

Nam Seng Insurance Public Company Limited  
Review report and interim financial statements  
30 June 2014

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Nam Seng Insurance Public Company Limited

I have reviewed the accompanying statement of financial position of Nam Seng Insurance Public Company Limited as at 30 June 2014, the related statements of comprehensive income for the three-month and six-month periods ended 30 June 2014, the statements of changes in equity, and cash flows for the six-month period then ended, as well as the condensed notes to the financial statements. 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 auditing standards 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.

Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 8 August 2014

**Nam Seng Insurance Public Company Limited****Statements of financial position****As at 30 June 2014**

		(Unit: Baht)	
	Note	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	2	119,271,464	161,737,384
Accrued investment income		14,998,570	14,546,395
Premium receivables	3	181,529,360	192,930,630
Reinsurance assets	4	277,083,843	317,526,926
Investment assets			
Investments in securities	5		
Trading investments		54,478,532	41,710,431
Available-for-sale investments		425,645,248	242,067,840
Held-to-maturity investments		1,573,491,654	1,680,726,285
Other investments		2,223,020	2,223,020
Loans	6	6,361,022	7,074,276
Properties foreclosed		13,535,737	15,148,501
Property, buildings and equipment	7	148,312,597	155,621,889
Intangible assets	8	1,461,348	1,693,134
Deferred tax assets	9	89,455,389	83,912,078
Other assets	10	32,234,982	48,217,772
<b>Total assets</b>		<u>2,940,082,766</u>	<u>2,965,136,561</u>

The accompanying notes are an integral part of the financial statements.

**Nam Seng Insurance Public Company Limited**

**Statements of financial position (continued)**

**As at 30 June 2014**

		(Unit: Baht)	
	Note	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Income tax payable		20,241,312	12,039,464
Due to reinsurers	11	124,784,248	157,298,309
Insurance contract liabilities			
Loss reserves and outstanding claims	12	598,176,588	604,279,480
Premium reserve	13.1	862,935,406	832,842,359
Employee benefit obligations		43,153,619	48,697,557
Accrued commissions		34,480,888	41,251,535
Premium received in advance		22,097,048	22,257,344
Other liabilities	14	60,035,918	73,610,230
<b>Total liabilities</b>		<u>1,765,905,027</u>	<u>1,792,276,278</u>
<b>Equity</b>			
Share capital			
Registered			
20,000,000 ordinary shares of Baht 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued and paid-up			
13,900,000 ordinary shares of Baht 10 each		139,000,000	139,000,000
Premium on share capital		594,436,835	594,436,835
Retained earnings			
Appropriated			
Legal reserve		24,848,787	24,848,787
General reserve		6,163,850	6,163,850
Unappropriated		402,159,997	416,875,811
Other components of equity		7,568,270	(8,465,000)
<b>Total equity</b>		<u>1,174,177,739</u>	<u>1,172,860,283</u>
<b>Total liabilities and equity</b>		<u>2,940,082,766</u>	<u>2,965,136,561</u>
		-	-

The accompanying notes are an integral part of the financial statements.

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Directors  
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(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income**  
**For the three-month period ended 30 June 2014**

		(Unit: Baht)	
	Note	2014	2013
<b>Income</b>			
Net earned premium	15	397,041,281	361,997,297
Fee and commission income	15	11,929,357	9,934,301
<b>Total income</b>		<b>408,970,638</b>	<b>371,931,598</b>
<b>Expenses</b>			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	15	206,781,739	204,649,467
Commission and brokerage expenses	15	64,805,506	64,614,738
Other underwriting expenses	15	12,820,964	11,410,181
Contribution to Road Accident Victims Protection			
Company Limited	15	4,984,518	4,732,051
Operating expenses	15, 16	68,745,960	86,353,500
<b>Total underwriting expenses</b>		<b>358,138,687</b>	<b>371,759,937</b>
<b>Gains from underwriting</b>		<b>50,831,951</b>	<b>171,661</b>
Net investment income		16,372,626	15,921,395
Gains on investments		2,419,777	1,814,473
Fair value gains (losses)		7,175,047	(14,418,151)
Other income		10,253,873	1,998,949
<b>Profit from operations</b>		<b>87,053,274</b>	<b>5,488,327</b>
Contribution to the Office of Insurance Commission		(1,254,788)	(1,172,613)
Contribution to the General Insurance Fund		(1,045,375)	(976,583)
Contribution to the Victims Compensation Fund		(406,900)	(386,290)
<b>Profit before income tax expenses</b>		<b>84,346,211</b>	<b>2,952,841</b>
Income tax expenses	9	(15,703,512)	(1,956,295)
<b>Profit for the period</b>		<b>68,642,699</b>	<b>996,546</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income (continued)**  
**For the three-month period ended 30 June 2014**

		(Unit: Baht)	
	Note	2014	2013
<b>Other comprehensive income</b>			
Losses on changes in values of available-for-sale investments		11,194,392	(21,114,348)
Income tax relating to components of other comprehensive income	9	(2,238,879)	4,222,870
Other comprehensive income for the period - net of tax		8,955,513	(16,891,478)
<b>Total comprehensive income for the period</b>		<u>77,598,212</u>	<u>(15,894,932)</u>
<b>Earning per share</b>			
Basic earning per share			
Profit for the period		<u>4.94</u>	<u>0.07</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income**  
**For the six-month period ended 30 June 2014**

