

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

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Nam Seng Insurance Public Company Limited

I have reviewed the accompanying statement of financial position of Nam Seng Insurance Public Company Limited as at 30 September 2015, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, the statements of changes in equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Nonglak Pumnoi  
Certified Public Accountant (Thailand) No. 4172

EY Office Limited  
Bangkok: 10 November 2015

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

		(Unit: Baht)	
	Note	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	3	151,775,201	111,246,000
Accrued investment income		10,378,927	18,376,093
Premium receivables	4, 19.3	188,296,633	147,471,614
Reinsurance assets	5	367,755,240	240,707,233
Investment assets			
Investments in securities	6		
Trading investments		95,948,289	80,578,902
Available-for-sale investments		415,993,248	328,166,988
Held-to-maturity investments		1,732,384,059	1,752,447,100
Other investments		2,048,020	2,048,020
Loans	7	6,724,781	8,344,815
Properties foreclosed		7,314,613	7,314,613
Property, buildings and equipment	8	163,500,666	147,045,418
Intangible assets	9	556,202	1,056,435
Deferred tax assets	10.1	113,958,344	90,136,850
Other assets	11	26,921,398	46,640,488
<b>Total assets</b>		<b>3,283,555,621</b>	<b>2,981,580,569</b>

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

**Nam Seng Insurance Public Company Limited**  
**Statements of financial position (continued)**  
**As at 30 September 2015**

		(Unit: Baht)	
	Note	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Income tax payable		3,224,950	9,118,199
Due to reinsurers	12	152,209,426	110,417,997
Insurance contract liabilities			
Loss reserves and outstanding claims	13	613,362,557	589,582,528
Premium reserve	14.1	1,056,624,406	864,240,805
Employee benefit obligations		57,776,422	56,320,769
Accrued commissions	19.3	32,085,891	32,871,014
Other liabilities	15, 19.3	90,943,384	70,778,498
<b>Total liabilities</b>		<u>2,006,227,036</u>	<u>1,733,329,810</u>
<b>Equity</b>			
Share capital			
Registered			
20,000,000 ordinary shares of Baht 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued and paid-up			
13,900,000 ordinary shares of Baht 10 each		139,000,000	139,000,000
Premium on share capital		594,436,835	594,436,835
Retained earnings			
Appropriated			
Legal reserve		24,848,787	24,848,787
General reserve		6,163,850	6,163,850
Unappropriated		532,372,125	489,436,011
Other components of equity	6.3	(19,493,012)	(5,634,724)
<b>Total equity</b>		<u>1,277,328,585</u>	<u>1,248,250,759</u>
<b>Total liabilities and equity</b>		<u>3,283,555,621</u>	<u>2,981,580,569</u>
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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 2015**

	Note	2015	2014
(Unit: Baht)			
<b>Income</b>			
Net earned premium	16, 19.2	401,411,291	389,710,341
Fee and commission income	16	29,340,594	11,200,308
<b>Total income</b>		<b>430,751,885</b>	<b>400,910,649</b>
<b>Expenses</b>			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	16	202,998,303	239,626,415
Commission and brokerage expenses	16, 19.2	71,308,391	65,006,604
Other underwriting expenses	16	30,248,445	13,524,940
Contribution to Road Accident Victims Protection			
Company Limited	16	7,883,657	4,913,774
Operating expenses	16, 17, 19.2	71,498,362	53,582,682
<b>Total underwriting expenses</b>		<b>383,937,158</b>	<b>376,654,415</b>
<b>Gains from underwriting</b>		<b>46,814,727</b>	<b>24,256,234</b>
Net investment income		16,010,901	23,233,481
Gains (losses) on investments		(5,269,582)	2,126,327
Fair value losses		(3,952,948)	(154,665)
Other income			
Gain on sale of assets		4,250	105,850
Others	19.2	3,296,896	3,021,246
<b>Profit from operations</b>		<b>56,904,244</b>	<b>52,588,473</b>
Contribution to the Office of Insurance Commission		(1,340,277)	(1,079,026)
Contribution to the General Insurance Fund		(1,325,279)	(1,015,327)
Contribution to the Victims Compensation Fund		(617,053)	(401,124)
<b>Profit before income tax expenses</b>		<b>53,621,635</b>	<b>50,092,996</b>
Income tax expenses	10.2	(10,223,558)	(8,647,255)
<b>Profit for the period</b>		<b>43,398,077</b>	<b>41,445,741</b>

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

(Unaudited but reviewed)

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

	Note	2015	2014
(Unit: Baht)			
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gains (losses) on revaluation of available-for-sale investments		(21,706,926)	7,024,471
Add (less): Related income taxes	10.2	4,341,385	(1,404,894)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
- net of income tax		(17,365,541)	5,619,577
Other comprehensive income (losses) for the periods		(17,365,541)	5,619,577
<b>Total comprehensive income for the periods</b>		<b>26,032,536</b>	<b>47,065,318</b>
<b>Earning per share</b>			
Basic earning per share			
Profit for the period	18	3.12	2.98

