

# **Pacific Cross Health Insurance Public Company Limited**

Condensed interim financial statements  
for the three-month and six-month period ended  
30 June 2023  
and  
Independent auditor's review report



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ home.kpmg/th

## Independent auditor's report on review of interim financial information

### To the Board of Directors of Pacific Cross Health Insurance Public Company Limited

I have reviewed the accompanying statement of financial position of Pacific Cross Health Insurance Public Company Limited as at 30 June 2023; the statements of comprehensive income for the three-month and six-month periods ended 30 June 2023; the statements of changes in equity and cash flows for the six-month period ended 30 June 2023; and the condensed notes ("interim financial information"). Management is responsible for the preparation and fair 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 3 to the financial statements describing the effect of the Company's change in accounting policy related to deferred acquisition cost for insurance contracts since quarter 4 of 2022. My conclusion is not modified in respect of this matter.

Pantip Gulsantithamrong  
Certified Public Accountant  
Registration No. 4208

KPMG Phoomchai Audit Ltd.  
Bangkok  
15 August 2023

# Pacific Cross Health Insurance Public Company Limited

## Statement of financial position

Assets	Note	30 June	31 December
		2023	2022
		(Unaudited)	
		(in Baht)	
Cash and cash equivalents	4	534,133,209	464,705,811
Premiums due and uncollected, net	5	103,763,672	131,667,269
Accrued investment income		1,587,378	1,886,853
Reinsurers' share of insurance contract liabilities	11	190,200,786	189,790,228
Reinsurance receivables	7	32,243,456	29,873,103
Financial assets	8, 18, 19	733,342,768	599,247,737
Equipment	9	3,022,767	2,307,469
Right-of-use-assets	9	16,425,826	3,857,870
Intangible assets		7,388,243	3,839,703
Deferred acquisition costs	6	203,101,591	167,606,655
Deferred tax assets	15	31,391,036	33,801,820
Other assets	10	16,580,737	11,509,704
<b>Total assets</b>		<b>1,873,181,469</b>	<b>1,640,094,222</b>

The accompanying notes form an integral part of the interim financial statements.

# Pacific Cross Health Insurance Public Company Limited

## Statement of financial position

		30 June	31 December
		2023	2022
		(Unaudited)	
		(in Baht)	
<b>Liabilities and equity</b>	<i>Note</i>		
<b>Liabilities</b>			
Insurance contract liabilities	11	823,989,795	769,660,285
Reinsurance payable	12	148,174,654	141,056,520
Income tax payable		69,965,333	54,448,994
Provisions for employee benefits		4,147,442	3,796,216
Lease liabilities		16,624,766	4,019,645
Other liabilities	13, 17	161,024,834	187,218,733
<b>Total liabilities</b>		<b>1,223,926,824</b>	<b>1,160,200,393</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
(20,000,000 ordinary shares, par value at Baht 25 per share)		500,000,000	500,000,000
Issued and paid share capital			
(20,000,000 ordinary shares, par value at Baht 25 per share)		500,000,000	500,000,000
Retained earnings (deficit)			
Retained earnings (deficit)		149,254,645	(20,106,171)
<b>Total equity</b>		<b>649,254,645</b>	<b>479,893,829</b>
<b>Total liabilities and equity</b>		<b>1,873,181,469</b>	<b>1,640,094,222</b>

The accompanying notes form an integral part of the interim financial statements.

