

Nam Seng Insurance Public Company Limited  
Review report and interim financial statements  
30 June 2015

## **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 2015, the related statements of comprehensive income for the three-month and six-month periods ended 30 June 2015, 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: 10 August 2015

**Nam Seng Insurance Public Company Limited****Statements of financial position****As at 30 June 2015**

		(Unit: Baht)	
	Note	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	3	96,198,714	111,246,000
Accrued investment income		12,001,824	18,376,093
Premium receivables	4, 19.3	200,467,798	147,471,614
Reinsurance assets	5	332,301,506	240,707,233
Investment assets			
Investments in securities	6		
Trading investments		109,945,963	80,578,902
Available-for-sale investments		473,027,333	328,166,988
Held-to-maturity investments		1,654,394,085	1,752,447,100
Other investments		2,048,020	2,048,020
Loans	7	7,698,193	8,344,815
Properties foreclosed		7,314,613	7,314,613
Property, buildings and equipment	8	161,537,947	147,045,418
Intangible assets	9	681,159	1,056,435
Deferred tax assets	10.1	110,875,433	90,136,850
Other assets	11	43,761,005	46,640,488
<b>Total assets</b>		<b>3,212,253,593</b>	<b>2,981,580,569</b>

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 2015**

		(Unit: Baht)	
	Note	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Income tax payable		34,172,178	9,118,199
Due to reinsurers	12	148,576,026	110,417,997
Insurance contract liabilities			
Loss reserves and outstanding claims	13	634,383,141	589,582,528
Premium reserve	14.1	975,955,613	864,240,805
Employee benefit obligations		48,956,081	56,320,769
Accrued commissions	19.3	32,606,175	32,871,014
Other liabilities	15, 19.3	86,308,330	70,778,498
<b>Total liabilities</b>		<b>1,960,957,544</b>	<b>1,733,329,810</b>
<b>Equity</b>			
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		488,974,048	489,436,011
Other components of equity			
Unrealised losses on change in valuation			
of available-for-sale investments - net of income taxes	6.3	(2,127,471)	(5,634,724)
<b>Total equity</b>		<b>1,251,296,049</b>	<b>1,248,250,759</b>
<b>Total liabilities and equity</b>		<b>3,212,253,593</b>	<b>2,981,580,569</b>

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

Directors

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income**  
**For the three-month period ended 30 June 2015**

	Note	2015	2014
(Unit: Baht)			
<b>Income</b>			
Net earned premium	16, 19.2	391,923,326	397,041,281
Fee and commission income	16	22,845,061	11,929,357
<b>Total income</b>		<b>414,768,387</b>	<b>408,970,638</b>
<b>Expenses</b>			
Underwriting			
Claims and losses adjustment expenses	16	230,219,758	206,781,739
Commission and brokerage expenses	16, 19.2	70,755,173	64,805,506
Other underwriting expenses	16	25,361,501	12,820,964
Contribution to Road Accident Victims Protection			
Company Limited	16	7,459,428	4,984,518
Operating expenses	16, 17, 19.2	70,528,537	68,745,960
<b>Total underwriting expenses</b>		<b>404,324,397</b>	<b>358,138,687</b>
<b>Profit from underwriting</b>		<b>10,443,990</b>	<b>50,831,951</b>
Net investment income		18,040,315	16,372,626
Gains (losses) on investments		(4,782,544)	2,419,777
Fair value gains		594,796	7,175,047
Other income			
Gain on sale of assets		1,256	9,691,187
Others	19.2	3,166,704	562,686
<b>Profit from operations</b>		<b>27,464,517</b>	<b>87,053,274</b>
Contribution to the Office of Insurance Commission		(1,433,228)	(1,254,788)
Contribution to the General Insurance Fund		(1,194,357)	(1,045,375)
Contribution to the Victims Compensation Fund		(635,444)	(406,900)
<b>Profit before income tax expenses</b>		<b>24,201,488</b>	<b>84,346,211</b>
Income tax expenses	10.2	(4,187,487)	(15,703,512)
<b>Profit for the period</b>		<b>20,014,001</b>	<b>68,642,699</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 2015**

		(Unit: Baht)	
	Note	2015	2014
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gains on revaluation of available-for-sale investments		6,581,707	11,194,392
Less: Related income taxes	10.2	<u>(1,316,341)</u>	<u>(2,238,879)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
- net of income tax		<u>5,265,366</u>	<u>8,955,513</u>
Other comprehensive income for the periods		<u>5,265,366</u>	<u>8,955,513</u>
Total comprehensive income for the periods		<u><u>25,279,367</u></u>	<u><u>77,598,212</u></u>
<b>Earning per share</b>			
Basic earning per share			
Profit for the period	18	<u><u>1.44</u></u>	<u><u>4.94</u></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 2015**

