

Nam Seng Insurance Public Company Limited
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 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 June 2013, the related statements of comprehensive income for the three-month and six-month periods ended 30 June 2013, the statements of changes in equity and cash flows for the six-month period ended 30 June 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 3 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: 9 August 2013

Nam Seng Insurance Public Company Limited

Statement of financial position

As at 30 June 2013

(Unit: Baht)

	Note	30 June 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	
Assets				
Cash and cash equivalents	4	72,215,147	66,386,951	46,644,783
Accrued investment income		13,933,698	14,574,521	11,828,259
Premium receivables	5	199,190,625	168,256,923	151,185,920
Reinsurance assets	6	345,070,303	622,120,357	728,115,139
Investment assets				
Investments in securities				
Trading investments	7	47,671,707	49,321,565	49,996,692
Available-for-sale investments	7	310,513,798	289,383,607	362,796,916
Held-to-maturity investments	7	1,450,882,226	1,401,640,051	1,195,078,779
Other investments	7	2,223,020	2,223,020	2,223,020
Loans	8	5,831,326	6,782,891	6,662,845
Properties foreclosed		17,454,647	20,839,255	24,887,004
Property, buildings and equipment	9	159,588,333	162,665,517	167,415,951
Intangible assets	10	2,125,617	2,533,154	140,786
Deferred tax assets	3	94,357,197	89,307,599	81,738,073
Other assets	12	50,744,211	54,636,358	44,705,086
Total assets		2,771,801,855	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 June 2013

(Unit: Baht)

	Note	30 June 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	
Liabilities and equity				
Liabilities				
Income tax payable		8,954,813	-	-
Due to reinsurers	13	123,708,056	153,805,569	67,928,775
Insurance contract liabilities				
Loss reserves and outstanding claims	14	598,642,721	882,432,492	1,130,886,876
Premium reserves	15.1	819,322,785	703,776,210	559,554,156
Employee benefit obligations		35,001,235	42,569,943	39,216,280
Accrued commissions		45,133,000	40,202,380	33,075,070
Premium received in advance		21,959,054	25,074,466	13,726,670
Deferred tax liabilities	3	4,172,393	10,725,811	3,861,832
Other liabilities	16	50,167,691	50,185,241	47,716,668
Total liabilities		1,707,061,748	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		292,079,496	247,765,755	198,432,959
Other components of equity		8,211,139	29,684,430	14,570,495
Total equity		1,064,740,107	1,041,899,657	977,452,926
Total liabilities and equity		2,771,801,855	2,950,671,769	2,873,419,253

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 three-month period ended 30 June 2013

		(Unit: Baht)	
	Note	2013	2012
			(Restated)
Income			
Net earned premium	17	361,997,297	279,410,897
Fee and commission income	17	9,934,301	5,009,737
Total income		371,931,598	284,420,634
Expenses			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	17	204,649,467	150,574,140
Commission and brokerage expenses	17	64,614,738	53,328,663
Other underwriting expenses	17	11,410,181	6,653,663
Contribution to Road Accident Victims Protection			
Company Limited	17	4,732,051	4,361,354
Operating expenses	17, 18	86,353,500	60,585,534
Total underwriting expenses		371,759,937	275,503,354
Gains from underwriting		171,661	8,917,280
Net investment income		15,921,395	35,709,006
Gains on investments		1,814,473	4,728,306
Fair value losses		(14,418,151)	(2,525,689)
Other income		1,998,949	1,743,227
Profit from operations		5,488,327	48,572,130
Contribution to the Office of Insurance Commission		(1,172,613)	(944,433)
Contribution to the General Insurance Fund		(976,583)	(787,028)
Contribution to the Victims Compensation Fund		(386,290)	(369,703)
Profit before income tax expenses		2,952,841	46,470,966
Income tax expenses	11	(1,956,295)	(3,730,450)
Profit for the period		996,546	42,740,516

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited
Statement of comprehensive income (continued)
For the three-month period ended 30 June 2013

	Note	2013	2012
			(Restated)
Other comprehensive income			
Losses on changes in values of available-for-sale investments		(21,114,348)	(24,784,869)
Income tax relating to components of other comprehensive income	3, 11	4,222,870	4,956,974
Other comprehensive income for the period - net of tax		(16,891,478)	(19,827,895)
Total comprehensive income for the period		(15,894,932)	22,912,621
Earning per share			
Basic earning per share			
Profit for the period		0.07	3.07