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 2015**

	Note	2015	2014
(Unit: Baht)			
<b>Income</b>			
Net earned premium	16, 19.2	1,181,539,890	1,175,014,597
Fee and commission income	16	71,907,501	32,173,923
<b>Total income</b>		<u>1,253,447,391</u>	<u>1,207,188,520</u>
<b>Expenses</b>			
Underwriting			
Claims expenses			
Claims and losses adjustment expenses	16	636,835,028	682,865,906
Commission and brokerage expenses	16, 19.2	215,317,331	200,235,771
Other underwriting expenses	16	75,065,426	36,348,959
Contribution to Road Accident Victims Protection			
Company Limited	16	21,237,672	14,851,779
Operating expenses	16, 17, 19.2	194,047,218	206,667,955
<b>Total underwriting expenses</b>		<u>1,142,502,675</u>	<u>1,140,970,370</u>
<b>Gain from underwriting</b>		110,944,716	66,218,150
Net investment income		52,431,475	57,431,311
Gains (losses) on investments		(2,324,043)	4,566,992
Fair value gains (losses)		(6,384,915)	8,465,066
Other income			
Gain on sale of assets		249,828	10,670,174
Others	19.2	10,714,227	4,011,781
<b>Profit from operations</b>		<u>165,631,288</u>	<u>151,363,474</u>
Contribution to the Office of Insurance Commission		(4,250,290)	(3,698,985)
Contribution to the General Insurance Fund		(3,750,273)	(3,198,116)
Contribution to the Victims Compensation Fund		(1,733,688)	(1,212,390)
<b>Profit before income tax expenses</b>		<u>155,897,037</u>	<u>143,253,983</u>
Income tax expenses	10.2	(29,560,923)	(26,174,056)
<b>Profit for the period</b>		<u>126,336,114</u>	<u>117,079,927</u>

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

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of comprehensive income (continued)**  
**For the nine-month period ended 30 September 2015**

	Note	2015	2014
(Unit: Baht)			
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gains (losses) on revaluation of available-for-sale investments		(17,322,860)	27,066,059
Add (less): Related income taxes	10.2	3,464,572	(5,413,212)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
- net of income tax		(13,858,288)	21,652,847
Other comprehensive income (losses) for the periods		(13,858,288)	21,652,847
<b>Total comprehensive income for the periods</b>		<b>112,477,826</b>	<b>138,732,774</b>
<b>Earning per share</b>			
Basic earning per share			
Profit for the period	18	9.09	8.42

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 2015**

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	Other components of equity	Total
			Appropriated			Unrealised gains (losses) on	
			Statutory reserve	Other		changes in values of available- for-sale investments - net of income taxes	
<b>Balance as at 1 January 2014</b>	139,000,000	594,436,835	24,848,787	6,163,850	416,875,811	(8,465,000)	1,172,860,283
Profit for the period	-	-	-	-	117,079,927	-	117,079,927
Other comprehensive income for the period	-	-	-	-	-	21,652,847	21,652,847
Total comprehensive income for the period	-	-	-	-	117,079,927	21,652,847	138,732,774
Dividend paid (Note 24)	-	-	-	-	(90,350,000)	-	(90,350,000)
<b>Balance as at 30 September 2014</b>	<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>443,605,738</u>	<u>13,187,847</u>	<u>1,221,243,057</u>
<b>Balance as at 1 January 2015</b>	139,000,000	594,436,835	24,848,787	6,163,850	489,436,011	(5,634,724)	1,248,250,759
Profit for the period	-	-	-	-	126,336,114	-	126,336,114
Other comprehensive income for the period	-	-	-	-	-	(13,858,288)	(13,858,288)
Total comprehensive income for the period	-	-	-	-	126,336,114	(13,858,288)	112,477,826
Dividend paid (Note 24)	-	-	-	-	(83,400,000)	-	(83,400,000)
<b>Balance as at 30 September 2015</b>	<u>139,000,000</u>	<u>594,436,835</u>	<u>24,848,787</u>	<u>6,163,850</u>	<u>532,372,125</u>	<u>(19,493,012)</u>	<u>1,277,328,585</u>
	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

**Nam Seng Insurance Public Company Limited**  
**Statement of cash flows**  
**For the nine-month period ended 30 September 2015**