		(Unit: Baht)	
	Note	2014	2013
<b>Income</b>			
Net earned premium	15	785,304,256	696,033,176
Fee and commission income	15	20,973,615	16,638,263
<b>Total income</b>		<u>806,277,871</u>	<u>712,671,439</u>
<b>Expenses</b>			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	15	443,239,491	397,826,532
Commission and brokerage expenses	15	135,229,167	144,401,792
Other underwriting expenses	15	22,824,019	20,469,885
Contribution to Road Accident Victims Protection			
Company Limited	15	9,938,005	9,679,030
Operating expenses	15, 16	153,085,273	147,587,607
<b>Total underwriting expenses</b>		<u>764,315,955</u>	<u>719,964,846</u>
<b>Gain (losses) from underwriting</b>		41,961,916	(7,293,407)
Net investment income		34,197,830	60,259,687
Gains on investments		2,440,665	23,501,478
Fair value gains (losses)		8,619,731	(5,925,478)
Other income		11,554,859	2,494,768
<b>Profit from operations</b>		<u>98,775,001</u>	<u>73,037,048</u>
Contribution to the Office of Insurance Commission		(2,619,959)	(2,561,860)
Contribution to the General Insurance Fund		(2,182,789)	(2,134,288)
Contribution to the Victims Compensation Fund		(811,266)	(790,125)
<b>Profit before income tax expenses</b>		<u>93,160,987</u>	<u>67,550,775</u>
Income tax expenses	9	(17,526,801)	(9,337,034)
<b>Profit for the period</b>		<u>75,634,186</u>	<u>58,213,741</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income (continued)**  
**For the six-month period ended 30 June 2014**

		(Unit: Baht)	
	Note	2014	2013
		<u>                    </u>	<u>                    </u>
<b>Other comprehensive income</b>			
Gains (losses) on changes in values of available-for-sale investments		20,041,588	(26,841,614)
Income tax relating to components of other comprehensive income	9	<u>(4,008,318)</u>	<u>5,368,323</u>
Other comprehensive income for the period - net of tax		<u>16,033,270</u>	<u>(21,473,291)</u>
<b>Total comprehensive income for the period</b>		<u><u>91,667,456</u></u>	<u><u>36,740,450</u></u>
<b>Earning per share</b>			
Basic earning per share			
Profit for the period		<u>5.44</u>	<u>4.19</u>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**

**Statement of changes in equity**

**For the six-month period ended 30 June 2014**

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	Other components of equity	Total
			Appropriated			Other comprehensive income	
			Statutory reserve	Other		Surplus (deficit) on changes in values of available- for-sale investments	
<b>Balance as at 1 January 2013</b>	139,000,000	594,436,835	24,848,787	6,163,850	247,765,755	29,684,430	1,041,899,657
Dividend paid (Note 21)	-	-	-	-	(13,900,000)	-	(13,900,000)
Total comprehensive income for the period	-	-	-	-	58,213,741	(21,473,291)	36,740,450
<b>Balance as at 30 June 2013</b>	<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>292,079,496</u>	<u>8,211,139</u>	<u>1,064,740,107</u>
<b>Balance as at 1 January 2014</b>	139,000,000	594,436,835	24,848,787	6,163,850	416,875,811	(8,465,000)	1,172,860,283
Dividend paid (Note 21)	-	-	-	-	(90,350,000)	-	(90,350,000)
Total comprehensive income for the period	-	-	-	-	75,634,186	16,033,270	91,667,456
<b>Balance as at 30 June 2014</b>	<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>402,159,997</u>	<u>7,568,270</u>	<u>1,174,177,739</u>
	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**

**Statement of cash flows**

**For the six-month period ended 30 June 2014**

	(Unit: Baht)	
	2014	2013
<b>Cash flows from operating activities</b>		
Direct premium written	884,832,292	819,787,909
Cash received (paid) for reinsurance	2,220,633	69,941,815
Losses incurred of direct insurance	(435,574,778)	(483,451,393)
Losses adjustment expenses of direct insurance	(48,205,582)	(50,194,676)
Commissions and brokerages of direct insurance	(140,057,498)	(136,551,841)
Other underwriting expenses	(32,762,024)	(30,148,915)
Interest income	28,694,593	27,788,445
Dividend income	5,051,062	33,112,064
Other investment income	(489,232)	(653,611)
Other income	11,554,859	2,494,768
Operating expenses	(184,008,276)	(136,844,708)
Other expenses	21,988,696	5,467,612
Income tax	(18,876,580)	(6,616,914)
<b>Net cash from operating activities</b>	<b>94,368,165</b>	<b>114,130,555</b>
<b>Cash flows from investing activities</b>		
Cash flows from		
Investments in securities	841,379,337	1,034,702,133
Loans	1,237,453	1,271,509
Property, building and equipment	11,671,133	366,449
Net cash from investing activities	<b>854,287,923</b>	<b>1,036,340,091</b>
Cash flows used in		
Investments in securities	(898,898,999)	(1,112,036,644)
Loans	(524,200)	(319,945)
Property, building and equipment	(1,348,809)	(18,385,861)
Net cash used in investing activities	<b>(900,772,008)</b>	<b>(1,130,742,450)</b>
<b>Net cash used in investing activities</b>	<b>(46,484,085)</b>	<b>(94,402,359)</b>
<b>Cash flows from financing activities</b>		
Dividend paid (Note 21)	(90,350,000)	(13,900,000)
<b>Net cash used in financing activities</b>	<b>(90,350,000)</b>	<b>(13,900,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(42,465,920)</b>	<b>5,828,196</b>
Cash and cash equivalents at beginning of period	161,737,384	66,386,951
<b>Cash and cash equivalents at end of period (Note 4)</b>	<b>119,271,464</b>	<b>72,215,147</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of cash flows (continued)**  
**For the six-month period ended 30 June 2014**

	2014	2013
(Unit: Baht)		
<b>Supplemental cash flows information</b>		
Non-cash item		
Gains (losses) on changes in values of available-for-sale investments - net of tax	16,033,270	(21,473,291)

The accompanying notes are an integral part of the financial statements.