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

(Unaudited but reviewed)

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

	Note	2013	2012 (Restated)
Income			
Net earned premium	17	696,033,176	552,475,397
Fee and commission income	17	16,638,263	10,261,781
Total income		712,671,439	562,737,178
Expenses			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	17	397,826,532	355,966,535
Commission and brokerage expenses	17	144,401,792	113,890,875
Other underwriting expenses	17	20,469,885	13,593,888
Contribution to Road Accident Victims Protection Company Limited	17	9,679,030	7,955,728
Operating expenses	17, 18	147,587,607	107,351,371
Total underwriting expenses		719,964,846	598,758,397
Losses from underwriting		(7,293,407)	(36,021,219)
Net investment income		60,259,687	48,456,607
Gains on investments		23,501,478	11,090,638
Fair value losses		(5,925,478)	(258,781)
Other income		2,494,768	2,784,133
Profit from operations		73,037,048	26,051,378
Contribution to the Office of Insurance Commission		(2,561,860)	(2,012,575)
Contribution to the General Insurance Fund		(2,134,288)	(1,677,146)
Contribution to the Victims Compensation Fund		(790,125)	(663,121)
Profit before income tax expenses		67,550,775	21,698,536
Income tax expenses	11	(9,337,034)	(1,364,710)
Profit for the period		58,213,741	20,333,826

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited
Statement of comprehensive income (continued)
For the six-month period ended 30 June 2013

	2013	2012
		(Restated)
Other comprehensive income		
Gains (losses) on changes in values of available-for-sale investments	(26,841,614)	879,973
Income tax relating to components of other comprehensive income	5,368,323	(175,995)
Other comprehensive income for the period - net of tax	(21,473,291)	703,978
Total comprehensive income for the period	36,740,450	21,037,804
Earning per share		
Basic earning per share		
Profit for the period	4.19	1.46

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited

Statement of changes in equity

For the six-month period ended 30 June 2013

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of equity Other comprehensive income	
			Appropriated		Unappropriated	Gains (losses) on changes in values of available- for-sale investments	Total
			statutory reserve	Other			
Balance as at 1 January 2012 - 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 3)	-	-	-	-	81,518,865	(3,642,625)	77,876,240
Balance as at 1 January 2012 - 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 23)	-	-	-	-	(13,885,300)	-	(13,885,300)
Total comprehensive income for the period - restated	-	-	-	-	20,333,826	703,978	21,037,804
Balance as at 30 June 2012	139,000,000	594,436,835	24,848,787	6,163,850	204,881,485	15,274,473	984,605,430
Balance as at 1 January 2013 - 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 3)	-	-	-	-	86,002,896	(7,421,108)	78,581,788
Balance as at 1 January 2013 - 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 23)	-	-	-	-	(13,900,000)	-	(13,900,000)
Total comprehensive income for the period	-	-	-	-	58,213,741	(21,473,291)	36,740,450
Balance as at 30 June 2013	139,000,000	594,436,835	24,848,787	6,163,850	292,079,496	8,211,139	1,064,740,107

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

(Unaudited but reviewed)

