

Nam Seng Insurance Public Company Limited  
Review report and interim financial statements  
31 March 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 31 March 2015, the related statements of comprehensive income, changes in equity, and cash flows for the three-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: 12 May 2015

**Nam Seng Insurance Public Company Limited****Statements of financial position****As at 31 March 2015**

		(Unit: Baht)	
	Note	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	3	148,066,970	111,246,000
Accrued investment income		15,666,677	18,376,093
Premium receivables	4, 19.3	177,849,314	147,471,614
Reinsurance assets	5	362,456,426	240,707,233
Investment assets			
Investments in securities	6		
Trading investments		71,213,132	80,578,902
Available-for-sale investments		350,412,657	328,166,988
Held-to-maturity investments		1,791,448,982	1,752,447,100
Other investments		2,048,020	2,048,020
Loans	7	7,672,209	8,344,815
Properties foreclosed		7,314,613	7,314,613
Property, buildings and equipment	8	153,145,478	147,045,418
Intangible assets	9	814,875	1,056,435
Deferred tax assets	10.1	104,667,128	90,136,850
Other assets	11	63,544,149	46,640,488
<b>Total assets</b>		<b>3,256,320,630</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 31 March 2015**

	Note	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Income tax payable		36,752,374	9,118,199
Due to reinsurers	12	213,066,677	110,417,997
Insurance contract liabilities			
Loss reserves and outstanding claims	13	603,560,463	589,582,528
Premium reserve	14.1	928,853,312	864,240,805
Employee benefit obligations		43,443,380	56,320,769
Accrued commissions	19.3	32,572,223	32,871,014
Other liabilities	15, 19.3	88,655,519	70,778,498
<b>Total liabilities</b>		<b>1,946,903,948</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		552,360,047	489,436,011
Other components of equity			
Unrealised losses on change in valuation			
of available-for-sale investments - net of income taxes	6.3	(7,392,837)	(5,634,724)
<b>Total equity</b>		<b>1,309,416,682</b>	<b>1,248,250,759</b>
<b>Total liabilities and equity</b>		<b>3,256,320,630</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 31 March 2015**

		(Unit: Baht)	
	Note	2015	2014
<b>Income</b>			
Net earned premium	16, 19.2	388,205,273	388,262,975
Fee and commission income	16	19,721,846	9,044,258
<b>Total income</b>		<u>407,927,119</u>	<u>397,307,233</u>
<b>Expenses</b>			
Underwriting			
Claims and losses adjustment expenses	16	203,616,967	236,457,752
Commission and brokerage expenses	16, 19.2	73,253,767	70,423,661
Other underwriting expenses	16	19,455,480	10,003,055
Contribution to Road Accident Victims Protection			
Company Limited	16	5,894,587	4,953,487
Operating expenses	16, 17, 19.2	52,020,319	84,339,313
<b>Total underwriting expenses</b>		<u>354,241,120</u>	<u>406,177,268</u>
<b>Profit (losses) from underwriting</b>		53,685,999	(8,870,035)
Net investment income		18,380,259	17,825,204
Gains on investments		7,728,083	20,888
Fair value gains (losses)		(3,026,763)	1,444,684
Other income			
Gain on sale of assets		244,322	873,137
Others	19.2	4,250,627	427,849
<b>Profit from operations</b>		<u>81,262,527</u>	<u>11,721,727</u>
Contribution to the Office of Insurance Commission		(1,476,785)	(1,365,171)
Contribution to the General Insurance Fund		(1,230,637)	(1,137,414)
Contribution to the Victims Compensation Fund		(481,191)	(404,366)
<b>Profit before income tax expenses</b>		<u>78,073,914</u>	<u>8,814,776</u>
Income tax expenses	10.2	(15,149,878)	(1,823,289)
<b>Profit for the period</b>		<u>62,924,036</u>	<u>6,991,487</u>

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

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income (continued)**  
**For the three-month period ended 31 March 2015**

	Note	2015	2014
(Unit: Baht)			
<b>Other comprehensive income (loss):</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gains (loss) on revaluation of available-for-sale investments		(2,197,641)	8,847,196
Add (less): Income taxes	10.2	439,528	(1,769,439)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
- net of income tax		(1,758,113)	7,077,757
<b>Other comprehensive income (losses) for the period</b>		<u>(1,758,113)</u>	<u>7,077,757</u>
<b>Total comprehensive income for the periods</b>		<u><u>61,165,923</u></u>	<u><u>14,069,244</u></u>
<b>Earnings per share</b>			
Basic earnings per share			
Profit for the period	18	<u><u>4.53</u></u>	<u><u>0.50</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 three-month period ended 31 March 2015**

