

Nam Seng Insurance Public Company Limited
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2013

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Nam Seng Insurance Public Company Limited

I have reviewed the accompanying statement of financial position of Nam Seng Insurance Public Company Limited as at 30 September 2013, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013, the statements of changes in equity and cash flows for the nine-month period ended 30 September 2013, 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 Thai 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.

Emphasis of matter

I draw attention to Note 2 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My conclusion is not qualified in respect of this matter.

Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited

Bangkok: 12 November 2013

Nam Seng Insurance Public Company Limited

Statement of financial position

As at 30 September 2013

(Unit: Baht)

	Note	30 September 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	
Assets				
Cash and cash equivalents	3	70,890,239	66,386,951	46,644,783
Accrued investment income		12,630,068	14,574,521	11,828,259
Premium receivables	4	170,934,419	168,256,923	151,185,920
Reinsurance assets	5	223,380,937	622,120,357	728,115,139
Investment assets				
Investments in securities				
Trading investments	6	54,617,106	49,321,565	49,996,692
Available-for-sale investments	6	297,044,627	289,383,607	362,796,916
Held-to-maturity investments	6	1,623,670,324	1,401,640,051	1,195,078,779
Other investments	6	2,223,020	2,223,020	2,223,020
Loans	7	7,486,474	6,782,891	6,662,845
Properties foreclosed		15,350,654	20,839,255	24,887,004
Property, buildings and equipment	8	157,430,602	162,665,517	167,415,951
Intangible assets	9	1,898,067	2,533,154	140,786
Deferred tax assets	2, 10	101,061,225	89,307,599	81,738,073
Other assets	11	26,926,957	54,636,358	44,705,086
Total assets		2,765,544,719	2,950,671,769	2,873,419,253

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

Nam Seng Insurance Public Company Limited

Statement of financial position (continued)

As at 30 September 2013

(Unit: Baht)

	Note	30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited) (Restated)	1 January 2012
Liabilities and equity				
Liabilities				
Income tax payable		7,349,287	-	-
Due to reinsurers	12	128,375,645	153,805,569	67,928,775
Insurance contract liabilities				
Loss reserves and outstanding claims	13	555,195,254	882,432,492	1,130,886,876
Premium reserves	14.1	843,981,285	703,776,210	559,554,156
Employee benefit obligations		40,232,014	42,569,943	39,216,280
Accrued commissions		38,627,189	40,202,380	33,075,070
Premium received in advance		20,428,976	25,074,466	13,726,670
Deferred tax liabilities	2, 10	1,138,449	10,725,811	3,861,832
Other liabilities	15	47,825,296	50,185,241	47,716,668
Total liabilities		1,683,153,395	1,908,772,112	1,895,966,327
Equity				
Share capital				
Registered				
20,000,000 ordinary shares of Baht 10 each		200,000,000	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	139,000,000
Premium on share capital		594,436,835	594,436,835	594,436,835
Retained earnings				
Appropriated				
Legal reserve		24,848,787	24,848,787	24,848,787
Others		6,163,850	6,163,850	6,163,850
Unappropriated		318,032,702	247,765,755	198,432,959
Other components of equity		(90,850)	29,684,430	14,570,495
Total equity		1,082,391,324	1,041,899,657	977,452,926
Total liabilities and equity		2,765,544,719	2,950,671,769	2,873,419,253

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

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Directors
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(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited
Statement of comprehensive income
For the three-month period ended 30 September 2013

	Note	2013	2012 (Restated)
Income			
Net earned premium	16	380,087,309	295,696,217
Fee and commission income	16	6,996,635	7,103,531
Total income		387,083,944	302,799,748
Expenses			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	16	226,815,049	165,473,633
Commission and brokerage expenses	16	67,445,129	59,029,330
Other underwriting expenses	16	10,049,919	9,825,916
Contribution to Road Accident Victims Protection			
Company Limited	16	4,252,019	3,985,634
Operating expenses	16, 17	63,365,745	68,829,743
Total underwriting expenses		371,927,861	307,144,256
Gains (Losses) from underwriting		15,156,083	(4,344,508)
Net investment income		15,996,609	15,902,518
Gains on investments		3,651,695	4,296,508
Fair value gains (losses)		(4,905,792)	10,097,033
Other income		3,574,095	910,533
Profit from operations		33,472,690	26,862,084
Contribution to the Office of Insurance Commission		(1,135,634)	(1,048,366)
Contribution to the General Insurance Fund		(1,062,247)	(883,796)
Contribution to the Victims Compensation Fund		(347,104)	(311,684)
Profit before income tax expenses		30,927,705	24,618,238
Income tax expenses	10	(4,974,499)	(5,322,138)
Profit for the period		25,953,206	19,296,100

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 September 2013

	Note	2013	2012 (Restated)
Other comprehensive income			
Gains (losses) on changes in values of available-for-sale investments		(10,377,486)	7,168,136
Income tax relating to components of other comprehensive income	<i>2, 10</i>	2,075,497	(1,433,627)
Other comprehensive income for the period - net of tax		(8,301,989)	5,734,509
Total comprehensive income for the period		17,651,217	25,030,609
Earning per share			
Basic earning per share			
Profit for the period		1.87	1.39