Nam Seng Insurance Public Company Limited

Statement of cash flows

For the six-month period ended 30 June 2013

	(Unit: Baht)	
	2013	2012
Cash flows from operating activities		
Direct premium written	819,787,909	644,924,766
Cash received (paid) for reinsurance	69,941,815	(23,338,445)
Losses incurred of direct insurance	(483,451,393)	(331,884,716)
Losses adjustment expenses of direct insurance	(50,194,676)	(37,294,039)
Commissions and brokerages of direct insurance	(136,551,841)	(107,793,003)
Other underwriting expenses	(30,148,915)	(21,549,616)
Interest income	27,788,445	22,305,635
Dividend income	33,112,064	26,948,745
Other investment income	(653,611)	(696,431)
Other income	2,494,768	2,784,133
Operating expenses	(136,844,708)	(106,549,154)
Other expenses	5,467,612	22,023,408
Income tax	(6,616,914)	(5,710,539)
Net cash from operating activities	114,130,555	84,170,744
Cash flows from investing activities		
Cash flows from		
Investments in securities	1,034,702,133	689,264,184
Loans	1,271,509	1,111,908
Property, building and equipment	366,449	601,092
Net cash from investing activities	1,036,340,091	690,977,184
Cash flows used in		
Investments in securities	(1,112,036,644)	(738,186,476)
Loans	(319,945)	(1,245,600)
Property, building and equipment	(18,385,861)	(2,602,859)
Net cash used in investing activities	(1,130,742,450)	(742,034,935)
Net cash used in investing activities	(94,402,359)	(51,057,751)
Cash flows from financing activities		
Dividend paid (Note 23)	(13,900,000)	(13,885,300)
Net cash used in financing activities	(13,900,000)	(13,885,300)
Net increase in cash and cash equivalents	5,825,196	19,227,693
Cash and cash equivalents at beginning of period	66,386,951	46,644,784
Cash and cash equivalents at end of period (Note 4)	72,212,147	65,872,477

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

(Unaudited but reviewed)

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

	(Unit: Baht)	
	2013	2012
Supplemental cash flows information		
Non-cash item		
Gains (losses) on changes in values of available-for-sale investments - net of tax	(21,473,291)	703,978

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

Nam Seng Insurance Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 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 June 2013 are as follows:

(Unit: Million Baht)

	Gross claims	Claims refundable		Net claims
		from reinsurers		
		Agreed	Reserve	
Loss reserves and outstanding claims	97	-	(46)	51
Claims paid	257	(240)	-	17
Total	354	(240)	(46)	68
Claim reserve refundable from reinsurance under Excess of Loss contracts				(7)
Claim refundable under Excess of Loss contracts received				(20)
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
Net claims expense - statement of comprehensive income - the second quarter of 2013				7

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 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance, all of which are effective for fiscal years beginning on or after 1 January 2013.

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:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 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 this current quarter 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 3 to the financial statements.

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. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notification which have been published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows:

	<u>Effective date</u>
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29 Service Concession Arrangements: Disclosures	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

(Unaudited but reviewed)

		<u>Effective date</u>
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	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

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TFRS 4, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

3. 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 June 2013	31 December 2012	1 January 2012	
	_____	_____	_____	
Statements of financial position				
Increase in deferred tax assets	94,357,197	89,307,599	81,738,073	
Increase in deferred tax liabilities	4,172,393	10,725,811	3,861,832	
Decrease in unappropriated retained earnings	(92,237,589)	(86,002,896)	(81,518,865)	
Decrease in unappropriated of equity	(2,052,785)	(7,421,108)	(3,642,624)	
			(Unit: Baht)	
	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	_____	_____	_____	
	2013	2012	2013	2012
	_____	_____	_____	_____
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax	2,954,608	10,691,907	(6,234,693)	(12,670,588)
Increase (decrease) in profit for the period	(2,954,608)	(10,691,907)	6,234,693	12,670,588
Increase (decrease) in basic earnings per share	(0.21)	(0.77)	0.45	0.91
Other comprehensive income:				
Increase (decrease) in income tax relating to gains (losses) on changes in values of available-for-sale investments	4,222,870	4,956,974	5,368,323	(175,995)

(Unaudited but reviewed)

4. Cash and cash equivalents

	(Unit: Baht)	
	30 June 2013	31 December 2012
Cash on hand	150,945	180,297
Deposits at banks with no fixed maturity date	72,064,202	66,206,654
Deposits at banks with fixed maturity date	801,363,555	658,203,255
Total cash and deposits at financial institutions	873,578,702	724,590,206
Less: Deposits at banks which amount maturing in over 3 months	(801,363,555)	(658,203,255)
Cash and cash equivalents	<u>72,215,147</u>	<u>66,386,951</u>

5. Premium receivables

The balances as at 30 June 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 June 2013			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	226,321	32,375,392	-	32,601,713
Not over 30 days	694,270	130,870,204	14,358	131,578,832
Over 30 days to 60 days	529,949	45,465,130	731	45,995,810
Over 60 days to 90 days	76,594	5,899,142	28,558	6,004,294
Over 90 days to 1 year	104,409	1,439,385	7,906	1,551,700
Over 1 year	-	12,111,552	564	12,112,116
Total premium receivables	1,631,543	228,160,805	52,117	229,844,465
Less: Allowance for doubtful accounts	(181,326)	(30,472,514)	-	(30,653,840)
Premium receivables, net	<u>1,450,217</u>	<u>197,688,291</u>	<u>52,117</u>	<u>199,190,625</u>

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2012			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
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 form 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.

