

**Pacific Cross Health Insurance
Public Company Limited**

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2024
and
Independent auditor's review report



KPMG Phoomchai Audit Ltd.
50th 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 September 2024; the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2024; the statements of changes in equity and cash flows for the nine-month period ended 30 September 2024; and the condensed notes ("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".

Charinrat Noprampa
Certified Public Accountant
Registration No. 10448

KPMG Phoomchai Audit Ltd.
Bangkok
14 November 2024

Pacific Cross Health Insurance Public Company Limited

Statement of financial position

Assets	Note	30 September	31 December
		2024	2023
		(Unaudited)	
		(in Baht)	
Cash and cash equivalents	3	429,148,865	399,392,178
Premiums due and uncollected, net	4	166,761,903	109,142,432
Accrued investment income		8,555,280	4,208,218
Reinsurers' share of insurance contract liabilities	10	434,232,778	205,688,092
Reinsurance receivables	6	66,194,775	30,469,833
Financial assets	7, 17, 18	716,094,238	779,597,064
Equipment	8	21,677,272	3,346,755
Right-of-use-assets	8	41,120,892	13,395,815
Intangible assets		12,143,746	12,413,598
Deferred acquisition costs	5	98,999,369	136,088,602
Deferred tax assets	14	2,492,410	28,791,939
Other assets	9, 16	34,954,905	62,767,876
Total assets		2,032,376,433	1,785,302,402

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>	2024	2023
Liabilities and equity		(Unaudited)	
		(in Baht)	
<i>Liabilities</i>			
Insurance contract liabilities	10	649,729,742	714,972,931
Reinsurance payable	11	268,425,457	152,896,445
Income tax payable		19,829,646	51,461,602
Provisions for employee benefits		5,366,528	4,809,476
Lease liabilities		43,447,747	13,744,847
Other liabilities	12, 16	188,178,511	164,981,451
Total liabilities		1,174,977,631	1,102,866,752
<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			
Appropriated			
Legal reserve		9,131,413	9,131,413
Unappropriated		348,267,389	173,304,237
Total equity		857,398,802	682,435,650
Total liabilities and equity		2,032,376,433	1,785,302,402

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	
	<i>Note</i>	2024	2023
		<i>(in Baht)</i>	
Revenues			
Gross premium written		439,527,246	415,878,155
<i>Less</i> premium ceded		<u>(122,120,162)</u>	<u>(69,412,592)</u>
Net premiums written		317,407,084	346,465,564
<i>Add</i> unearned premium reserve decrease from previous period		6,973,366	156,298,113
<i>Add</i> reinsurers' share of decrease in unearned premium reserve from previous period		<u>33,357,209</u>	<u>6,131,793</u>
Net premiums earned		357,737,659	508,895,470
Fee and commission income		43,852,853	27,820,356
Net investment income		865,431	2,896,066
Gain (loss) on investments		73,480	(261,688)
Gain (loss) on fair value changes	7	2,150,898	(70,035)
Other income		<u>1,582,681</u>	<u>70,511</u>
Total revenues		<u>406,263,002</u>	<u>539,350,679</u>
Expenses			
Insurance claim expenses	16	237,031,187	167,646,160
<i>Less</i> insurance claim expenses recovered from reinsurers		<u>(91,481,417)</u>	<u>(39,730,881)</u>
Net insurance claim expenses		145,549,770	127,915,279
Commission and brokerage expenses		51,321,718	93,421,755
Other underwriting expenses	16	80,443,949	158,467,685
Operating expenses	16	62,605,401	72,469,738
Reversal of expected credit loss	13	<u>(48,574)</u>	<u>(66,804)</u>
Total expenses		<u>339,872,264</u>	<u>452,207,653</u>
Profit before income tax		66,390,738	87,143,026
Income tax expense	14	<u>13,869,831</u>	<u>17,712,357</u>
Profit for the period		<u>52,520,907</u>	<u>69,430,669</u>
Total comprehensive income for the period		<u>52,520,907</u>	<u>69,430,669</u>
Basic earnings per share	15	2.63	3.47