**Pacific Cross Health Insurance Public Company Limited**  
**Statement of comprehensive income (Unaudited)**

		Three-month period ended	
		30 June	
	Note	2023	2022
			(Restated)
		(in Baht)	
<b>Revenues</b>			
Gross premium written		422,091,325	449,812,533
Less premium ceded		<u>(63,293,614)</u>	<u>(74,934,376)</u>
Net premiums written		358,797,711	374,878,157
Add (less) unearned premium reserve increase from previous period		316,347,049	(21,791,709)
Add reinsurers' share of increase in unearned premium reserve from previous period		<u>3,153,421</u>	<u>15,869,677</u>
Net premiums earned		678,298,181	368,956,125
Fee and commission income		25,225,322	34,963,283
Net investment income		2,442,208	787,312
Gain on investments		140,604	-
Loss on fair value changes	8	(1,539,552)	-
Other income	17	<u>336,744</u>	<u>258,315</u>
<b>Total income</b>		<b><u>704,903,507</u></b>	<b><u>404,965,035</u></b>
<b>Expenses</b>			
Insurance claim expenses	17	133,313,915	129,640,540
Less insurance claim expenses recovered from reinsurers		<u>(23,430,598)</u>	<u>(24,769,769)</u>
Net insurance claim expenses		109,883,317	104,870,771
Commission and brokerage expenses		123,741,583	48,808,154
Other underwriting expenses	17	228,401,915	111,746,028
Operating expenses	17	60,949,726	39,202,186
Expected credit loss (reversal)	14	<u>126,006</u>	<u>(160,530)</u>
<b>Total expenses</b>		<b><u>523,102,547</u></b>	<b><u>304,466,609</u></b>
<b>Profit before income tax</b>		<b>181,800,960</b>	<b>100,498,426</b>
Income tax expense	15	<u>13,182,389</u>	<u>15,605,886</u>
<b>Profit for the period</b>		<b><u>168,618,571</u></b>	<b><u>84,892,540</u></b>
<b>Total comprehensive income for the period</b>		<b><u>168,618,571</u></b>	<b><u>84,892,540</u></b>
<b>Basic earnings per share</b>	16	<b>8.43</b>	<b>4.24</b>

The accompanying notes form an integral part of the interim financial statements.

**Pacific Cross Health Insurance Public Company Limited**  
**Statement of comprehensive income (Unaudited)**

		Six-month period ended	
		30 June	
	<i>Note</i>	2023	2022
			(Restated)
		<i>(in Baht)</i>	
<b>Revenues</b>			
Gross premium written		1,484,231,055	799,695,708
Less premium ceded		<u>(126,527,266)</u>	<u>(127,588,903)</u>
Net premiums written		1,357,703,789	672,106,805
Less unearned premium reserve increase from previous period		(68,857,204)	(120,959,560)
Add (less) reinsurers' share of increase (decrease) in unearned premium reserve from previous period		<u>(9,656,433)</u>	<u>17,885,837</u>
Net premiums earned		1,279,190,152	569,033,082
Fee and commission income		49,349,477	55,952,233
Net investment income		3,835,547	1,479,388
Gain on investments		140,604	-
Loss on fair value changes	8	(1,164,388)	-
Other income	17	<u>530,956</u>	<u>1,020,570</u>
<b>Total income</b>		<b><u>1,331,882,348</u></b>	<b><u>627,485,273</u></b>
<b>Expenses</b>			
Insurance claim expenses	17	351,443,224	228,074,315
Less insurance claim expenses recovered from reinsurers		<u>(75,402,303)</u>	<u>(50,482,366)</u>
Net insurance claim expenses		276,040,921	177,591,949
Commission and brokerage expenses		236,119,100	74,502,852
Other underwriting expenses	17	459,489,090	153,887,724
Operating expenses	17	151,492,230	65,762,334
Expected credit loss (reversal)	14	<u>172,059</u>	<u>(76,277)</u>
<b>Total expenses</b>		<b><u>1,123,313,400</u></b>	<b><u>471,668,582</u></b>
<b>Profit before income tax</b>		<b>208,568,948</b>	<b>155,816,691</b>
Income tax expense	15	<u>39,208,132</u>	<u>18,248,411</u>
<b>Profit for the period</b>		<b><u>169,360,816</u></b>	<b><u>137,568,280</u></b>
<b>Total comprehensive income for the period</b>		<b><u>169,360,816</u></b>	<b><u>137,568,280</u></b>
<b>Basic earnings per share</b>	16	<b><u>8.47</u></b>	<b><u>6.88</u></b>

The accompanying notes form an integral part of the interim financial statements.