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of equity	Total
			Appropriated		Unappropriated	Unrealised gains (losses) on changes in values of available- for-sale investments	
			Statutory reserve	Other			
<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	-	-	-	-	6,991,487	-	6,991,487
Other comprehensive income for the period	-	-	-	-	-	7,077,757	7,077,757
Total comprehensive income for the period	-	-	-	-	6,991,487	7,077,757	14,069,244
Dividend paid (Note 24)	-	-	-	-	(90,350,000)	-	(90,350,000)
<b>Balance as at 31 March 2014</b>	<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>333,517,298</u>	<u>(1,387,243)</u>	<u>1,096,579,527</u>
<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	-	-	-	-	62,924,036	-	62,924,036
Other comprehensive losses for the period	-	-	-	-	-	(1,758,113)	(1,758,113)
Total comprehensive income for the period	-	-	-	-	62,924,036	(1,758,113)	61,165,923
<b>Balance as at 31 March 2015</b>	<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>552,360,047</u>	<u>(7,392,837)</u>	<u>1,309,416,682</u>
	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**

**Statement of cash flows**

**For the three-month period ended 31 March 2015**

	Note	2015	2014
(Unit: Baht)			
<b>Cash flows from operating activities</b>			
Direct premium written		462,206,803	467,629,035
Cash paid for reinsurance		(13,255,466)	(12,738,301)
Losses incurred of direct insurance		(190,072,812)	(194,728,346)
Losses adjustment expenses of direct insurance		(25,152,502)	(23,149,887)
Commissions and brokerages of direct insurance		(73,450,598)	(75,170,635)
Other underwriting expenses		(25,350,067)	(14,956,542)
Interest income		18,690,554	16,241,327
Dividend income		2,399,122	2,880,541
Other investment expenses		(651,435)	(195,830)
Other income		4,250,627	1,247,745
Operating expenses		(83,184,114)	(109,207,813)
Income tax		(1,606,453)	(1,637,749)
<b>Net cash from operating activities</b>		<b>74,823,659</b>	<b>56,213,545</b>
<b>Cash flows from investing activities</b>			
Cash flows from			
Investments in securities		740,264,226	484,078,536
Loans		695,717	684,395
Property, buildings and equipment		258,213	53,267
Net cash from investing activities		<b>741,218,156</b>	<b>484,816,198</b>
Cash flows used in			
Investments in securities		(770,512,819)	(508,853,851)
Loans		(23,112)	(130,000)
Property, buildings and equipment		(8,684,914)	(585,154)
Net cash used in investing activities		<b>(779,220,845)</b>	<b>(509,569,005)</b>
<b>Net cash used in investing activities</b>		<b>(38,002,689)</b>	<b>(24,752,807)</b>
<b>Net increase in cash and cash equivalents</b>		<b>36,820,970</b>	<b>31,460,738</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>	<b>3</b>	<b>148,066,970</b>	<b>193,198,122</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 period ended 31 March 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 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 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)	
	31 March 2015	31 December 2014
Cash on hand	278,536	137,552
Deposits at banks with no fixed maturity date	147,788,434	111,108,448
Deposits at banks with fixed maturity date	1,110,000,000	1,055,643,500
Total cash and deposits at financial institutions	1,258,066,970	1,166,889,500
Less: Deposits at banks which amount maturing in over 3 months	(1,110,000,000)	(1,055,643,500)
Cash and cash equivalents	<u>148,066,970</u>	<u>111,246,000</u>

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

**4. Premium receivables**

The balances as at 31 March 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)			
	31 March 2015			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	358,279	131,417,010	-	131,775,289
Not over 30 days	3,636,759	29,991,680	1,136	33,629,575
Over 30 days to 60 days	1,425,491	11,314,722	2,445	12,742,658
Over 60 days to 90 days	5,706,987	1,201,746	49,148	6,957,881
Over 90 days to 1 year	2,706,006	1,554,377	9,069	4,269,452
Over 1 year	41,590	8,567,323	-	8,608,913
Total premium receivables	13,875,112	184,046,858	61,798	197,983,768
Less: Allowance for doubtful accounts	(5,775,971)	(14,358,483)	-	(20,134,454)
Premium receivables, net	<u>8,099,141</u>	<u>169,688,375</u>	<u>61,798</u>	<u>177,849,314</u>