	Note	2015	2014
(Unit: Baht)			
<b>Income</b>			
Net earned premium	16, 19.2	780,128,599	785,304,256
Fee and commission income	16	42,566,907	20,973,615
<b>Total income</b>		<b>822,695,506</b>	<b>806,277,871</b>
<b>Expenses</b>			
Underwriting			
Claims and losses adjustment expenses	16	433,836,725	443,239,491
Commission and brokerage expenses	16, 19.2	144,008,940	135,229,167
Other underwriting expenses	16	44,816,981	22,824,019
Contribution to Road Accident Victims Protection			
Company Limited	16	13,354,015	9,938,005
Operating expenses	16, 17, 19.2	122,548,856	153,085,273
<b>Total underwriting expenses</b>		<b>758,565,517</b>	<b>764,315,955</b>
<b>Profit from underwriting</b>		<b>64,129,989</b>	<b>41,961,916</b>
Net investment income		36,420,574	34,197,830
Gains on investments		2,945,539	2,440,665
Fair value gains (losses)		(2,431,967)	8,619,731
Other income			
Gain on sale of assets		245,578	10,564,324
Others	19.2	7,417,331	990,535
<b>Profit from operations</b>		<b>108,727,044</b>	<b>98,775,001</b>
Contribution to the Office of Insurance Commission		(2,910,013)	(2,619,959)
Contribution to the General Insurance Fund		(2,424,994)	(2,182,789)
Contribution to the Victims Compensation Fund		(1,116,635)	(811,266)
<b>Profit before income tax expenses</b>		<b>102,275,402</b>	<b>93,160,987</b>
Income tax expenses	10.2	(19,337,365)	(17,526,801)
<b>Profit for the period</b>		<b>82,938,037</b>	<b>75,634,186</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 six-month period ended 30 June 2015**

		(Unit: Baht)	
	Note	2015	2014
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gains on revaluation of available-for-sale investments		4,384,066	20,041,588
Less: Related income taxes	10.2	<u>(876,813)</u>	<u>(4,008,318)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
- net of income tax		<u>3,507,253</u>	<u>16,033,270</u>
Other comprehensive income for the periods		<u>3,507,253</u>	<u>16,033,270</u>
<b>Total comprehensive income for the periods</b>		<u><u>86,445,290</u></u>	<u><u>91,667,456</u></u>
<b>Earning per share</b>			
Basic earning per share			
Profit for the period	18	<u><u>5.97</u></u>	<u><u>5.44</u></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 2015**

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	Other components of equity	Total
			Appropriated			Unrealised gains (losses) on	
			Statutory reserve	Other		changes in values of available- for-sale investments - net of income taxes	
<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
Profit for the period	-	-	-	-	75,634,186	-	75,634,186
Other comprehensive income for the period	-	-	-	-	-	16,033,270	16,033,270
Total comprehensive income for the period	-	-	-	-	75,634,186	16,033,270	91,667,456
Dividend paid (Note 24)	-	-	-	-	(90,350,000)	-	(90,350,000)
<b>Balance as at 30 June 2014</b>	139,000,000	594,436,835	24,848,787	6,163,850	402,159,997	7,568,270	1,174,177,739
<b>Balance as at 1 January 2015</b>	139,000,000	594,436,835	24,848,787	6,163,850	489,436,011	(5,634,724)	1,248,250,759
Profit for the period	-	-	-	-	82,938,037	-	82,938,037
Other comprehensive income for the period	-	-	-	-	-	3,507,253	3,507,253
Total comprehensive income for the period	-	-	-	-	82,938,037	3,507,253	86,445,290
Dividend paid (Note 24)	-	-	-	-	(83,400,000)	-	(83,400,000)
<b>Balance as at 30 June 2015</b>	139,000,000	594,436,835	24,848,787	6,163,850	488,974,048	(2,127,471)	1,251,296,049
	-	-	-	-	-	-	-

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 2015**

		(Unit: Baht)	
	Note	2015	2014
<b>Cash flows from operating activities</b>			
Direct premium written		917,735,761	884,832,292
Cash received (paid) for reinsurance		(35,939,250)	2,220,633
Losses incurred of direct insurance		(397,610,314)	(435,574,778)
Losses adjustment expenses of direct insurance		(49,775,764)	(48,205,582)
Commissions and brokerages of direct insurance		(140,653,118)	(140,057,498)
Other underwriting expenses		(58,170,996)	(32,762,024)
Interest income		36,072,426	28,694,593
Dividend income		6,722,417	5,051,062
Other investment expenses		(1,207,493)	(489,232)
Other income		7,417,332	11,554,859
Operating expenses		(119,627,821)	(162,019,580)
Income tax		(15,898,783)	(18,876,580)
<b>Net cash from operating activities</b>		<b>149,064,397</b>	<b>94,368,165</b>
<b>Cash flows from investing activities</b>			
Cash flows from			
Investments in securities		1,185,757,059	841,379,337
Loans		1,199,734	1,237,453
Property, building and equipment		259,471	11,671,133
Net cash from investing activities		<b>1,187,216,264</b>	<b>854,287,923</b>
Cash flows used in			
Investments in securities		(1,247,606,001)	(898,898,999)
Loans		(553,112)	(524,200)
Property, building and equipment		(19,653,449)	(1,104,809)
Intangible assets		(115,385)	(244,000)
Net cash used in investing activities		<b>(1,267,927,947)</b>	<b>(900,772,008)</b>
<b>Net cash used in investing activities</b>		<b>(80,711,683)</b>	<b>(46,484,085)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	24	(83,400,000)	(90,350,000)
<b>Net cash used in financing activities</b>		<b>(83,400,000)</b>	<b>(90,350,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(15,047,286)</b>	<b>(42,465,920)</b>
Cash and cash equivalents at beginning of period		111,246,000	161,737,384
<b>Cash and cash equivalents at end of period</b>	3	<b>96,198,714</b>	<b>119,271,464</b>

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 2015**

**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 N.S. 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 Standard No. 34 (revised 2014) “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.