# Pacific Cross Health Insurance Public Company Limited

## Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Retained earnings (deficit) <i>(in Baht)</i>	Total equity
<b>Six-month period ended 30 June 2022</b>			
<b>Balance at 1 January 2022 restated</b>	<b>500,000,000</b>	<b>(232,465,064)</b>	<b>267,534,936</b>
<b>Comprehensive income for the period</b>			
Profit for the period	-	137,568,280	137,568,280
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>137,568,280</b>	<b>137,568,280</b>
<b>Balance at 30 June 2022</b>	<b>500,000,000</b>	<b>(94,896,784)</b>	<b>405,103,216</b>
<b>Six-month period ended 30 June 2023</b>			
<b>Balance at 1 January 2023</b>	<b>500,000,000</b>	<b>(20,106,171)</b>	<b>479,893,829</b>
<b>Comprehensive income for the period</b>			
Profit for the period	-	169,360,816	169,360,816
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>169,360,816</b>	<b>169,360,816</b>
<b>Balance at 30 June 2023</b>	<b>500,000,000</b>	<b>149,254,645</b>	<b>649,254,645</b>

The accompanying notes form an integral part of the interim financial statements.

# Pacific Cross Health Insurance Public Company Limited

## Statement of cash flows (Unaudited)

		Six-month period ended	
		30 June	
	<i>Note</i>	2023	2022
		<i>(in Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Premiums written		1,503,751,153	620,539,584
Cash paid to reinsurers		(8,868,040)	(7,099,096)
Interest received		5,861,367	1,657,589
Other income		111,623	1,020,570
Insurance claims expenses		(350,943,415)	(282,253,278)
Commission and brokerage expenses		(236,043,604)	(145,283,019)
Other underwriting expenses		(511,497,505)	(132,148,142)
Operating expenses		(169,623,177)	(45,323,829)
Income tax expense		(21,462,751)	(17,537,176)
Cash received - financial assets		770,079,792	195,040,085
Cash payment - financial assets		(903,348,989)	(303,610,086)
Cash received from insurance contracts obtained from portfolio transfers included cash adjustment on 16 March 2022		-	310,156,181
<b>Net cash provided by operating activities</b>		<b>78,016,454</b>	<b>195,159,383</b>
<b><i>Cash flows from investing activities</i></b>			
<b>Cash flows used in:</b>			
Acquisition of equipment	9	(1,709,234)	(496,310)
Acquisition of intangible assets		(3,699,846)	-
<b>Net cash used in investing activities</b>		<b>(5,409,080)</b>	<b>(496,310)</b>
<b><i>Cash flows from financing activities</i></b>			
<b>Cash flows used in:</b>			
Payment of lease liabilities		(3,179,976)	(2,835,455)
<b>Cash used in financing activities</b>		<b>(3,179,976)</b>	<b>(2,835,455)</b>
<b>Net increase in cash and cash equivalents</b>		<b>69,427,398</b>	<b>191,827,618</b>
Cash and cash equivalents at 1 January		464,705,811	186,171,560
<b>Cash and cash equivalents at 30 June</b>	4	<b>534,133,209</b>	<b>377,999,178</b>

The accompanying notes form an integral part of the interim financial statements.



**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the interim financial statements
3	Change in accounting policy
4	Cash and cash equivalents
5	Premiums due and uncollected, net
6	Deferred acquisition cost
7	Reinsurance receivables
8	Financial assets
9	Equipment
10	Other assets
11	Insurance contract liabilities
12	Reinsurance payable
13	Other liabilities
14	Expected credit loss (reversal)
15	Income tax expense
16	Basic earnings per share
17	Related parties
18	Financial instruments
19	Securities and assets pledged with the Registrar
20	Commitments with non-related parties
21	Thai Financial Reporting Standards (TFRS) not yet adopted

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issuance by Audit Committee on 15 August 2023.

**1 General information**

Pacific Cross Health Insurance Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 152 Chartered Square Building, 21<sup>st</sup> floor, North Sathorn Road, Silom, Bangrak, Bangkok.

The Company’s major shareholders during the period were Med-Sure Services Company Limited (69.15% shareholding) which is incorporated in Thailand. The company’s ultimate parent company is Pacific Cross International Limited.

The principal activities of the Company are to operate in non-life insurance.