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	2024	2023
		(in Baht)	
Revenues			
Gross premium written		1,278,440,252	1,900,109,210
Less premium ceded		<u>(306,124,140)</u>	<u>(195,939,858)</u>
Net premiums written		972,316,112	1,704,169,352
Add unearned premium reserve decrease from previous period		88,206,956	87,440,908
Add (less) reinsurers' share of decrease (increase) in unearned premium reserve from previous period		<u>69,297,681</u>	<u>(3,524,639)</u>
Net premiums earned		1,129,820,749	1,788,085,621
Fee and commission income		111,762,242	77,169,833
Net investment income		7,740,354	6,731,613
Loss on investments		(227,611)	(121,084)
Gain (loss) on fair value changes	7	1,816,055	(1,234,423)
Other income		<u>1,898,715</u>	<u>601,467</u>
Total revenues		<u>1,252,810,504</u>	<u>1,871,233,027</u>
Expenses			
Insurance claim expenses	16	598,144,206	519,089,384
Less insurance claim expenses recovered from reinsurers		<u>(247,506,986)</u>	<u>(115,133,184)</u>
Net insurance claim expenses		350,637,220	403,956,200
Commission and brokerage expenses		188,388,104	329,540,854
Other underwriting expenses	16	314,703,515	617,956,775
Operating expenses	16	180,456,064	223,961,969
Reversal of expected credit loss	13	<u>(27,284)</u>	<u>105,255</u>
Total expenses		<u>1,034,157,619</u>	<u>1,575,521,053</u>
Profit before income tax		218,652,885	295,711,974
Income tax expense	14	<u>43,689,733</u>	<u>56,920,489</u>
Profit for the period		<u>174,963,152</u>	<u>238,791,485</u>
Total comprehensive income for the period		<u>174,963,152</u>	<u>238,791,485</u>
Basic earnings per share	15	8.75	11.94

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)

		Retained earnings		
	Issued and paid-up share capital	Legal reserve	Unappropriated	Total equity
		(in Baht)		
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
Nine-month period ended 30 September 2024				
Balance at 1 January 2024	500,000,000	9,131,413	173,304,237	682,435,650
Comprehensive income for the period				
Profit for the period	-	-	174,963,152	174,963,152
Total comprehensive income for the period	-	-	174,963,152	174,963,152
Balance at 30 September 2024	500,000,000	9,131,413	348,267,389	857,398,802

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	
	<i>Note</i>	2024	2023
		<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>			
Premiums written		1,261,399,488	1,916,875,619
Cash paid to reinsurers		(12,632,513)	(6,264,110)
Interest received		5,743,521	5,783,233
Other income		686,364	282,190
Insurance claims expenses		(571,033,988)	(543,370,312)
Commission and brokerage expenses		(190,807,328)	(329,140,175)
Other underwriting expenses		(274,735,637)	(563,661,520)
Operating expenses		(164,916,235)	(286,695,491)
Income tax expense		(49,403,333)	(49,146,150)
Cash received - financial assets		210,119,570	811,627,691
Cash payment - financial assets		(164,206,795)	(1,011,680,533)
Net cash provided by (used in) operating activities		50,213,114	(55,389,558)
<i>Cash flows from investing activities</i>			
Cash flows used in:			
Acquisition of equipment	8	(21,581,090)	(2,187,146)
Disposal of equipment	8	7,796,607	-
Acquisition of intangible assets		(379,380)	(4,164,080)
Net cash used in investing activities		(14,163,863)	(6,351,226)
<i>Cash flows from financing activities</i>			
Cash flows used in:			
Payment of lease liabilities		(6,292,564)	(4,851,413)
Cash used in financing activities		(6,292,564)	(4,851,413)
Net increase (decrease) in cash and cash equivalents		29,756,687	(66,592,197)
Cash and cash equivalents at 1 January		399,392,178	464,705,811
Cash and cash equivalents at 30 September	3	429,148,865	398,113,614

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 2024 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Cash and cash equivalents
4	Premiums due and uncollected, net
5	Deferred acquisition costs
6	Reinsurance receivables
7	Financial assets
8	Equipment
9	Other assets
10	Insurance contract liabilities
11	Reinsurance payable
12	Other liabilities
13	Expected credit loss
14	Income tax expense
15	Basic earnings per share
16	Related parties
17	Financial instruments
18	Securities and assets pledged with the Registrar
19	Commitments with non-related parties
20	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 nine-month periods ended 30 September 2024 (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 14 November 2024.

1 General information

Pacific Cross Health Insurance Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No.3 Rajanakarn Building, 16th Fl., Zone BC, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120.

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 2023.

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 20.

(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 2023.