	(Unit: Baht)	
Note	2015	2014
<b>Cash flows from operating activities</b>		
Direct premium written	1,462,692,304	1,305,685,294
Cash received (paid) for reinsurance	(72,786,071)	18,882,636
Losses incurred of direct insurance	(611,183,153)	(659,251,834)
Losses adjustment expenses of direct insurance	(74,748,985)	(71,270,944)
Commissions and brokerages of direct insurance	(210,064,955)	(207,832,372)
Other underwriting expenses	(96,303,098)	(51,200,738)
Interest income	51,168,306	40,017,492
Dividend income	9,260,334	13,740,034
Other investment income	(1,836,379)	(959,589)
Other income	10,714,227	14,681,955
Operating expenses	(179,723,182)	(199,657,152)
Income tax	(55,811,095)	(44,208,581)
<b>Net cash from operating activities</b>	<b>231,378,253</b>	<b>158,626,201</b>
<b>Cash flows from investing activities</b>		
Cash flows from		
Investments in securities	1,914,277,774	1,130,111,840
Loans	2,173,146	1,804,741
Property, building and equipment	263,910	11,788,183
Net cash from investing activities	1,916,714,830	1,143,704,764
Cash flows used in		
Investments in securities	(1,999,148,928)	(1,307,283,355)
Loans	(553,112)	(857,550)
Property, building and equipment	(24,210,327)	(3,044,010)
Intangible assets	(251,515)	(283,800)
Net cash used in investing activities	(2,024,163,882)	(1,311,468,715)
<b>Net cash used in investing activities</b>	<b>(107,449,052)</b>	<b>(167,763,951)</b>

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 2015**

		(Unit: Baht)	
	Note	2015	2014
<b>Cash flows from financing activities</b>			
Dividend paid	24	(83,400,000)	(90,350,000)
<b>Net cash used in financing activities</b>		(83,400,000)	(90,350,000)
<b>Net increase (decrease) in cash and cash equivalents</b>		40,529,201	(99,487,750)
Cash and cash equivalents at beginning of period		111,246,000	161,737,384
<b>Cash and cash equivalents at end of period</b>		<u>151,775,201</u>	<u>62,249,634</u>

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 period ended 30 September 2015**

**1. General information**

**1.1 Corporate information**

Nam Seng Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is N.S. Alliance Co., Ltd., which was incorporated in Thailand. The Company is principally engaged in the provision of non-life insurance. The Company’s registered office is located at 767 Krungthep-Nonthaburi Road, Bangsue, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) “Interim Financial Reporting” and the Declaration of the Insurance Commission dated 27 May 2010, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements.

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

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

**1.3 New financial reporting standards**

**(a) Financial reporting standard that became effective in the current period**

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

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

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

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

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

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

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

### **(b) Financial report standard issued during the period and not yet effective**

The Federation of Accounting Professions issued a number of the new and revised financial reporting standards (revised 2015) which are effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the new and revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied, except the following financial reporting standard:

### **TFRS 4 Insurance Contracts**

The objective of TFRS 4 is to provide guidance on financial reporting for the insurance contracts that an entity issues (including reinsurance contracts) and the reinsurance contracts that it holds and to require limited improvements to accounting by insurers for insurance contracts, until the second phase of the project on financial reporting standards for insurance contracts is completed. This TFRS requires disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and prohibits provisions for claims that have not occurred at the end of the reporting period, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. It temporarily exempts insurers from some requirements of other TFRSs, including the requirement for insurers to consider the framework in selecting accounting policies for insurance contracts.

At present, the Company's management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

## 2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 1.3 (a) to the financial statements.

## 3. Cash and cash equivalents

	(Unit: Baht)	
	30 September 2015	31 December 2014
Cash on hand	162,402	137,552
Deposits at banks with no fixed maturity date	121,612,799	111,108,448
Deposits at banks with fixed maturity date	1,010,000,000	1,055,643,500
Total cash and deposits at financial institutions	1,131,775,201	1,166,889,500
Less: Deposits at banks which amount maturing in over 3 months	(980,000,000)	(1,055,643,500)
Cash and cash equivalents	<u>151,775,201</u>	<u>111,246,000</u>

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

## 4. Premium receivables

The balances as at 30 September 2015 and 31 December 2014 of premium receivables are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)			
	30 September 2015			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	4,613,173	132,866,899	-	137,480,072
Not over 30 days	1,403,342	29,913,351	-	31,316,693
Over 30 days to 60 days	392,796	8,656,117	404	9,049,317
Over 60 days to 90 days	140,103	1,616,662	25,864	1,782,629
Over 90 days to 1 year	14,397,148	1,726,132	-	16,123,280
Over 1 year	62,838	7,770,520	-	7,833,358
Total premium receivables	21,009,400	182,549,681	26,268	203,585,349
Less: Allowance for doubtful accounts	(684,758)	(14,603,958)	-	(15,288,716)
Premium receivables, net	<u>20,324,642</u>	<u>167,945,723</u>	<u>26,268</u>	<u>188,296,633</u>

(Unaudited but reviewed)

(Unit: Baht)

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

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 2015	31 December 2014
Amounts deposit on reinsurance	2,929	2,929
Amounts due from reinsurers	59,092,626	43,624,720
Insurance reserve refundable from reinsurers	314,051,765	202,133,858
Reinsurance assets	<u>373,147,320</u>	<u>245,761,507</u>
Less : Allowance for doubtful accounts	<u>(5,392,080)</u>	<u>(5,054,274)</u>
Reinsurance assets, net	<u>367,755,240</u>	<u>240,707,233</u>