**2 Basis of preparation of the interim financial statements**

**(a) Statement of compliance**

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2019) Interim Financial Reporting and guidelines promulgated by the Federation of Accounting Professions (TFAC). In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements of Non-Life Insurance Companies” B.E. 2566, dated 8 February 2023 which was applicable for the financial reporting period starting from 1 January 2023.

The interim financial statements do not include all the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022.

The Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 21.

**(b) Use of judgements, estimates and accounting policies**

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2022.

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

**3 Change in accounting policy**

Since quarter 4 of year 2022, the company has changed the accounting policy related to deferred acquisition cost for insurance contracts where the costs of acquiring new insurance contracts, including commissions and the policy service fee e.t.c., are recognized as a deferred asset and are subsequently amortised on systematic basis. The management considered that such information is more relevant to the decision-making needs of the financial users and no less reliable, or more reliable and no less relevant to those need under TFRS 4 Insurance Contract. The company has restated the financial for this change.

The impact on the financial statement are as follows:

	As reported in the prior year	The impacts of the change in accounting policy (in Baht)	Restated
<i>Statement of comprehensive income for the three-month period ended 30 June 2022</i>			
Commission and brokerage expenses	90,569,412	(41,761,258)	48,808,154
Other underwriting expenses	93,837,657	17,908,371	111,746,028
<i>Statement of comprehensive income for the six-month period ended 30 June 2022</i>			
Commission and brokerage expenses	153,296,884	(78,794,032)	74,502,852
Other underwriting expenses	131,248,665	22,639,059	153,887,724

**4 Cash and cash equivalents**

	30 June 2023	31 December 2022
	(in Baht)	
Cash	35,308	10,088
Deposits at banks - call deposits	526,037,022	444,195,723
Highly liquid short-term investment	-	20,500,000
Cash invested in private fund	8,060,879	-
<b>Cash and cash equivalents</b>	<b>534,133,209</b>	<b>464,705,811</b>

**5 Premiums due and uncollected, net**

As at 30 June 2023 and 31 December 2022, premiums due and uncollected and their aging are as follows:

	30 June 2023	31 December 2022
	(in Baht)	
Not yet overdue	11,958,900	36,942,422
Overdue		
Less than 30 days	69,438,876	15,784,931
30 - 60 days	13,047,429	52,178,543
60 - 90 days	3,825,916	10,427,961
90 days - 1 year	5,492,551	16,333,412
Over 1 year	9,971,396	5,135,133
Total premium due and uncollected	113,735,068	136,802,402
Less allowance for doubtful accounts	(9,971,396)	(5,135,133)
<b>Premiums due and uncollected, net</b>	<b>103,763,672</b>	<b>131,667,269</b>

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

**6 Deferred acquisition costs**

The movements of deferred acquisition costs are as follows:

	30 June 2023	31 December 2022
	<i>(in Baht)</i>	
At 1 January	167,606,655	43,725,421
Deferral of acquisition costs	589,256,623	757,538,391
Amortisation of acquisition costs	(553,761,687)	(633,657,157)
<b>At 30 June 2023 / 31 December 2022</b>	<b><u>203,101,591</u></b>	<b><u>167,606,655</u></b>

**7 Reinsurance receivables**

	30 June 2023	31 December 2022
	<i>(in Baht)</i>	
Due from reinsurers	32,243,456	29,873,103
<b>Reinsurance receivables</b>	<b><u>32,243,456</u></b>	<b><u>29,873,103</u></b>

As at 30 June 2023 and 31 December 2022, aging analyses for due from reinsurers were as follows:

	30 June 2023	31 December 2022
	<i>(in Baht)</i>	
Within credit terms	31,979,484	29,609,131
Overdue:		
Not over 1 year	263,972	263,972
<b>Total due from reinsurer</b>	<b><u>32,243,456</u></b>	<b><u>29,873,103</u></b>