6. Reinsurance assets

(Unit: Baht)

	30 June 2013	31 December 2012
Amounts deposit on reinsurance	2,929	2,929
Amounts due from reinsurers	183,171,562	167,524,496
Insurance reserve refundable from reinsurers	161,895,812	454,592,932
Reinsurance assets	345,070,303	622,120,357

Insurance reserve refundable from reinsurers as at 30 June 2013 includes insurance reserve refundable from reinsurers from flooding loss amounting to Baht 53 million as described in Note 1.3 to the financial statements (31 December 2012: Baht 406 million).

(Unaudited but reviewed)

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

(Unit: Baht)

	30 June 2013	31 December 2012
Not over 12 months	183,171,147	165,906,295
Over 1 year to 2 years	-	1,617,786
Over 2 years	415	415
Total amounts due from reinsurers	<u>183,171,562</u>	<u>167,524,496</u>

7. Investments in securities

(Unit: Baht)

	30 June 2013		31 December 2012	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	31,545,666	42,111,747	23,073,586	39,525,896
Unit trusts	5,528,002	5,559,960	9,724,463	9,795,669
Total	<u>37,073,668</u>	<u>47,671,707</u>	<u>32,798,049</u>	<u>49,321,565</u>
Add: Unrealised gains	10,598,039	-	16,523,516	-
Total trading investments	<u>47,671,707</u>	<u>47,671,707</u>	<u>49,321,565</u>	<u>49,321,565</u>
Available-for-sale investments				
Equity securities	24,090,746	32,566,190	25,450,303	41,363,536
Unit trusts	276,159,128	277,947,608	226,827,765	248,020,071
Total	<u>300,249,874</u>	<u>310,513,798</u>	<u>252,278,068</u>	<u>289,383,607</u>
Add: Unrealised gains	10,263,924	-	37,105,539	-
Total available-for-sale investments	<u>310,513,798</u>	<u>310,513,798</u>	<u>289,383,607</u>	<u>289,383,607</u>
Held-to-maturity investments				
Government and state enterprise securities	496,518,671		552,374,333	
Private enterprise debt securities	153,000,000		178,062,463	
Deposits at commercial banks	801,363,555		671,203,255	
Total held-to-maturity investments	<u>1,450,882,226</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>	

(Unaudited but reviewed)

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

(Unit: Baht)

	30 June 2013			
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held to maturity investments				
Government and state enterprise securities	177,052,227	289,181,569	30,284,875	496,518,671
Private enterprise debt securities	45,000,000	88,000,000	20,000,000	153,000,000
Deposits at commercial banks	751,363,555	50,000,000	-	801,363,555
Total investments in debt securities	973,415,782	427,181,569	50,284,875	1,450,882,226

(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 June 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 20, 21 and 22.

8. Loans and accrued interest

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

(Unit: Baht)

Outstanding period	30 June 2013						
	Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	5,062,590	8,671	768,736	-	5,831,326	8,671	5,839,997
Overdue							
More than 12 months	-	-	518,373	-	518,373	-	518,373
Total	5,062,590	8,671	1,287,109	-	6,349,699	8,671	6,358,370
Less: Allowance for doubtful accounts	-	-	(518,373)	-	(518,373)	-	(518,373)
Loans and accrued interest, net	5,062,590	8,671	768,736	-	5,831,326	8,671	5,839,997

(Unaudited but reviewed)

(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.