**Nam Seng Insurance Public Company Limited**

**Notes to interim financial statements**

**For the three-month and six-month period ended 30 June 2014**

**1. General information**

**1.1 Corporate information**

Nam Seng Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is NS Alliance Co., Ltd., which was incorporated in Thailand. The Company is principally engaged in the provision of non-life insurance. The Company’s registered office is located at 767 Krungthep-Nonthaburi Road, Bangsue, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standards No. 34 (revised 2009) “Interim Financial Reporting” and the Declaration of the Insurance Commission dated 27 May 2010, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### 1.3 The impact from the severe flooding

In the fourth quarter of 2011, there was severe flooding in Thailand. The floods materially affected the financial statements of the Company, with the financial impact of the floods reflected in the financial statements until 30 June 2014 are as follows:

(Unit: Million Baht)

	Gross claims	Claims refundable		Net claims
		from reinsurers		
		Agreed	Reserve	
Loss reserves and outstanding claims	134	-	(95)	39
Claims paid	268	(240)	-	28
Total	402	(240)	(95)	67
Claims reserve refundable from reinsurance under Excess of Loss contracts				(2)
Claims refundable from reinsurance under Excess of Loss contracts received				(26)
Net claims expense - statement of comprehensive income				39
Less: Net claims expense - statement of comprehensive income 2011 - 2013				(40)
Add: Net claims expense - statement of comprehensive income in the first quarter of 2014				-
Net claims expense - statement of comprehensive income in the second quarter of 2014				(1)

The Company currently set aside loss reserves and insurance reserve refundable from reinsurers based on best estimates, with reference to supporting documentation and surveyors' reports.

### 1.4 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

#### (a) Accounting standards that became effective in the current accounting year

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company or do not have a significant impact.

**(b) Accounting standards that will become effective in the future**

Financial Reporting Standard		<u>Effective Date</u>
TFRS 4	Insurance contracts	1 January 2016

The Company's management is still evaluating the first-year impact of TFRS 4 to the financial statements for the year in which TFRS 4 will be adopted and has yet to reach a conclusion.

**1.5 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

**2. Cash and cash equivalents**

	(Unit: Baht)	
	30 June 2014	31 December 2013
Cash on hand	248,958	242,398
Deposits at banks with no fixed maturity date	89,022,506	161,494,986
Deposits at banks with fixed maturity date	885,000,000	985,000,000
Total cash and deposits at financial institutions	974,271,464	1,146,737,384
Less: Deposits at banks which amount maturing in over 3 months	(855,000,000)	(985,000,000)
Cash and cash equivalents	119,271,464	161,737,384

### 3. Premium receivables

The balances as at 30 June 2014 and 31 December 2013 of premium receivables are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	30 June 2014			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	596,505	26,954,527	-	27,551,032
Not over 30 days	1,607,519	123,606,345	15,190	125,229,054
Over 30 days to 60 days	7,183,272	28,446,363	2,711	35,632,346
Over 60 days to 90 days	517,539	11,833,627	17,067	12,368,233
Over 90 days to 1 year	926,671	4,117,907	46,747	5,091,325
Over 1 year	21,715	10,563,183	-	10,584,898
Total premium receivables	10,853,221	205,521,952	81,715	216,456,888
Less: Allowance for doubtful accounts	(1,028,175)	(33,899,353)	-	(34,927,528)
Premium receivables, net	9,825,046	171,622,599	81,715	181,529,360

(Unit: Baht)

	31 December 2013			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	3,385,452	27,833,213	-	31,218,665
Not over 30 days	671,599	130,350,214	37,028	131,058,841
Over 30 days to 60 days	1,808,031	30,693,116	158,046	32,659,193
Over 60 days to 90 days	662,050	6,053,602	7,046	6,722,698
Over 90 days to 1 year	380,541	3,343,268	-	3,723,809
Over 1 year	13,141	11,319,040	-	11,332,181
Total premium receivables	6,920,814	209,592,453	202,120	216,715,387
Less: Allowance for doubtful accounts	(1,056,378)	(22,728,379)	-	(23,784,757)
Premium receivables, net	5,864,436	186,864,074	202,120	192,930,630

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company has the legal process with such agents and brokers.

**4. Reinsurance assets**

	(Unit: Baht)	
	30 June 2014	31 December 2013
Amounts deposit on reinsurance	2,929	2,929
Amounts due from reinsurers	101,921,089	116,215,319
Insurance reserve refundable from reinsurers	187,789,662	204,038,678
Reinsurance assets	289,713,680	320,256,926
Less : Allowance for doubtful accounts	(12,629,837)	(2,730,000)
Reinsurance assets - net	<u>277,083,843</u>	<u>317,526,926</u>

Insurance reserve refundable from reinsurers as at 30 June 2014 includes insurance reserve refundable from reinsurers from flooding loss amounting to Baht 97 million as described in Note 1.3 to the financial statements (31 December 2013: Baht 93 million).

The balances as at 30 June 2014 and 31 December 2013 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	30 June 2014	31 December 2013
Not over 12 months	100,623,290	116,214,904
Over 1 year to 2 years	1,297,384	-
Over 2 years	415	415
Total amounts due from reinsurers	101,921,089	116,215,319
Less: Allowance for doubtful accounts	(9,428,825)	-
Amounts due from reinsures - net	<u>92,492,264</u>	<u>116,215,319</u>

**5. Investments in securities**

	(Unit: Baht)			
	30 June 2014		31 December 2013	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments</b>				
Equity securities	41,448,221	51,186,357	38,272,075	39,400,336
Unit trusts	3,277,372	3,292,175	2,305,149	2,310,095
Total	44,725,593	54,478,532	40,577,224	41,710,431
Add: Unrealised gains	9,752,939	-	1,133,207	-
<b>Total trading investments</b>	<u>54,478,532</u>	<u>54,478,532</u>	<u>41,710,431</u>	<u>41,710,431</u>
<b>Available-for-sale investments</b>				
Equity securities	15,170,991	18,354,106	15,273,610	18,912,196
Unit trusts	360,972,998	367,250,222	237,375,479	223,155,644
Debentures	40,040,920	40,040,920	-	-
Total	416,184,909	425,645,248	252,649,089	242,067,840
Add: Unrealised losses	9,460,339	-	(10,581,249)	-



