

Nam Seng Insurance Public Company Limited
Review report and interim financial statements
30 September 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 September 2014, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014, and the statements of changes in equity, and cash flows for the nine-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: 11 November 2014

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

		(Unit: Baht)	
	Note	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	2	62,249,634	161,737,384
Accrued investment income		18,220,180	14,546,395
Premium receivables	3	144,439,473	192,930,630
Reinsurance assets	4	218,804,668	317,526,926
Investment assets			
Investments in securities	5		
Trading investments		56,534,619	41,710,431
Available-for-sale investments		506,052,127	242,067,840
Held-to-maturity investments		1,620,147,032	1,680,726,285
Other investments		2,223,020	2,223,020
Loans	6	6,127,085	7,074,276
Properties foreclosed		13,535,737	15,148,501
Property, buildings and equipment	7	147,404,202	155,621,889
Intangible assets	8	1,252,120	1,693,134
Deferred tax assets	9	92,996,958	83,912,078
Other assets	10	25,064,062	48,217,772
Total assets		2,915,050,917	2,965,136,561

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 September 2014

		(Unit: Baht)	
	Note	30 September 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)
Liabilities and equity			
Liabilities			
Income tax payable		8,503,030	12,039,464
Due to reinsurers	11	100,635,411	157,298,309
Insurance contract liabilities			
Loss reserves and outstanding claims	12	592,671,016	604,279,480
Premium reserve	13.1	849,523,901	832,842,359
Employee benefit obligations		48,789,969	48,697,557
Accrued commissions		30,055,769	41,251,535
Other liabilities	14	63,628,764	95,867,574
Total liabilities		1,693,807,860	1,792,276,278
Equity			
Share capital			
Registered			
20,000,000 ordinary shares of Baht 10 each		200,000,000	200,000,000
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		443,605,738	416,875,811
Other components of equity		13,187,847	(8,465,000)
Total equity		1,221,243,057	1,172,860,283
Total liabilities and equity		2,915,050,917	2,965,136,561

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

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Directors
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Nam Seng Insurance Public Company Limited

Notes to interim financial statements

For the three-month and nine-month period ended 30 September 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 September 2014 are as follows:

(Unit: Million Baht)

	Gross claims	Claims refundable		Net claims
		from reinsurers		
		Agreed	Reserve	
Loss reserves and outstanding claims	127	-	(95)	32
Claims paid	278	(240)	-	38
Total	405	(240)	(95)	70
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				42
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				-
Less: Net claims expense - statement of comprehensive income in the second quarter of 2014				(1)
Net claims expense - statement of comprehensive income in the third 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)	
	<u>30 September 2014</u>	<u>31 December 2013</u>
Cash on hand	168,077	242,398
Deposits at banks with no fixed maturity date	62,081,557	161,494,986
Deposits at banks with fixed maturity date	955,000,000	985,000,000
Total cash and deposits at financial institutions	1,017,249,634	1,146,737,384
Less: Deposits at banks which amount maturing in over 3 months	(955,000,000)	(985,000,000)
Cash and cash equivalents	<u>62,249,634</u>	<u>161,737,384</u>

3. Premium receivables

The balances as at 30 September 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 September 2014			Total
	Due from insured	Due from agents and brokers	Due from reinsurers	
Not yet due	467,601	645,388	-	1,112,989
Not over 30 days	1,850,294	114,162,570	9,291	116,022,155
Over 30 days to 60 days	5,360,954	27,167,846	26,466	32,555,266
Over 60 days to 90 days	2,589,711	7,903,199	-	10,492,910
Over 90 days to 1 year	1,068,753	2,860,576	30,549	3,959,878
Over 1 year	120,514	9,523,691	-	9,644,205
Total premium receivables	11,457,827	162,263,270	66,306	173,787,403
Less: Allowance for doubtful accounts	(1,341,777)	(28,006,153)	-	(29,347,930)
Premium receivables, net	10,116,050	134,257,117	66,306	144,439,473

(Unit: Baht)