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

(Unit: Baht)

	30 September 2015	31 December 2014
Not over 12 months	<u>59,092,626</u>	<u>43,624,720</u>
Total amounts due from reinsurers	59,092,626	43,624,720
Less: Allowance for doubtful accounts	<u>(465,504)</u>	<u>-</u>
Amounts due from reinsurers - net	<u>58,627,122</u>	<u>43,624,720</u>

## 6. Investments in securities

### 6.1 Classified by type of investment

(Unit: Baht)

	30 September 2015		31 December 2014	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Trading investments</b>				
Equity securities	78,174,279	73,361,275	65,632,839	66,996,066
Unit trusts	22,140,226	22,239,314	13,423,815	13,450,804
Warrant	-	347,700	-	132,032
Total	100,314,505	95,948,289	79,056,654	80,578,902
Add: Unrealised gains (losses)	(4,366,216)	-	1,522,248	-
<b>Total trading investments</b>	<b>95,948,289</b>	<b>95,948,289</b>	<b>80,578,902</b>	<b>80,578,902</b>
<b>Available-for-sale investments</b>				
Equity securities	20,474,867	22,604,403	16,852,899	20,496,246
Unit trusts	379,851,172	351,698,257	278,316,129	266,959,013
Debentures	40,033,474	41,690,588	40,041,365	40,711,729
Total	440,359,513	415,993,248	335,210,393	328,166,988
Less: Unrealised losses	(24,366,265)	-	(7,043,405)	-
<b>Total available-for-sale investments</b>	<b>415,993,248</b>	<b>415,993,248</b>	<b>328,166,988</b>	<b>328,166,988</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	544,756,377		549,151,042	
Private enterprise debt securities	207,627,682		147,652,558	
Deposits at commercial banks	980,000,000		1,055,643,500	
<b>Total held-to-maturity investments</b>	<b>1,732,384,059</b>		<b>1,752,447,100</b>	
<b>Other investments</b>				
Equity securities	2,048,020		2,048,020	
<b>Total other investments</b>	<b>2,048,020</b>		<b>2,048,020</b>	



## 6.2 Remaining period of debt securities

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

(Unit: Baht)

	30 September 2015			
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
<b>Available-for-sale investments</b>				
Private enterprise debt securities	-	40,033,474	-	40,033,474
Add: Unrealised gains	-	1,657,114	-	1,657,114
<b>Total available-for-sale investments</b>	<b>-</b>	<b>41,690,588</b>	<b>-</b>	<b>41,690,588</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	68,826,594	277,561,839	198,367,944	544,756,377
Private enterprise debt securities	10,000,000	82,429,941	115,197,741	207,627,682
Deposits at commercial banks	715,000,000	265,000,000	-	980,000,000
<b>Total held-to-maturity investments</b>	<b>793,826,594</b>	<b>624,991,780</b>	<b>313,565,685</b>	<b>1,732,384,059</b>

(Unit: Baht)

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

As at 30 September 2015 and 31 December 2014, certain bonds have been pledged with the Registrar of the Office of Insurance Commission and have been placed as a security in the normal course of business as discussed in Notes 20, 21 and 22.

(Unaudited but reviewed)

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

(Unit: Baht)

	30 September 2015	31 December 2014
Unrealised losses on available-for-sale investments - beginning of the period/year	(7,043,405)	(10,581,249)
Gains (losses) on revaluation during the period/year	(21,127,208)	4,695,927
(Gains) loss on sales of available-for-sale investments during the period/year transferred to be recognised in profit or loss	3,804,348	(1,158,083)
Unrealised losses on available-for-sale investments - end of the period/year	(24,366,265)	(7,043,405)
Add: Income taxes	4,873,253	1,408,681
Unrealised losses on available-for-sale investments, net of income taxes	(19,493,012)	(5,634,724)

**7. Loans**

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

(Unit: Baht)

Outstanding period	30 September 2015						
	Mortgage loans		Others		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	6,283,094	728	441,687	-	6,724,781	728	6,725,509
Overdue more than 12 months	-	-	314,526	203,847	314,526	203,847	518,373
Total	6,283,094	728	756,213	203,847	7,039,307	204,575	7,243,882
Less: Allowance for doubtful accounts	-	-	(314,526)	(203,847)	(314,526)	(203,847)	(518,373)
Loans and accrued interest, net	6,283,094	728	441,687	-	6,724,781	728 <sup>(1)</sup>	6,725,509

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

(Unit: Baht)

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

(Unaudited but reviewed)

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

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

(Unaudited but reviewed)

The credit limit on employee loans that are secured by personal guarantees is set at 20 times of the employee's monthly salary, and may not exceed Baht 500,000. If loans are secured by the mortgage of property, the credit limit is 90% of the assessed value of the property. Also taken into account is the purpose of the loan, ability to settle the debt, while the interest rate may be set higher or lower than MLR of a commercial bank.