(Unaudited but reviewed)

<b>Total available-for-sale investments</b>	<u>425,645,248</u>	<u>425,645,248</u>	<u>242,067,840</u>	<u>242,067,840</u>
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(Unit: Baht)

	30 June 2014	31 December 2013
	Cost/ Amortised cost	Cost/ Amortised cost
<b>Held-to-maturity investments</b>		
Government and state enterprise securities	558,053,329	514,726,285
Private enterprise debt securities	160,438,325	158,000,000
Deposits at commercial banks	855,000,000	1,008,000,000
<b>Total held-to-maturity investments</b>	<u>1,573,491,654</u>	<u>1,680,726,285</u>
<b>Other investments</b>		
Equity securities	2,223,020	2,223,020
<b>Total other investments</b>	<u>2,223,020</u>	<u>2,223,020</u>

Investments in debt securities as at 30 June 2014 and 31 December 2013 will be matured redemption as follows:

(Unit: Baht)

	30 June 2014			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	72,961,070	399,493,353	85,598,906	558,053,329
Private enterprise debt securities	73,000,000	50,000,000	37,438,325	160,438,325
Deposits at commercial banks	855,000,000	-	-	855,000,000
<b>Total investments in debt securities</b>	<u>1,000,961,070</u>	<u>449,493,353</u>	<u>123,037,231</u>	<u>1,573,491,654</u>

(Unit: Baht)

	31 December 2013			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	100,539,512	241,405,003	172,781,770	514,726,285
Private enterprise debt securities	83,000,000	60,000,000	15,000,000	158,000,000
Deposits at commercial banks	933,000,000	75,000,000	-	1,008,000,000
<b>Total investments in debt securities</b>	<u>1,116,539,512</u>	<u>376,405,003</u>	<u>187,781,770</u>	<u>1,680,726,285</u>

As at 30 June 2014 and 31 December 2013, certain bonds have been pledged with the Registrar of the Office of Insurance Commission and have been placed as a security in the normal course of business as discussed in Notes 18, 19 and 20.

## 6. Loans

As at 30 June 2014 and 31 December 2013, loans and accrued interest aged by principal and accrued interest are as follows:

(Unit: Baht)

Outstanding period	30 June 2014						
	Mortgage loans		Other		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	
Not yet due	5,628,220	4,050	732,802	-	6,361,022	4,050	6,365,072
Overdue							
More than 12 months	-	-	314,526	203,847	314,526	203,847	518,373
Total	5,628,220	4,050	1,047,328	203,847	6,675,548	207,897	6,883,445
Less: Allowance for doubtful accounts	-	-	(314,526)	(203,847)	(314,526)	(203,847)	(518,373)
Loans and accrued interest, net	<u>5,628,220</u>	<u>4,050</u>	<u>732,802</u>	<u>-</u>	<u>6,361,022</u>	<u>4,050</u>	<u>6,365,072</u>

(Unit: Baht)

Outstanding period	31 December 2013						
	Mortgage loans		Other		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	
Not yet due	6,508,862	2,571	565,414	33	7,074,276	2,604	7,076,880
Overdue							
More than 12 months	-	-	314,526	203,847	314,526	203,847	518,373
Total	6,508,862	2,571	879,940	203,880	7,388,802	206,451	7,595,253
Less: Allowance for doubtful accounts	-	-	(314,526)	(203,847)	(314,526)	(203,847)	(518,373)
Loans and accrued interest, net	<u>6,508,862</u>	<u>2,571</u>	<u>565,414</u>	<u>33</u>	<u>7,074,276</u>	<u>2,604</u>	<u>7,076,880</u>

The credit limit on employee loans that are secured by personal guarantees is set at 20 times of the employee's monthly salary, and may not exceed Baht 500,000. If loans are secured by the mortgage of property, the credit limit is 90% of the assessed value of the property. Also taken into account is the purpose of the loan, ability to settle the debt, while the interest rate may be set higher or lower than MLR of a commercial bank.

## 7. Property, buildings and equipment

The movement of property, buildings and equipment for the six-month period ended 30 June 2014 are as follows:

(Unit: Baht)

	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Net book value as at						
1 January 2014	103,472,866	36,530,548	11,316,910	3,676,065	625,500	155,621,889
Additions - at cost	-	-	699,073	-	405,736	1,104,809
Disposals - net book value	(1,435,000)	(485,432)	(6,270)	-	-	(1,926,702)
Depreciation changes for the period	-	(3,201,859)	(2,675,476)	(610,064)	-	(6,487,399)
Net book value as at 30 June 2014	<u>102,037,866</u>	<u>32,843,257</u>	<u>9,334,237</u>	<u>3,066,001</u>	<u>1,031,236</u>	<u>148,312,597</u>

## 8. Intangible assets

(Unit: Baht)

	Computer software
Net book values as at 1 January 2014	1,693,134
Additions - at cost	244,000
Disposals - net book value	(2)
Amortisation charge for the period	(475,784)
Net book value as at 30 June 2014	<u>1,461,348</u>

## 9. Income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2014 and 2013 are made up as follows:

(Unit: Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2014	2013	2014	2013
<b>Current income tax:</b>				
Interim income tax charge	10,144,322	(998,313)	27,078,428	15,571,727
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	5,559,190	2,954,608	(9,551,627)	(6,234,693)
<b>Income tax expense reported in the</b>	<u>15,703,512</u>	<u>1,956,295</u>	<u>17,526,801</u>	<u>9,337,034</u>

(Unaudited but reviewed)