	31 December 2013			Total
	Due from insured	Due from agents and brokers	Due from reinsurers	
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 September 2014	31 December 2013
Amounts deposit on reinsurance	2,929	2,929
Amounts due from reinsurers - net	38,484,700	116,215,319
Insurance reserve refundable from reinsurers	185,531,642	204,038,678
Less : Allowance for doubtful accounts	(5,486,036)	(2,730,000)
Reinsurance assets - net	<u>218,804,668</u>	<u>317,526,926</u>

Insurance reserve refundable from reinsurers as at 30 September 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 September 2014 and 31 December 2013 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	30 September 2014	31 December 2013
Not over 12 months	38,756,133	116,214,904
Over 2 years	-	415
Total amounts due from reinsurers	38,756,133	116,215,319
Less: Allowance for doubtful accounts	(271,433)	-
Amounts due from reinsures - net	<u>38,484,700</u>	<u>116,215,319</u>

5. Investments in securities

	(Unit: Baht)			
	30 September 2014		31 December 2013	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	40,144,358	49,712,703	38,272,075	39,400,336
Unit trusts	6,791,988	6,821,916	2,305,149	2,310,095
Total	46,936,346	56,534,619	40,577,224	41,710,431
Add: Unrealised gains	9,598,273	-	1,133,207	-
Total trading investments	<u>56,534,619</u>	<u>56,534,619</u>	<u>41,710,431</u>	<u>41,710,431</u>
Available-for-sale investments				
Equity securities	15,752,898	19,467,401	15,273,610	18,912,196
Unit trusts	433,772,647	446,542,954	237,375,479	223,155,644
Debentures	40,041,772	40,041,772	-	-
Total	489,567,317	506,052,127	252,649,089	242,067,840
Add: Unrealised gains (losses)	16,484,810	-	(10,581,249)	-
Total available-for-sale investments	<u>506,052,127</u>	<u>506,052,127</u>	<u>242,067,840</u>	<u>242,067,840</u>

(Unaudited but reviewed)

(Unit: Baht)

	30 September 2014	31 December 2013
	Cost/ Amortised cost	Cost/ Amortised cost
Held-to-maturity investments		
Government and state enterprise securities	499,489,132	514,726,285
Private enterprise debt securities	165,657,900	158,000,000
Deposits at commercial banks	955,000,000	1,008,000,000
Total held-to-maturity investments	1,620,147,032	1,680,726,285
Other investments		
Equity securities	2,223,020	2,223,020
Total other investments	2,223,020	2,223,020

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

(Unit: Baht)

	30 September 2014			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity investments				
Government and state enterprise securities	102,599,942	311,405,056	85,484,134	499,489,132
Private enterprise debt securities	48,000,000	50,000,000	67,657,900	165,657,900
Deposits at commercial banks	925,000,000	30,000,000	-	955,000,000
Total investments in debt securities	1,075,599,942	391,405,056	153,142,034	1,620,147,032

(Unit: Baht)

	31 December 2013			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity investments				
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
Total investments in debt securities	1,116,539,512	376,405,003	187,781,770	1,680,726,285

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

(Unit: Baht)

Outstanding period	30 September 2014						
	Mortgage loans		Other		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	
Not yet due	5,451,403	2,481	675,682	-	6,127,085	2,481	6,129,566
Overdue							
More than 12 months	-	-	518,373	-	518,373	-	518,373
Total	5,451,403	2,481	1,194,065	-	6,645,458	2,481	6,647,939
Less: Allowance for doubtful accounts	-	-	(518,373)	-	(518,373)	-	(518,373)
Loans and accrued interest, net	5,451,403	2,481	675,682	-	6,127,085	2,481	6,129,566

(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	6,508,862	2,571	565,414	33	7,074,276	2,604	7,076,880

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 nine-month period ended 30 September 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	-	-	2,398,599		645,411	3,044,010
Transfer in (out)			1,270,911		(1,270,911)	-
Disposals - net book value	(1,435,000)	(485,432)	(17,472)			(1,937,904)
Depreciation changes for the period	-	(4,446,635)	(3,957,006)	(920,152)		(9,323,793)
Net book value as at 30 September 2014	<u>102,037,866</u>	<u>31,598,481</u>	<u>11,011,942</u>	<u>2,755,913</u>	<u>-</u>	<u>147,404,202</u>