(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)

	31 March 2015	31 December 2014
Amounts deposit on reinsurance	2,929	2,929
Amounts due from reinsurers	146,622,199	43,624,720
Insurance reserve refundable from reinsurers	220,955,388	202,133,858
Reinsurance assets	367,580,516	245,761,507
Less : Allowance for doubtful accounts	(5,124,090)	(5,054,274)
Reinsurance assets, net	362,456,426	240,707,233

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

(Unit: Baht)

	31 March 2015	31 December 2014
Not over 12 months	146,506,790	43,624,720
1 - 2 years	115,409	-
Total amounts due from reinsurers	146,622,199	43,624,720
Less: Allowance for doubtful accounts	(201,414)	-
Amounts due from reinsurers - net	146,420,785	43,624,720

## 6. Investments in securities

### 6.1 Classified by type of investment

(Unit: Baht)

	31 March 2015		31 December 2014	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Trading investments</b>				
Equity securities	45,786,338	44,020,519	65,632,839	66,996,066
Unit trusts	26,931,308	27,039,924	13,423,815	13,450,804
Warrant	-	152,689	-	132,032
Total	72,717,646	71,213,132	79,056,654	80,578,902
Add: Unrealised gains (losses)	(1,504,514)	-	1,522,248	-
<b>Total trading investments</b>	<b>71,213,132</b>	<b>71,213,132</b>	<b>80,578,902</b>	<b>80,578,902</b>
<b>Available-for-sale investments</b>				
Equity securities	16,852,898	21,119,967	16,852,899	20,496,246
Unit trusts	302,762,040	288,160,306	278,316,129	266,959,013
Debentures	40,038,765	41,132,384	40,041,365	40,711,729
Total	359,653,703	350,412,657	335,210,393	328,166,988
Less: Unrealised losses	(9,241,046)	-	(7,043,405)	-
<b>Total available-for-sale investments</b>	<b>350,412,657</b>	<b>350,412,657</b>	<b>328,166,988</b>	<b>328,166,988</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	538,803,192		549,151,042	
Private enterprise debt securities	142,645,790		147,652,558	
Deposits at commercial banks	1,110,000,000		1,055,643,500	
<b>Total held-to-maturity investments</b>	<b>1,791,448,982</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 31 March 2015 and 31 December 2014 will be matured redemption as follows:

(Unit: Baht)

	31 March 2015			
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
<b>Available-for-sale investments</b>				
Private enterprise debt securities	-	40,038,765	-	40,038,765
Add: Unrealised gains	-	1,093,619	-	1,093,619
<b>Total available-for-sale investments</b>	<b>-</b>	<b>41,132,384</b>	<b>-</b>	<b>41,132,384</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	122,253,713	281,295,348	135,254,131	538,803,192
Private enterprise debt securities	10,000,000	62,433,346	70,212,444	142,645,790
Deposits at commercial banks	1,000,000,000	110,000,000	-	1,110,000,000
<b>Total held-to-maturity investments</b>	<b>1,132,253,713</b>	<b>453,728,694</b>	<b>205,466,575</b>	<b>1,791,448,982</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 31 March 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.

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

(Unit: Baht)

	31 March 2015	31 December 2014
Unrealised losses on available-for-sale investments - beginning of the year	(7,043,405)	(10,581,249)
Changes during the period	(2,197,641)	3,537,844
Unrealised losses on available-for-sale investments - end of the year	(9,241,046)	(7,043,405)
Add: Income taxes	1,848,209	1,408,681
Unrealised losses on available-for-sale investments, net of income taxes	(7,392,837)	(5,634,724)

**7. Loans**

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

(Unit: Baht)

Outstanding period	31 March 2015						
	Mortgage loans		Others		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	7,064,621	2,831	607,588	-	7,672,209	2,831	7,675,040
Overdue more than 12 months	-	-	314,526	203,847	314,526	203,847	518,373
Total	7,064,621	2,831	922,114	203,847	7,986,735	206,678	8,193,413
Less: Allowance for doubtful accounts	-	-	(314,526)	(203,847)	(314,526)	(203,847)	(518,373)
Loans and accrued interest, net	7,064,621	2,831	607,588	-	7,672,209	2,831 <sup>(1)</sup>	7,675,040