**statements of comprehensive income**

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 are as follows:

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Deferred tax relating to gain (loss) on changes in value of available-for-sale investments	(2,238,879)	4,222,870	(4,008,318)	5,368,323

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rates for the six-month periods ended 30 June 2014 and 2013:

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Accounting profits before tax	84,346,211	2,952,841	93,160,987	67,550,775
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	16,869,242	590,568	18,632,197	13,510,155
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(1,165,730)	1,365,727	(1,105,396)	(4,173,121)
Income tax expenses reported in the statements of comprehensive income	15,703,512	1,956,295	17,526,801	9,337,034

The components of deferred tax assets are as follows:

(Unit: Baht)

	30 June 2014	31 December 2013
<b>Deferred tax assets:</b>		
Allowance for doubtful debts	11,114,524	7,020,344
Premium reserves	32,560,591	28,925,451
Provision for losses incurred but not yet reported (IBNR)	8,800,584	9,249,645
Loss reserves	34,480,368	30,718,547
Provision for long-term employee benefits	6,341,978	6,108,484
Unrealised losses (gains) on changes in values of available-for-sale investments	(1,892,068)	2,116,249
Unrealised gains on changes in values of trading investments	(1,950,588)	(226,642)

(Unaudited but reviewed)

(Unit: Baht)

	30 June 2014	31 December 2013
<b>Deferred tax assets</b>	<u>89,455,389</u>	<u>83,912,078</u>

(Unaudited but reviewed)

**10. Other assets**

	(Unit: Baht)	
	30 June 2014	31 December 2013
Advances	1,128,498	1,950,630
Prepaid expenses	9,122,744	19,676,655
Undue input tax	2,739,700	4,118,579
Claim receivable from litigants	3,470,754	2,095,034
Notes receivable	7,599,337	8,787,489
Others	8,173,949	11,589,385
Total other assets	<u>32,234,982</u>	<u>48,217,772</u>

**11. Due to reinsurers**

	(Unit: Baht)	
	30 June 2014	31 December 2013
Outward premium payables	83,651,052	125,595,183
Amounts withheld on reinsurance	41,133,196	31,703,126
Total due to reinsurers	<u>124,784,248</u>	<u>157,298,309</u>

**12. Loss reserves and outstanding claims**

	(Unit: Baht)	
	30 June 2014	31 December 2013
Beginning Balance	604,279,480	882,432,492
Claims and losses adjustment expenses for the period	486,676,803	878,395,979
Change in claims and losses adjustment expenses paid of the prior period	(6,750,283)	(179,441,997)
Claims and losses adjustment expenses paid during the period	<u>(486,029,412)</u>	<u>(977,106,994)</u>
Ending balance	<u>598,176,588</u>	<u>604,279,480</u>

As at 30 June 2014 and 31 December 2013 the Company, which is reinsurer under the reinsurance contracts, has loss reserve and outstanding claims under such contracts of Baht 0.2 million and Baht 0.3 million, respectively.

Loss reserves and outstanding claims as at 30 June 2014 include loss reserves and outstanding claims from flooding claim amounting to Baht 134 million as described in Note 1.3 to the financial statements (31 December 2013: Baht 136 million).

(Unaudited but reviewed)

### 13. Premium reserve

#### 13.1 Unearned premium reserves

	(Unit: Baht)	
	30 June 2014	31 December 2013
Beginning balance	832,842,359	703,776,210
Premium written for the period	875,315,431	1,696,522,213
Premium earned for the current period	(845,222,384)	(1,567,456,064)
Ending balance	<u>862,935,406</u>	<u>832,842,359</u>

#### 13.2 Unexpired risk reserves

	(Unit: Baht)	
	30 June 2014	31 December 2013
Beginning balance	567,723,345	529,248,679
Estimated claims for the period	588,072,285	1,219,021,108
Risk expired during the period	(574,953,414)	(1,180,546,442)
Ending balance	<u>580,842,216</u>	<u>567,723,345</u>

### 14. Other liabilities

	(Unit: Baht)	
	30 June 2014	31 December 2013
Account payable - Revenue Department	5,673,181	5,392,008
Withholding tax payable	1,829,992	1,379,401
Undue output tax	11,837,789	12,547,263
Accrued expenses	14,581,604	19,735,677
Deposits from brokers	16,559,295	13,541,873
Others	9,554,057	21,014,008
Total other liabilities	<u>60,035,918</u>	<u>73,610,230</u>

(Unaudited but reviewed)

## 15. Underwriting information reported by insurance categories

Underwriting information classified by insurance categories for the three-month period ended 30 June 2014 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	9,773,622	3,432,381	347,976,035	47,905,691	11,059,277	420,147,006
Less: Premium ceded	(5,723,873)	(2,481,347)	3,659,670	(20,562,974)	(8,740,359)	(33,848,883)
Net premium written	4,049,749	951,034	351,635,705	27,342,717	2,318,918	386,298,123
Add (less): Unearned premium reserve	(853,520)	(703,540)	21,357,588	(9,119,757)	62,387	10,743,158
Earned premium	3,196,229	247,494	372,993,293	18,222,960	2,381,305	397,041,281
Fee and commission income	2,405,053	941,098	-	6,325,458	2,257,748	11,929,357
<b>Total underwriting income</b>	<b>5,601,282</b>	<b>1,188,592</b>	<b>372,993,293</b>	<b>24,548,418</b>	<b>4,639,053</b>	<b>408,970,638</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	1,158,382	856,951	200,188,274	9,079,027	(4,500,895)	206,781,739
Commission and brokerage expenses	3,398,912	537,542	55,501,265	4,245,282	1,122,505	64,805,506
Other underwriting expenses	231,867	5,687	10,917,018	1,364,751	301,641	12,820,964
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	4,984,518	-	-	4,984,518
<b>Total underwriting expenses before operating expenses</b>	<b>4,789,161</b>	<b>1,400,180</b>	<b>271,591,075</b>	<b>14,689,060</b>	<b>(3,076,749)</b>	<b>289,392,727</b>
Operating expenses						68,745,960
<b>Total underwriting expenses</b>						<b>358,138,687</b>