8. Intangible assets

(Unit: Baht)

	Computer software
Net book values as at 1 January 2014	1,693,134
Additions - at cost	283,800
Disposals - net book value	(2)
Amortisation charge for the period	(724,812)
Net book value as at 30 September 2014	<u>1,252,120</u>

9. Income tax

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

(Unit: Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Current income tax:				
Interim income tax charge	13,593,719	12,636,973	40,672,147	28,208,700
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,946,464)	(7,662,474)	(14,498,091)	(13,897,167)
Effects of changes in the applicable tax rates	-	-	-	-
Income tax expense reported in the statements	<u>8,647,255</u>	<u>4,974,499</u>	<u>26,174,056</u>	<u>14,311,533</u>

(Unaudited but reviewed)

of comprehensive income

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

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Deferred tax relating to gains (losses) on changes in value of available-for-sale investments	<u>(1,404,894)</u>	<u>2,075,497</u>	<u>(5,413,212)</u>	<u>7,443,820</u>

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

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Accounting profits before income tax expenses	<u>50,092,996</u>	<u>30,927,705</u>	<u>143,253,983</u>	<u>98,478,480</u>
Applicable corporate income tax rates	20%	20%	20%	20%
Income taxes at the applicable corporate income tax rates	10,018,599	6,185,541	28,650,797	19,695,696
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	<u>(1,371,344)</u>	<u>(672,840)</u>	<u>(2,476,741)</u>	<u>(5,384,163)</u>
Effects of changes in the applicable corporate income tax rates	-	-	-	-
Others	-	<u>(538,202)</u>	-	-
Income tax expenses reported in the statements of comprehensive income	<u>8,647,255</u>	<u>4,974,499</u>	<u>26,174,056</u>	<u>14,311,533</u>

The components of deferred tax assets are as follows:

	(Unit: Baht)	
	30 September 2014	31 December 2013
Deferred tax assets:		
Allowance for doubtful debts	7,994,277	7,020,344
Premium reserves	30,957,492	28,925,451
Provision for losses incurred but not yet reported (IBNR)	13,681,589	9,249,645
Loss reserves	39,255,342	30,718,547
Provision for long-term employee benefits	6,324,875	6,108,484
Unrealised losses (gains) on changes in values of available-for-sale investments	(3,296,962)	2,116,249
Unrealised gains on changes in values of trading investments	(1,919,655)	(226,642)
Deferred tax assets	92,996,958	83,912,078

10. Other assets

	(Unit: Baht)	
	30 September 2014	31 December 2013
Advances	831,163	1,950,630
Prepaid expenses	3,805,509	19,676,655
Undue input tax	2,337,096	4,118,579
Claim receivable from litigants	2,132,716	2,095,034
Notes receivable	8,271,781	8,787,489
Others	7,685,797	11,589,385
Total other assets	25,064,062	48,217,772

11. Due to reinsurers

	(Unit: Baht)	
	30 September 2014	31 December 2013
Outward premium payables	43,848,641	125,595,183
Amounts withheld on reinsurance	56,786,770	31,703,126
Total due to reinsurers	100,635,411	157,298,309

12. Loss reserves and outstanding claims

	(Unit: Baht)	
	30 September 2014	31 December 2013
Beginning Balance	604,279,480	882,432,492
Claims and losses adjustment expenses for the period	738,795,987	878,395,979
Change in claims and losses adjustment expenses paid of the prior period	(14,955,199)	(179,441,997)
Claims and losses adjustment expenses paid during the period	(735,449,252)	(977,106,994)
Ending balance	<u>592,671,016</u>	<u>604,279,480</u>

As at 30 September 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 0.1 million and Baht 0.3 million, respectively.

Loss reserves and outstanding claims as at 30 September 2014 include loss reserves and outstanding claims from flooding claim amounting to Baht 127 million as described in Note 1.3 to the financial statements (31 December 2013: Baht 136 million).