9. Property, buildings and equipment

The movement of property, buildings and equipment for the six-month period ended 30 June 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	-	-	2,677,341	-	124,000	2,801,341	
Transfer in (out)	-	15,450,000	98,000	-	(15,548,000)	-	
Disposals - net book value	-	-	(13,232)	-	-	(13,232)	
Depreciation charges for the period	-	(2,460,626)	(2,794,603)	(610,064)	-	(5,865,293)	
Net book value as at 30 June 2013	103,472,866	39,195,160	12,624,065	4,296,242	-	159,588,333	

10. 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	(444,057)
Net book value as at 30 June 2013	2,125,617

11. 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 six-month periods ended 30 June 2013 and 2012 are made up as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim income tax charge	(998,313)	(6,961,457)	15,571,727	14,035,298
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>2,954,608</u>	<u>10,691,907</u>	<u>(6,234,693)</u>	<u>(12,670,588)</u>
Income tax expense reported in the statements of comprehensive income	<u>1,956,295</u>	<u>3,730,450</u>	<u>9,337,034</u>	<u>1,364,710</u>

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

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
		(Restated)		(Restated)
Deferred tax relating to gain (loss) on changes in value of available-for-sale investments	<u>4,222,870</u>	<u>4,956,974</u>	<u>5,368,323</u>	<u>(175,995)</u>

(Unaudited but reviewed)

12. Other assets

	(Unit: Baht)	
	30 June 2013	31 December 2012
Advances	2,030,427	5,554,500
Prepaid expenses	5,558,668	15,938,147
Undue input tax	1,678,841	4,582,634
Account receivable - Revenue Department	-	7,263,147
Claim recovery	3,063,493	2,520,031
Note receivable	15,134,722	11,355,107
Others	23,278,060	7,422,792
Total other assets	<u>50,744,211</u>	<u>54,636,358</u>

13. Due to reinsurers

	(Unit: Baht)	
	30 June 2013	31 December 2012
Outward premium payable	94,290,481	129,758,104
Amounts withheld on reinsurance	29,417,575	24,047,465
Total due to reinsurers	<u>123,708,056</u>	<u>153,805,569</u>

14. Loss reserves and outstanding claims

	(Unit: Baht)	
	30 June 2013	31 December 2012
Beginning Balance	882,432,492	1,130,886,876
Claims and losses adjustment expenses for the period	448,054,576	727,675,172
Change in claims and losses adjustment expenses paid of prior period	(198,198,278)	(124,628,222)
Claims and losses adjustment expenses paid during the period	(533,646,069)	(851,501,334)
Ending balance	<u>598,642,721</u>	<u>882,432,492</u>

As at 30 June 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 30.1 million and Baht 28.8 million, respectively.

Loss reserves and outstanding claims as at 30 June 2013 include loss reserves and outstanding claims from flooding claim amounting to Baht 97 million as described in Note 1.3 to the financial statements (31 December 2012: Baht 421 million).

15. Premium reserves**15.1 Unearned premium reserves**

	(Unit: Baht)	
	30 June 2013	31 December 2012
Beginning balance	703,776,210	559,554,156
Premium written for the period	859,900,948	1,389,446,373
Premium earned for the current period	(744,354,373)	(1,245,224,319)
Ending balance	<u>819,322,785</u>	<u>703,776,210</u>

15.2 Unexpired risk reserves

	(Unit: Baht)	
	30 June 2013	31 December 2012
Beginning balance	529,248,679	449,767,652
Estimated claims for the period	619,412,725	425,023,551
Risk expired during the period	(553,575,520)	(345,542,524)
Ending balance	<u>595,085,884</u>	<u>529,248,679</u>

16. Other liabilities

	(Unit: Baht)	
	30 June 2013	31 December 2012
Account payable - Revenue Department	5,100,708	4,037,288
Withholding tax payable	1,535,518	1,831,945
Undue output tax	13,131,439	11,047,490
Accrued expenses	13,853,035	13,667,969
Deposit from brokers	8,040,557	10,393,162
Others	8,506,434	9,207,387
Total other liabilities	<u>50,167,691</u>	<u>50,185,241</u>

17. Underwriting information reported by insurance categories

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

(Unit: Baht)

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

(Unaudited but reviewed)