(Unaudited but reviewed)

Underwriting information classified by insurance categories for the three-month period ended 30 June 2013 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	9,243,654	5,636,985	340,766,966	26,277,255	10,847,365	392,772,225
Less: Premium ceded	(7,295,383)	(4,463,716)	(6,483)	(8,723,828)	(7,582,849)	(28,072,259)
Net premium written	1,948,271	1,173,269	340,760,483	17,553,427	3,264,516	364,699,966
Add (less): Unearned premium reserve	1,339,600	(645,857)	(719,702)	(3,347,283)	670,573	(2,702,669)
Earned premium	3,287,871	527,412	340,040,781	14,206,144	3,935,089	361,997,297
Fee and commission income	3,616,042	1,515,484	-	2,667,790	2,134,985	9,934,301
<b>Total underwriting income</b>	<b>6,903,913</b>	<b>2,042,896</b>	<b>340,040,781</b>	<b>16,873,934</b>	<b>6,070,074</b>	<b>371,931,598</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	993,814	263,795	195,460,372	6,575,626	1,355,860	204,649,467
Commission and brokerage expenses	1,786,133	779,471	56,816,301	3,424,507	1,808,326	64,614,738
Other underwriting income	377,867	280,148	9,331,811	1,015,939	404,416	11,410,181
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	4,732,051	-	-	4,732,051
<b>Total underwriting expenses before operating expenses</b>	<b>3,157,814</b>	<b>1,323,414</b>	<b>266,340,535</b>	<b>11,016,072</b>	<b>3,568,602</b>	<b>285,406,437</b>
Operating expenses						86,353,500
<b>Total underwriting expenses</b>						<b>371,759,937</b>

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the six-month period ended 30 June 2014 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	20,752,241	7,811,631	748,607,594	75,808,111	22,335,854	875,315,431
Less: Premium ceded	(14,369,543)	(5,856,034)	(3,659,670)	(29,296,412)	(18,573,883)	(71,755,542)
Net premium written	6,382,698	1,955,597	744,947,924	46,511,699	3,761,971	803,559,889
Add (less): Unearned premium reserve	319,795	(1,158,051)	(8,399,095)	(10,347,259)	1,328,977	(18,255,633)
Earned premium	6,702,493	797,546	736,548,829	36,164,440	5,090,948	785,304,256
Fee and commission income	6,429,288	2,116,431	-	9,095,186	3,332,710	20,973,615
<b>Total underwriting income</b>	<b>13,131,781</b>	<b>2,913,977</b>	<b>736,548,829</b>	<b>45,259,626</b>	<b>8,423,658</b>	<b>806,277,871</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	1,537,734	1,156,228	425,453,889	19,094,288	(4,002,648)	443,239,491
Commission and brokerage expenses	5,625,970	1,100,288	117,979,893	7,770,139	2,752,877	135,229,167
Other underwriting income	542,595	240,288	18,974,956	2,376,436	689,744	22,824,019
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	9,938,005	-	-	9,938,005
<b>Total underwriting expenses before operating expenses</b>	<b>7,706,299</b>	<b>2,496,804</b>	<b>572,346,743</b>	<b>29,240,863</b>	<b>(560,027)</b>	<b>611,230,682</b>
Operating expenses						153,085,273
<b>Total underwriting expenses</b>						<b>764,315,955</b>

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the six-month period ended 30 June 2013 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	20,933,235	10,782,943	767,776,846	44,529,939	15,877,985	859,900,948
Less: Premium ceded	(14,248,187)	(8,581,915)	(9,864,014)	(14,031,217)	(9,815,559)	(56,540,892)
Net premium written	6,685,048	2,201,028	757,912,832	30,498,722	6,062,426	803,360,056
Add (less): Unearned premium reserve	(711,680)	(291,772)	(105,610,133)	(2,637,534)	1,924,239	(107,326,880)
Earned premium	5,973,368	1,909,256	652,302,699	27,861,188	7,986,665	696,033,176
Fee and commission income	6,929,633	2,851,324	-	4,172,208	2,685,098	16,638,263
<b>Total underwriting income</b>	<b>12,903,001</b>	<b>4,760,580</b>	<b>652,302,699</b>	<b>32,033,396</b>	<b>10,671,763</b>	<b>712,671,439</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	1,688,376	(281,995)	377,176,956	19,199,318	43,877	397,826,532
Commission and brokerage expenses	5,575,959	1,465,603	128,228,474	6,723,739	2,408,017	144,401,792
Other underwriting income	634,971	548,968	16,512,051	1,981,007	792,888	20,469,885
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	9,679,030	-	-	9,679,030
<b>Total underwriting expenses before operating expenses</b>	<b>7,899,306</b>	<b>1,732,576</b>	<b>531,596,511</b>	<b>27,904,064</b>	<b>3,244,782</b>	<b>572,377,239</b>
Operating expenses						147,587,607
<b>Total underwriting expenses</b>						<b>719,964,846</b>

**16. Operating expenses**

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Personnel expenses which are not expenses for underwriting and claims	20,726,647	17,644,729	42,407,308	32,385,681
Property and equipment expenses which are not expenses for underwriting	19,008,576	18,147,121	39,203,459	34,889,358
Taxes and duties	138,777	104,459	392,335	360,778
Bad debts and doubtful accounts (Reversal)	2,719,489	26,500,630	21,042,608	33,443,333
Other operating expenses	26,152,471	23,956,561	50,039,563	46,508,457
Total operating expenses	<u>68,745,960</u>	<u>86,353,500</u>	<u>153,085,273</u>	<u>147,587,607</u>