**8 Financial assets**

**8.1 Financial assets by measurement are as follows:**

	30 June 2023		31 December 2022	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	<i>(in Baht)</i>			
<b><i>Financial assets measured at fair value through profit or loss</i></b>				
Equity securities	21,677,063	20,512,675	-	-
Less unrealised loss	(1,164,388)	-	-	-
<b>Total Financial assets measured at fair value through profit or loss</b>	<b><u>20,512,675</u></b>	<b><u>20,512,675</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

	30 June 2023		31 December 2022	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	<i>(in Baht)</i>			
<b><i>Financial assets measured at amortised cost</i></b>				
Deposits at banks with original maturity over 3 months	703,399,096	703,399,096	589,644,681	589,644,681
Private debt securities	10,000,000	9,983,828	10,000,000	10,100,996
Total	713,399,096	713,382,924	599,644,681	599,745,677
Less allowance for ECL	(569,003)	-	(396,944)	-
<b>Total Financial assets measured at amortised cost</b>	<b>712,830,093</b>	<b>713,382,924</b>	<b>599,247,737</b>	<b>599,745,677</b>
<b>Total</b>	<b>733,342,768</b>	<b>733,895,599</b>	<b>599,247,737</b>	<b>599,745,677</b>

**8.2 Financial assets measured at amortised cost**

	Carrying value	30 June 2023 Allowance for ECL <i>(in Baht)</i>	Net carrying value
<b><i>Debt securities - no significant increase in credit risk (stage 1)</i></b>			
Deposit at banks with original maturity over 3 months	703,399,096	(558,480)	702,840,616
Private debt securities	10,000,000	(10,523)	9,989,477
<b>Total</b>	<b>713,399,096</b>	<b>(569,003)</b>	<b>712,830,093</b>
	Carrying value	31 December 2022 Allowance for ECL <i>(in Baht)</i>	Net carrying value
<b><i>Debt securities - no significant increase in credit risk (stage 1)</i></b>			
Deposit at banks with original maturity over 3 months	589,644,681	(387,494)	589,257,187
Private debt securities	10,000,000	(9,450)	9,990,550
<b>Total</b>	<b>599,644,681</b>	<b>(396,944)</b>	<b>599,247,737</b>

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

**9 Equipment**

Acquisitions of equipment (excluding right-of-use assets) during the six-month period ended 30 June 2023 were as follows:

	Furniture and fixtures	Office equipment (in Baht)	Total
Net book value as at 1 January 2023	531,358	1,776,111	2,307,469
Addition - cost	238,500	1,602,802	1,841,302
Disposals - net book value	-	(679)	(679)
Depreciation for the period	(547,295)	(578,030)	(1,125,325)
<b>Net book value as at 30 June 2023</b>	<b>222,563</b>	<b>2,800,204</b>	<b>3,022,767</b>

The gross amount of the Company's fully depreciated equipment that was still in use as at 30 June 2023 amounted to Baht 12.68 million (31 December 2022: Baht 11.65 million).

Carrying amounts of the Company's right-of-use assets at 30 June 2023 are Baht 16.43 million and the Company recognised depreciation of right-of-use assets for the six-month period ended 30 June 2023, amounting to Baht 2.89 million.

Movement of right-of-use assets recognised as premises and vehicle is as follows:

<i><b>Right-of-use assets</b></i>	Building and leasehold	Vehicle (in Baht)	Total
Net book value as at 1 January 2023	1,722,009	2,135,861	3,857,870
Addition	12,400,379	3,052,580	15,452,959
Depreciation for the period	(2,250,757)	(634,246)	(2,885,003)
<b>As at 30 June 2023</b>	<b>11,871,631</b>	<b>4,554,195</b>	<b>16,425,826</b>

**10 Other assets**

	30 June 2023	31 December 2022
	(in Baht)	
Prepaid expense	7,516,054	782,215
Deposits	1,530,539	1,450,056
Others	7,534,144	9,277,433
<b>Total</b>	<b>16,580,737</b>	<b>11,509,704</b>