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	6,777,953	4,015,098	280,101,000	17,133,254	8,221,102	316,248,407
Less: Premium ceded	(4,821,778)	(3,041,002)	(3,248,863)	(4,580,831)	(3,759,009)	(19,451,483)
Net premium written	1,956,175	974,096	276,852,137	12,552,423	4,462,093	296,796,924
Add (less): Unearned premium reserve	1,586,660	359,088	(18,757,569)	(1,278,025)	703,819	(17,386,027)
Earned premium	3,542,835	1,333,184	258,094,568	11,274,398	5,165,912	279,410,897
Fee and commission income	1,570,330	1,054,687	-	1,413,166	971,554	5,009,737
Total underwriting income	5,113,165	2,387,871	258,094,568	12,687,564	6,137,466	284,420,634
Underwriting expenses						
Claims and losses adjustment expenses	3,025,909	1,791,755	175,501,838	(11,231,124)	(18,514,238)	150,574,140
Commission and brokerage expenses	1,498,718	544,417	47,274,002	3,115,246	896,280	53,328,663
Other underwriting income	281,008	192,549	4,992,480	657,488	530,138	6,653,663
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	4,361,354	-	-	4,361,354
Total underwriting expenses before operating expenses	4,805,635	2,528,721	232,129,674	(7,458,390)	(17,087,820)	214,917,820
Operating expenses						60,585,534
Total underwriting expenses						275,503,354

(Unaudited but reviewed)

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	20,933,235	10,782,943	767,776,846	44,529,939	15,877,985	859,900,948
Less: Premium ceded	(14,248,187)	(8,581,915)	(9,864,014)	(14,031,217)	(9,815,559)	(56,540,892)
Net premium written	6,685,048	2,201,028	757,912,832	30,498,722	6,062,426	803,360,056
Add (less): Unearned premium reserve	(711,680)	(291,772)	(105,610,133)	(2,637,534)	1,924,239	(107,326,880)
Earned premium	5,973,368	1,909,256	652,302,699	27,861,188	7,986,665	696,033,176
Fee and commission income	6,929,633	2,851,324	-	4,172,208	2,685,098	16,638,263
Total underwriting income	12,903,001	4,760,580	652,302,699	32,033,396	10,671,763	712,671,439
Underwriting expenses						
Claims and losses adjustment expenses	1,688,376	(281,995)	377,176,956	19,199,318	43877	397,826,532
Commission and brokerage expenses	5,575,959	1,465,603	128,228,474	6,723,739	2,408,017	144,401,792
Other underwriting income	634,971	548,968	16,512,051	1,981,007	792,888	20,469,885
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	9,679,030	-	-	9,679,030
Total underwriting expenses before operating expenses	7,899,306	1,732,576	531,596,511	27,904,064	3,244,782	572,377,239
Operating expenses						147,587,607
Total underwriting expenses						719,964,846

(Unaudited but reviewed)

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
Underwriting income						
Premium written	14,464,590	10,040,873	607,115,104	30,700,236	12,004,160	674,324,963
Less: Premium ceded	(10,352,680)	(7,741,528)	(6,497,726)	(8,206,441)	(4,707,422)	(37,505,797)
Net premium written	4,111,910	2,299,345	600,617,378	22,493,795	7,296,738	636,819,166
Add (less): Unearned premium reserve	3,260,797	484,638	(92,683,293)	(96,974)	4,691,063	(84,343,769)
Earned premium	7,372,707	2,783,983	507,934,085	22,396,821	11,987,801	552,475,397
Fee and commission income	3,861,065	2,679,833	-	2,524,523	1,196,360	10,261,781
Total underwriting income	11,233,772	5,463,816	507,934,085	24,921,344	13,184,161	562,737,178
Underwriting expenses						
Claims and losses adjustment expenses	3,526,075	3,126,813	347,940,487	8,209,897	(6,836,737)	355,966,535
Commission and brokerage expenses	3,434,782	1,351,859	102,192,741	5,590,556	1,320,937	113,890,875
Other underwriting income	556,277	369,373	10,389,681	1,260,917	1,017,640	13,593,888
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	7,955,728	-	-	7,955,728
Total underwriting expenses before operating expenses	7,517,134	4,848,045	468,478,637	15,061,370	(4,498,160)	491,407,026
Operating expenses						107,351,371
Total underwriting expenses						598,758,397

18. Operating expenses

(Unit: Baht)

	For the three-month periods		For the six-month periods ended	
	ended 30 June		30 June	
	2013	2012	2013	2012
Personal expenses which are not expenses for underwriting and claims	17,644,729	19,150,688	32,385,681	38,119,700
Property and equipment expenses which are not expenses for underwriting	18,147,121	15,427,261	34,889,358	32,800,950
Taxes and duties	104,459	136,620	360,778	414,686
Bad debts and doubtful accounts (Reversal)	26,500,630	2,314,511	33,443,333	(660,873)
Other operating expenses	23,956,561	23,556,454	46,508,457	36,676,908
Total operating expenses	<u>86,353,500</u>	<u>60,585,534</u>	<u>147,587,607</u>	<u>107,351,371</u>

