

**Pacific Cross Health Insurance
Public Company Limited**

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



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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 September 2023; the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023; the statements of changes in equity and cash flows for the nine-month period ended 30 September 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
13 November 2023

Pacific Cross Health Insurance Public Company Limited

Statement of financial position

Assets	Note	30 September	31 December
		2023	2022
		(Unaudited)	
		<i>(in Baht)</i>	
Cash and cash equivalents	4	398,113,614	464,705,811
Premiums due and uncollected, net	5	95,123,899	131,667,269
Accrued investment income		3,218,625	1,886,853
Reinsurers' share of insurance contract liabilities	11	199,165,769	189,790,228
Reinsurance receivables	7	33,352,473	29,873,103
Financial assets	8, 18, 19	801,112,803	599,247,737
Equipment	9	3,142,520	2,307,469
Right-of-use-assets	9	14,910,821	3,857,870
Intangible assets		7,747,191	3,839,703
Deferred acquisition costs	6	113,257,374	167,606,655
Deferred tax assets	15	27,133,582	33,801,820
Other assets	10	9,841,266	11,509,704
Total assets		1,706,119,937	1,640,094,222

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

Pacific Cross Health Insurance Public Company Limited

Statement of financial position

		30 September	31 December
	<i>Note</i>	2023	2022
		(Unaudited)	
		<i>(in Baht)</i>	
Liabilities and equity			
<i>Liabilities</i>			
Insurance contract liabilities	11	645,718,745	769,660,285
Reinsurance payable	12	157,884,413	141,056,520
Income tax payable		55,785,481	54,448,994
Provisions for employee benefits		4,323,055	3,796,216
Lease liabilities		15,195,579	4,019,645
Other liabilities	13, 17	108,527,350	187,218,733
Total liabilities		987,434,623	1,160,200,393
<i>Equity</i>			
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)		218,685,314	(20,106,171)
Total equity		718,685,314	479,893,829
Total liabilities and equity		1,706,119,937	1,640,094,222

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 September	
	Note	2023	2022
		(in Baht)	
			(Restated)
Revenues			
Gross premium written		415,878,155	524,349,457
Less premium ceded		(69,412,592)	(98,451,090)
Net premiums written		346,465,563	425,898,367
Add (less) unearned premium reserve decrease (increase) from previous period		156,298,113	(97,662,774)
Add reinsurers' share of decrease in unearned premium reserve from previous period		6,131,793	20,195,226
Net premiums earned		508,895,469	348,430,819
Fee and commission income		27,820,356	49,405,921
Net investment income		2,896,066	973,698
Loss on investments		(261,688)	-
Loss on fair value changes	8	(70,035)	-
Other income	17	70,511	(271,019)
Total income		539,350,679	398,539,419
Expenses			
Insurance claim expenses	17	167,646,160	144,210,067
Less insurance claim expenses recovered from reinsurers		(39,730,881)	(32,060,777)
Net insurance claim expenses		127,915,279	112,149,290
Commission and brokerage expenses		93,421,755	56,399,623
Other underwriting expenses	17	158,467,685	118,559,156
Operating expenses	17	72,469,738	47,639,577
Expected credit loss (reversal)	14	(66,804)	154,433
Total expenses		452,207,653	334,902,079
Profit before income tax		87,143,026	63,637,340
Income tax expense (benefit)	15	17,712,357	(821,362)
Profit for the period		69,430,669	64,458,702
Total comprehensive income for the period		69,430,669	64,458,702
Basic earnings per share	16	3.47	3.22