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

**11 Insurance contract liabilities**

		30 June 2023			31 December 2022	
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
	<i>(in Baht)</i>					
<b>Short-term technical reserves</b>						
Loss reserves and outstanding claims						
- Case reserves	69,503,096	(63,120,824)	6,382,272	67,456,114	(49,075,714)	18,380,400
- Incurred but not reported	78,879,368	(6,393,854)	72,485,514	89,437,216	(10,371,974)	79,065,242
Total loss reserves and outstanding claims	148,382,464	(69,514,678)	78,867,786	156,893,330	(59,447,688)	97,445,642
Unearned premium reserves	675,607,331	(120,686,108)	554,921,223	612,766,955	(130,342,540)	482,424,415
<b>Total</b>	<b>823,989,795</b>	<b>(190,200,786)</b>	<b>633,789,009</b>	<b>769,660,285</b>	<b>(189,790,228)</b>	<b>579,870,057</b>
<b>11.1 Loss reserves and outstanding claims</b>						
At 1 January	156,893,330	(59,447,688)	97,445,642	90,704,892	(47,303,417)	43,401,475
Insurance claim expense incurred during the period / year	358,022,952	(75,402,304)	282,620,648	498,973,250	(115,256,089)	383,717,161
Change in estimation and assumption	(10,557,848)	3,978,120	(6,579,728)	59,343,652	(5,561,744)	53,781,908
Insurance claim expense paid during the period / year	(355,975,970)	61,357,194	(294,618,776)	(492,128,464)	108,673,562	(383,454,902)
<b>At 30 June 2023 / 31 December 2022</b>	<b>148,382,464</b>	<b>(69,514,678)</b>	<b>78,867,786</b>	<b>156,893,330</b>	<b>(59,447,688)</b>	<b>97,445,642</b>
<b>11.2 Unearned premium reserves</b>						
At 1 January	612,766,955	(130,342,540)	482,424,415	361,028,719	(100,508,333)	260,520,386
Premium written during the period / year	1,478,214,226	(126,527,266)	1,351,686,960	2,126,737,995	(331,514,144)	1,795,223,851
Earned premium in the period / year	(1,415,373,850)	136,183,698	(1,279,190,152)	(1,874,999,756)	301,679,937	(1,573,319,822)
<b>At 30 June 2023 / 31 December 2022</b>	<b>675,607,331</b>	<b>(120,686,108)</b>	<b>554,921,223</b>	<b>612,766,955</b>	<b>(130,342,540)</b>	<b>482,424,415</b>
Unexpired risk reserves	212,413,164	(51,787,388)	160,625,776	192,185,678	(50,722,198)	141,463,480

As at 30 June 2023 and 31 December 2022, no additional reserve for unexpired risk reserves has been establish as the unexpired risk reserves estimated by the Company amounting to Baht 212.41 million (31 December 2022: Baht 192.19 million) are lower than the unearned premium reserves.

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

**12 Reinsurance payable**

	30 June 2023	31 December 2022
	<i>(in Baht)</i>	
Amounts withheld on reinsurance	78,005,627	73,492,400
Due to reinsurers	70,169,027	67,564,120
<b>Total</b>	<b>148,174,654</b>	<b>141,056,520</b>

**13 Other liabilities**

	30 June 2023	31 December 2022
	<i>(in Baht)</i>	
Other accrued expenses	57,601,739	89,157,996
Commission and brokerage payable	23,086,472	24,955,658
Premium received in advance	16,629,297	9,680,122
Others payable obtained from portfolio transfers	55,725,156	56,393,817
Others	7,982,170	7,031,140
<b>Total</b>	<b>161,024,834</b>	<b>187,218,733</b>

**14 Expected credit loss (reversal)**

<i>Six-month period ended 30 June</i>	2023	2022
	<i>(in Baht)</i>	
<b>Financial assets</b>		
Financial assets measured at amortised cost	172,059	(76,277)
<b>Total</b>	<b>172,059</b>	<b>(76,277)</b>

**15 Income tax expense**

*Income tax recognised in profit or loss*

<i>Six-month period ended 30 June</i>	2023	2022
	<i>(in Baht)</i>	
<b>Current tax</b>		
Current period	66,439,366	48,143,768
Adjustment for prior years	(29,642,018)	-
<b>Deferred tax</b>		
Movements in temporary differences	2,410,784	(29,895,357)
<b>Total</b>	<b>39,208,132</b>	<b>18,248,411</b>