**17. Related party transactions**

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship with the Company
Dung Seng Insurance Broker Co., Ltd.	Related by way of common shareholder
Asia Hotel Plc.	Related by way of common directors
Asia Pattaya Hotel Co., Ltd.	Related by way of common directors
Zeer Property Plc.	Related by way of common directors
Asia Airport Hotel Co., Ltd.	Related by way of common directors
N.S.B. Co., Ltd.	Related by way of common directors and shareholding

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
<b>Premium written</b>				
Dung Seng Insurance Broker Co., Ltd.*	231,311,368	239,807,259	484,273,879	542,018,056
Asia Hotel Plc.	1,070,653	658,106	1,070,653	663,717
Zeer Property Plc.	1,815,866	1,301,312	1,815,866	1,304,976
Asia Airport Hotel Co., Ltd.	639,570	513,515	639,570	513,515
Asia Pattaya Hotel Co., Ltd.	585,871	553,832	586,471	554,432
Zeer Group Co., Ltd.	125,000	-	125,000	-
<b>Commission paid</b>				
Dung Seng Insurance Broker Co., Ltd.	40,119,675	41,494,821	84,434,350	94,443,468
<b>Rental of building space</b>				
N.S.B. Co., Ltd.	317,517	312,920	638,192	629,396
<b>Service fee of building space</b>				
N.S.B. Co., Ltd.	5,043,319	4,975,043	10,153,818	10,005,405

\* Premium written from non-life insurance brokers

Transfer pricing policy

Premium written	Normal commercial terms for underwriting
Commission paid	Consistent with those paid to other brokers and not exceed the rate stipulated by the Office of Insurance Commission
Rental of building space	Contract price
Service fee of building space	Contract price

As at 30 June 2014 and 31 December 2013, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Baht)	
	30 June 2014	31 December 2013
<b>Premium receivables (net of notes receivable from agent)</b>		
Dung Seng Insurance Broker Co., Ltd.	126,052,082	132,842,037
<b>Prepaid rental and service fee of building space</b>		
N.S.B. Co., Ltd.	8,752,530	19,450,101
<b>Accrued commissions</b>		
Dung Seng Insurance Broker Co., Ltd.	21,149,777	22,629,593

**Directors and management's remuneration**

In the three-month and six-month periods ended 30 June 2014, the Company had salaries, bonus, gratuities, meeting allowances and post-employment benefits of its directors and management recognised as expenses totaling Baht 6.5 million and Baht 13.0 million, respectively. (2013: Baht 9.6 million and Baht 15.4 million, respectively).

**18. Securities placed with the Registrar**

As at 30 June 2014 and 31 December 2013, the Company has pledged its securities with the Registrar in accordance with the Non-life Insurance Act as follows:

(Unit: Baht)

	30 June 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
Government bonds	14,000,000	14,158,731	14,000,000	14,155,684

**19. Assets reserved with the Registrar**

As at 30 June 2014 and 31 December 2013, the Company has pledged its securities as non-life insurance reserve with the Registrar in accordance with the Non-life Insurance Act as follows:

(Unit: Baht)

	30 June 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
Government bonds	200,000,000	204,956,553	208,000,000	211,156,472

**20. Collateralised assets**

As at 30 June 2014 and 31 December 2013, the Company has collateralised assets as follows:

(Unit: Baht)

		30 June 2014	31 December 2013
Government bonds	- As collateral for bail bonds	8,870,000	10,570,000
	- As collateral for drivers guarantee	600,000	900,000
	- As collateral for electrical usage	300,000	300,000
	- As collateral for bank overdrafts	10,000,000	10,000,000
	- As collateral for maintenance contracts	500,000	500,000
Government saving bank lottery	- As collateral for Bank for Agriculture and Agricultural Cooperatives	2,000,000	2,000,000
	- As collateral for drivers guarantee	200,000	200,000

(Unaudited but reviewed)

Total	<u>22,470,000</u>	<u>24,470,000</u>
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**21. Dividend paid**

Dividend declared during the period consists of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 31 March 2014	90.35	6.50
Final dividends for 2012	Annual General Meeting of the shareholders on 29 April 2013	13.90	1.00

**22. Segment information**

For management purposes, the Company are organised into business units based on non-life insurance and have two reportable segments which are motor insurance and others insurance.

The following tables present revenue and profit regarding the Company's operating segments for the three-month periods ended 30 June 2014 and 2013, respectively.

	(Unit: Baht)					
	Motor		Others		Total	
	2014	2013	2014	2013	2014	2013
<b>Underwriting income</b>						
Premium written	347,976,035	340,766,966	72,170,971	52,005,259	420,147,006	392,772,225
Less: Premium ceded	3,659,670	(6,483)	(37,508,553)	(28,065,776)	(33,848,883)	(28,072,259)
Add (less): Unearned premium reserve	21,357,588	(719,702)	(10,614,430)	(1,982,967)	10,743,158	(2,702,669)
Earned premium	372,993,293	340,040,781	24,047,988	21,956,516	397,041,281	361,997,297
Fee and commission income	-	-	11,929,357	9,934,301	11,929,357	9,934,301
<b>Total underwriting income</b>	<u>372,993,293</u>	<u>340,040,781</u>	<u>35,977,345</u>	<u>31,890,817</u>	<u>408,970,638</u>	<u>371,931,598</u>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	200,188,274	195,460,372	6,593,465	9,189,095	206,781,739	204,649,467
Commission and brokerage expenses	55,501,265	56,816,301	9,304,241	7,798,437	64,805,506	64,614,738
Other underwriting expenses	10,917,018	9,331,811	1,903,946	2,078,370	12,820,964	11,410,181
Contribution to Road Accident Victims Protection Co., Ltd.	4,984,518	4,732,051	-	-	4,984,518	4,732,051
Operating expenses	68,075,755	58,244,526	670,205	28,108,974	68,745,960	86,353,500
<b>Total underwriting expenses</b>	<u>339,666,830</u>	<u>324,585,061</u>	<u>18,471,857</u>	<u>47,174,876</u>	<u>358,138,687</u>	<u>371,759,937</u>
<b>Profit (loss) from underwriting</b>	<u>33,326,463</u>	<u>15,455,720</u>	<u>17,505,488</u>	<u>(15,284,059)</u>	50,831,951	171,661
Net investment income					16,372,626	15,921,395
Gains on investments					2,419,777	1,814,473
Fair value gain (loss)					7,175,047	(14,418,151)
Other income					10,253,873	1,998,949
<b>Profit from operation</b>					<u>87,053,274</u>	<u>5,488,327</u>
Contribution to the Office of Insurance Commission					(1,254,788)	(1,172,613)
Contribution to the General Insurance Fund					(1,045,375)	(976,583)
Contribution to the Victims Compensation Fund					(406,900)	(386,290)
<b>Profit before income tax expenses</b>					<u>84,346,211</u>	<u>2,952,841</u>

