,725	233,201	346,910	584,169
Net tax effect on reversal tax loss which are not recorded as defer tax assets	<u>7,320,251</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income tax revenues (expenses) reported in profit or loss	<u>10,970,821</u>	<u>(18,092,937)</u>	<u>14,650,685</u>	<u>(13,552,069)</u>

(Unaudited but reviewed)

**9. Other assets**

	(Unit: Baht)	
	30 June	31 December
	2023	2022
<b>Other assets - financial assets</b>		
Advances payment	3,866,126	1,541,800
Postdated cheques received	3,795,840	4,086,483
Claim receivables from litigants - net	3,085,173	3,027,597
Accrued income	1,696,080	1,748,810
<b>Total</b>	<b>12,443,219</b>	<b>10,404,690</b>
<b>Other assets - others</b>		
Deposit on rice field insurance scheme	20,917,569	24,120,921
Prepaid expenses	59,368	394,142
Undue input value added taxes	3,383,043	3,955,492
Others	8,654,113	9,730,768
<b>Total</b>	<b>33,014,093</b>	<b>38,201,323</b>
<b>Total other assets</b>	<b>45,457,312</b>	<b>48,606,013</b>

**10. Insurance contract liabilities**

	(Unit: Baht)		
	30 June 2023		
	Insurance	Reinsurance	
	contract liabilities	on liabilities	Net
Long-term insurance policy reserves	935,910,987	(1,941,516)	933,969,471
Loss reserves			
- Claims incurred and reported	622,265,079	(39,992,800)	582,272,279
- Claims incurred but not yet reported	130,348,525	(15,403,549)	114,944,976
Unearned premium reserves	1,395,677,401	(107,856,793)	1,287,820,608
<b>Total</b>	<b>3,084,201,992</b>	<b>(165,194,658)</b>	<b>2,919,007,334</b>

(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 six-month period ended	For the year ended
	30 June 2023	31 December 2022
Balances - beginning of the period	909,036,139	669,873,632
Reserves increased from net of new policies and enforced policies	178,497,791	505,005,474
Reserves decreased from insurance policies	(151,622,943)	(265,842,967)
Balance - end of the period	935,910,987	909,036,139

**10.2 Loss reserves**

(Unit: Baht)

	For the six-month period ended	For the year ended
	30 June 2023	31 December 2022
Balances - beginning of the period	729,743,694	597,255,544
Claims incurred during the period	744,470,738	1,436,598,237
Changes in loss reserves of prior periods' claims	28,691,472	(17,087,174)
Changes in assumptions in calculation of loss reserves	3,661,590	4,955,687
Claims paid during the period	(753,953,890)	(1,291,978,600)
Balances - end of the period	752,613,604	729,743,694

**10.3 Unearned premium reserves**

(Unit: Baht)

	For the six-month period ended 30 June 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	1,315,628,736	2,580,670,032
Decrease in policy reserves	(1,272,458,726)	(2,422,532,145)
Balances - end of the period	<u>1,395,677,401</u>	<u>1,352,507,391</u>

**11. Amounts due to reinsurers**

(Unit: Baht)

	30 June 2023	31 December 2022
Amounts withheld on reinsurance	107,439,894	112,505,274
Other reinsurance payables	46,938,184	91,596,098
Total amounts due to reinsurers	<u>154,378,078</u>	<u>204,101,372</u>

**12. Other liabilities**

(Unit: Baht)