**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

***Reconciliation of effective tax rate***

<b><i>Six-month period ended 30 June</i></b>	<b>2023</b>		<b>2022</b>	
	Rate (%)	(in Baht)	Rate (%)	(in Baht)
Profit before income tax		208,568,948		137,568,280
Income tax using the Thai corporation tax rate	20	41,713,790	20	27,513,656
Expenses not deductible for tax purposes		25,934,899		28,211,424
Expenses (income) not subject to tax		1,201,461		(29,895,357)
Taxable expenses		-		(7,581,312)
Under (over) provided in prior years		(29,642,018)		-
<b>Total</b>	<b>19</b>	<b>39,208,132</b>	<b>13</b>	<b>18,248,411</b>

***Deferred tax assets (liabilities)***

	30 June 2023	31 December 2022
	(in Baht)	
Deferred tax assets	31,158,158	33,801,820
Deferred tax liabilities	232,878	-
<b>Deferred tax assets (liabilities)</b>	<b>31,391,036</b>	<b>33,801,820</b>

Movements in total deferred tax assets and liabilities during the six-month periods ended 30 June 2023 and 2022 are as follow:

	<b>At 1 January 2023</b>	<b>(Charged) / credited to:</b>		<b>At 30 June 2023</b>
		Profit or loss	Other comprehensive income	
		(in Baht)		
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,027,027	967,252	-	1,994,279
Allowance of impairment	79,389	34,412	-	113,801
Premium reserve	12,292,833	-	-	12,292,833
Loss reserve	19,489,128	(3,715,571)	-	15,773,557
Employee benefits obligation	913,443	70,245	-	983,688
<b>Total</b>	<b>33,801,820</b>	<b>(2,643,662)</b>	<b>-</b>	<b>31,158,158</b>
<b>Deferred tax liabilities</b>				
Unrealised gains from financial assets measured at fair value through profit or loss	-	232,878	-	232,878
<b>Total</b>	<b>-</b>	<b>232,878</b>	<b>-</b>	<b>232,878</b>
<b>Net</b>	<b>33,801,820</b>	<b>(2,410,784)</b>	<b>-</b>	<b>31,391,036</b>

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

	At 1 January 2022	(Charged) / credited to:		At 30 June 2022
		Profit or loss	Other comprehensive income	
		(in Baht)		
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	158,038	20,038	-	178,076
Allowance of impairment	45,730	(15,255)	-	30,475
Premium reserve	12,292,833	26,447,844	-	38,740,677
Loss reserve	8,680,295	3,409,710	-	12,090,005
Employee benefits obligation	525,598	33,020	-	558,618
<b>Total</b>	<b>21,702,494</b>	<b>29,895,357</b>	<b>-</b>	<b>51,597,851</b>

## 16 Basic earnings per share

The calculations of basic earnings per share for the six-month periods ended 30 June 2023 and 2022 were based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period were as follows:

<i>Six-month period ended 30 June</i>	2023	2022 (Restated)
Profit for the period attributable to ordinary shareholders (in Baht)	169,360,816	137,568,280
Number of ordinary shares outstanding (in shares)	20,000,000	20,000,000
<b>Basic earnings per share (Baht)</b>	<b>8.47</b>	<b>6.88</b>

## 17 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### (a) Relationship with key management and related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
Med-Sure Services Limited	Thailand	Major shareholder (69.15% shareholding)
Legal Concept Company Limited	Thailand	Related company
Pacific Cross International Limited	British Virgin Islands	Ultimate parent company
Key management personnel	Thai / Foreigner	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

The pricing policies for significant types of transactions with are explained further below:

<b>Significant transactions type</b>	<b>Pricing policies</b>
Rental and service income (other income)	At contractually agreed prices
Underwriting and loss adjustment expense (other underwriting expenses and insurance claim expenses)	At contractually agreed prices
Legal consulting fee (operating expenses)	At contractually agreed prices
Consulting fees (operating expenses)	At mutually agreed prices