19. Related party transactions

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

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

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

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

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Premium written				
Dung Seng Insurance Broker Co., Ltd.*	239,807,259	223,649,672	542,018,056	499,952,571
Asia Hotel Plc.	658,106	34,430	663,717	38,223
Zeer Property Plc.	1,301,312	37,440	1,304,976	50,211
Asia Airport Hotel Co., Ltd.	513,515	1,216	513,515	9,524
Asia Pattaya Hotel Co., Ltd.	553,832	4,122	554,432	4,122
Commission paid				
Dung Seng Insurance Broker Co., Ltd.	41,494,821	35,360,333	94,443,468	86,935,237
Rental of building space				
N.S.B. Co., Ltd.	312,920	324,990	629,396	635,850
Service fee of building space				
N.S.B. Co., Ltd.	4,975,043	4,428,030	10,005,405	8,866,355

* Premium written from non-life insurance brokers

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

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

	(Unit: Baht)	
	30 June 2013	31 December 2012
Premium receivables (net of notes receivable from agent)		
Dung Seng Insurance Broker Co., Ltd.	161,557,942	137,382,593
Prepaid rental and service fee of building space		
N.S.B. Co., Ltd.	5,558,668	15,735,592
Accrued commissions		
Dung Seng Insurance Broker Co., Ltd.	27,560,852	23,179,044

Directors and management's remuneration

In the three-month and six-month periods ended 30 June 2013, the Company had salaries, bonus, meeting allowances, gratuities and post-employment benefits of its directors and management recognised as expenses totaling Baht 7.3 million and Baht 10.8 million, respectively. (2012: Baht 4.0 million and Baht 8.1 million, respectively)

20. Securities placed with the Registrar

As at 30 June 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 June 2013		31 December 2012	
	Cost	Fair value	Cost	Fair value
Government bonds	14,000,000	14,103,678	14,000,000	14,042,426

21. Assets reserved with the Registrar

As at 30 June 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 June 2013		31 December 2012	
	Cost	Fair value	Cost	Fair value
Government bonds	178,000,000	180,487,071	167,000,000	168,980,930

22. Collateralised assets

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

(Unit: Baht)

		30 June 2013	31 December 2012
Government bonds	- As collateral for bail bonds	12,220,000	12,520,000
	- As collateral for electrical usage	300,000	300,000
	- As collateral for bank overdrafts	10,000,000	10,000,000
Total		22,520,000	22,820,000

23. 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

24. 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 June 2013 and 31 December 2012 are as follows:

	Motor	Others	Unallocated assets/liabilities	Total
	(Unit: Baht)			
Assets				
30 June 2013	183,104,469	361,156,459	2,227,540,927	2,771,801,855
31 December 2012	166,446,094	623,931,186	2,160,294,489	2,950,671,769
Liabilities				
30 June 2013	1,254,171,920	354,593,696	98,296,132	1,707,061,748
31 December 2012	1,108,446,311	696,844,806	103,480,995	1,908,772,112

(Unaudited but reviewed)