	30 June 2023	31 December 2022
Account payable - Revenue Department	6,535,357	7,625,700
Withholding income tax payable	3,627,583	3,706,797
Undue output value added taxes	10,477,837	11,516,341
Short-term employee benefit payable	14,997,713	32,291,767
Accrued expenses	7,256,340	55,800,082
Cash received from brokers	118,871,874	87,504,354
Others	23,797,571	20,809,698
Total other liabilities	<u>185,564,275</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 and six-month periods ended 30 June 2023 and 2022 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	
	2023	2022	2023	2022	2023	2022
<b>Underwriting revenues</b>						
Gross premium written	451,561,376	433,471,947	302,765,789	330,903,527	754,327,165	764,375,474
Less: Premium ceded to reinsurers	(740,685)	(434,821)	(43,765,461)	(76,994,140)	(44,506,146)	(77,428,961)
Net premium written	450,820,691	433,037,126	259,000,328	253,909,387	709,821,019	686,946,513
Add (less): Unearned premium reserves						
(increased) decreased from prior period	3,754,589	(3,130,875)	(19,429,989)	(12,862,418)	(15,675,400)	(15,993,293)
Net earned premium	454,575,280	429,906,251	239,570,339	241,046,969	694,145,619	670,953,220
Commission and brokerage income from reinsurance	-	-	11,931,526	25,289,350	11,931,526	25,289,350
<b>Total underwriting revenues</b>	<b>454,575,280</b>	<b>429,906,251</b>	<b>251,501,865</b>	<b>266,336,319</b>	<b>706,077,145</b>	<b>696,242,570</b>
<b>Underwriting expenses</b>						
Long-term insurance policy reserve increased	-	-	33,571,947	90,332,680	33,571,947	90,332,680
Gross claims	276,544,765	239,293,409	95,770,075	102,454,376	372,314,840	341,747,785
Less: Claim recovery from reinsurance	-	-	(19,494,273)	(34,202,211)	(19,494,273)	(34,202,211)
Commission and brokerage expenses	76,791,089	73,428,005	51,606,538	52,117,286	128,397,627	125,545,291
Other underwriting expenses	42,307,968	22,723,444	29,744,017	27,308,174	72,051,985	50,031,618
<b>Total underwriting expenses before operating expenses</b>	<b>395,643,822</b>	<b>335,444,858</b>	<b>191,198,304</b>	<b>238,010,305</b>	<b>586,842,126</b>	<b>573,455,163</b>
<b>Gross profit from underwriting</b>	<b>58,931,458</b>	<b>94,461,393</b>	<b>60,303,561</b>	<b>28,326,014</b>	<b>119,235,019</b>	<b>122,787,407</b>
Operating expenses					(47,158,666)	(50,390,334)
Finance costs					(22,465)	(27,120)
<b>Profit from underwriting</b>					<b>72,053,888</b>	<b>72,369,953</b>
Net investment income					16,928,080	14,381,064
Loss on investments					(70,648,576)	(314,790)
Rental income					3,833,147	3,851,174
Other income					285,446	117,976
Expected credit losses (reversal)					(40,036,205)	1,225,313
<b>Profit (loss) before income tax expenses</b>					<b>(17,584,220)</b>	<b>91,630,690</b>
Income tax revenue (expense)					10,970,821	(18,092,937)
<b>Profit (loss) for the period</b>					<b>(6,613,399)</b>	<b>73,537,753</b>

## (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	
	2023	2022	2023	2022	2023	2022
<b>Underwriting revenues</b>						
Gross premium written	945,041,513	916,112,743	549,085,014	644,676,819	1,494,126,527	1,560,789,562
Less: Premium ceded to reinsurers	(3,333,384)	(989,267)	(88,174,014)	(183,388,709)	(91,507,398)	(184,377,976)
Net premium written	941,708,129	915,123,476	460,911,000	461,288,110	1,402,619,129	1,376,411,586
Less: Unearned premium reserves increased from prior period	(39,190,987)	(64,691,849)	(31,688,817)	(33,239,782)	(70,879,804)	(97,931,631)
Net earned premium	902,517,142	850,431,627	429,222,183	428,048,328	1,331,739,325	1,278,479,955
Commission and brokerage income from reinsurance	11,923	35,888	22,569,657	51,553,292	22,581,580	51,589,180
<b>Total underwriting revenues</b>	<b>902,529,065</b>	<b>850,467,515</b>	<b>451,791,840</b>	<b>479,601,620</b>	<b>1,354,320,905</b>	<b>1,330,069,135</b>
<b>Underwriting expenses</b>						
Long-term insurance policy reserve increased	-	-	27,350,373	133,273,577	27,350,373	133,273,577
Gross claims	564,791,200	490,126,200	217,116,920	220,270,129	781,908,120	710,396,329
Less: Claim recovery from reinsurance	(23,100)	-	(43,694,800)	(56,717,401)	(43,717,900)	(56,717,401)
Commission and brokerage expenses	160,274,423	155,490,842	88,366,172	105,530,267	248,640,595	261,021,109
Other underwriting expenses	80,886,513	54,752,855	56,601,017	47,755,888	137,487,530	102,508,743
<b>Total underwriting expenses before operating expenses</b>	<b>805,929,036</b>	<b>700,369,897</b>	<b>345,739,682</b>	<b>450,112,460</b>	<b>1,151,668,718</b>	<b>1,150,482,357</b>
<b>Gross profit from underwriting</b>	<b>96,600,029</b>	<b>150,097,618</b>	<b>106,052,158</b>	<b>29,489,160</b>	<b>202,652,187</b>	<b>179,586,778</b>
Operating expenses					(118,542,015)	(147,607,691)
Finance costs					(48,862)	(53,276)
<b>Profit from underwriting</b>					<b>84,061,310</b>	<b>31,925,811</b>
Net investment income					34,785,339	28,853,557
Gain on investments					(159,290,159)	767,814
Rental income					7,712,299	7,795,503
Other income					541,248	125,597
Expected credit losses (reversal)					(39,328,916)	1,212,906
<b>Profit (loss) before income tax expenses</b>					<b>(71,518,879)</b>	<b>70,681,188</b>
Income tax revenue (expenses)					14,650,685	(13,552,069)
<b>Profit (loss) for the period</b>					<b>(56,868,194)</b>	<b>57,129,119</b>

For the three-month and six-month periods ended 30 June 2023, 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 82.4 million and Baht 156.9 million, respectively (2022: Baht 92.9 million and Baht 180.8 million, respectively), from the motor segment, contributing 11% (2022: 12%), of total premium written in each period.