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

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

		Nine-month period ended 30 September	
	Note	2023	2022
		(in Baht)	
			(Restated)
Revenues			
Gross premium written		1,900,109,210	1,324,045,165
Less premium ceded		<u>(195,939,858)</u>	<u>(226,039,993)</u>
Net premiums written		1,704,169,352	1,098,005,172
Add (less) unearned premium reserve decrease (increase) from previous period		87,440,908	(218,622,334)
(Less) add reinsurers' share of (increase) decrease in unearned premium reserve from previous period		<u>(3,524,639)</u>	<u>38,081,063</u>
Net premiums earned		1,788,085,621	917,463,901
Fee and commission income		77,169,833	105,358,154
Net investment income		6,731,613	2,453,086
Loss on investments		(121,084)	-
Loss on fair value changes	8	(1,234,423)	-
Other income	17	<u>601,467</u>	<u>749,551</u>
Total income		<u>1,871,233,027</u>	<u>1,026,024,692</u>
Expenses			
Insurance claim expenses	17	519,089,384	372,284,382
Less insurance claim expenses recovered from reinsurers		<u>(115,133,184)</u>	<u>(82,543,143)</u>
Net insurance claim expenses		403,956,200	289,741,239
Commission and brokerage expenses		329,540,854	130,902,475
Other underwriting expenses	17	617,956,775	272,446,880
Operating expenses	17	223,961,969	113,401,911
Expected credit loss	14	<u>105,255</u>	<u>78,156</u>
Total expenses		<u>1,575,521,053</u>	<u>806,570,661</u>
Profit before income tax		295,711,974	219,454,031
Income tax expense	15	<u>56,920,489</u>	<u>17,427,049</u>
Profit for the period		<u>238,791,485</u>	<u>202,026,982</u>
Total comprehensive income for the period		<u>238,791,485</u>	<u>202,026,982</u>
Basic earnings per share	16	<u>11.94</u>	<u>10.10</u>

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) (in Baht)	Total equity
Nine-month period ended 30 September 2022			
Balance at 1 January 2022 - restated	500,000,000	(232,465,064)	267,534,936
Comprehensive income for the period			
Profit for the period	-	202,026,982	202,026,982
Total comprehensive income for the period	-	202,026,982	202,026,982
Balance at 30 September 2022	500,000,000	(30,438,082)	469,561,918
Nine-month period ended 30 September 2023			
Balance at 1 January 2023	500,000,000	(20,106,171)	479,893,829
Comprehensive income for the period			
Profit for the period	-	238,791,485	238,791,485
Total comprehensive income for the period	-	238,791,485	238,791,485
Balance at 30 September 2023	500,000,000	218,685,314	718,685,314

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

Pacific Cross Health Insurance Public Company Limited

Statement of cash flows (Unaudited)

		Nine-month period ended	
		30 September	
	Note	2023	2022
		(in Baht)	
Cash flows from operating activities			
Premiums written		1,916,875,619	1,104,966,392
Cash paid to reinsurers		(6,264,110)	(19,773,579)
Interest received		5,783,233	2,450,249
Other income		282,190	749,551
Insurance claims expenses		(543,370,312)	(404,565,899)
Commission and brokerage expenses		(329,140,175)	(193,906,482)
Other underwriting expenses		(563,661,520)	(274,473,994)
Operating expenses		(286,695,491)	(58,103,419)
Income tax expense		(49,146,150)	(36,827,407)
Cash received - financial assets		811,627,691	255,901,788
Cash payment - financial assets		(1,011,680,533)	(395,202,603)
Cash received from insurance contracts obtained from portfolio transfers included cash adjustment on 16 March 2022		-	310,156,181
Net cash provided by (used in) operating activities		(55,389,558)	291,370,778
Cash flows from investing activities			
Cash flows used in:			
Acquisition of equipment	9	(2,187,146)	(1,066,876)
Acquisition of intangible assets		(4,164,080)	-
Net cash used in investing activities		(6,351,226)	(1,066,876)
Cash flows from financing activities			
Cash flows used in:			
Payment of lease liabilities		(4,851,413)	(4,315,546)
Cash used in financing activities		(4,851,413)	(4,315,546)
Net increase (decrease) in cash and cash equivalents		(66,592,197)	285,988,356
Cash and cash equivalents at 1 January		464,705,811	186,171,560
Cash and cash equivalents at 30 September	4	398,113,614	472,159,916

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 nine-month periods ended 30 September 2023 (Unaudited)

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Pacific Cross Health Insurance Public Company Limited
Notes to the condensed interim financial statements
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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 13 November 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, 21st 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 22.

(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
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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 September 2022</i>			
Commission and brokerage expenses	100,338,985	(18,707,667)	81,631,318
Other underwriting expenses	143,150,473	(49,823,012)	93,327,461
<i>Statement of comprehensive income for the nine-month period ended 30 September 2022</i>			
Commission and brokerage expenses	253,635,869	(39,855,957)	213,779,912
Other underwriting expenses	274,399,138	(84,829,695)	189,569,443

4 Cash and cash equivalents

	30 September 2023	31 December 2022
	(in Baht)	
Cash	34,786	10,088
Deposits at banks - call deposits	397,568,631	444,195,723
Highly liquid short-term investment	-	20,500,000
Cash invested in private fund	510,197	-
Cash and cash equivalents	398,113,614	464,705,811