These 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 financial statements in Thai language.

### **1.3 Revised and new financial reporting standards**

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company previously recognised actuarial gains and losses immediately in profit or loss and in the current period, the Company changed the recognition of such transactions to be an immediate recognition in other comprehensive income. However, the restatement of the prior period's financial statements, presented as comparative information, was not made since the amount of actuarial gains and losses in the prior period was not material.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

### **2. 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 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 1.3 to the financial statements.

**3. Cash and cash equivalents**

	(Unit: Baht)	
	30 June 2015	31 December 2014
Cash on hand	201,085	137,552
Deposits at banks with no fixed maturity date	95,997,629	111,108,448
Deposits at banks with fixed maturity date	975,000,000	1,055,643,500
Total cash and deposits at financial institutions	1,071,198,714	1,166,889,500
Less: Deposits at banks which amount maturing in over 3 months	(975,000,000)	(1,055,643,500)
Cash and cash equivalents	96,198,714	111,246,000

As at 30 June 2015 and 31 December 2014, saving deposits and fixed deposits carried interests at the rates between 0.00 and 4.00 percent per annum.

**4. Premium receivables**

The balances as at 30 June 2015 and 31 December 2014 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 2015			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	12,295,281	135,815,472	-	148,110,753
Not over 30 days	16,281,713	30,806,732	12,922	47,101,367
Over 30 days to 60 days	478,081	7,775,486	755	8,254,322
Over 60 days to 90 days	633,476	1,896,279	-	2,529,755
Over 90 days to 1 year	4,213,640	1,005,190	-	5,218,830
Over 1 year	123,635	8,108,704	-	8,232,339
Total premium receivables	34,025,826	185,407,863	13,677	219,447,366
Less: Allowance for doubtful accounts	(4,578,924)	(14,400,644)	-	(18,979,568)
Premium receivables, net	29,446,902	171,007,219	13,677	200,467,798

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2014			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	122,899	2,019,930	-	2,142,829
Not over 30 days	1,431,658	121,075,901	60,578	122,568,137
Over 30 days to 60 days	1,684,995	28,127,286	3,318	29,815,599
Over 60 days to 90 days	770,782	8,687,317	108,298	9,566,397
Over 90 days to 1 year	2,912,578	1,631,579	1,048	4,545,205
Over 1 year	17,346	10,112,603	-	10,129,949
Total premium receivables	6,940,258	171,654,616	173,242	178,768,116
Less: Allowance for doubtful accounts	(2,663,006)	(28,633,496)	-	(31,296,502)
Premium receivables, net	4,277,252	143,021,120	173,242	147,471,614

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.

## 5. Reinsurance assets

(Unit: Baht)

	30 June 2015	31 December 2014
Amounts deposit on reinsurance	2,929	2,929
Amounts due from reinsurers	72,798,289	43,624,720
Insurance reserve refundable from reinsurers	264,859,493	202,133,858
Reinsurance assets	337,660,711	245,761,507
Less : Allowance for doubtful accounts	(5,359,205)	(5,054,274)
Reinsurance assets, net	332,301,506	240,707,233

The balances as at 30 June 2015 and 31 December 2014 of amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	30 June 2015	31 December 2014
Not over 12 months	72,798,289	43,624,720
Total amounts due from reinsurers	72,798,289	43,624,720
Less: Allowance for doubtful accounts	(432,629)	-
Amounts due from reinsurers - net	72,365,660	43,624,720

## 6. Investments in securities

### 6.1 Classified by type of investment

(Unit: Baht)

	30 June 2015		31 December 2014	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Trading investments</b>				
Equity securities	84,727,736	83,605,877	65,632,839	66,996,066
Unit trusts	26,127,946	26,151,363	13,423,815	13,450,804
Warrant	-	188,723	-	132,032
Total	110,855,682	109,945,963	79,056,654	80,578,902
Add: Unrealised gains (losses)	(909,719)	-	1,522,248	-
<b>Total trading investments</b>	<b>109,945,963</b>	<b>109,945,963</b>	<b>80,578,902</b>	<b>80,578,902</b>
<b>Available-for-sale investments</b>				
Equity securities	17,245,653	21,744,467	16,852,899	20,496,246
Unit trusts	418,404,883	409,588,589	278,316,129	266,959,013
Debentures	40,036,136	41,694,277	40,041,365	40,711,729
Total	475,686,672	473,027,333	335,210,393	328,166,988
Less: Unrealised losses	(2,659,339)	-	(7,043,405)	-
<b>Total available-for-sale investments</b>	<b>473,027,333</b>	<b>473,027,333</b>	<b>328,166,988</b>	<b>328,166,988</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	536,757,288		549,151,042	
Private enterprise debt securities	142,636,797		147,652,558	
Deposits at commercial banks	975,000,000		1,055,643,500	
<b>Total held-to-maturity investments</b>	<b>1,654,394,085</b>		<b>1,752,447,100</b>	
<b>Other investments</b>				
Equity securities	2,048,020		2,048,020	
<b>Total other investments</b>	<b>2,048,020</b>		<b>2,048,020</b>	

## 6.2 Remaining period of debt securities

Investments in debt securities as at 30 June 2015 and 31 December 2014 will be matured redemption as follows:

(Unit: Baht)