## 8. Property, buildings and equipment

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

(Unit: Baht)

	Land	Buildings	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
Net book value as at						
1 January 2015	102,037,866	28,815,283	12,857,245	3,335,024	-	147,045,418
Additions - at cost	3,840,000	5,760,000	7,151,663	-	7,458,664	24,210,327
Transfer in (out)	1,785,000	4,504,404	1,084,500	-	(7,373,904)	-
Disposals - net book value	-	-	(14,081)	(1)	-	(14,082)
Depreciation charge for the period	-	(2,854,282)	(4,047,488)	(839,227)	-	(7,740,997)
Net book value as at						
30 September 2015	<u>107,662,866</u>	<u>36,225,405</u>	<u>17,031,839</u>	<u>2,495,796</u>	<u>84,760</u>	<u>163,500,666</u>

## 9. Intangible assets

(Unit: Baht)

	Computer software
Net book values as at 1 January 2015	1,056,435
Addition during the period	251,515
Amortisation charge for the period	(751,748)
Net book value as at 30 September 2015	<u><u>556,202</u></u>

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

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

	(Unit: Baht)	
	30 September 2015	31 December 2014
<b>Deferred tax assets</b>		
Allowance for doubtful debts	4,876,983	8,289,256
Premium reserves	42,694,128	30,108,879
Provision for losses incurred but not yet reported (IBNR)	15,933,208	13,266,562
Loss reserves	37,242,816	30,501,785
Provision for long-term employee benefits	7,365,423	6,866,136
Unrealised losses on changes in values of available-for-sale investments	4,873,253	1,408,681
Unrealised losses on changes in values of trading investments	972,533	-
<b>Total</b>	<b>113,958,344</b>	<b>90,441,299</b>
<b>Deferred tax liabilities</b>		
Unrealised gains on changes in values of trading investments	-	(304,449)
<b>Total</b>	<b>-</b>	<b>(304,449)</b>
<b>Deferred tax assets, net</b>	<b>113,958,344</b>	<b>90,136,850</b>

**10.2 Income tax expenses**

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

	(Unit: Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim income tax charge	(8,965,083)	(13,593,719)	(49,917,845)	(40,672,147)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,258,475)	4,946,464	20,356,922	14,498,091
Income tax expense reported in the statements of comprehensive income	<u>(10,223,558)</u>	<u>(8,647,255)</u>	<u>(29,560,923)</u>	<u>(26,174,056)</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 2015 and 2014 are as follows:

	(Unit: Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Deferred tax relating to gains (losses) on changes in value of available-for-sale investments	4,341,385	(1,404,894)	3,464,572	(5,413,212)

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

	(Unit: Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Accounting profits before income tax expenses	53,621,635	50,092,996	155,897,037	143,253,983
Applicable corporate income tax rates	20%	20%	20%	20%
Income taxes at the applicable corporate income tax rates	(10,724,327)	(10,018,599)	(31,179,408)	(28,650,797)
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	500,769	1,371,344	1,618,485	2,476,741
Income tax expenses reported in the statements of comprehensive income	(10,223,558)	(8,647,255)	(29,560,923)	(26,174,056)

(Unaudited but reviewed)

## 11. Other assets

	(Unit: Baht)	
	30 September 2015	31 December 2014
Advances	1,980,891	1,413,365
Prepaid expenses	376,577	736,579
Undue input tax	3,209,703	3,038,983
Claim receivable from litigants	2,407,704	2,176,516
Notes receivable	8,280,751	6,805,907
Receivable on sales securities	83,334	20,073,150
Others	10,582,438	12,395,988
Total other assets	<u>26,921,398</u>	<u>46,640,488</u>

## 12. Due to reinsurers

	(Unit: Baht)	
	30 September 2015	31 December 2014
Outward premium payables	104,342,260	66,568,227
Amounts withheld on reinsurance	47,867,166	43,849,770
Total due to reinsurers	<u>152,209,426</u>	<u>110,417,997</u>

## 13. Loss reserves and outstanding claims

	(Unit: Baht)	
	30 September 2015	31 December 2014
Beginning Balance	589,582,528	604,279,480
Claims and losses adjustment expenses for the period/year	757,710,750	958,378,415
Change in claims and losses adjustment expenses paid of the prior period/year	(49,325,678)	(27,424,704)
Claims and losses adjustment expenses paid during the period/year	<u>(684,605,043)</u>	<u>(945,650,663)</u>
Ending balance	<u>613,362,557</u>	<u>589,582,528</u>

As at 30 September 2015 and 31 December 2014 the Company, which is reinsurer under the reinsurance contracts, has loss reserve and outstanding claims under such contracts of Baht 0.1 million.