(Unaudited but reviewed)

Income tax expenses	(15,703,512)	(1,956,295)
<b>Profit for the period</b>	<u>68,642,699</u>	<u>996,546</u>

The following tables present revenue and profit regarding the Company's operating segments for the six-month periods ended 30 June 2014 and 2013, respectively.

	(Unit: Baht)					
	Motor		Others		Total	
	2014	2013	2014	2013	2014	2013
<b>Underwriting income</b>						
Premium written	748,607,594	767,776,846	126,707,837	92,124,102	875,315,431	859,900,948
Less: Premium ceded	(3,659,670)	(9,864,014)	(68,095,872)	(46,676,878)	(71,755,542)	(56,540,892)
Add (less): Unearned premium reserve	(8,399,095)	(105,610,133)	(9,856,538)	(1,716,747)	(18,255,633)	(107,326,880)
Earned premium	736,548,829	652,302,699	48,755,427	43,730,477	785,304,256	696,033,176
Fee and commission income	-	-	20,973,615	16,638,263	20,973,615	16,638,263
<b>Total underwriting income</b>	<u>736,548,829</u>	<u>652,302,699</u>	<u>69,729,042</u>	<u>60,368,740</u>	<u>806,277,871</u>	<u>712,671,439</u>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	425,453,889	377,176,956	17,785,602	20,649,576	443,239,491	397,826,532
Commission and brokerage expenses	117,979,893	128,228,474	17,249,274	16,173,318	135,229,167	144,401,792
Other underwriting expenses	18,974,956	16,512,051	3,849,063	3,957,834	22,824,019	20,469,885
Contribution to Road Accident Victims Protection Co., Ltd.	9,938,005	9,679,030	-	-	9,938,005	9,679,030
Operating expenses	145,098,660	115,131,714	7,986,613	32,455,893	153,085,273	147,587,607
<b>Total underwriting expenses</b>	<u>717,445,403</u>	<u>646,728,225</u>	<u>46,870,552</u>	<u>73,236,621</u>	<u>764,315,955</u>	<u>719,964,846</u>
<b>Profit (loss) from underwriting</b>	<u>19,103,426</u>	<u>5,574,474</u>	<u>22,858,490</u>	<u>12,867,881</u>	<u>41,961,916</u>	<u>(7,293,407)</u>
Net investment income					34,197,830	60,259,687
Gains on investments					2,440,665	23,501,478
Fair value gain (loss)					8,619,731	(5,925,478)
Other income					11,554,859	2,494,768
<b>Profit from operation</b>					<u>98,775,001</u>	<u>73,037,048</u>
Contribution to the Office of Insurance Commission					(2,619,959)	(2,561,860)
Contribution to the General Insurance Fund					(2,182,789)	(2,134,288)
Contribution to the Victims Compensation Fund					(811,266)	(790,125)
<b>Profit before income tax expenses</b>					<u>93,160,987</u>	<u>67,550,775</u>
Income tax expenses					(17,526,801)	(9,337,034)
<b>Profit for the period</b>					<u>75,634,186</u>	<u>58,213,741</u>

Segments assets and liabilities as at 30 June 2014 and 31 December 2013 are as follows:

	(Unit: Baht)			
	Motor	Others	Unallocated assets/liabilities	Total
<b>Assets</b>				
30 June 2014	163,772,032	294,841,171	2,481,469,563	2,940,082,766
31 December 2013	184,017,947	326,439,609	2,454,679,005	2,965,136,561
<b>Liabilities</b>				
30 June 2014	1,244,398,857	398,075,321	123,430,849	1,765,905,027
31 December 2013	1,222,230,325	435,698,702	134,347,251	1,792,276,278

For the six-month period ended 30 June 2014, the Company has revenue from one major broker in amount of Baht 463 million (2013: 291 Baht), arising from the motor segment.



**23. Commitments and contingent liabilities****23.1 Operating lease commitments**

The Company has entered into several lease agreements in respect of the lease of office building space. The terms of the agreements are generally between 3 and 20 years.

As at 30 June 2014 and 31 December 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	(Unit: Million Baht)	
	<u>30 June 2014</u>	<u>31 December 2013</u>
Payable:		
In up to 1 year	10.3	21.0
In over 1 and up to 5 years	1.2	1.4

**23.2 Litigation**

As at 30 June 2014, the Company, as an insurer, has been sued for damaged amounting to approximately Baht 424.6 million. The total sum insured covered by insurance policies is Baht 55.2 million. The outcomes of these cases have not yet been finalised. However, the Company has set aside reserve for its losses totaling Baht 54.1 million in the financial statements.

**24. Approval of the interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2014.