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 2024 (Unaudited)

3 Cash and cash equivalents

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
Cash	1,230,812	1,198,105
Deposits at banks - call deposits	427,918,053	398,194,073
Cash and cash equivalents	429,148,865	399,392,178

4 Premiums due and uncollected, net

As at 30 September 2024 and 31 December 2023, premiums due and uncollected and their aging are as follows:

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
Not yet overdue	26,148,064	29,866,376
Overdue		
Less than 30 days	89,145,132	13,008,289
30 - 60 days	24,028,149	47,609,186
60 - 90 days	4,737,006	10,213,024
90 days - 1 year	22,703,552	8,445,557
Over 1 year	10,697,223	9,889,038
Total premium due and uncollected	177,459,126	119,031,470
Less allowance for doubtful accounts	(10,697,223)	(9,889,038)
Premiums due and uncollected, net	166,761,903	109,142,432

5 Deferred acquisition costs

The movements of deferred acquisition costs are as follows:

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
At 1 January	136,088,602	167,606,655
Deferral of acquisition costs	266,880,955	814,167,502
Amortisation of acquisition costs	(303,970,188)	(845,685,555)
At 30 September 2024 / 31 December 2023	98,999,369	136,088,602

6 Reinsurance receivables

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
Due from reinsurers	66,194,775	30,469,833
Reinsurance receivables	66,194,775	30,469,833

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 2024 (Unaudited)

As at 30 September 2024 and 31 December 2023, aging analyses for due from reinsurers were as follows:

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
Within credit terms	66,194,775	30,469,833
Overdue:		
Over 1 year	-	-
Total due from reinsurer	66,194,775	30,469,833

7 Financial assets

7.1 Financial assets by measurement are as follows:

	30 September 2024		31 December 2023	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	(in Baht)			
<i>Financial assets measured at fair value through profit or loss</i>				
Equity securities	25,690,563	25,568,688	26,567,241	25,782,089
Unit trusts	62,502,241	64,261,439	61,599,764	62,206,184
Total	88,192,804	89,830,127	88,167,005	87,988,273
<i>Less unrealised gain (loss)</i>	1,637,323	-	(178,732)	-
Total financial assets measured at fair value through profit or loss	89,830,127	89,830,127	87,988,273	87,988,273
<i>Financial assets measured at amortised cost</i>				
Deposits at banks with original maturity over 3 months	616,751,308	616,751,308	682,123,271	682,123,271
Private debt securities	10,000,000	9,997,472	10,000,000	10,001,584
Total	626,751,308	626,748,780	692,123,271	692,124,855
<i>Less allowance for ECL</i>	(487,197)	-	(514,480)	-
Total financial assets measured at amortised cost	626,264,111	626,748,780	691,608,791	692,124,855
Total	716,094,238	716,578,907	779,597,064	780,113,128

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 2024 (Unaudited)

7.2 Financial assets measured at amortised cost

		30 September 2024	
	Carrying value	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	616,751,308	(477,541)	616,273,767
Private debt securities	10,000,000	(9,656)	9,990,344
Total	626,751,308	(487,197)	626,264,111
	Carrying value	31 December 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	682,123,271	(503,958)	681,619,313
Private debt securities	10,000,000	(10,522)	9,989,478
Total	692,123,271	(514,480)	691,608,791

8 Equipment

Acquisitions of equipment (excluding right-of-use assets) during the nine-month period ended 30 September 2024 were as follows:

	Furniture and fixtures	Office equipment (in Baht)	Total
Net book value as at 1 January 2024	563,348	2,783,407	3,346,755
Addition - cost	20,122,067	1,459,023	21,581,090
Disposals - net book value	(367,210)	(376,701)	(743,911)
Depreciation for the period	(1,407,400)	(1,099,262)	(2,506,662)
Net book value as at 30 September 2024	18,910,805	2,766,467	21,677,272

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 2024 (Unaudited)

Carrying amounts of the Company's right-of-use assets at 30 September 2024 are Baht 41.12 million and the Company recognised depreciation of right-of-use assets for the nine-month period ended 30 September 2024, amounting to Baht 6.58 million.

Movement of right-of-use assets comprise of building and leasehold and vehicle is as follows:

	Building and leasehold	Vehicle (in Baht)	Total
Net book value as at 1 January 2024	9,603,055	3,792,760	13,395,815
Addition	41,885,464	-	41,885,464
Cancellation of contracts - net book value	(7,578,012)	-	(7,578,012)
Depreciation for the period	(5,515,681)	(1,066,694)	(6,582,375)
Net book value as at 30 September 2024	38,394,826	2,726,066	41,120,892

The Company had a building lease agreement and supply services agreement with a third-party company for a period of 3 years, which will expire in 2027, with an option to renew for 3 years. The Company will pay rental and service fee as stipulated in the agreement.