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

(Unit: Baht)

Outstanding period	31 December 2014						
	Mortgage loans		Others		Total		
	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
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	7,635,330	3,923	709,485	-	8,344,815	3,923 <sup>(1)</sup>	8,348,738

<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 three-month period ended 31 March 2015 are as follows:

					(Unit: Baht)
	Land	Buildings	Furniture, fixtures and office equipment	Vehicles	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	1,785,000	4,504,404	2,395,510	-	8,684,914
Disposals - net book value	-	-	(13,890)	(1)	(13,891)
Depreciation charge					
for the period	-	(908,654)	(1,328,101)	(334,208)	(2,570,963)
Net book value as at					
31 March 2015	<u>103,822,866</u>	<u>32,411,033</u>	<u>13,910,764</u>	<u>3,000,815</u>	<u>153,145,478</u>

## 9. Intangible assets

	(Unit: Baht)
	Computer software
Net book values as at 1 January 2015	1,056,435
Amortisation charge for the period	(241,560)
Net book value as at 31 March 2015	<u>814,875</u>



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

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

	(Unit: Baht)	
	31 March 2015	31 December 2014
<b>Deferred tax assets</b>		
Allowance for doubtful debts	5,940,645	8,289,256
Premium reserves	39,118,395	30,108,879
Provision for losses incurred but not yet reported (IBNR)	14,204,665	13,266,562
Loss reserves	36,221,746	30,501,785
Provision for long-term employee benefits	7,032,565	6,866,136
Unrealised losses on changes in values of available-for-sale investments	1,848,209	1,408,681
Unrealised losses on changes in value of trading investments	300,903	-
<b>Total</b>	<b>104,667,128</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	<b>104,667,128</b>	<b>90,136,850</b>

**10.2 Income tax expenses**

Income tax expenses for the three-month periods ended 31 March 2015 and 2014 are made up as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2015	2014
<b>Current income tax:</b>		
Interim income tax charge	29,240,628	16,934,106
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(14,090,750)	(15,110,817)
Income tax expenses reported in the statements of comprehensive income	<b>15,149,878</b>	<b>1,823,289</b>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2015 and 2014 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Deferred tax relating to gains (losses) on changes in value of available-for-sale investments	439,528	(1,769,439)

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rates for the three-month periods ended 31 March 2015 and 2014:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Accounting profits before tax	78,073,914	8,814,776
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	15,614,783	1,762,955
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(464,905)	60,334
Income tax expenses reported in the statements of comprehensive income	15,149,878	1,823,289

## 11. Other assets

	(Unit: Baht)	
	31 March 2015	31 December 2014
Advances	1,337,519	1,413,365
Prepaid expenses	676,745	736,579
Undue input tax	3,050,989	3,038,983
Claim receivable from litigants	2,205,185	2,176,516
Notes receivable	44,542,145	6,805,907
Receivable on sales securities	1,595,075	20,073,150
Others	10,136,491	12,395,988
Total other assets	63,544,149	46,640,488

(Unaudited but reviewed)

## 12. Due to reinsurers

	(Unit: Baht)	
	31 March 2015	31 December 2014
Outward premium payables	159,592,110	66,568,227
Amounts withheld on reinsurance	53,474,567	43,849,770
Total due to reinsurers	<u>213,066,677</u>	<u>110,417,997</u>

## 13. Loss reserves and outstanding claims

	(Unit: Baht)	
	31 March 2015	31 December 2014
Beginning Balance	589,582,528	604,279,480
Claims and losses adjustment expenses for the period	245,170,344	958,378,415
Change in claims and losses adjustment expenses paid of the prior period	(18,538,868)	(27,424,704)
Claims and losses adjustment expenses paid during the period	<u>(212,653,541)</u>	<u>(945,650,663)</u>
Ending balance	<u>603,560,463</u>	<u>589,582,528</u>

As at 31 March 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)	
	31 March 2015	31 December 2014
Beginning balance	864,240,805	832,842,359
Premium written for the period	492,575,319	1,720,732,634
Premium earned for the current period	<u>(427,962,812)</u>	<u>(1,689,334,188)</u>
Ending balance	<u>928,853,312</u>	<u>864,240,805</u>