5 Premiums due and uncollected, net

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

	30 September 2023	31 December 2022
	(in Baht)	
Not yet overdue	10,201,447	36,942,422
Overdue		
Less than 30 days	57,326,355	15,784,931
30 - 60 days	17,405,260	52,178,543
60 - 90 days	2,743,448	10,427,961
90 days - 1 year	7,447,389	16,333,412
Over 1 year	10,248,140	5,135,133
Total premium due and uncollected	105,372,039	136,802,402
Less allowance for doubtful accounts	(10,248,140)	(5,135,133)
Premiums due and uncollected, net	95,123,899	131,667,269

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

6 Deferred acquisition costs

The movements of deferred acquisition costs are as follows:

	30 September 2023	31 December 2022
	<i>(in Baht)</i>	
At 1 January	167,606,655	43,725,421
Deferral of acquisition costs	688,218,628	757,538,391
Amortisation of acquisition costs	(742,567,909)	(633,657,157)
At 30 September 2023 / 31 December 2022	<u>113,257,374</u>	<u>167,606,655</u>

7 Reinsurance receivables

	30 September 2023	31 December 2022
	<i>(in Baht)</i>	
Due from reinsurers	33,352,473	29,873,103
Reinsurance receivables	<u>33,352,473</u>	<u>29,873,103</u>

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

	30 September 2023	31 December 2022
	<i>(in Baht)</i>	
Within credit terms	33,088,501	29,609,131
Overdue:		
Over 1 year	263,972	263,972
Total due from reinsurer	<u>33,352,473</u>	<u>29,873,103</u>

8 Financial assets

8.1 Financial assets by measurement are as follows:

	30 September 2023		31 December 2022	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	<i>(in Baht)</i>			
<i>Financial assets measured at fair value through profit or loss</i>				
Equity securities	24,434,232	22,997,565	-	-
Unit trusts	64,968,142	65,170,386	-	-
Total	<u>89,402,374</u>	<u>88,167,951</u>	<u>-</u>	<u>-</u>
Less unrealised loss	(1,234,423)	-	-	-
Total financial assets measured at fair value through profit or loss	<u>88,167,951</u>	<u>88,167,951</u>	<u>-</u>	<u>-</u>

Pacific Cross Health Insurance Public Company Limited

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

	30 September 2023		31 December 2022	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
			(in Baht)	
<i>Financial assets measured at amortised cost</i>				
Deposits at banks with original maturity over 3 months	703,447,051	703,447,051	589,644,681	589,644,681
Private debt securities	10,000,000	9,983,828	10,000,000	10,100,996
Total	713,447,051	713,430,879	599,644,681	599,745,677
Less allowance for ECL	(502,199)	-	(396,944)	-
Total financial assets measured at amortised cost	712,944,852	713,430,879	599,247,737	599,745,677
Total	801,112,803	801,598,830	599,247,737	599,745,677

8.2 Financial assets measured at amortised cost

	Carrying value	30 September 2023 Allowance for ECL (in Baht)	Net carrying value
<i>Debt securities - no significant increase in credit risk (stage 1)</i>			
Deposit at banks with original maturity over 3 months	703,447,051	(491,676)	702,955,375
Private debt securities	10,000,000	(10,523)	9,989,477
Total	713,447,051	(502,199)	712,944,852
	Carrying value	31 December 2022 Allowance for ECL (in Baht)	Net carrying value
<i>Debt securities - no significant increase in credit risk (stage 1)</i>			
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
Total	599,644,681	(396,944)	599,247,737

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

9 Equipment

Acquisitions of equipment (excluding right-of-use assets) during the nine-month period ended 30 September 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	2,080,714	2,319,214
Disposals - net book value	-	(679)	(679)
Depreciation for the period	(559,318)	(924,166)	(1,483,484)
Net book value as at 30 September 2023	210,540	2,931,980	3,142,520

The gross amount of the Company's fully depreciated equipment that was still in use as at 30 September 2023 amounted to Baht 12.75 million (31 December 2022: Baht 11.65 million).

Carrying amounts of the Company's right-of-use assets at 30 September 2023 are Baht 14.91 million and the Company recognised depreciation of right-of-use assets for the nine-month period ended 30 September 2023, amounting to Baht 4.40 million.