13. Premium reserve**13.1 Unearned premium reserves**

	(Unit: Baht)	
	30 September 2014	31 December 2013
Beginning balance	832,842,359	703,776,210
Premium written for the period	1,284,312,602	1,696,522,213
Premium earned for the current period	(1,267,631,060)	(1,567,456,064)
Ending balance	<u>849,523,901</u>	<u>832,842,359</u>

13.2 Unexpired risk reserves

	(Unit: Baht)	
	30 September 2014	31 December 2013
Beginning balance	583,736,316	540,889,734
Estimated claims for the period	897,868,507	1,264,428,938
Risk expired during the period	(888,227,524)	(1,221,582,356)
Ending balance	<u>593,377,299</u>	<u>583,736,316</u>

(Unaudited but reviewed)

14. Other liabilities

	(Unit: Baht)	
	30 September 2014	31 December 2013
Account payable - Revenue Department	4,965,566	5,392,008
Withholding tax payable	2,235,372	1,379,401
Undue output tax	10,347,652	12,547,263
Accrued expenses	11,710,193	19,735,677
Deposits from agents	24,954,034	13,541,873
Premium received in advance	-	22,257,344
Others	9,415,947	21,014,008
Total other liabilities	<u>63,628,764</u>	<u>95,867,574</u>

(Unaudited but reviewed)

15. Underwriting information reported by insurance categories

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	9,337,148	4,787,770	345,100,739	42,127,577	7,643,936	408,997,170
Less: Premium ceded	(4,984,343)	(3,691,623)	(1,829,835)	(21,247,226)	(4,867,700)	(36,620,727)
Net premium written	4,352,805	1,096,147	343,270,904	20,880,351	2,776,236	372,376,443
Add (less): Unearned premium reserve	(1,202,803)	(367,236)	20,130,274	(578,442)	(647,895)	17,333,898
Earned premium	3,150,002	728,911	363,401,178	20,301,909	2,128,341	389,710,341
Fee and commission income	2,033,719	1,290,741	-	6,565,273	1,310,575	11,200,308
Total underwriting income	5,183,721	2,019,652	363,401,178	26,867,182	3,438,916	400,910,649
Underwriting expenses						
Claims and losses adjustment expenses	847,982	(4,474)	218,260,212	14,482,327	6,040,368	239,626,415
Commission and brokerage expenses	2,866,125	623,637	55,627,275	4,749,758	1,139,809	65,006,604
Other underwriting expenses	292,174	137,154	11,328,058	1,356,823	410,731	13,524,940
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	4,913,774	-	-	4,913,774
Total underwriting expenses before operating expenses	4,006,281	756,317	290,129,319	20,588,910	7,590,908	323,071,733
Operating expenses						53,582,682
Total underwriting expenses						376,654,415

(Unaudited but reviewed)

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	8,358,120	8,002,753	370,980,981	23,201,190	16,745,198	427,288,242
Less: Premium ceded	(5,488,927)	(6,988,591)	(144,500)	(6,319,238)	(12,674,532)	(31,615,788)
Net premium written	2,869,193	1,014,162	370,836,481	16,881,952	4,070,666	395,672,454
Add (less): Unearned premium reserve	655,786	3,355	(14,447,163)	(1,660,195)	(136,928)	(15,585,145)
Earned premium	3,524,979	1,017,517	356,389,318	15,221,757	3,933,738	380,087,309
Fee and commission income	2,314,810	1,424,328	32,513	1,973,224	1,251,760	6,996,635
Total underwriting income	5,839,789	2,441,845	356,421,831	17,194,981	5,185,498	387,083,944
Underwriting expenses						
Claims and losses adjustment expenses	706,132	167,465	188,298,710	7,160,805	30,481,937	226,815,049
Commission and brokerage expenses	2,999,785	703,542	59,210,992	3,820,047	710,763	67,445,129
Other underwriting income	312,535	169,341	8,417,890	936,222	213,931	10,049,919
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	4,252,019	-	-	4,252,019
Total underwriting expenses before operating expenses	4,018,452	1,040,348	260,179,611	11,917,074	31,406,631	308,562,116
Operating expenses						63,365,745
Total underwriting expenses						371,927,861