(Unaudited but reviewed)

#### 14.2 Unexpired risk reserves

	(Unit: Baht)	
	31 March 2015	31 December 2014
Beginning balance	554,758,082	583,736,316
Estimated claims for the period	317,820,140	1,201,568,465
Risk expired during the period	(274,533,905)	(1,230,546,699)
Ending balance	<u>598,044,317</u>	<u>554,758,082</u>

#### 15. Other liabilities

	(Unit: Baht)	
	31 March 2015	31 December 2014
Account payable - Revenue Department	9,170,105	5,343,558
Withholding tax payable	2,413,068	2,272,317
Undue output tax	10,371,458	9,544,386
Accrued expenses	18,879,313	21,961,099
Deposits from agents	38,412,284	21,764,430
Others	9,409,291	9,892,708
Total other liabilities	<u>88,655,519</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 31 March 2015 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	11,320,112	3,264,109	409,266,855	63,693,733	5,030,510	492,575,319
Less: Premium ceded	(8,770,490)	(2,308,340)	(1,976,720)	(32,533,831)	(3,072,351)	(48,661,732)
Net premium written	2,549,622	955,769	407,290,135	31,159,902	1,958,159	443,913,587
Add (less): Unearned premium reserve	594,176	177,709	(46,916,141)	(9,824,073)	260,015	(55,708,314)
Earned premium	3,143,798	1,133,478	360,373,994	21,335,829	2,218,174	388,205,273
Fee and commission income	3,892,105	862,753	-	13,778,112	1,188,876	19,721,846
<b>Total underwriting income</b>	<b>7,035,903</b>	<b>1,996,231</b>	<b>360,373,994</b>	<b>35,113,941</b>	<b>3,407,050</b>	<b>407,927,119</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	1,052,792	540,549	192,002,660	9,861,949	159,017	203,616,967
Commission and brokerage expenses	2,658,409	424,373	64,416,143	4,982,140	772,702	73,253,767
Other underwriting expenses	356,951	166,488	16,797,865	1,710,244	423,932	19,455,480
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	5,894,587	-	-	5,894,587
<b>Total underwriting expenses before operating expenses</b>	<b>4,068,152</b>	<b>1,131,410</b>	<b>279,111,255</b>	<b>16,554,333</b>	<b>1,355,651</b>	<b>302,220,801</b>
Operating expenses						52,020,319
<b>Total underwriting expenses</b>						<b>354,241,120</b>

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the three-month period ended 31 March 2015 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	10,978,619	4,379,250	400,631,559	27,902,420	11,276,577	455,168,425
Less: Premium ceded	(8,645,670)	(3,374,687)	(7,319,340)	(8,733,438)	(9,833,524)	(37,906,659)
Net premium written	2,332,949	1,004,563	393,312,219	19,168,982	1,443,053	417,261,766
Add (less): Unearned premium reserve	1,173,315	(454,511)	(29,756,683)	(1,227,502)	1,266,590	(28,998,791)
Earned premium	3,506,264	550,052	363,555,536	17,941,480	2,709,643	388,262,975
Fee and commission income	4,024,235	1,175,333	-	2,769,728	1,074,962	9,044,258
<b>Total underwriting income</b>	<b>7,530,499</b>	<b>1,725,385</b>	<b>363,555,536</b>	<b>20,711,208</b>	<b>3,784,605</b>	<b>397,307,233</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	379,352	299,277	225,265,615	10,015,261	498,247	236,457,752
Commission and brokerage expenses	2,227,058	562,746	62,478,628	3,524,857	1,630,372	70,423,661
Other underwriting expenses	310,728	234,601	8,057,938	1,011,685	388,103	10,003,055
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	4,953,487	-	-	4,953,487
<b>Total underwriting expenses before operating expenses</b>	<b>2,917,138</b>	<b>1,096,624</b>	<b>300,755,668</b>	<b>14,551,803</b>	<b>2,516,722</b>	<b>321,837,955</b>
Operating expenses						84,339,313
<b>Total underwriting expenses</b>						<b>406,177,268</b>

(Unaudited but reviewed)

**17. Operating expenses**

(Unit: Baht)