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 nine-month period ended 30 September 2013

	Note	2013	2012 (Restated)
Income			
Net earned premium	16	1,076,120,485	848,171,614
Fee and commission income	16	23,634,898	17,365,312
Total income		1,099,755,383	865,536,926
Expenses			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	16	624,641,581	521,440,168
Commission and brokerage expenses	16	211,846,921	172,920,205
Other underwriting expenses	16	30,519,804	23,419,804
Contribution to Road Accident Victims Protection			
Company Limited	16	13,931,049	11,941,362
Operating expenses	16, 17	210,953,352	176,181,114
Total underwriting expenses		1,091,892,707	905,902,653
Gains (Losses) from underwriting		7,862,676	(40,365,727)
Net investment income		76,256,296	64,359,125
Gains on investments		27,153,173	15,387,146
Fair value gains (losses)		(10,831,270)	9,838,253
Other income		6,068,863	3,694,667
Profit from operations		106,509,738	52,913,464
Contribution to the Office of Insurance Commission		(3,697,494)	(3,060,941)
Contribution to the General Insurance Fund		(3,196,535)	(2,560,942)
Contribution to the Victims Compensation Fund		(1,137,229)	(974,805)
Profit before income tax expenses		98,478,480	46,316,776
Income tax expenses	10	(14,311,533)	(6,686,848)
Profit for the period		84,166,947	39,629,928

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 nine-month period ended 30 September 2013

	<u>Note</u>	<u>2013</u>	<u>2012</u> (Restated)
Other comprehensive income			
Gains (losses) on changes in values of available-for-sale investments		(37,219,100)	8,048,109
Income tax relating to components of other comprehensive income	<i>2, 10</i>	7,443,820	(1,609,622)
Other comprehensive income for the period - net of tax		<u>(29,775,280)</u>	<u>6,438,487</u>
Total comprehensive income for the period		<u><u>54,391,667</u></u>	<u><u>46,068,415</u></u>
Earning per share			
Basic earning per share			
Profit for the period		<u>6.06</u>	<u>2.85</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 nine-month period ended 30 September 2013

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of equity	Total
			Appropriated		Unappropriated	Other comprehensive income	
			statutory reserve	Other		Gains (losses) on changes in values of available- for-sale investments	
Balance as at 31 December 2011 - as previously reported	139,000,000	594,436,835	24,848,787	6,163,850	116,914,094	18,213,120	899,576,686
Cumulative effect of change in accounting policy for income tax (Note 2)	-	-	-	-	81,518,865	(3,642,625)	77,876,240
Balance as at 31 December 2011 - as restated	139,000,000	594,436,835	24,848,787	6,163,850	198,432,959	14,570,495	977,452,926
Dividend paid (Note 22)	-	-	-	-	(13,885,300)	-	(13,885,300)
Total comprehensive income for the period - restated	-	-	-	-	39,629,928	6,438,487	46,068,415
Balance as at 30 September 2012	139,000,000	594,436,835	24,848,787	6,163,850	224,177,587	21,008,982	1,009,636,041
Balance as at 31 December 2012 - as previously reported	139,000,000	594,436,835	24,848,787	6,163,850	161,762,859	37,105,538	963,317,869
Cumulative effect of change in accounting policy for income tax (Note 2)	-	-	-	-	86,002,896	(7,421,108)	78,581,788
Balance as at 31 December 2012 - as restated	139,000,000	594,436,835	24,848,787	6,163,850	247,765,755	29,684,430	1,041,899,657
Dividend paid (Note 22)	-	-	-	-	(13,900,000)	-	(13,900,000)
Total comprehensive income for the period	-	-	-	-	84,166,947	(29,775,280)	54,391,667
Balance as at 30 September 2013	139,000,000	594,436,835	24,848,787	6,163,850	318,032,702	(90,850)	1,082,391,324

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 nine-month period ended 30 September 2013

	(Unit: Baht)	
	2013	2012
Cash flows from operating activities		
Direct premium written	1,271,393,407	1,035,429,653
Cash received (paid) for reinsurance	155,614,729	(11,030,725)
Losses incurred of direct insurance	(705,589,515)	(563,701,571)
Losses adjustment expenses of direct insurance	(72,357,860)	(41,887,564)
Commissions and brokerages of direct insurance	(208,507,897)	(169,502,286)
Other underwriting expenses	(44,450,854)	(35,361,166)
Interest income	42,815,791	32,585,290
Dividend income	35,384,957	31,168,259
Other investment income	(921,422)	9,152,806
Other income	6,068,863	3,694,666
Operating expenses	(194,362,905)	(164,795,816)
Other expenses	28,807,578	(18,610,172)
Income tax	(20,859,413)	(1,694,977)
Net cash from operating activities	293,035,459	105,446,397
Cash flows from investing activities		
Cash flows from		
Investments in securities	1,524,604,260	1,187,819,568
Loans	2,516,362	1,929,024
Property, buildings and equipment	382,430	975,725
Net cash from investing activities	1,527,503,052	1,190,724,317
Cash flows used in		
Investments in securities	(1,779,566,870)	(1,270,546,282)
Loans	(3,219,945)	(2,246,490)
Property, buildings and equipment	(19,348,408)	(3,813,332)
Net cash used in investing activities	(1,802,135,223)	(1,276,606,104)
Net cash used in investing activities	(274,632,171)	(85,881,787)