**(b) Transactions with related parties and key management were as follows:**

<i>Six-month period ended 30 June</i>	2023	2022
	<i>(in Baht)</i>	
<b><i>Med-Sure Services Limited</i></b>		
Rental and Service income	-	640,000
Underwriting expense	40,341,352	17,122,418
Loss adjustment expense	26,495,866	15,086,367
<b><i>Legal Concept Company Limited</i></b>		
Legal consulting fee	-	219,250
<b><i>Pacific Cross International Limited</i></b>		
Consulting fees	29,594,472	-
<b><i>Key management personnel compensation</i></b>		
Short-term employee benefits	10,847,711	9,215,408
Directors remuneration	580,000	220,000
Post-employment benefits	64,739	37,293
<b>Total</b>	<b><u>11,492,450</u></b>	<b><u>9,472,701</u></b>

Balance with related parties as at 30 June 2023 and 31 December 2022 were as follows:

	30 June 2023	31 December 2022
	<i>(in Baht)</i>	
<b><i>Med-Sure Services Limited</i></b>		
Underwriting and loss adjustment payable	8,499,932	10,648,799
<b><i>Pacific Cross International Limited</i></b>		
Other accrued expenses	29,594,472	16,898,369

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

**18 Financial instruments**

**Financial instruments measured at fair value**

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<b>Fair value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<i>(in Baht)</i>			
<b>30 June 2023</b>				
<i><b>Financial assets</b></i>				
Equity securities	20,512,675	-	-	20,512,675
<b>Total</b>	<b>20,512,675</b>	<b>-</b>	<b>-</b>	<b>20,512,675</b>

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the assets or liabilities that are based on unobservable inputs.

If the inputs used to measure the fair value of an asset or liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company determines Level 1 fair values for listed equity securities using the close price on the last business day of the period provided by The Stock Exchanges of Thailand.

**Financial instruments not measured at fair value.**

The carrying amounts of the following financial assets are considered to be approximate to their fair values: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance receivables, other receivables, reinsurance payables, and other payables.

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

**19 Securities and assets pledged with the Registrar**

19.1 As at 30 June 2023 and 31 December 2022, deposits at bank had been pledged with the Registrar in accordance with the Non-Life Insurance Act (No. 2) B.E. 2551 as follows:

	30 June 2023	31 December 2022
	Book value	Book value
	(in Baht)	
Term deposits	<u>3,500,000</u>	<u>3,500,000</u>

19.2 As at 30 June 2023 and 31 December 2022, deposits at bank had been pledged with the Registrar as the reserve fund in accordance with the Notification of the Office of Insurance Commission regarding “Rates, Rules and Procedures for Unearned Premium Reserve of Non - Life Insurance Companies B.E. 2557” as follows:

	30 June 2023	31 December 2022
	Book value	Book value
	(in Baht)	
Term deposits	<u>229,030,933</u>	<u>172,331,604</u>

**20 Commitments with non-related parties**

<i>Future minimum lease payment under non-cancellable operating leases</i>	30 June 2023	31 December 2022
	(in Baht)	
Within 1 year	263,000	342,000
1 - 5 years	346,500	26,000
<b>Total</b>	<u><b>609,500</b></u>	<u><b>368,000</b></u>

**21 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new TFRS which are relevant to the Company’s operations are expected to have significant impact on the Company’s financial statements on the date of initial application are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 17	Insurance contracts

TFRS 17 will replace TFRS 4 - Insurance Contracts for the annual periods beginning on or after 1 January 2025.

TFRS 17 introduces the new measurement model which consists of fulfillment cash flows and a contractual service margin. The fulfillment cash flows represent the risk adjusted present value of the insurer’s rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that the Company will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided. The simplified approach may be chosen to adopt when certain criteria are met.

The Company may elect to recognise the cumulative negative impact on insurance contract liabilities from the adoption of TFRS 17 to retained earnings by applying the straight-line method within the period not exceeding 3 years from transition date.

**Pacific Cross Health Insurance Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month and six-month periods ended 30 June 2023 (Unaudited)**

TFRS 17 also introduces substantial changes in both presentation of the statement of financial position and statement of comprehensive income, as well as more granular disclosure requirements.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.