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

	(Unit: Baht)	
	30 September 2015	31 December 2014
Beginning balance	864,240,805	832,842,359
Premium written for the period/year	1,508,623,717	1,720,732,634
Premium earned for the current period/year	(1,316,240,116)	(1,689,334,188)
Ending balance	<u>1,056,624,406</u>	<u>864,240,805</u>

**14.2 Unexpired risk reserves**

	(Unit: Baht)	
	30 September 2015	31 December 2014
Beginning balance	554,758,082	583,736,316
Estimated claims for the period/year	964,989,160	1,201,568,465
Risk expired during the period/year	(843,963,026)	(1,230,546,699)
Ending balance	<u>675,784,216</u>	<u>554,758,082</u>

**15. Other liabilities**

	(Unit: Baht)	
	30 September 2015	31 December 2014
Account payable - Revenue Department	5,202,820	5,343,558
Withholding tax payable	2,129,886	2,272,317
Undue output tax	9,815,627	9,544,386
Accrued expenses	21,183,196	21,961,099
Deposits from agents	34,058,339	21,764,430
Others	18,553,516	9,892,708
Total other liabilities	<u>90,943,384</u>	<u>70,778,498</u>



(Unaudited but reviewed)

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

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	10,070,369	7,923,545	364,248,864	123,087,918	28,706,408	534,037,104
Less: Premium ceded	(4,359,406)	(6,095,689)	(2,207,317)	(62,432,095)	(25,833,749)	(100,928,256)
Net premium written	5,710,963	1,827,856	362,041,547	60,655,823	2,872,659	433,108,848
Add (less): Unearned premium reserve	(1,976,849)	(603,155)	4,337,643	(32,955,876)	(499,320)	(31,697,557)
Earned premium	3,734,114	1,224,701	366,379,190	27,699,947	2,373,339	401,411,291
Fee and commission income	1,942,100	2,285,916	-	22,167,656	2,944,922	29,340,594
<b>Total underwriting income</b>	<b>5,676,214</b>	<b>3,510,617</b>	<b>366,379,190</b>	<b>49,867,603</b>	<b>5,318,261</b>	<b>430,751,885</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	631,995	40,918	188,191,194	14,122,494	11,702	202,998,303
Commission and brokerage expenses	3,489,856	1,013,971	55,498,320	6,344,508	4,961,736	71,308,391
Other underwriting expenses	229,218	94,775	1,620,727	28,003,409	300,316	30,248,445
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	7,883,657	-	-	7,883,657
<b>Total underwriting expenses before operating expenses</b>	<b>4,351,069</b>	<b>1,149,664</b>	<b>253,193,898</b>	<b>48,470,411</b>	<b>5,273,754</b>	<b>312,438,796</b>
Operating expenses						71,498,362
<b>Total underwriting expenses</b>						<b>383,937,158</b>

(Unaudited but reviewed)

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

(Unit: Baht)

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

(Unaudited but reviewed)

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

(Unit: Baht)

	Fire	Marine and transportation	Motor	Personal accident	Miscellaneous	Total
<b>Underwriting income</b>						
Premium written	32,625,185	15,043,695	1,134,480,062	275,490,013	50,984,762	1,508,623,717
Less: Premium ceded	(18,309,964)	(11,190,832)	(6,091,096)	(139,616,837)	(43,262,320)	(218,471,049)
Net premium written	14,315,221	3,852,863	1,128,388,966	135,873,176	7,722,442	1,290,152,668
Less: Unearned premium reserve	(4,235,728)	(387,121)	(39,709,489)	(63,575,479)	(704,961)	(108,612,778)
Earned premium	10,079,493	3,465,742	1,088,679,477	72,297,697	7,017,481	1,181,539,890
Fee and commission income	8,054,042	4,194,871	-	51,877,947	7,780,641	71,907,501
<b>Total underwriting income</b>	<b>18,133,535</b>	<b>7,660,613</b>	<b>1,088,679,477</b>	<b>124,175,644</b>	<b>14,798,122</b>	<b>1,253,447,391</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	2,733,735	706,183	586,438,243	40,326,130	6,630,737	636,835,028
Commission and brokerage expenses	11,160,232	1,962,082	177,917,955	17,037,925	7,239,137	215,317,331
Other underwriting expenses	743,356	276,273	38,982,150	34,196,985	866,662	75,065,426
Contribution to Road Accident Victims Protection Co., Ltd.	-	-	21,237,672	-	-	21,237,672
<b>Total underwriting expenses before operating expenses</b>	<b>14,637,323</b>	<b>2,944,538</b>	<b>824,576,020</b>	<b>91,561,040</b>	<b>14,736,536</b>	<b>948,455,457</b>
Operating expenses						194,047,218
<b>Total underwriting expenses</b>						<b>1,142,502,675</b>

(Unaudited but reviewed)

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

(Unit: Baht)

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

(Unaudited but reviewed)