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited
Statement of cash flows (continued)
For the nine-month period ended 30 September 2013

	(Unit: Baht)	
	2013	2012
Cash flows from financing activities		
Dividend paid (Note 22)	(13,900,000)	(13,885,300)
Net cash used in financing activities	<u>(13,900,000)</u>	<u>(13,885,300)</u>
Net increase in cash and cash equivalents	4,503,288	5,679,310
Cash and cash equivalents at beginning of period	66,386,951	46,644,783
Cash and cash equivalents at end of period (Note 3)	<u><u>70,890,239</u></u>	<u><u>52,324,093</u></u>

Supplemental cash flows information

Non-cash item

Losses on changes in values of available-for-sale
investments - net of tax

(29,775,280)	-6,438,487
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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 nine-month periods ended 30 September 2013

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 Company is principally engaged in the provision of non-life insurance. The registered office of the Company is 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 2009) “Interim Financial Reporting” and the Declaration of the Insurance Commission dated 27 May 2010, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Severe flood situation

In the fourth quarter of 2011, there was severe flooding in Thailand. The floods materially affected the financial statements of the Company, with the financial impact of the floods reflected in the interim financial statements until 30 September 2013 are as follows:

	(Unit: Million Baht)			Net claims
	Gross claims	Claims refundable from reinsurers		
		Agreed	Reserve	
Loss reserves and outstanding claims	89	-	(40)	49
Claims paid	263	(244)	-	19
Total	352	(244)	(40)	68
Claim reserve refundable from reinsurance under Excess of Loss contracts				(3)
Claim refundable under Excess of Loss contracts received				(24)
Net claims expense - statement of comprehensive income				41
Less: Net claims expense - statement of comprehensive income - 2011				(31)
Less: Net claims expense - statement of comprehensive income - 2012				(7)
Add: Net claims expense - statement of comprehensive income - the first quarter of 2013				4
Add: Net claims expense - statement of comprehensive income - the second quarter of 2013				7
Net claims expense - statement of comprehensive income - the third quarter of 2013				14

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

1.4 New accounting standards

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

a. Accounting standards that became effective in the current accounting period

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company has changed this accounting policy in the first quarter of this current year and restated the prior year's financial statements, presented as comparative information, as though the Company had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 2 to the financial statements.

b. Accounting standards that will become effective in the future

	<u>Effective date</u>
Accounting Standard:	
TAS 12 (revised 2012) Income taxes	1 January 2014
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32 Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under <i>TAS 29 Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014
TFRIC 17 Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18 Transfers of Assets from Customers	1 January 2014

The management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except for TAS 12 (revised 2012), which the management believes will not have any significant impact on the financial statements for the year when they are initially applied, and TFRS 4, of which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

1.5 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012, except for the change in the accounting policies due to the adoption of TAS 12 Income Taxes as follows:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and its carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting period, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

2. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company made the change described in Note 1.5 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

	(Unit: Baht)		
	30 September 2013	31 December 2012	1 January 2012
Statements of financial position			
Increase in deferred tax assets	101,061,225	89,307,599	81,738,073
Increase in deferred tax liabilities	1,138,449	10,725,811	3,861,832
Decrease in unappropriated retained earnings	(99,990,064)	(86,002,896)	(81,518,865)
Increase (decrease) in unappropriated of equity	22,712	(7,421,108)	(3,642,624)

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013	2012
Statements of comprehensive income				
Profit or loss:				
Decrease in income tax	(7,662,474)	(3,165,312)	(13,897,168)	(15,835,899)
Increase in profit for the period	7,662,474	3,165,312	13,897,168	15,835,899
Increase in basic earnings per share	0.55	0.23	1.00	1.14
Other comprehensive income:				
Increase (decrease) in income tax relating to gains (losses) on changes in values of available-for-sale investments	(2,075,497)	1,433,627	(7,443,820)	1,609,622

3. Cash and cash equivalents

	(Unit: Baht)	
	30 September 2013	31 December 2012
Cash on hand	211,643	180,297
Deposits at banks with no fixed maturity date	70,678,596	66,206,654
Deposits at banks with fixed maturity date	893,314,083	658,203,255
Total cash and deposits at financial institutions	964,204,322	724,590,206
Less: Deposits at banks which amount maturing in over 3 months	(893,314,083)	(658,203,255)
Cash and cash equivalents	70,890,239	66,386,951

4. Premium receivables

The balances as at 30 September 2013 and 31 December 2012 of premium receivables are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	30 September 2013			Total
	Due from insured	Due from agents and brokers	Due from reinsurers	
Not yet due	239,174	26,537,746	-	26,776,920
Not over 30 days	3,129,615	123,884,070	9,728	127,023,413
Over 30 days to 60 days	1,103,912	23,383,246	10,964	24,498,122
Over 60 days to 90 days	455,123	5,274,013	-	5,729,136
Over 90 days to 1 year	122,583	1,456,564	-	1,579,147
Over 1 year	-	11,860,307	-	11,860,307
Total premium receivables	5,050,407	192,395,946	20,692	197,467,045
Less: Allowance for doubtful accounts	(578,029)	(25,954,597)	-	(26,532,626)
Premium receivables, net	4,472,378	166,441,349	20,692	170,934,419