(Unaudited but reviewed)

Segment assets and liabilities as at 30 June 2023 and 31 December 2022 are as follows:

(Unit: Baht)

	Motor	Others	Unallocated assets/liabilities	Total
<b>Assets</b>				
30 June 2023	184,042,641	267,661,496	4,426,787,552	4,878,491,689
31 December 2022	186,110,815	373,104,293	4,264,131,734	4,823,346,842
<b>Liabilities</b>				
30 June 2023	1,563,485,854	1,721,152,890	258,976,622	3,543,615,366
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		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
Personnel expenses	24,781,477	26,872,399	50,222,657	53,855,162
Premise and equipment expenses	14,122,234	14,114,116	26,865,217	28,918,822
Taxes and duties	190,876	303,706	1,513,110	1,400,501
Bad debts and doubtful accounts (reversal)	(7,595,986)	(22,385,029)	(1,387,792)	(245,542)
Other operating expenses	15,660,065	31,485,142	41,328,823	63,678,748
Total operating expenses	<u>47,158,666</u>	<u>50,390,334</u>	<u>118,542,015</u>	<u>147,607,691</u>

**15. Expected credit losses (reversal)**

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
<b>Expected credit losses (reversal) from</b>				
Cash and cash equivalents	(106,407)	(344,802)	(246,364)	(364,091)
Accrued investment income	100,419	(23,173)	90,140	(11,967)
Available-for-sale investments measured at fair value through other comprehensive income	39,807,231	(506,067)	39,402,829	(506,168)
Held-to-maturity investments measured at amortised cost	238,541	(352,122)	87,389	(330,805)
Loan and accrued interest	(3,579)	851	(5,077)	125
Total	<u>40,036,205</u>	<u>(1,225,313)</u>	<u>39,328,917</u>	<u>(1,212,906)</u>

## 16. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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
Muenchener Rueckversicherungs Gesellschaft <sup>(1)</sup>	Ultimate parent company
Munich Reinsurance Company (Singapore Branch) <sup>(1)</sup>	Affiliate branch of ultimate parent company
ERGO Insurance (Thailand) Plc. <sup>(1)</sup>	Parent company
Dung Seng Insurance Broker Co., Ltd. <sup>(2)</sup>	Related by way of common shareholders
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

<sup>(1)</sup> Since January 2023, it is a related party.

<sup>(2)</sup> Since March 2023, it is not a related company

### 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	
	2023	2022	2023	2022
<b>Gross premium written</b>				
Dung Seng Insurance Broker Co., Ltd. <sup>(1)</sup>	-	92.9	74.5	180.8
<b>Commission and brokerage expenses</b>				
Dung Seng Insurance Broker Co., Ltd.	-	16.0	12.5	31.1

<sup>(1)</sup> Premium written from non-life insurance brokers

(Unaudited but reviewed)

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

	(Unit: Million Baht)	
	30 June 2023	31 December 2022
<b>Premium receivables</b>		
Dung Seng Insurance Broker Co., Ltd.	-	73.0
<b>Accrued commission expenses</b>		
Dung Seng Insurance Broker Co., Ltd.	-	12.4

### 17.4 Directors' and key management's benefits

During the three-month and six-month periods ended 30 June 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 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Short-term employee benefits	3.5	3.6	6.9	7.2
Long-term employee benefits	0.3	-	0.6	0.1
Total	3.8	3.6	7.5	7.3

### 18. Dividends paid

Dividends declared during the six-month period ended 30 June 2023 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

## 19. Financial instruments

### 19.1 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)

	30 June 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Held-to-maturity investments measured at amortised cost</b>				
Government and state enterprise securities	377.9	376.0	298.2	298.7
Private enterprise debt securities	616.4	612.0	486.7	485.4
Foreign debt securities	19.9	19.7	19.9	19.7

### 19.2 Fair value of financial instruments

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

(Unit: Million Baht)

	30 June 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Equity securities	12.7	-	96.0	108.7
Unit trusts	142.1	1,199.8	-	1,341.9
Private enterprise debt securities	-	391.7	-	391.7

(Unaudited but reviewed)

(Unit: Million Baht)

	31 December 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
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.

## 20. Commitments and contingent liabilities

### 20.1 Operating lease commitments and relate services

As at 30 June 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)	
	30 June 2023	31 December 2022
1 year	3.7	5.2

### 20.2 Litigation

As at 30 June 2023 and 31 December 2022, the Company had been sued as insurer, with damaged totaling Baht 336.7 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 45.5 million and Baht 44.2 million, respectively, in the financial statements.

## 21. Approval of the interim financial information

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