**17. Operating expenses**

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Personnel expenses which are not expenses for underwriting and claims	25,328,951	21,786,044	71,888,228	64,193,352
Property and equipment expenses which are not expenses for underwriting	18,043,648	17,499,193	50,385,689	56,702,652
Taxes and duties	246,521	102,618	1,029,323	494,953
Bad debts and doubtful accounts (Reversal)	(3,742,203)	(11,541,660)	(15,754,206)	9,500,948
Other operating expenses	31,621,445	25,736,487	86,498,184	75,776,050
<b>Total operating expenses</b>	<b>71,498,362</b>	<b>53,582,682</b>	<b>194,047,218</b>	<b>206,667,955</b>

**18. Earning per shares**

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

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

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

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

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

## 19.2 Related party transactions

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

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
<b>Premium written<sup>(2)</sup></b>				
Dung Seng Insurance Broker Co., Ltd. <sup>(1)</sup>	204,923,281	213,412,014	666,038,469	697,685,893
Asia Hotel Plc.	3,372	4,965	1,726,678	1,075,618
Zeer Property Plc.	224,155	230,513	5,128,873	2,046,379
Asia Airport Hotel Co., Ltd.	8,685	14,406	1,106,699	653,976
Asia Pattaya Hotel Co., Ltd.	15,055	18,524	686,710	604,995
<b>Commission paid</b>				
Dung Seng Insurance Broker Co., Ltd.	34,875,682	37,024,257	114,790,365	121,458,607
<b>Rental of building space<sup>(3)</sup></b>				
N.S.B. Co., Ltd.	-	314,343	-	952,535
<b>Service fee of building space<sup>(3)</sup></b>				
N.S.B. Co., Ltd.	2,955,723	5,003,130	8,867,169	15,156,948
<b>Cost of the rental<sup>(4)</sup></b>				
N.S.B. co., Ltd.	2,088,596	-	6,869,310	-

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

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

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

<sup>(4)</sup> Recognised as a deduction item in "Other income" in statements of comprehensive income

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

### 19.3 Outstanding balances

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

	(Unit: Baht)	
	30 September 2015	31 December 2014
<b>Premium receivables</b>		
Dung Seng Insurance Broker Co., Ltd.	115,987,581	123,462,787
<b>Accrued commissions</b>		
Dung Seng Insurance Broker Co., Ltd.	19,519,716	20,844,161
<b>Accrued cost of the rental (including in other liabilities)</b>		
N.S.B. Co., Ltd.	684,659	-
<b>Accrued service fee of building space (including in other liabilities)</b>		
N.S.B. Co., Ltd.	985,241	-

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

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

	(Unit: Million Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Short-term employee benefits	4.8	4.6	14.4	11.9
Long-term employee benefits	0.1	0.2	0.4	0.5
Total	4.9	4.8	14.8	12.4

### 20. Securities placed with the Registrar

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

(Unit: Baht)			
30 September 2015		31 December 2014	
Cost	Fair value	Cost	Fair value



(Unaudited but reviewed)

Government bonds	<u>14,000,000</u>	<u>14,056,318</u>	<u>14,000,000</u>	<u>14,093,214</u>
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## 21. Assets reserved with the Registrar

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

	(Unit: Baht)			
	<u>30 September 2015</u>		<u>31 December 2014</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Government bonds	<u>180,000,000</u>	<u>189,451,533</u>	<u>180,000,000</u>	<u>188,881,726</u>

## 22. Collateralised assets

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

		(Unit: Baht)	
		<u>30 September</u>	<u>31 December</u>
		<u>2015</u>	<u>2014</u>
Government bonds	- As collateral for bail bonds	3,800,000	5,680,000
	- As collateral for drives guarantee	-	600,000
	- As collateral for electrical usage	1,700,000	300,000
	- As collateral for bank overdrafts	10,000,000	10,000,000
	- As collateral for maintenance contracts	500,000	500,000
Government saving bank lottery	- As collateral for Bank for Agriculture and Agricultural Cooperatives	2,550,000	2,000,000
	- As collateral for drives guarantee	-	200,000
	- As collateral for drives guarantee	400,000	-
Fixed deposit	- As collateral for bail bonds	1,800,000	400,000
Total		<u>20,750,000</u>	<u>19,680,000</u>

### 23. Fair value of financial instruments

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

#### Fair value hierarchy

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

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

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

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

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

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

	Level 1	Level 2	Level 3	(Unit: Baht) Total
<b>Financial assets measured at fair value</b>				
Trading investments				
Equity securities	73,361,275	-	-	73,361,275
Unit trusts	-	22,239,314	-	22,239,314
Warrant	347,700	-	-	347,700
Total trading investments	<u>73,708,975</u>	<u>22,239,314</u>	<u>-</u>	<u>95,948,289</u>
Available-for-sale investments				
Equity securities	22,604,403	-	-	22,604,403
Unit trusts	54,001,258	297,696,999	-	351,698,257
Debenture	-	41,690,588	-	41,690,588
Total available-for-sale investments	<u>76,605,661</u>	<u>339,387,587</u>	<u>-</u>	<u>415,993,248</u>

Valuation techniques and inputs for Level 2 valuations

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

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

**24. Dividend paid**

Dividend declared during the period consists of the following:

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

## 25. Segment information

For management purposes, the Company are organised into business units based on non-life insurance and have two reportable segments which are motor insurance and others insurance.