(Unit: Baht)

	31 December 2012			Total
	Due from insured	Due from agents and brokers	Due from reinsurers	
Not yet due	3,788,508	32,122,092	-	35,910,600
Not over 30 days	572,919	111,838,629	169,131	112,580,679
Over 30 days to 60 days	342,135	25,406,660	4,853	25,753,648
Over 60 days to 90 days	212,275	9,000,596	7,029	9,219,900
Over 90 days to 1 year	-	3,845,277	28,790	3,874,067
Over 1 year	3,013	12,710,284	-	12,713,297
Total premium receivables	4,918,850	194,923,538	209,803	200,052,191
Less: Allowance for doubtful accounts	(215,288)	(31,579,980)	-	(31,795,268)
Premium receivables, net	4,703,562	163,343,558	209,803	168,256,923

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 September 2013	31 December 2012
Amounts deposit on reinsurance	2,929	2,929
Amounts due from reinsurers	96,745,365	167,524,496
Insurance reserve refundable from reinsurers	155,853,034	454,592,932
Reinsurance assets	252,601,328	622,120,357
Less: Allowance for doubtful accounts	(29,220,391)	-
Reinsurance assets - net	<u>223,380,937</u>	<u>622,120,357</u>

Insurance reserve refundable from reinsurers as at 30 September 2013 includes insurance reserve refundable from reinsurers from flooding loss amounting to Baht 43 million as described in Note 1.3 to the financial statements (31 December 2012: Baht 406 million).

The balances as at 30 September 2013 and 31 December 2012 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	30 September 2013	31 December 2012
Not over 12 months	93,447,716	165,906,295
Over 1 year to 2 years	3,297,234	1,617,786
Over 2 years	415	415
Total amounts due from reinsurers	<u>96,745,365</u>	<u>167,524,496</u>

6. Investments in securities

	(Unit: Baht)			
	30 September 2013		31 December 2012	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	34,792,940	40,398,673	23,073,586	39,525,896
Unit trusts	14,131,920	14,218,433	9,724,463	9,795,669
Total	48,924,860	54,617,106	32,798,049	49,321,565
Add: Unrealised gains	5,692,246	-	16,523,516	-
Total trading investments	<u>54,617,106</u>	<u>54,617,106</u>	<u>49,321,565</u>	<u>49,321,565</u>
Available-for-sale investments				
Equity securities	16,276,852	20,520,309	25,450,303	41,363,536
Unit trusts	280,881,337	276,524,318	226,827,765	248,020,071
Total	297,158,189	297,044,627	252,278,068	289,383,607
Add: Unrealised gains	(113,562)	-	37,105,539	-
Total available-for-sale investments	<u>297,044,627</u>	<u>297,044,627</u>	<u>289,383,607</u>	<u>289,383,607</u>
Held-to-maturity investments				
Government and state enterprise securities	572,356,242		552,374,333	
Private enterprise debt securities	158,000,000		178,062,463	
Deposits at commercial banks	893,314,082		671,203,255	
Total held-to-maturity investments	<u>1,623,670,324</u>		<u>1,401,640,051</u>	
Other investments				
Equity securities	2,223,020		2,223,020	
Total other investments	<u>2,223,020</u>		<u>2,223,020</u>	

Investments in debt securities as at 30 September 2013 and 31 December 2012 will be matured redemption as follows:

(Unit: Baht)

	30 September 2013			
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity investments				
Government and state enterprise securities	183,088,654	236,463,153	152,804,435	572,356,242
Private enterprise debt securities	65,000,000	73,000,000	20,000,000	158,000,000
Deposits at commercial banks	843,314,082	50,000,000	-	893,314,082
Total investments in debt securities	1,091,402,736	359,463,153	172,804,435	1,623,670,324

(Unit: Baht)

	31 December 2012			
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity investments				
Government and state enterprise securities	220,965,770	321,408,563	10,000,000	552,374,333
Private enterprise debt securities	40,062,463	103,000,000	35,000,000	178,062,463
Deposits at commercial banks	586,203,255	85,000,000	-	671,203,255
Total investments in debt securities	847,231,488	509,408,563	45,000,000	1,401,640,051

As at 30 September 2013 and 31 December 2012, 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 19, 20 and 21.