9 Other assets

		30 September 2024	31 December 2023
	<i>Note</i>	(in Baht)	
Deposits		5,026,419	1,565,505
Prepaid expense		815,298	591,297
Advance prepaid of regional service fee	16	-	54,403,865
Others		29,113,188	6,207,209
Total		34,954,905	62,767,876

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 2024 (Unaudited)

10 Insurance contract liabilities

	30 September 2024			31 December 2023		
	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	119,484,170	(217,600,752)	(98,116,581)	79,759,795	(68,170,653)	11,589,142
- Incurred but not reported	54,081,041	(20,651,199)	33,429,841	65,577,950	(10,834,294)	54,743,656
Total loss reserves and outstanding claims	173,565,211	(238,251,951)	(64,686,740)	145,337,745	(79,004,947)	66,332,798
Unearned premium reserves	476,164,531	(195,980,827)	280,183,704	569,635,186	(126,683,146)	442,952,040
Total	649,729,742	(434,232,778)	215,496,964	714,972,931	(205,688,093)	509,284,838
10.1 Loss reserves and outstanding claims						
At 1 January	145,337,745	(79,004,947)	66,332,798	156,893,330	(59,447,688)	97,445,642
Insurance claim expense incurred during the period / year	616,019,144	(247,506,986)	368,512,158	743,325,807	(156,376,886)	586,948,921
Change in estimation and assumption	(11,496,909)	(10,218,649)	(21,715,558)	(23,859,266)	(462,320)	(24,321,586)
Insurance claim expense paid during the period / year	(576,294,769)	98,478,631	(477,816,138)	(731,022,126)	137,281,947	(593,740,179)
At 30 September 2024 / 31 December 2023	173,565,211	(238,251,951)	(64,686,740)	145,337,745	(79,004,947)	66,332,798
10.2 Unearned premium reserves						
At 1 January	569,635,186	(126,683,146)	442,952,040	612,766,955	(130,342,540)	482,424,415
Premium written during the period / year	1,273,176,553	(306,124,140)	967,052,413	2,360,530,862	(258,375,966)	2,102,154,896
Earned premium in the period / year	(1,366,647,208)	236,826,459	(1,129,820,749)	(2,403,662,631)	262,035,360	(2,141,627,271)
At 30 September 2024 / 31 December 2023	476,164,531	(195,980,827)	280,183,704	569,635,186	(126,683,146)	442,952,040
Unexpired risk reserves	209,567,584	(75,827,577)	133,740,007	207,616,620	(58,633,965)	148,982,655

As at 30 September 2024 and 31 December 2023, no additional reserve for unexpired risk reserves has been establish as the unexpired risk reserves estimated by the Company amounting to Baht 209.56 million (31 December 2023: Baht 207.61 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 nine-month periods ended 30 September 2024 (Unaudited)

11 Reinsurance payable

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
Amounts withheld on reinsurance	103,522,246	77,170,604
Due to reinsurers	164,903,211	75,725,841
Total	268,425,457	152,896,445

12 Other liabilities

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
Other accrued expenses	43,255,507	70,278,137
Commission and brokerage payable	26,846,068	30,284,967
Premium received in advance	64,627,378	7,147,861
Claim payable and commission payable obtained from portfolio transfers	42,076,105	42,076,106
Others	11,373,453	15,194,380
Total	188,178,511	164,981,451

13 Expected credit loss

	2024	2023
	<i>(in Baht)</i>	
Financial assets		
Financial assets measured at amortised cost	(27,284)	105,255
Total	(27,284)	105,255

14 Income tax expense

Income tax recognised in profit or loss

	2024	2023
	<i>(in Baht)</i>	
Current tax		
Current period	17,392,261	81,886,626
Adjustment for prior period	(2,057)	(31,634,375)
Deferred tax		
Movements in temporary differences	26,299,529	6,668,238
Total	43,689,733	56,920,489

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 2024 (Unaudited)