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

<i>Right-of-use assets</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	(3,385,044)	(1,014,964)	(4,400,008)
As at 30 September 2023	10,737,344	4,173,477	14,910,821

10 Other assets

	30 September 2023	31 December 2022
	(in Baht)	
Prepaid expense	1,007,375	782,215
Deposits	1,544,774	1,450,056
Others	7,289,117	9,277,433
Total	9,841,266	11,509,704

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

11 Insurance contract liabilities

	30 September 2023			31 December 2022		
	Gross	Reinsurer's share	Net	Gross	Reinsurer's share	Net
	<i>(in Baht)</i>					
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	69,105,245	(66,562,691)	2,542,554	67,456,114	(49,075,714)	18,380,400
- Incurred but not reported	60,367,551	(5,785,177)	54,582,374	89,437,216	(10,371,974)	79,065,242
Total loss reserves and outstanding claims	129,472,796	(72,347,868)	57,124,928	156,893,330	(59,447,688)	97,445,642
Unearned premium reserves	516,245,949	(126,817,901)	389,428,048	612,766,955	(130,342,540)	482,424,415
Total	645,718,745	(199,165,769)	446,552,976	769,660,285	(189,790,228)	579,870,057
11.1 Loss reserves and outstanding claims						
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	543,572,251	(115,133,184)	428,439,067	498,973,250	(115,256,089)	383,717,161
Change in estimation and assumption	(29,069,665)	4,586,797	(24,482,868)	59,343,652	(5,561,744)	53,781,908
Insurance claim expense paid during the period / year	(541,923,120)	97,646,207	(444,276,913)	(492,128,464)	108,673,562	(383,454,902)
At 30 September 2023 / 31 December 2022	129,472,796	(72,347,868)	57,124,928	156,893,330	(59,447,688)	97,445,642
11.2 Unearned premium reserves						
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	1,854,630,472	(195,939,858)	1,658,690,614	2,126,737,995	(331,514,144)	1,795,223,851
Earned premium in the period / year	(1,951,151,478)	199,464,497	(1,751,686,981)	(1,874,999,759)	301,679,937	(1,573,319,822)
At 30 September 2023 / 31 December 2022	516,245,949	(126,817,901)	389,428,048	612,766,955	(130,342,540)	482,424,415
Unexpired risk reserves	164,742,973	(48,129,945)	116,613,028	192,185,678	(50,722,198)	141,463,480

As at 30 September 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 164.74 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
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12 Reinsurance payable

	30 September 2023	31 December 2022
	<i>(in Baht)</i>	
Amounts withheld on reinsurance	82,307,574	73,492,400
Due to reinsurers	75,576,839	67,564,120
Total	157,884,413	141,056,520

13 Other liabilities

	30 September 2023	31 December 2022
	<i>(in Baht)</i>	
Other accrued expenses	23,327,834	89,157,996
Commission and brokerage payable	22,686,184	24,955,658
Premium received in advance	11,774,417	9,680,122
Others payable obtained from portfolio transfers	45,659,131	56,393,817
Others	5,079,784	7,031,140
Total	108,527,350	187,218,733

14 Expected credit loss

<i>Nine-month period ended 30 September</i>	2023	2022
	<i>(in Baht)</i>	
Financial assets		
Financial assets measured at amortised cost	105,255	78,156
Total	105,255	78,156

15 Income tax expense

Income tax recognised in profit or loss

<i>Nine-month period ended 30 September</i>	2023	2022
	<i>(in Baht)</i>	
Current tax		
Current period	81,886,626	19,236,795
Adjustment for prior period	(31,634,375)	-
Deferred tax		
Movements in temporary differences	6,668,238	(1,809,746)
Total	56,920,489	17,427,049

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Reconciliation of effective tax rate

<i>Nine-month period ended 30 September</i>	2023		2022 (Restated)	
	Rate (%)	(in Baht)	Rate (%)	(in Baht)
Profit before income tax		295,711,974		219,454,031
Income tax using the Thai corporation tax rate	20	59,142,395	20	43,890,806
Expenses not deductible for tax purposes		24,671,380		283,119
Expense (income) not subject to tax		4,741,089		(1,809,746)
Taxable expenses		-		(24,937,130)
Over provided in prior years		(31,634,375)		-
Total	19	56,920,489	8	17,427,049