7. Loans and accrued interest

As at 30 September 2013 and 31 December 2012, loans and accrued interest aged by principal and accrued interest are as follows:

(Unit: Baht)

	30 September 2013						
	Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Outstanding period							
Current	6,831,073	4,662	655,401	-	7,486,474	4,662	7,491,136
Overdue							
More than 12 months	-	-	518,373	-	518,373	-	518,373
Total	6,831,073	4,662	1,173,774	-	8,004,847	4,662	8,009,509
Less: Allowance for doubtful accounts	-	-	(518,373)	-	(518,373)	-	(518,373)
Loans and accrued interest, net	6,831,073	4,662	655,401	-	7,486,474	4,662	7,491,136

(Unit: Baht)

31 December 2012							
Outstanding period	Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	
Not yet due	5,872,343	10,961	910,548	-	6,782,891	10,961	6,793,852
Overdue							
More than 12 months	-	-	518,373	-	518,373	-	518,373
Total	5,872,343	10,961	1,428,921	-	7,301,264	10,961	7,312,225
Less: Allowance for doubtful accounts	-	-	(518,373)	-	(518,373)	-	(518,373)
Loans and accrued interest, net	5,872,343	10,961	910,548	-	6,782,891	10,961	6,793,852

The credit limit on employee loans that are secured by personal guarantees is set at 20 times 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 nine-month period ended 30 September 2013 are as follows:

(Unit: Baht)

	Land	Buildings	Furniture and office equipment		Vehicles	Assets under construction	Total
Net book value as at 1 January 2013	103,472,866	26,205,786	12,656,559	4,906,306	15,424,000	162,665,517	
Additions - at cost	-	-	3,639,888	-	124,000	3,763,888	
Transfer in (out)	-	15,450,000	98,000	-	(15,548,000)	-	
Disposals - net book value	-	-	(13,367)	(1)	-	(13,368)	
Depreciation charges for the period	-	(3,794,548)	(4,270,735)	(920,152)	-	(8,985,435)	
Net book value as at 30 September 2013	103,472,866	37,861,238	12,110,345	3,986,153	-	157,430,602	

9. Intangible assets

(Unit: Baht)

	Computer software
Net book value as at 1 January 2013	2,533,154
Additions - at cost	36,520
Amortisation charges for the period	(671,607)
Net book value as at 30 September 2013	1,898,067

10. Income tax

Interim income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the period.

Income tax expenses for the three-month and nine-month periods ended 30 September 2013 and 2012 are made up as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim income tax charge	12,636,973	8,487,450	28,208,700	22,522,747
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,662,474)	(3,640,109)	(13,897,167)	(18,211,285)
Effects of changes in the applicable tax rates	-	474,797	-	2,375,386
Income tax expense reported in the statements of comprehensive income	<u>4,974,499</u>	<u>5,322,138</u>	<u>14,311,533</u>	<u>6,686,848</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013	2012
		(Restated)		(Restated)
Deferred tax relating to gains (losses) on changes in value of available-for-sale investments	<u>2,075,497</u>	<u>(1,433,627)</u>	<u>7,443,820</u>	<u>(1,609,622)</u>

(Unaudited but reviewed)

Reconciliation between income tax expenses and the product of accounting profits for the three-month and nine-month periods ended 30 September 2013 and 2012 and the applicable corporate income tax rates are as follows:

	(Unit: Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profits before income tax expenses	30,927,705	24,618,238	98,478,480	46,316,776
Applicable corporate income tax rates	20%	23%	20%	23%
Income taxes at the applicable corporate income tax rates	6,185,541	5,662,195	19,695,696	10,652,858
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(672,840)	(814,854)	(5,384,163)	(6,341,396)
Effects of changes in the applicable corporate income tax rates	-	474,797	-	2,375,386
Others	(538,202)	-	-	-
Income tax expenses reported in the statements of comprehensive income	<u>4,974,499</u>	<u>5,322,138</u>	<u>14,311,533</u>	<u>6,686,848</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)		
	30 September 2013	31 December 2012	1 January 2012
Deferred tax assets			
Allowance for doubtful debts	12,903,822	8,892,857	6,700,621
Premium reserves	35,145,999	29,098,724	17,294,051
Provision for losses incurred but not yet reported (IBNR)	16,974,765	14,577,648	17,245,960
Loss reserves	31,003,595	31,471,769	35,692,921
Provision for long-term employee benefits	5,010,332	5,266,601	4,804,520
Others	22,712	-	-
Total	<u>101,061,225</u>	<u>89,307,599</u>	<u>81,738,073</u>
Deferred tax liabilities			
Gains on changes in values of investments available-for-sale securities	-	(7,421,108)	(3,642,624)
Gains on changes in values of trading investments	(1,138,449)	(3,304,703)	(219,208)
Total	<u>(1,138,449)</u>	<u>(10,725,811)</u>	<u>(3,861,832)</u>
Deferred tax liabilities, net	<u>99,922,776</u>	<u>78,581,788</u>	<u>77,876,241</u>

11. Other assets

	(Unit: Baht)	
	30 September 2013	31 December 2012
Advances	2,121,826	5,554,500
Prepaid expenses	811,019	15,938,147
Undue input tax	4,007,503	4,582,634
Account receivable - Revenue Department	-	7,263,147
Claim recovery	2,521,042	2,520,031
Note receivable	8,856,473	11,355,107
Others	8,609,094	7,422,792
Total other assets	<u>26,926,957</u>	<u>54,636,358</u>

12. Due to reinsurers

	(Unit: Baht)	
	30 September 2013	31 December 2012
Outward premium payable	99,165,236	129,758,104
Amounts withheld on reinsurance	29,210,409	24,047,465
Total due to reinsurers	<u>128,375,645</u>	<u>153,805,569</u>

13. Loss reserves and outstanding claims

	(Unit: Baht)	
	30 September 2013	31 December 2012
Beginning Balance	882,432,492	1,130,886,876
Claims and losses adjustment expenses for the period	667,579,486	727,675,172
Change in claims and losses adjustment expenses paid of prior period	(216,869,349)	(124,628,222)
Claims and losses adjustment expenses paid during the period	<u>(777,947,375)</u>	<u>(851,501,334)</u>
Ending balance	<u>555,195,254</u>	<u>882,432,492</u>

As at 30 September 2013 and 31 December 2012 the Company, which is reinsurer under the reinsurance contracts, has loss reserve and outstanding claims under such contracts of Baht 29.6 million and Baht 28.8 million, respectively.