	30 June 2015			
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
<b>Available-for-sale investments</b>				
Private enterprise debt securities	-	40,036,136	-	40,036,136
Add: Unrealised gains	-	1,658,141	-	1,658,141
<b>Total available-for-sale investments</b>	<b>-</b>	<b>41,694,277</b>	<b>-</b>	<b>41,694,277</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	125,450,861	276,168,622	135,137,805	536,757,288
Private enterprise debt securities	-	62,431,654	80,205,143	142,636,797
Deposits at commercial banks	790,000,000	185,000,000	-	975,000,000
<b>Total held-to-maturity investments</b>	<b>915,450,861</b>	<b>523,600,276</b>	<b>215,342,948</b>	<b>1,654,394,085</b>

(Unit: Baht)

	31 December 2014			
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
<b>Available-for-sale investments</b>				
Private enterprise debt securities	-	40,041,365	-	40,041,365
Add: Unrealised gains	-	670,364	-	670,364
<b>Total available-for-sale investments</b>	<b>-</b>	<b>40,711,729</b>	<b>-</b>	<b>40,711,729</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	132,361,506	281,420,526	135,369,010	549,151,042
Private enterprise debt securities	30,000,000	52,434,997	65,217,561	147,652,558
Deposits at commercial banks	965,643,500	90,000,000	-	1,055,643,500
<b>Total held-to-maturity investments</b>	<b>1,128,005,006</b>	<b>423,855,523</b>	<b>200,586,571</b>	<b>1,752,447,100</b>

As at 30 June 2015 and 31 December 2014, 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 20, 21 and 22.



(Unaudited but reviewed)

**6.3 Unrealised losses on available-for-sale investments**

	(Unit: Baht)	
	30 June 2015	31 December 2014
Unrealised losses on available-for-sale investments - beginning of the year	(7,043,405)	(10,581,249)
Gains on revaluation during the periods	579,718	4,695,927
(Gains) loss on sales of available-for-sale investments during the periods transferred to be recognised in profit or loss	3,804,348	(1,158,083)
Unrealised losses on available-for-sale investments - end of the year	(2,659,339)	(7,043,405)
Add: Income taxes	531,868	1,408,681
Unrealised losses on available-for-sale investments, net of income taxes	(2,127,471)	(5,634,724)

**7. Loans**

As at 30 June 2015 and 31 December 2014, loans and accrued interest aged by principal and accrued interest are as follows:

	(Unit: Baht)						
	30 June 2015						
	Mortgage loans		Others		Total		
Outstanding period	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	7,176,066	1,798	522,126	-	7,698,192	1,798	7,699,990
Overdue more than 12 months	-	-	314,526	203,847	314,526	203,847	518,373
Total	7,176,066	1,798	836,652	203,847	8,012,718	205,645	8,218,363
Less: Allowance for doubtful accounts	-	-	(314,525)	(203,847)	(314,525)	(203,847)	(518,372)
Loans and accrued interest, net	7,176,066	1,798	522,127	-	7,698,193	1,798 <sup>(1)</sup>	7,699,991

<sup>(1)</sup> Included as a part of "Accrued investment income" in statements of financial position

	(Unit: Baht)						
	31 December 2014						
	Mortgage loans		Others		Total		
Outstanding period	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	7,635,330	3,923	709,485	-	8,344,815	3,923	8,348,738
Overdue more than 12 months	-	-	314,526	203,847	314,526	203,847	518,373

(Unaudited but reviewed)

Total	7,635,330	3,923	1,024,011	203,847	8,659,341	207,770	8,867,111
Less: Allowance for doubtful accounts	-	-	(314,526)	(203,847)	(314,526)	(203,847)	(518,373)
Loans and accrued interest, net	<u>7,635,330</u>	<u>3,923</u>	<u>709,485</u>	<u>-</u>	<u>8,344,815</u>	<u>3,923<sup>(1)</sup></u>	<u>8,348,738</u>

<sup>(1)</sup> Included as a part of "Accrued investment income" in statements of financial position

(Unaudited but reviewed)

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.

## 8. Property, buildings and equipment

The movement of property, buildings and equipment for the six-month period ended 30 June 2015 are as follows:

(Unit: Baht)

	Land	Buildings	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
Net book value as at						
1 January 2015	102,037,866	28,815,283	12,857,245	3,335,024	-	147,045,418
Additions - at cost	3,840,000	5,760,000	3,674,045	-	6,379,404	19,653,449
Transfer in (out)	1,785,000	4,504,404	-	-	(6,289,404)	-
Disposals - net book value	-	-	(13,892)	(1)	-	(13,893)
Depreciation charge for the period	-	(1,845,586)	(2,681,006)	(620,435)	-	(5,147,027)
Net book value as at 30 June 2015	<u>107,662,866</u>	<u>37,234,101</u>	<u>13,836,392</u>	<u>2,714,588</u>	<u>90,000</u>	<u>161,537,947</u>

## 9. Intangible assets

(Unit: Baht)

	Computer software
Net book values as at 1 January 2015	1,056,435
Addition during the period	60,385
Work in progress	55,000
Amortisation charge for the period	(490,661)
Net book value as at 30 June 2015	<u>681,159</u>

**10. Income tax****10.1 Deferred tax assets and liabilities**

Deferred tax assets and liabilities arose from the following temporary differences:

	(Unit: Baht)	
	30 June 2015	31 December 2014
<b>Deferred tax assets</b>		
Allowance for doubtful debts	5,682,730	8,289,256
Premium reserves	41,213,208	30,108,879
Provision for losses incurred but not yet reported (IBNR)	15,501,366	13,266,562
Loss reserves	40,565,323	30,501,785
Provision for long-term employee benefits	7,198,994	6,866,136
Unrealised losses on changes in values of available-for-sale investments	531,868	1,408,681
Unrealised losses on changes in values of trading investments	181,944	-
<b>Total</b>	<b>110,875,433</b>	<b>90,441,299</b>
<b>Deferred tax liabilities</b>		
Unrealised gains on changes in values of trading investments	-	(304,449)
<b>Total</b>	<b>-</b>	<b>(304,449)</b>
Deferred tax assets, net	<u>110,875,433</u>	<u>90,136,850</u>

**10.2 Income tax expenses**

Income tax expenses for the three-month and six-month periods ended 30 June 2015 and 2014 are made up as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim income tax charge	(11,712,134)	(10,144,322)	(40,952,762)	(27,078,428)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	7,524,647	(5,559,190)	21,615,397	9,551,627
Income tax expense reported in the statements of comprehensive income	<u>(4,187,487)</u>	<u>(15,703,512)</u>	<u>(19,337,365)</u>	<u>(17,526,801)</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2015 and 2014 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
Deferred tax relating to gains on changes in values of available-for-sale investments	<u>(1,316,341)</u>	<u>(2,238,879)</u>	<u>(876,813)</u>	<u>(4,008,318)</u>

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rates for the three-month and six-month periods ended 30 June 2015 and 2014:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
Accounting profits before tax	<u>24,201,488</u>	<u>84,346,211</u>	<u>102,275,402</u>	<u>93,160,987</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	(4,840,298)	(16,869,242)	(20,455,081)	(18,632,197)
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	<u>652,811</u>	<u>1,165,730</u>	<u>1,117,716</u>	<u>1,105,396</u>
Income tax expenses reported in the statements of comprehensive income	<u>(4,187,487)</u>	<u>(15,703,512)</u>	<u>(19,337,365)</u>	<u>(17,526,801)</u>

## 11. Other assets

	(Unit: Baht)	
	30 June 2015	31 December 2014
Advances	1,736,564	1,413,365
Prepaid expenses	562,238	736,579
Undue input tax	3,033,621	3,038,983
Claim receivable from litigants	3,974,440	2,176,516
Notes receivable	9,356,828	6,805,907
Receivable on sales securities	16,618,624	20,073,150
Others	<u>8,478,690</u>	<u>12,395,988</u>

(Unaudited but reviewed)

Total other assets	43,761,005	46,640,488
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## 12. Due to reinsurers

	(Unit: Baht)	
	30 June 2015	31 December 2014
Outward premium payables	97,529,558	66,568,227
Amounts withheld on reinsurance	51,046,468	43,849,770
Total due to reinsurers	148,576,026	110,417,997

## 13. Loss reserves and outstanding claims

	(Unit: Baht)	
	30 June 2015	31 December 2014
Beginning Balance	589,582,528	604,279,480
Claims and losses adjustment expenses for the period	521,127,079	958,378,415
Change in claims and losses adjustment expenses paid of the prior period	(32,661,039)	(27,424,704)
Claims and losses adjustment expenses paid during the period	(443,665,427)	(945,650,663)
Ending balance	634,383,141	589,582,528

As at 30 June 2015 and 31 December 2014 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 0.1 million, respectively.

## 14. Premium reserve

### 14.1 Unearned premium reserves

	(Unit: Baht)	
	30 June 2015	31 December 2014
Beginning balance	864,240,805	832,842,359
Premium written for the period	974,586,612	1,720,732,634
Premium earned for the current period	(862,871,804)	(1,689,334,188)
Ending balance	975,955,613	864,240,805

(Unaudited but reviewed)

#### 14.2 Unexpired risk reserves

	(Unit: Baht)	
	30 June 2015	31 December 2014
Beginning balance	554,758,082	583,736,316
Estimated claims for the period	625,579,677	1,201,568,465
Risk expired during the period	(553,709,024)	(1,230,546,699)
Ending balance	<u>626,628,735</u>	<u>554,758,082</u>

#### 15. Other liabilities

	(Unit: Baht)	
	30 June 2015	31 December 2014
Account payable - Revenue Department	5,110,996	5,343,558
Withholding tax payable	2,473,726	2,272,317
Undue output tax	10,650,227	9,544,386
Accrued expenses	22,018,385	21,961,099
Deposits from agents	32,859,295	21,764,430
Others	13,195,701	9,892,708
Total other liabilities	<u>86,308,330</u>	<u>70,778,498</u>

(Unaudited but reviewed)