Reconciliation of effective tax rate

<i>Nine-month period ended 30 September</i>	2024		2023	
	Rate (%)	(in Baht)	Rate (%)	(in Baht)
Profit before income tax		<u>218,652,885</u>		<u>295,711,974</u>
Income tax using the Thai corporation tax rate	20	43,730,577	20	59,142,395
Expense (income) not subject to tax		(38,788)		29,412,469
Over provided in prior years		<u>(2,057)</u>		<u>(31,634,375)</u>
Total	20	<u>43,689,733</u>	19	<u>56,920,489</u>

Deferred tax assets

	30 September 2024	31 December 2023
	(in Baht)	
Deferred tax assets	<u>2,492,410</u>	<u>28,791,939</u>

Movements in total deferred tax assets during the nine-month periods ended 30 September 2024 and 2023 are as follow:

	At 1 January 2024	(Charged) / credited to:		At 30 September 2024
		Profit or loss	Other comprehensive income	
		(in Baht)		
<i>Deferred tax assets</i>				
Allowance for doubtful accounts	1,977,809	161,637	-	2,139,446
Allowance of impairment	102,896	(5,458)	-	97,438
Premium reserve	12,292,833	-	-	12,292,833
Loss reserve	13,266,560	(26,203,908)	-	(12,937,348)
Employee benefits obligation	1,116,095	111,411	-	1,227,506
Unrealised loss (profit) from financial assets measured at fair value through profit or loss	35,746	(363,211)	-	(327,465)
Total	<u>28,791,939</u>	<u>(26,299,529)</u>	<u>-</u>	<u>2,492,410</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 2024 (Unaudited)

	At 1 January 2023	(Charged) / credited to: Profit or loss	Other comprehensive income (in Baht)	At 30 September 2023
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

15 Basic earnings per share

The calculations of basic earnings per share for the nine-month periods ended 30 September 2024 and 2023 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>	2024	2023
Profit for the period attributable to ordinary shareholders (in Baht)	174,963,152	238,791,485
Number of ordinary shares outstanding (in shares)	20,000,000	20,000,000
Basic earnings per share (Baht)	8.75	11.94

16 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/individuals	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 nine-month periods ended 30 September 2024 (Unaudited)

The pricing policies for significant types of transactions with related parties 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>	2024	2023
	<i>(in Baht)</i>	
<i>Med-Sure Services Limited</i>		
Underwriting expense	44,502,825	52,478,680
Loss adjustment expense	28,670,954	34,460,453
 <i>Pacific Cross International Limited</i>		
Consulting fees	3,797,178	48,526,484
 <i>Key management personnel compensation</i>		
Short-term employee benefits	9,993,938	14,236,420
Directors remuneration	710,000	1,010,000
Post-employment benefits	259,205	97,108
Total	10,963,142	15,343,528

Significant balance with related parties as at 30 September 2024 and 31 December 2023 were as follows:

	30 September 2024	31 December 2023
	<i>(in Baht)</i>	
<i>Med-Sure Services Limited</i>		
Underwriting and loss adjustment payable	9,362,900	10,252,736
 <i>Pacific Cross International Limited</i>		
Advance prepaid of regional service fee	-	54,403,865
Accrued expense of regional service fee	3,797,178	-

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 2024 (Unaudited)

17 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 2024				
<i>Financial assets</i>				
Equity securities	25,568,688	-	-	25,568,688
Unit trusts	-	64,261,439	-	64,261,439
Total	25,568,688	64,261,439	-	89,830,127
	Fair value			Total
	Level 1	Level 2	Level 3	
	<i>(in Baht)</i>			
31 December 2023				
<i>Financial assets</i>				
Equity securities	25,782,089	-	-	25,782,089
Unit trusts	-	62,206,184	-	62,206,184
Total	25,782,089	62,206,184	-	87,988,273

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.

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 2024 (Unaudited)

18 Securities and assets pledged with the Registrar

18.1 As at 30 September 2024 and 31 December 2023, 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 2024	31 December 2023
	Book value	Book value
	(in Baht)	
Term deposits	<u>3,500,000</u>	<u>3,500,000</u>

18.2 As at 30 September 2024 and 31 December 2023, 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 2024	31 December 2023
	Book value	Book value
	(in Baht)	
Term deposits	<u>217,483,034</u>	<u>217,483,034</u>

19 Commitments with non-related parties

<i>Future minimum lease payment under non-cancellable operating leases</i>	30 September 2024	31 December 2023
	(in Baht)	
Within 1 year	72,000	224,000
1 - 5 years	<u>228,000</u>	<u>247,500</u>
Total	<u>300,000</u>	<u>471,500</u>

20 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.

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 2024 (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.