Loss reserves and outstanding claims as at 30 September 2013 include loss reserves and outstanding claims from flooding claim amounting to Baht 89 million as described in Note 1.3 to the financial statements (31 December 2012: Baht 421 million).

14. Premium reserves**14.1 Unearned premium reserves**

	(Unit: Baht)	
	<u>30 September 2013</u>	<u>31 December 2012</u>
Beginning balance	703,776,210	559,554,156
Premium written for the period	1,287,189,191	1,389,446,373
Premium earned for the current period	<u>(1,146,984,116)</u>	<u>(1,245,224,319)</u>
Ending balance	<u>843,981,285</u>	<u>703,776,210</u>

14.2 Unexpired risk reserves

	(Unit: Baht)	
	<u>30 September 2013</u>	<u>31 December 2012</u>
Beginning balance	529,248,679	449,767,652
Estimated claims for the period	925,183,194	425,023,551
Risk expired during the period	<u>(846,071,255)</u>	<u>(345,542,524)</u>
Ending balance	<u>608,360,618</u>	<u>529,248,679</u>

15. Other liabilities

	(Unit: Baht)	
	<u>30 September 2013</u>	<u>31 December 2012</u>
Account payable - Revenue Department	4,940,016	4,037,288
Withholding tax payable	1,864,789	1,831,945
Undue output tax	11,013,327	11,047,490
Accrued expenses	12,857,157	13,667,969
Deposit from brokers	6,001,726	10,393,162
Others	<u>11,148,281</u>	<u>9,207,387</u>
Total other liabilities	<u>47,825,296</u>	<u>50,185,241</u>

16. Underwriting information reported by insurance categories

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

(Unit: Baht)

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

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the three-month period ended 30 September 2012 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	10,621,914	4,922,168	307,635,671	22,071,224	11,277,493	356,528,470
Less: Premium ceded	(7,464,267)	(3,823,233)	(3,069,458)	(6,095,212)	(5,552,085)	(26,004,255)
Net premium written	3,157,647	1,098,935	304,566,213	15,976,012	5,725,408	330,524,215
Add (less): Unearned premium reserve	38,905	(575,093)	(29,528,839)	(3,705,541)	(1,057,430)	(34,827,998)
Earned premium	3,196,552	523,842	275,037,374	12,270,471	4,667,978	295,696,217
Fee and commission income	2,595,176	1,293,272	26,276	1,869,666	1,319,141	7,103,531
Total underwriting income	5,791,728	1,817,114	275,063,650	14,140,137	5,987,119	302,799,748
Underwriting expenses						
Claims and losses adjustment expenses	(1,384,087)	26,850	158,840,273	(6,776,835)	14,767,432	165,473,633
Commission and brokerage expenses	2,463,136	623,827	49,681,365	4,569,655	1,691,347	59,029,330
Other underwriting income	334,706	261,738	7,596,844	897,712	734,916	9,825,916
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	3,985,634	-	-	3,985,634
Total underwriting expenses before operating expenses	1,413,755	912,415	220,104,116	(1,309,468)	17,193,695	238,314,513
Operating expenses						68,829,743
Total underwriting expenses						307,144,256

(Unaudited but reviewed)

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

(Unit: Baht)

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

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the nine-month period ended 30 September 2012 is as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	25,086,504	14,963,041	914,750,775	52,771,460	23,281,653	1,030,853,433
Less: Premium ceded	(17,816,947)	(11,564,761)	(9,567,184)	(14,301,653)	(10,259,507)	(63,510,052)
Net premium written	7,269,557	3,398,280	905,183,591	38,469,807	13,022,146	967,343,381
Add (less): Unearned premium reserve	3,299,702	(90,455)	(122,212,132)	(3,802,515)	3,633,633	(119,171,767)
Earned premium	10,569,259	3,307,825	782,971,459	34,667,292	16,655,779	848,171,614
Fee and commission income	6,456,241	3,973,105	26,276	4,394,189	2,515,501	17,365,312
Total underwriting income	17,025,500	7,280,930	782,997,735	39,061,481	19,171,280	865,536,926
Underwriting expenses						
Claims and losses adjustment expenses	2,141,988	3,153,663	506,780,760	1,433,062	7,930,695	521,440,168
Commission and brokerage expenses	5,897,918	1,975,686	151,874,106	10,160,211	3,012,284	172,920,205
Other underwriting income	890,983	631,110	17,986,525	2,158,629	1,752,557	23,419,804
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	11,941,362	-	-	11,941,362
Total underwriting expenses before operating expenses	8,930,889	5,760,459	688,582,753	13,751,902	12,695,536	729,721,539
Operating expenses						176,181,114
Total underwriting expenses						905,902,653