**16. Underwriting information reported by insurance categories**

Underwriting information classified by insurance categories for the three-month period ended 30 June 2015 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	11,234,704	3,856,041	360,964,343	88,708,362	17,247,844	482,011,294
Less: Premium ceded	(5,180,068)	(2,786,803)	(1,907,059)	(44,650,911)	(14,356,220)	(68,881,061)
Net premium written	6,054,636	1,069,238	359,057,284	44,057,451	2,891,624	413,130,233
Add (less): Unearned premium reserve	(2,853,055)	38,325	2,869,009	(20,795,530)	(465,656)	(21,206,907)
Earned premium	3,201,581	1,107,563	361,926,293	23,261,921	2,425,968	391,923,326
Fee and commission income	2,219,837	1,046,202	-	15,932,179	3,646,843	22,845,061
<b>Total underwriting income</b>	<b>5,421,418</b>	<b>2,153,765</b>	<b>361,926,293</b>	<b>39,194,100</b>	<b>6,072,811</b>	<b>414,768,387</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	1,048,948	124,716	206,244,389	16,341,687	6,460,018	230,219,758
Commission and brokerage expenses	5,011,967	523,738	58,003,492	5,711,277	1,504,699	70,755,173
Other underwriting expenses	157,187	15,010	20,563,558	4,483,332	142,414	25,361,501
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	7,459,428	-	-	7,459,428
<b>Total underwriting expenses before operating expenses</b>	<b>6,218,102</b>	<b>663,464</b>	<b>292,270,867</b>	<b>26,536,296</b>	<b>8,107,131</b>	<b>333,795,860</b>
Operating expenses						70,528,537
<b>Total underwriting expenses</b>						<b>404,324,397</b>



(Unaudited but reviewed)

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 six-month period ended 30 June 2015 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	22,554,816	7,120,150	770,231,198	152,402,095	22,278,354	974,586,613
Less: Premium ceded	(13,950,558)	(5,095,143)	(3,883,779)	(77,184,742)	(17,428,571)	(117,542,793)
Net premium written	8,604,258	2,025,007	766,347,419	75,217,353	4,849,783	857,043,820
Add (less): Unearned premium reserve	(2,258,879)	216,034	(44,047,132)	(30,619,603)	(205,641)	(76,915,221)
Earned premium	6,345,379	2,241,041	722,300,287	44,597,750	4,644,142	780,128,599
Fee and commission income	6,111,942	1,908,955	-	29,710,291	4,835,719	42,566,907
<b>Total underwriting income</b>	<b>12,457,321</b>	<b>4,149,996</b>	<b>722,300,287</b>	<b>74,308,041</b>	<b>9,479,861</b>	<b>822,695,506</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	2,101,740	665,265	398,247,049	26,203,636	6,619,035	433,836,725
Commission and brokerage expenses	7,670,376	948,111	122,419,635	10,693,417	2,277,401	144,008,940
Other underwriting expenses	514,138	181,498	37,361,423	6,193,576	566,346	44,816,981
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	13,354,015	-	-	13,354,015
<b>Total underwriting expenses before operating expenses</b>	<b>10,286,254</b>	<b>1,794,874</b>	<b>571,382,122</b>	<b>43,090,629</b>	<b>9,462,782</b>	<b>636,016,661</b>
Operating expenses						122,548,856
<b>Total underwriting expenses</b>						<b>758,565,517</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)

**17. Operating expenses**

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2015	2014	2015	2014
Personnel expenses which are not expenses for underwriting and claims	23,215,894	20,726,647	46,559,277	42,407,308
Property and equipment expenses which are not expenses for underwriting	15,747,663	19,008,576	32,342,041	39,203,459
Taxes and duties	139,744	138,777	782,802	392,335
Bad debts and doubtful accounts (Reversal)	(919,771)	2,719,489	(12,012,003)	21,042,608
Other operating expenses	32,345,007	26,152,471	54,876,739	50,039,563
Total operating expenses	<u>70,528,537</u>	<u>68,745,960</u>	<u>122,548,856</u>	<u>153,085,273</u>

**18. Earning per shares**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

**19. Related party transactions****19.1 Nature of relationship**

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

## 19.2 Related party transactions

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.

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2015	2014	2015	2014
<b>Premium written<sup>(2)</sup></b>				
Dung Seng Insurance Broker Co., Ltd. <sup>(1)</sup>	216,421,941	231,311,368	461,115,187	484,273,879
Asia Hotel Plc.	2,999	1,070,653	4,676	1,070,653
Zeer Property Plc.	4,904,718	1,815,866	4,904,718	1,815,866
Asia Airport Hotel Co., Ltd.	3,485,000	639,570	3,485,000	639,570
Asia Pattaya Hotel Co., Ltd.	2,699	585,871	3,299	586,471
<b>Commission and brokerage expenses</b>				
Dung Seng Insurance Broker Co., Ltd.	37,063,269	40,119,675	79,914,683	84,434,350
<b>Rental of building space<sup>(3)</sup></b>				
N.S.B. Co., Ltd.	-	317,517	-	638,192
<b>Service fee of building space<sup>(3)</sup></b>				
N.S.B. Co., Ltd.	2,955,723	5,043,319	5,911,446	10,153,818
<b>Cost of the rental<sup>(4)</sup></b>				
N.S.B. Co., Ltd.	2,700,333	-	4,780,714	-

(1) Premium written from non-life insurance brokers

(2) Present in "Net earn premium" in statements of comprehensive income

(3) Present in "Operating Expenses" in statements of comprehensive income

(4) Recognised as a deduction item in "Other income" in statements of comprehensive income

	Transfer pricing policy
Premium written	Normal commercial terms for underwriting
Commission and brokerage expenses	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
Cost of the rental	Contract price