Deferred tax assets

	30 September 2023	31 December 2022
	(in Baht)	
Deferred tax assets	27,133,582	33,801,820

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

	At 1 January 2023	(Charged) / credited to:		At 30 September 2023
		Profit or loss	Other comprehensive income	
		(in Baht)		
Deferred tax assets				
Allowance for doubtful accounts	1,027,027	1,022,602	-	2,049,629
Allowance of impairment	79,389	21,051	-	100,440
Premium reserve	12,292,833	-	-	12,292,833
Loss reserve	19,489,128	(8,064,143)	-	11,424,985
Employee benefits obligation	913,443	105,368	-	1,018,811
Unrealised loss from financial assets measured at fair value through profit or loss	-	246,884	-	246,884
Total	33,801,820	(6,668,238)	-	27,133,582

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	At 1 January 2022	(Charged) / credited to: Profit or loss	Other comprehensive income (in Baht)	At 30 September 2022
Deferred tax assets				
Allowance for doubtful accounts	158,038	107,805	-	265,843
Allowance of impairment	45,730	15,631	-	61,361
Premium reserve	12,292,833	(4,008,543)	-	8,284,290
Loss reserve	8,680,295	5,645,323	-	14,325,618
Employee benefits obligation	525,598	49,530	-	575,128
Total	21,702,494	1,809,746	-	23,512,240

16 Basic earnings per share

The calculations of basic earnings per share for the nine-month periods ended 30 September 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>Nine-month period ended 30 September</i>	2023	2022 (Restated)
Profit for the period attributable to ordinary shareholders (in Baht)	238,791,485	202,026,982
Number of ordinary shares outstanding (in shares)	20,000,000	20,000,000
Basic earnings per share (Baht)	11.94	10.10

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.

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

Significant transactions type	Pricing policies
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>Nine-month period ended 30 September</i>	2023	2022
	<i>(in Baht)</i>	
<i>Med-Sure Services Limited</i>		
Rental and Service income	-	640,000
Underwriting expense	52,478,680	25,053,860
Loss adjustment expense	34,460,453	21,729,819
<i>Legal Concept Company Limited</i>		
Legal consulting fee	-	256,000
<i>Pacific Cross International Limited</i>		
Consulting fees	48,526,484	-
<i>Key management personnel compensation</i>		
Short-term employee benefits	14,236,420	12,666,435
Directors remuneration	1,010,000	280,000
Post-employment benefits	97,108	55,941
Total	15,343,528	13,002,376

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

	30 September 2023	31 December 2022
	<i>(in Baht)</i>	
<i>Med-Sure Services Limited</i>		
Underwriting and loss adjustment payable	6,354,549	10,648,799
<i>Pacific Cross International Limited</i>		
Other accrued expenses	-	16,898,369

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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.

	Fair value			Total
	Level 1	Level 2	Level 3	
	<i>(in Baht)</i>			
30 September 2023				
<i>Financial assets</i>				
Equity securities	22,997,565	-	-	22,997,565
Unit trusts	-	65,170,386	-	65,170,386
Total	22,997,565	65,170,386	-	88,167,951

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.

The Company determines Level 2 fair values for unit trusts using the net asset value (NAV) on the last business day of the period provided by assets management companies.

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.

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19 Securities and assets pledged with the Registrar

19.1 As at 30 September 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 September 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 September 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 September 2023	31 December 2022
	Book value	Book value
	(in Baht)	
Term deposits	<u>217,483,034</u>	<u>172,331,604</u>

20 Commitments with non-related parties

<i>Future minimum lease payment under non-cancellable operating leases</i>	30 September 2023	31 December 2022
	(in Baht)	
Within 1 year	243,500	342,000
1 - 5 years	<u>297,000</u>	<u>26,000</u>
Total	<u>540,500</u>	<u>368,000</u>

21 Reclassification of accounts

Certain accounts in the statement of comprehensive income for the three-month and nine-month period ended 30 September 2022 presented in note 3, which are included in the interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the current period of the financial statements. Significant reclassifications were as follows:

	Before reclassification	Reclassification (in baht)	After reclassification
<i>Statement of comprehensive income</i>			
<i>For the three-month period ended 30 September 2022</i>			
Commission and brokerage expenses	81,631,318	(25,231,695)	56,399,623
Other underwriting expenses	93,327,461	<u>25,231,695</u>	<u>118,559,156</u>
		<u>-</u>	

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	Before reclassification	Reclassification (in baht)	After reclassification
<i>For the nine-month period ended 30 September 2022</i>			
Commission and brokerage expenses	213,779,912	(82,877,437)	130,902,475
Other underwriting expenses	189,569,443	<u>82,877,437</u>	272,446,880
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

22 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:

TFRS	Topic
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.

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.