

Ref. No. 156/2020

August 14, 2020

SUBJECT : Management Discussion and Analysis ending June 30, 2020

ATTN : The President  
Stock Exchange of Thailand

Nam Seng Insurance Plc would like to clarify the operating result audited by an external auditor for the second quarter of 2020 ending June 30, 2020, which presented net profit of Baht 89.64 million, an increase of Baht 89.01 million or 14,004.05%, over the same period last year. The relevant details are as follows:-

1. The Company realized the underwriting profit for the second quarter of 2020 amounted to Baht 91.42 million, an increase of Baht 121.91 million, or 399.94%. This was due to :

- Earned premium and commission and brokerage income amounted to Baht 491.06 million, a decrease of Baht 29.04 million or 5.58% over the same period last year due to written premium for the second quarter of 2020 decreased by Baht 86.48 million as a result of the affected by the outbreak of the 2019 coronavirus (COVID-19) crisis.
- Underwriting expenses was Baht 399.63 million, a decrease of Baht 150.95 million or 27.42% because long-term insurance policy reserve decreased by Baht 76.41 million, net claim decreased by Baht 39.92 million, commission and brokerage expenses decreased by Baht 15.06 million and operating expenses decreased by Baht 19.65 million, is related to a decline in the direct premium compared with the same quarter last year.

2. The investment income and other income amounted to Baht 27.71 million, a decrease of Baht 2.82 million or 9.22% over the same period last year, because of the fluctuation of the price of stocks listed on the stock exchange of Thailand.

3. Expected credit losses increased by Baht 7.42 million over the same period last year due to the accounting guidance related to financial instruments and disclosures applicable to insurance business requires the Company recognize an allowance for expected credit losses on its financial assets and it is no longer necessary for a credit-impaired event to have occurred.

4. Income tax expense increased by Baht 22.66 million compared with the same period last year due to a rise of the underwriting profit.

Please be informed and kindly disseminate this information to the investors.

Yours sincerely,

(Mr. Somboon Fusriboon)  
Managing Director