### 19.3 Outstanding balances

As at 30 June 2015 and 31 December 2014, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Baht)	
	30 June 2015	31 December 2014
<b>Premium receivables</b>		
Dung Seng Insurance Broker Co., Ltd.	126,844,275	123,462,787
<b>Accrued commissions</b>		
Dung Seng Insurance Broker Co., Ltd.	21,291,183	20,844,161
<b>Accrued cost of the rental (including in other liabilities)</b>		
N.S.B. Co., Ltd.	684,659	-
<b>Accrued service fee of building space (including in other liabilities)</b>		
N.S.B. Co., Ltd.	985,241	-

### 19.4 Directors' and key management's benefits

During the three-month and six-month periods ended 30 June 2015 and 2014, the Company had employee benefit expenses incurred on directors and key management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
Short-term employee benefits	4.8	3.9	9.6	7.3
Long-term employee benefits	0.1	0.1	0.3	0.3
<b>Total</b>	<b>4.9</b>	<b>4.0</b>	<b>9.9</b>	<b>7.6</b>

**20. Securities placed with the Registrar**

As at 30 June 2015 and 31 December 2014, the Company has pledged its securities with the Registrar in accordance with the Non-life Insurance Act as follows:

(Unit: Baht)

	30 June 2015		31 December 2014	
	Cost	Fair value	Cost	Fair value
Government bonds	14,000,000	13,994,453	14,000,000	14,093,214

**21. Assets reserved with the Registrar**

As at 30 June 2015 and 31 December 2014, 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 2015		31 December 2014	
	Cost	Fair value	Cost	Fair value
Government bonds	180,000,000	189,538,425	180,000,000	188,881,726

**22. Collateralised assets**

As at 30 June 2015 and 31 December 2014, the Company has collateralised assets as follows:

(Unit: Baht)

		30 June 2015	31 December 2014
Government bonds	- As collateral for bail bonds	3,900,000	5,680,000
	- As collateral for drives guarantee	100,000	600,000
	- As collateral for electrical usage	1,700,000	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 drives guarantee	-	200,000
Fixed deposit	- As collateral for bail bonds	400,000	400,000
<b>Total</b>		<b>18,600,000</b>	<b>19,680,000</b>



### 23. Fair value of financial instruments

The Company uses the market approach to measure its assets that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

#### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavor to use relevant observable inputs as much as possible.

TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets

Level 2 - Use of other observable inputs for such assets whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 June 2015, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	Level 1	Level 2	Level 3	Total
	(Unit: Baht)			
<b>Financial assets measured at fair value</b>				
Trading investments				
Equity securities	83,605,877	-	-	83,605,877
Unit trusts	-	26,151,363	-	26,151,363
Warrant	188,723	-	-	188,723
Total trading investments	83,794,600	26,151,363	-	109,945,963
Available-for-sale investments				
Equity securities	21,744,467	-	-	21,744,467
Unit trusts	53,597,462	355,991,127	-	409,588,589
Debenture	-	41,694,277	-	41,694,277
Total available-for-sale investments	75,341,929	397,685,404	-	473,027,333

#### Valuation techniques and inputs for Level 2 valuations

- (a) The fair value of investments in debt securities is determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- (b) The fair value of investments in investment units which are not listed on the Stock Exchange of Thailand, is determined by using the net assets value per unit as announced by the fund managers.

During the current period, there were no transfers within the fair value hierarchy.

## 24. Dividend paid

Dividend declared during the period consists of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 29 April 2015	83.40	6.00
Final dividends for 2013	Annual General Meeting of the shareholders on 31 March 2014	90.35	6.50

## 25. 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 2015 and 2014, respectively.

	(Unit: Baht)					
	Motor		Others		Total	
	2015	2014	2015	2014	2015	2014
<b>Underwriting income</b>						
Premium written	360,964,343	347,976,035	121,046,951	72,170,971	482,011,294	420,147,006
Add (Less): Premium ceded	(1,907,059)	3,659,670	(66,974,002)	(37,508,553)	(68,881,061)	(33,848,883)
Add (less): Unearned premium reserve	2,869,009	21,357,588	(24,075,916)	(10,614,430)	(21,206,907)	10,743,158
Earned premium	361,926,293	372,993,293	29,997,033	24,047,988	391,923,326	397,041,281
Fee and commission income	-	-	22,845,061	11,929,357	22,845,061	11,929,357
<b>Total underwriting income</b>	<b>361,926,293</b>	<b>372,993,293</b>	<b>52,842,094</b>	<b>35,977,345</b>	<b>414,768,387</b>	<b>408,970,638</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	206,244,389	200,188,274	23,975,369	6,593,465	230,219,758	206,781,739
Commission and brokerage expenses	58,003,492	55,501,265	1,275,168	9,304,241	70,755,173	64,805,506
Other underwriting expenses	20,563,558	10,917,018	4,797,943	1,903,946	25,361,501	12,820,964
Contribution to Road Accident Victims Protection Co., Ltd.	7,459,428	4,984,518	-	-	7,459,428	4,984,518
Operating expenses	70,365,757	68,075,755	162,780	670,205	70,528,537	68,745,960
<b>Total underwriting expenses</b>	<b>362,636,624</b>	<b>339,666,830</b>	<b>41,687,773</b>	<b>18,471,857</b>	<b>404,324,397</b>	<b>358,138,687</b>
<b>Profit (loss) from underwriting</b>	<b>(710,331)</b>	<b>33,326,463</b>	<b>11,154,321</b>	<b>17,505,488</b>	<b>10,443,990</b>	<b>50,831,951</b>
Net investment income					18,040,315	16,372,626
Gains (losses) on investments					(4,782,544)	2,419,777
Fair value gains					594,796	7,175,047
Other income					3,167,960	10,253,873
<b>Profit from operation</b>					<b>27,464,517</b>	<b>87,053,274</b>
Contribution to the Office of Insurance Commission					(1,433,228)	(1,254,788)
Contribution to the General Insurance Fund					(1,194,357)	(1,045,375)
Contribution to the Victims Compensation Fund					(635,444)	(406,900)
<b>Profit before income tax expenses</b>					<b>24,201,488</b>	<b>84,346,211</b>