(Unaudited but reviewed)

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	30,089,389	12,599,401	1,093,708,333	117,935,688	29,979,790	1,284,312,601
Less: Premium ceded	(19,353,886)	(9,547,657)	(5,489,505)	(50,543,638)	(23,441,583)	(108,376,269)
Net premium written	10,735,503	3,051,744	1,088,218,828	67,392,050	6,538,207	1,175,936,332
Add (less): Unearned premium reserve	(883,008)	(1,525,287)	11,731,179	(10,925,701)	681,082	(921,735)
Earned premium	9,852,495	1,526,457	1,099,950,007	56,466,349	7,219,289	1,175,014,597
Fee and commission income	8,463,007	3,407,172	-	15,660,459	4,643,285	32,173,923
Total underwriting income	18,315,502	4,933,629	1,099,950,007	72,126,808	11,862,574	1,207,188,520
Underwriting expenses						
Claims and losses adjustment expenses	2,385,716	1,151,754	643,714,101	33,576,615	2,037,720	682,865,906
Commission and brokerage expenses	8,492,095	1,723,925	173,607,168	12,519,897	3,892,686	200,235,771
Other underwriting income	834,769	377,442	30,303,014	3,733,259	1,100,475	36,348,959
Contribution to Road Accident Victims Protection Co., Ltd.			14,851,779			14,851,779
Total underwriting expenses before operating expenses	11,712,580	3,253,121	862,476,062	49,829,771	7,030,881	934,302,415
Operating expenses						206,667,955
Total underwriting expenses						1,140,970,370

(Unaudited but reviewed)

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	29,291,355	18,785,696	1,138,757,827	67,731,129	32,623,183	1,287,189,190
Less: Premium ceded	(19,737,114)	(15,570,506)	(10,008,514)	(20,350,455)	(22,490,091)	(88,156,680)
Net premium written	9,554,241	3,215,190	1,128,749,313	47,380,674	10,133,092	1,199,032,510
Add (less): Unearned premium reserve	(55,894)	(288,417)	(120,057,296)	(4,297,729)	1,787,311	(122,912,025)
Earned premium	9,498,347	2,926,773	1,008,692,017	43,082,945	11,920,403	1,076,120,485
Fee and commission income	9,244,443	4,275,652	32,513	6,145,432	3,936,858	23,634,898
Total underwriting income	18,742,790	7,202,425	1,008,724,530	49,228,377	15,857,261	1,099,755,383
Underwriting expenses						
Claims and losses adjustment expenses	2,394,508	(114,530)	565,475,666	26,360,123	30,525,814	624,641,581
Commission and brokerage expenses	8,575,744	2,169,145	187,439,466	10,543,786	3,118,780	211,846,921
Other underwriting income	947,506	718,309	24,929,941	2,917,229	1,006,819	30,519,804
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	13,931,049	-	-	13,931,049
Total underwriting expenses before operating expenses	11,917,758	2,772,924	791,776,122	39,821,138	34,651,413	880,939,355
Operating expenses						210,953,352
Total underwriting expenses						1,091,892,707

16. Operating expenses

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Personnel expenses which are not expenses for underwriting and claims	21,786,044	18,587,136	64,193,352	50,972,817
Property and equipment expenses which are not expenses for underwriting	17,499,193	17,553,226	56,702,652	52,442,584
Taxes and duties	102,618	83,433	494,953	444,211
Bad debts and doubtful accounts (Reversal)	(11,541,660)	(4,224,852)	9,500,948	29,218,481
Other operating expenses	25,736,487	31,366,802	75,776,050	77,875,259
Total operating expenses	53,582,682	63,365,745	206,667,655	210,953,352