For the three-month periods ended  
31 March

	2015	2014
Personnel expenses which are not expenses for underwriting and claims	23,343,383	20,194,884
Property and equipment expenses which are not expenses for underwriting	16,594,378	21,680,661
Taxes and duties	643,058	253,558
Bad debts and doubtful accounts (reversal)	(11,092,232)	18,323,118
Other operating expenses	22,531,732	23,887,092
<b>Total operating expenses</b>	<b>52,020,319</b>	<b>84,339,313</b>

**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 and shareholding



## 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 ended 31 March	
	2015	2014
<b>Premium written<sup>(2)</sup></b>		
Dung Seng Insurance Broker Co., Ltd. <sup>(1)</sup>	244,693,246	252,629,511
Asia Hotel Plc.	1,677	-
Asia Pattaya Hotel Co., Ltd.	600	600
<b>Commission and brokerage expenses</b>		
Dung Seng Insurance Broker Co., Ltd.	42,851,414	44,314,675
<b>Rental of building space<sup>(3)</sup></b>		
N.S.B. Co., Ltd.	-	320,675
<b>Service fee of building space<sup>(3)</sup></b>		
N.S.B. Co., Ltd.	2,955,723	5,110,499
<b>Cost of the rental<sup>(4)</sup></b>		
N.S.B. Co., Ltd.	2,080,381	-

<sup>(1)</sup> Premium written from non-life insurance brokers

<sup>(2)</sup> Present in "Net earn premium" in statements of comprehensive income

<sup>(3)</sup> Present in "Operating Expenses" in statements of comprehensive income

<sup>(4)</sup> 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 31 March 2015 and 31 December 2014, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Baht)	
	31 March	31 December
	2015	2014
	<u>                    </u>	<u>                    </u>
<b>Premium receivables</b>		
Dung Seng Insurance Broker Co., Ltd.	121,120,946	123,462,787
<b>Accrued commissions</b>		
Dung Seng Insurance Broker Co., Ltd.	20,685,113	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 periods ended 31 March 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 31 March	
	<u>                    </u>	<u>                    </u>
	2015	2014
	<u>                    </u>	<u>                    </u>
Short-term employee benefits	4.8	3.4
Long-term employee benefits	0.2	0.2
Total	<u>          5.0          </u>	<u>          3.6          </u>

**20. Securities placed with the Registrar**

As at 31 March 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)

	31 March 2015		31 December 2014	
	Cost	Fair value	Cost	Fair value
Government bonds	14,000,000	14,063,833	14,000,000	14,093,214

**21. Assets reserved with the Registrar**

As at 31 March 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)

	31 March 2015		31 December 2014	
	Cost	Fair value	Cost	Fair value
Government bonds	180,000,000	189,693,619	180,000,000	188,881,726

**22. Collateralised assets**

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

(Unit: Baht)

		31 March 2015	31 December 2014
Government bonds	- As collateral for bail bonds	5,680,000	5,680,000
	- As collateral for drives guarantee	350,000	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	200,000
Fixed deposit	- As collateral for bail bonds	400,000	400,000
Total		20,830,000	19,680,000

### 23. Fair value of financial instruments

The Company uses the market approach to measure their 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 31 March 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	(Unit: Baht) Total
<b>Financial assets measured at fair value</b>				
Trading investments				
Equity securities	44,020,519	-	-	44,020,519
Unit trusts	-	27,039,924	-	27,039,924
Warrant	152,689	-	-	152,689
Total trading investments	<u>44,173,208</u>	<u>27,039,924</u>	<u>-</u>	<u>71,213,132</u>
Available-for-sale investments				
Equity securities	21,119,967	-	-	21,119,967
Unit trusts	51,386,082	236,774,224	-	288,160,306
Debenture	-	41,132,384	-	41,132,384
Total available-for-sale investments	<u>72,506,049</u>	<u>277,906,608</u>	<u>-</u>	<u>350,412,657</u>

#### 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	Dividend per share
		(Million Baht)	(Baht)
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 31 March 2015 and 2014, respectively.