(Unaudited but reviewed)

Income tax expenses	(4,187,487)	(15,703,512)
<b>Profit for the period</b>	<u>20,014,001</u>	<u>68,642,699</u>

The following tables present revenue and profit regarding the Company's operating segments for the six-month periods ended 30 June 2015 and 2014, respectively.

	(Unit: Baht)					
	Motor		Others		Total	
	2015	2014	2015	2014	2015	2014
<b>Underwriting income</b>						
Premium written	770,231,198	748,607,594	204,355,415	126,707,837	974,586,613	875,315,431
Less: Premium ceded	(3,883,779)	(3,659,670)	(113,659,014)	(68,095,872)	(117,542,793)	(71,755,542)
Less: Unearned premium reserve	(44,047,132)	(8,399,095)	(32,868,089)	(9,856,538)	(76,915,221)	(18,255,633)
Earned premium	722,300,287	736,548,829	57,828,312	48,755,427	780,128,599	785,304,256
Fee and commission income	-	-	42,566,907	20,973,615	42,566,907	20,973,615
<b>Total underwriting income</b>	<u>722,300,287</u>	<u>736,548,829</u>	<u>100,395,219</u>	<u>69,729,042</u>	<u>822,695,506</u>	<u>806,277,871</u>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	398,247,049	425,453,889	35,589,676	17,785,602	433,836,725	443,239,491
Commission and brokerage expenses	122,419,635	117,979,893	21,589,305	17,249,274	144,008,940	135,229,167
Other underwriting expenses	37,361,423	18,974,956	7,455,558	3,849,063	44,816,981	22,824,019
Contribution to Road Accident Victims Protection Co., Ltd.	13,354,015	9,938,005	-	-	13,354,015	9,938,005
Operating expenses	123,539,758	145,098,660	(990,902)	7,986,613	122,548,856	153,085,273
<b>Total underwriting expenses</b>	<u>694,921,880</u>	<u>717,445,403</u>	<u>63,643,637</u>	<u>46,870,552</u>	<u>758,565,517</u>	<u>764,315,955</u>
<b>Profit from underwriting</b>	<u>27,378,407</u>	<u>19,103,426</u>	<u>36,751,582</u>	<u>22,858,490</u>	<u>64,129,989</u>	<u>41,961,916</u>
Net investment income					36,420,574	34,197,830
Gains on investments					2,945,539	2,440,665
Fair value gains (losses)					(2,431,967)	8,619,731
Other income					7,662,909	11,554,859
<b>Profit from operation</b>					<u>108,727,044</u>	<u>98,775,001</u>
Contribution to the Office of Insurance Commission					(2,910,013)	(2,619,959)
Contribution to the General Insurance Fund					(2,424,994)	(2,182,789)
Contribution to the Victims Compensation Fund					(1,116,635)	(811,266)
<b>Profit before income tax expenses</b>					<u>102,275,402</u>	<u>93,160,987</u>
Income tax expenses					(19,337,365)	(17,526,801)
<b>Profit for the period</b>					<u>82,938,037</u>	<u>75,634,186</u>

Segments assets and liabilities as at 30 June 2015 and 31 December 2014 are as follows:

	(Unit: Baht)			
	Motor	Others	Unallocated assets/liabilities	Total
	Motor	Others	assets/liabilities	Total
<b>Assets</b>				
30 June 2015	159,566,274	373,203,030	2,679,484,289	3,212,253,593
31 December 2014	132,402,538	255,776,309	2,593,401,722	2,981,580,569
<b>Liabilities</b>				
30 June 2015	1,240,359,612	551,161,343	169,436,589	1,960,957,544
31 December 2014	1,187,426,181	409,686,163	136,217,466	1,733,329,810

(Unaudited but reviewed)

For the six-month period ended 30 June 2015 and 2014, the Company has revenue from one major broker in amount of Baht 437 million and Baht 463 million, respectively, arising from the motor segment.

## **26. Commitments and contingent liabilities**

### **26.1 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 3 years.

As at 30 June 2015 and 31 December 2014, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	(Unit: Million Baht)	
	<u>30 June 2015</u>	<u>31 December 2014</u>
Payable:		
In up to 1 year	2.2	1.8
In over 1 and up to 5 years	2.2	1.9

### **26.2 Litigation**

As at 30 June 2015 and 31 December 2014, the Company had litigation claims as an insurer. The outcomes of the cases have not yet been finalised whereby the maximum responsibility of the sum sued totalling Baht 550.6 million and Baht 548.3 million, respectively. However, the Company has set aside reserve for its losses totaling Baht 55.6 million and Baht 54.2 million, respectively in the financial statements.

## **27. Approval of the interim financial statements**

These interim financial statements were authorised for issue by the Audit Committee on 10 August 2015.