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 nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Premium written				
Dung Seng Insurance Broker Co., Ltd.*	213,412,014	242,652,226	697,685,893	784,670,282
Asia Hotel Plc.	4,965	3,293	1,075,618	667,010
Zeer Property Plc.	230,513	66,699	2,046,379	1,371,675
Asia Airport Hotel Co., Ltd.	14,406	14,406	653,976	527,921
Asia Pattaya Hotel Co., Ltd.	18,524	21,134	604,995	575,566
Zeer Group Plc.	-	100,659	125,000	100,659
Commission paid				
Dung Seng Insurance Broker Co., Ltd.	37,024,257	42,207,785	121,458,607	136,651,253
Rental of building space				
N.S.B. Co., Ltd.	314,343	309,352	952,535	938,748
Service fee of building space				
N.S.B. Co., Ltd.	5,003,130	4,936,130	15,156,948	14,941,535

* 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 September 2014 and 31 December 2013, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Baht)	
	30 September	31 December
	2014	2013
Premium receivables (net of notes receivable from agent)		
Dung Seng Insurance Broker Co., Ltd.	112,069,751	132,842,037
Prepaid rental and service fee of building space		
N.S.B. Co., Ltd.	3,483,412	19,450,101
Accrued commissions		
Dung Seng Insurance Broker Co., Ltd.	18,920,271	22,629,593

Directors and management's remuneration

In the three-month and nine-month periods ended 30 September 2014, the Company had salaries, bonus, gratuities, meeting allowances and post-employment benefits of its directors and management recognised as expenses totaling Baht 4.8 million and Baht 12.4 million, respectively. (2013: Baht 3.7 million and Baht 14.5 million, respectively).

18. Securities placed with the Registrar

As at 30 September 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 September 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
Government bonds	14,000,000	14,123,747	14,000,000	14,155,684

19. Assets reserved with the Registrar

As at 30 September 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 September 2014		31 December 2013	
	Cost	Fair value	Cost	Fair value
Government bonds	200,000,000	206,081,796	208,000,000	211,156,472

20. Collateralised assets

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

(Unit: Baht)

		30 September 2014	31 December 2013
Government bonds	- As collateral for bail bonds	7,940,000	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
Total		21,540,000	24,470,000

21. Dividend paid

Dividend declared during the period consists of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(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 September 2014 and 2013, respectively.

	(Unit: Baht)					
	Motor		Others		Total	
	2014	2013	2014	2013	2014	2013
Underwriting income						
Premium written	345,100,739	370,980,981	63,896,431	56,307,261	408,997,170	427,288,242
Less: Premium ceded	(1,829,835)	(144,500)	(34,790,892)	(31,471,288)	(36,620,727)	(31,615,788)
Less: Unearned premium reserve	20,130,274	(14,447,163)	(2,796,376)	(1,137,982)	17,333,898	(15,585,145)
Earned premium	363,401,178	356,389,318	26,309,163	23,697,991	389,710,341	380,087,309
Fee and commission income	-	32,513	11,200,308	6,964,122	11,200,308	6,996,635
Total underwriting income	363,401,178	356,421,831	37,509,471	30,662,113	400,910,649	387,083,944
Underwriting expenses						
Claims and losses adjustment expenses	218,260,212	188,298,710	21,366,203	38,516,339	239,626,415	226,815,049
Commission and brokerage expenses	55,627,275	59,210,992	9,379,329	8,234,137	65,006,604	67,445,129
Other underwriting expenses	11,328,058	8,417,890	2,196,882	1,632,029	13,524,940	10,049,919
Contribution to Road Accident Victims Protection Co., Ltd.	4,913,774	4,252,019	-	-	4,913,774	4,252,019
Operating expenses	59,416,811	62,400,461	(5,834,129)	965,284	53,582,682	63,365,745
Total underwriting expenses	349,546,130	322,580,072	27,108,285	49,347,789	376,654,415	371,927,861
Profits (loss) from underwriting	13,855,048	33,841,759	10,401,186	(18,685,676)	24,256,234	15,156,083
Net investment income					23,233,481	15,996,609
Gains on investments					2,126,327	3,651,695
Fair value losses					(154,665)	(4,905,792)
Other income					3,127,096	3,574,095
Profit from operation					52,588,473	33,472,690
Contribution to the Office of Insurance Commission					(1,079,026)	(1,135,634)
Contribution to the General Insurance Fund					(1,015,327)	(1,062,247)
Contribution to the Victims Compensation Fund					(401,124)	(347,104)
Profit before income tax expenses					50,092,996	30,927,705
Income tax expenses					(8,647,255)	(4,974,499)
Profit for the period					41,445,741	25,953,206