17. Operating expenses

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2013	2012	2013	2012
Personel expenses which are not expenses for underwriting and claims	18,587,136	15,296,628	50,972,817	53,416,328
Property and equipment expenses which are not expenses for underwriting	17,553,226	15,799,959	52,442,584	48,600,909
Taxes and duties	86,433	99,643	444,211	514,329
Bad debts and doubtful accounts (Reversal)	(4,224,852)	13,844,198	29,218,481	13,183,325
Other operating expenses	31,366,802	23,789,315	77,875,259	60,466,223
Total operating expenses	63,368,745	68,829,743	210,953,352	176,181,114

18. Related party transactions

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

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

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

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

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2013	2012	2013	2012
Premium written				
Dung Seng Insurance Broker Co., Ltd.*	242,652,226	228,438,239	784,670,282	728,391,010
Asia Hotel Plc.	3,293	628,814	667,010	667,037
Zeer Property Plc.	66,699	1,544,351	1,371,675	1,594,562
Asia Airport Hotel Co., Ltd.	14,406	529,771	527,921	539,295
Asia Pattaya Hotel Co., Ltd.	21,134	557,261	575,566	561,383
Zeer Group Plc.	100,659	-	100,659	-
Commission paid				
Dung Seng Insurance Broker Co., Ltd.	42,207,785	39,774,955	136,651,253	126,710,202
Rental of building space				
N.S.B. Co., Ltd.	309,352	323,722	938,748	959,572
Service fee of building space				
N.S.B. Co., Ltd.	4,936,130	4,542,936	14,941,535	13,409,291

* Premium written from non-life insurance brokers

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

As at 30 September 2013 and 31 December 2012, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Baht)

	30 September 2013	31 December 2012
Premium receivables (net of notes receivable from agent)		
Dung Seng Insurance Broker Co., Ltd.	124,678,826	137,382,593
Prepaid rental and service fee of building space		
N.S.B. Co., Ltd.	218,053	15,735,592
Accrued commissions and brokerage		
Dung Seng Insurance Broker Co., Ltd.	21,129,084	23,179,044

Directors and management's remuneration

In the three-month and nine-month periods ended 30 September 2013, the Company had salaries, bonus, meeting allowances, gratuities and post-employment benefits of its directors and management recognised as expenses totaling Baht 3.7 million and Baht 14.5 million, respectively. (2012: Baht 3.6 million and Baht 11.7 million, respectively).

19. Securities placed with the Registrar

As at 30 September 2013 and 31 December 2012, the Company has pledged its securities with the Registrar in accordance with the Non-life Insurance Act as follows:

(Unit: Baht)

	30 September 2013		31 December 2012	
	Cost	Fair value	Cost	Fair value
Government bonds	14,000,000	14,064,389	14,000,000	14,042,426

20. Assets reserved with the Registrar

As at 30 September 2013 and 31 December 2012, the Company has pledged its securities as non-life insurance reserve with the Registrar in accordance with the Non-life Insurance Act as follows:

(Unit: Baht)

	30 September 2013		31 December 2012	
	Cost	Fair value	Cost	Fair value
Government bonds	178,000,000	179,621,736	167,000,000	168,980,930

21. Collateralised assets

As at 30 September 2013 and 31 December 2012, the Company has collateralised assets as follows:

(Unit: Baht)

		30 September 2013	31 December 2012
Government bonds	- As collateral for bail bonds	12,070,000	12,520,000
	- As collateral for electrical usage	300,000	300,000
	- As collateral for bank overdrafts	10,000,000	10,000,000
	- As collateral for bank	3,000,000	-
	- As collateral for repair contract	500,000	-
Total		25,870,000	22,820,000

22. Dividend paid

Dividend declared during the periods consists of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 29 April 2013	13.90	1.00
Final dividends for 2011	Annual General Meeting of the shareholders on 26 April 2012	13.90	1.00

23. Segment information

The Company is principally engaged in the provision of non-life insurance and operated only in Thailand. The business segment has divided in two categories being the motor insurance and others insurance. In addition, the segment information always report to Managing Director in order to evaluate its performance for each segment.

Segments assets and liabilities as at 30 September 2013 and 31 December 2012 are as follows:

	Motor	Others	Unallocated assets/liabilities	Total
	(Unit: Baht)			
Assets				
30 September 2013	159,865,336	234,450,020	2,371,229,363	2,765,544,719
31 December 2012	166,446,094	623,931,186	2,160,294,489	2,950,671,769
Liabilities				
30 September 2013	1,220,296,628	366,311,721	96,545,046	1,683,153,395
31 December 2012	1,108,446,311	696,844,806	103,480,995	1,908,772,112

Segments income statement for the three-month periods ended 30 September 2013 and 2012 are as follows:

	(Unit: Baht)					
	Motor		Others		Total	
	2013	2012	2013	2012	2013	2012
Underwriting income						
Premium written	370,980,981	307,635,671	56,307,261	48,892,799	427,288,242	356,528,470
Less: Premium ceded	(144,500)	(3,069,458)	(31,471,288)	(22,934,797)	(31,615,788)	(26,004,255)
Less: Unearned premium reserve	(14,447,163)	(29,528,839)	(1,137,982)	(5,299,159)	(15,585,145)	(34,827,998)
Earned premium	356,389,318	275,037,374	23,697,991	20,658,843	380,087,309	295,696,217
Fee and commission income	32,513	26,276	6,964,122	7,077,255	6,996,635	7,103,531
Total underwriting income	356,421,831	275,063,650	30,662,113	27,736,098	387,083,944	302,799,748
Underwriting expenses						
Claims and losses adjustment expenses	188,298,710	158,840,273	38,516,339	6,633,360	226,815,049	165,473,633
Commission and brokerage expenses	59,210,992	49,681,365	8,234,137	9,347,965	67,445,129	59,029,330
Other underwriting expenses	8,417,890	7,596,844	1,632,029	2,229,072	10,049,919	9,825,916
Contribution to Road Accident Victims Protection Co., Ltd.	4,252,019	3,985,634	-	-	4,252,019	3,985,634
Operating expenses	-	-	-	-	63,365,745	68,829,743
Total underwriting expenses	260,179,611	220,104,116	48,382,505	18,210,397	371,927,861	307,144,256
Profits (loss) from underwriting	96,242,220	54,959,534	(17,720,392)	(9,525,701)	15,156,083	(4,344,508)
Net investment income					15,996,609	15,902,518
Gains on investments					3,651,695	4,296,508
Fair value gains (losses)					(4,905,792)	10,097,033
Other income					3,574,095	910,533
Profit from operation					33,472,690	26,862,084
Contribution to the Office of Insurance Commission					(1,135,634)	(1,048,366)
Contribution to the General Insurance Fund					(1,062,247)	(883,796)
Contribution to the Victims Compensation Fund					(347,104)	(311,684)
Profit before income tax expenses					30,927,705	24,618,238
Income tax expenses					(4,974,499)	(5,322,138)
Profit for the period					25,953,206	19,296,100

Segments income statement for the nine-month periods ended 30 September 2013 and 2012 are as follows:

	(Unit: Baht)					
	Motor		Others		Total	
	2013	2012	2013	2012	2013	2012
Underwriting income						
Premium written	1,138,757,827	914,750,775	148,431,363	116,102,658	1,287,189,190	1,030,853,433
Less: Premium ceded	(10,008,514)	(9,567,184)	(78,148,166)	(53,942,868)	(88,156,680)	(63,510,052)
Add (less): Unearned premium reserve	(120,057,296)	(122,212,132)	(2,854,729)	3,040,365	(122,912,025)	(119,171,767)
Earned premium	1,008,692,017	782,971,459	67,428,468	65,200,155	1,076,120,485	848,171,614
Fee and commission income	32,513	26,276	23,602,385	17,339,036	23,634,898	17,365,312
Total underwriting income	1,008,724,530	782,997,735	91,030,853	82,539,191	1,099,755,383	865,536,926
Underwriting expenses						
Claims and losses adjustment expenses	565,475,666	506,780,760	59,165,915	14,659,408	624,641,581	521,440,168
Commission and brokerage expenses	187,439,466	151,874,106	24,407,455	21,046,099	211,846,921	172,920,205
Other underwriting expenses	24,929,941	17,986,525	5,589,863	5,433,279	30,519,804	23,419,804
Contribution to Road Accident Victims Protection Co., Ltd.	13,931,049	11,941,362	-	-	13,931,049	11,941,362
Operating expenses	-	-	-	-	210,953,352	176,181,114
Total underwriting expenses	791,776,122	688,582,753	89,163,233	41,138,786	1,091,892,707	905,902,653
Profit (loss) from underwriting	216,948,408	94,414,982	1,867,620	41,400,405	7,862,676	(40,365,727)
Net investment income					76,256,296	64,359,125
Gains on investments					27,153,173	15,387,146
Fair value gains (losses)					(10,831,270)	9,838,253
Other income					6,068,863	3,694,667
Profit from operation					106,509,738	52,913,464
Contribution to the Office of Insurance Commission					(3,697,494)	(3,060,941)
Contribution to the General Insurance Fund					(3,196,535)	(2,560,942)
Contribution to the Victims Compensation Fund					(1,137,229)	(974,805)
Profit before income tax expenses					98,478,480	46,316,776
Income tax expenses					(14,311,533)	(6,686,848)
Profit for the period					84,166,947	39,629,928

24. Commitments and contingent liabilities**24.1 Operating lease commitments**

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

As at 30 September 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	<u>Million Baht</u>
Payable:	
Within 1 year	22.9
Over 1 to 5 years	5.2

24.2 Litigation

As at 30 September 2013, the Company, as an insurer, has been sued for damaged amounting to approximately Baht 434.7 million. The total sum insured covered by insurance policies is Baht 48.5 million. The outcomes of these cases have not yet been finalised. However, the Company has set aside reserve for its losses totaling Baht 47.1 million in the financial statements.

25. Approval of the interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 12 November 2013.