	(Unit: Baht)					
	Motor		Others		Total	
	2015	2014	2015	2014	2015	2014
<b>Underwriting income</b>						
Premium written	409,266,855	400,631,559	83,308,464	54,536,866	492,575,319	455,168,425
Less: Premium ceded	(1,976,720)	(7,319,340)	(46,685,012)	(30,587,319)	(48,661,732)	(37,906,659)
Add (less): Unearned premium reserve	(46,916,141)	(29,756,683)	(8,792,173)	757,892	(55,708,314)	(28,998,791)
Earned premium	360,373,994	363,555,536	27,831,279	24,707,439	388,205,273	388,262,975
Fee and commission income	-	-	19,721,846	9,044,258	19,721,846	9,044,258
<b>Total underwriting income</b>	<b>360,373,994</b>	<b>363,555,536</b>	<b>47,553,125</b>	<b>33,751,697</b>	<b>407,927,119</b>	<b>397,307,233</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	192,002,660	225,265,615	11,614,307	11,192,137	203,616,967	236,457,752
Commission and brokerage expenses	64,416,143	62,478,628	8,837,624	7,945,033	73,253,767	70,423,661
Other underwriting expenses	16,797,865	8,057,938	2,657,615	1,945,117	19,455,480	10,003,055
Contribution to Road Accident Victims Protection Co., Ltd.	5,894,587	4,953,487	-	-	5,894,587	4,953,487
Operating expenses	53,174,001	77,022,905	(1,153,682)	7,316,408	52,020,319	84,339,313
<b>Total underwriting expenses</b>	<b>332,285,256</b>	<b>377,778,573</b>	<b>21,955,864</b>	<b>28,398,695</b>	<b>354,241,120</b>	<b>406,177,268</b>
<b>Profit (loss) from underwriting</b>	<b>28,088,738</b>	<b>(14,223,037)</b>	<b>25,597,261</b>	<b>5,353,002</b>	<b>53,685,999</b>	<b>(8,870,035)</b>
Net investment income					18,380,259	17,825,204
Gains on investments					7,728,083	20,888
Fair value gains (losses)					(3,026,763)	1,444,684
Other income					4,494,949	1,300,986
<b>Profit from operation</b>					<b>81,262,527</b>	<b>11,721,727</b>
Contribution to the Office of Insurance Commission					(1,476,785)	(1,365,171)
Contribution to the General Insurance Fund					(1,230,637)	(1,137,414)
Contribution to the Victims Compensation Fund					(481,191)	(404,366)
<b>Profit before income tax expenses</b>					<b>78,073,914</b>	<b>8,814,776</b>
Income tax expenses					(15,149,878)	(1,823,289)

(Unaudited but reviewed)

Profit for the period 62,924,036    6,991,487

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

(Unit: Baht)

	Motor	Others	Unallocated assets/liabilities	Total
<b>Assets</b>				
31 March 2015	163,789,229	376,516,510	2,716,014,891	3,256,320,630
31 December 2014	132,402,538	255,776,309	2,593,401,722	2,981,580,569
<b>Liabilities</b>				
31 March 2015	1,241,207,793	536,844,882	168,851,273	1,946,903,948
31 December 2014	1,187,426,181	409,686,163	136,217,466	1,733,329,810

For the three-month period ended 31 March 2015 and 2014, the Company has revenue from one major broker in amount of Baht 232.8 million and Baht 242.4 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 generally between 3 and 20 years.

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

(Unit: Million Baht)

	31 March 2015	31 December 2014
Payable:		
In up to 1 year	2.1	1.8
In over 1 and up to 5 years	2.3	1.9

### 26.2 Other commitments

Hire N.S.B. Co., Ltd. to manage the Nam Seng Insurance building area of 24,362 square meters from 1 December 2014 to 30 September 2015.

As at 31 March 2015 and 31 December 2014, future minimum lease payments require under these contracts were as follows:

(Unit: Million Baht)

	31 March 2015	31 December 2014
Payable:		
In up to 1 year	10.7	16.1

### **26.3 Litigation**

As at 31 March 2015, the Company, as an insurer, has been sued for damaged amounting to approximately Baht 569.34 million. The total sum insured covered by insurance policies is Baht 54.64 million. The outcomes of these cases have not yet been finalised. However, the Company has set aside reserve for its losses totaling Baht 52.32 million in the financial statements.

### **27. Event after the reporting period**

On 29 April 2015, the Annual General Meeting No. 68 of the Company's shareholders resolved to approve dividend payment to the Company's shareholders from the 2014 operating results at Baht 6 per share totaling baht 83.40 million that is scheduled to be made on 22 May 2015.

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

These interim financial statements were authorised for issue by the Audit Committee on 12 May 2015.