(Unaudited but reviewed)

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

	(Unit: Baht)					
	Motor		Others		Total	
	2014	2013	2014	2013	2014	2013
Underwriting income						
Premium written	1,093,708,333	1,138,757,827	190,608,268	148,431,363	1,284,316,601	1,287,189,190
Less: Premium ceded	(5,489,505)	(10,008,514)	(102,886,764)	(78,148,166)	(108,376,269)	(88,156,680)
Add (less): Unearned premium reserve	11,731,179	(120,057,296)	(12,652,914)	(2,854,729)	(921,735)	(122,912,025)
Earned premium	1,099,950,007	1,008,692,017	75,064,590	67,428,468	1,175,014,597	1,076,120,485
Fee and commission income	-	32,513	32,173,923	23,602,385	32,173,923	23,634,898
Total underwriting income	1,099,950,007	1,008,724,530	107,238,513	91,030,853	1,207,188,520	1,099,755,383
Underwriting expenses						
Claims and losses adjustment expenses	643,714,101	565,475,666	39,151,805	59,165,915	682,865,906	624,641,581
Commission and brokerage expenses	173,607,168	187,439,466	26,628,603	24,407,455	200,235,771	211,846,921
Other underwriting expenses	30,303,014	24,929,941	6,045,945	5,589,863	36,348,959	30,519,804
Contribution to Road Accident Victims Protection Co., Ltd.	14,851,779	13,931,049	-	-	14,851,779	13,931,049
Operating expenses	204,515,471	177,532,175	2,152,484	33,421,177	206,667,955	210,953,352
Total underwriting expenses	1,066,991,533	969,308,297	73,978,837	122,584,410	1,140,970,370	1,091,892,707
Profit (loss) from underwriting	32,958,474	39,416,233	33,259,676	(31,553,557)	66,218,150	7,862,676
Net investment income					57,431,311	76,256,296
Gains on investments					4,566,992	27,153,173
Fair value gains (losses)					8,465,066	(10,831,270)
Other income					14,681,955	6,068,863
Profit from operation					151,363,474	106,509,738
Contribution to the Office of Insurance Commission					(3,698,985)	(3,697,494)
Contribution to the General Insurance Fund					(3,198,116)	(3,196,535)
Contribution to the Victims Compensation Fund					(1,212,390)	(1,137,229)
Profit before income tax expenses					143,253,983	98,478,480
Income tax expenses					(26,174,056)	(14,311,533)
Profit for the period					117,079,927	84,166,947

(Unaudited but reviewed)

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

(Unit: Baht)

	Motor	Others	Unallocated assets/liabilities	Total
Assets				
30 September 2014	125,812,224	237,431,917	2,551,806,776	2,915,050,917
31 December 2013	184,017,947	326,439,609	2,454,679,005	2,965,136,561
Liabilities				
30 September 2014	1,192,817,673	380,068,424	120,921,763	1,693,807,860
31 December 2013	1,222,230,325	435,698,702	134,347,251	1,792,276,278

For the nine-month period ended 30 September 2014, the Company has revenue from one major broker in amount of Baht 664 million (2013: Baht 744 million), 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 September 2014 and 31 December 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	(Unit: Million Baht)	
	30 September 2014	31 December 2013
Payable:		
In up to 1 year	4.9	21.0
In over 1 and up to 5 years	1.2	1.4

23.2 Litigation

As at 30 September 2014, the Company, as an insurer, has been sued for damaged amounting to approximately Baht 405.1 million. The total sum insured covered by insurance policies is Baht 50.8 million. The outcomes of these cases have not yet been finalised. However, the Company has set aside reserve for its losses totaling Baht 48.3 million in the financial statements.

24. Approval of the interim financial statements

These interim financial statements were authorised for issue by the Audit Committee on 11 November 2014.