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

	(Unit: Baht)					
	Motor		Others		Total	
	2013	2012	2013	2012	2013	2012
Underwriting income						
Premium written	340,766,966	280,101,000	52,005,259	36,147,407	392,772,225	316,248,407
Less: Premium ceded	(6,483)	(3,248,863)	(28,065,776)	(16,202,620)	(28,072,259)	(19,451,483)
Add (less): Unearned premium reserve	(719,702)	(18,757,569)	(1,982,967)	1,371,542	(2,702,669)	(17,386,027)
Earned premium	340,040,781	258,094,568	21,956,516	21,316,329	361,997,297	279,410,897
Fee and commission income	-	-	9,934,301	5,009,737	9,934,301	5,009,737
Total underwriting income	340,040,781	258,094,568	31,890,817	26,326,066	371,931,598	284,420,634
Underwriting expenses						
Claims and losses adjustment expenses	195,460,372	175,501,838	9,189,095	(24,927,698)	204,649,467	150,574,140
Commission and brokerage expenses	56,816,301	47,274,002	7,798,437	6,054,661	64,614,738	53,328,663
Other underwriting expenses	9,331,811	4,992,480	2,078,370	1,661,183	11,410,181	6,653,663
Contribution to Road Accident Victims Protection Co., Ltd.	4,732,051	4,361,354	-	-	4,732,051	4,361,354
Operating expenses	-	-	-	-	86,353,500	60,585,534
Total underwriting expenses	266,340,535	232,129,674	19,065,902	(17,211,854)	371,759,937	275,503,354
Profit from underwriting	73,700,246	25,964,894	12,824,915	43,537,920	171,661	8,917,280
Net investment income					15,921,395	35,709,006
Gains on investments					1,814,473	4,728,306
Fair value losses					(14,418,151)	(2,525,689)
Other income					1,998,949	1,743,227
Profit from operation					5,488,327	48,572,130
Contribution to the Office of Insurance Commission					(1,172,613)	(944,433)
Contribution to the General Insurance Fund					(976,583)	(787,028)
Contribution to the Victims Compensation Fund					(386,290)	(369,703)
Profit before income tax expenses					2,952,841	46,470,966
Income tax expenses					(1,956,295)	(3,730,450)
Profit for the period					996,546	42,740,516

(Unaudited but reviewed)

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

	(Unit: Baht)					
	Motor		Others		Total	
	2013	2012	2013	2012	2013	2012
Underwriting income						
Premium written	767,776,846	607,115,104	92,124,102	67,209,859	859,900,948	674,324,963
Less: Premium ceded	(9,864,014)	(6,497,726)	(46,676,878)	(31,008,071)	(56,540,892)	(37,505,797)
Add (less): Unearned premium reserve	(105,610,133)	(92,683,293)	(1,716,747)	8,339,524	(107,326,880)	(84,343,769)
Earned premium	652,302,699	507,934,085	43,730,477	44,541,312	696,033,176	552,475,397
Fee and commission income	-	-	16,638,263	10,261,781	16,638,263	10,261,781
Total underwriting income	652,302,699	507,934,085	60,368,740	54,803,093	712,671,439	562,737,178
Underwriting expenses						
Claims and losses adjustment expenses	377,176,956	347,940,487	20,649,576	8,026,048	397,826,532	355,966,535
Commission and brokerage expenses	128,228,474	102,192,741	16,173,318	11,698,134	144,401,792	113,890,875
Other underwriting expenses	16,512,051	10,389,681	3,957,834	3,204,207	20,469,885	13,593,888
Contribution to Road Accident Victims Protection Co., Ltd.	9,679,030	7,955,728	-	-	9,679,030	7,955,728
Operating expenses	-	-	-	-	147,587,607	107,351,371
Total underwriting expenses	531,596,511	468,478,637	40,780,728	22,928,389	719,964,846	598,758,397
Profit (loss) from underwriting	120,706,188	39,455,448	19,588,012	31,874,704	(7,293,407)	(36,021,219)
Net investment income					60,259,687	48,456,607
Gains on investments					23,501,478	11,090,638
Fair value losses					(5,925,478)	(258,781)
Other income					2,494,768	2,784,133
Profit from operation					73,037,048	26,051,378
Contribution to the Office of Insurance Commission					(2,561,860)	(2,012,575)
Contribution to the General Insurance Fund					(2,134,288)	(1,677,146)
Contribution to the Victims Compensation Fund					(790,125)	(663,121)
Profit before income tax expenses					67,550,775	21,698,536
Income tax expenses					(9,337,034)	(1,364,710)
Profit for the period					58,213,741	20,333,826

25. Commitments and contingent liabilities

25.1 Operating lease commitments

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

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

	<u>Million Baht</u>
Payable:	
Within 1 year	22.7
Over 1 to 5 years	10.0

25.2 Litigation

As at 30 June 2013, the Company, as an insurer, has been sued for damaged amounting to approximately Baht 438 million. The total sum insured covered by insurance policies is Baht 49 million. The outcomes of these cases have not yet been finalised. However, the Company has set aside reserve for its losses totaling Baht 46 million in the financial statements.

26. Approval of the interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 9 August 2013.