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

	Motor		Others		Total	
	2015	2014	2015	2014	2015	2014
<b>Underwriting income</b>						
Premium written	364,248,864	345,100,739	169,788,240	63,896,431	534,037,104	408,997,170
Less: Premium ceded	(2,207,317)	(1,829,835)	(98,720,939)	(34,790,892)	(100,928,256)	(36,620,727)
Add (less): Unearned premium reserve	4,337,643	20,130,274	(36,035,200)	(2,796,376)	(31,697,557)	17,333,898
Earned premium	366,379,190	363,401,178	35,032,101	26,309,163	401,411,291	389,710,341
Fee and commission income	-	-	29,340,594	11,200,308	29,340,594	11,200,308
<b>Total underwriting income</b>	<b>366,379,190</b>	<b>363,401,178</b>	<b>64,372,695</b>	<b>37,509,471</b>	<b>430,751,885</b>	<b>400,910,649</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	188,191,194	218,260,212	14,807,109	21,366,203	202,998,303	239,626,415
Commission and brokerage expenses	55,498,320	55,627,275	15,810,071	9,379,329	71,308,391	65,006,604
Other underwriting expenses	1,620,727	11,328,058	28,627,718	2,196,882	30,248,445	13,524,940
Contribution to Road Accident Victims Protection Co., Ltd.	7,883,657	4,913,774	-	-	7,883,657	4,913,774
Operating expenses (income)	71,348,896	59,416,811	149,466	(5,834,129)	71,498,362	53,582,682
<b>Total underwriting expenses</b>	<b>324,542,794</b>	<b>349,546,130</b>	<b>59,394,364</b>	<b>27,108,285</b>	<b>383,937,158</b>	<b>376,654,415</b>
<b>Profits from underwriting</b>	<b>41,836,396</b>	<b>13,855,048</b>	<b>4,978,331</b>	<b>10,401,186</b>	<b>46,814,727</b>	<b>24,256,234</b>
Net investment income					16,010,901	23,233,481
Gains (losses) on investments					(5,269,582)	2,126,327
Fair value losses					(3,952,948)	(154,665)
Other income					3,301,146	3,127,096
<b>Profit from operation</b>					<b>56,904,244</b>	<b>52,588,473</b>
Contribution to the Office of Insurance Commission					(1,340,277)	(1,079,026)
Contribution to the General Insurance Fund					(1,325,279)	(1,015,327)
Contribution to the Victims Compensation Fund					(617,053)	(401,124)
<b>Profit before income tax expenses</b>					<b>53,621,635</b>	<b>50,092,996</b>
Income tax expenses					(10,223,558)	(8,647,255)
<b>Profit for the period</b>					<b>43,398,077</b>	<b>41,445,741</b>

(Unaudited but reviewed)

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

	(Unit: Baht)					
	Motor		Others		Total	
	2015	2014	2015	2014	2015	2014
<b>Underwriting income</b>						
Premium written	1,134,480,062	1,093,708,333	374,143,655	190,604,268	1,508,623,717	1,284,312,601
Less: Premium ceded	(6,091,096)	(5,489,505)	(212,379,953)	(102,886,764)	(218,471,049)	(108,376,269)
Add (less): Unearned premium reserve	(39,709,489)	11,731,179	(68,903,289)	(12,652,914)	(108,612,778)	(921,735)
Earned premium	1,088,679,477	1,099,950,007	92,860,413	75,064,590	1,181,539,890	1,175,014,597
Fee and commission income	-	-	71,907,501	32,173,923	71,907,501	32,173,923
<b>Total underwriting income</b>	<b>1,088,679,477</b>	<b>1,099,950,007</b>	<b>164,767,914</b>	<b>107,238,513</b>	<b>1,253,447,391</b>	<b>1,207,188,520</b>
<b>Underwriting expenses</b>						
Claims and losses adjustment expenses	586,438,243	643,714,101	50,396,785	39,151,805	636,835,028	682,865,906
Commission and brokerage expenses	177,917,955	173,607,168	37,399,376	26,628,603	215,317,331	200,235,771
Other underwriting expenses	38,982,150	30,303,014	36,083,276	6,045,945	75,065,426	36,348,959
Contribution to Road Accident Victims Protection Co., Ltd.	21,237,672	14,851,779	-	-	21,237,672	14,851,779
Operating expenses (income)	194,888,654	204,515,471	(841,436)	2,152,484	194,047,218	206,667,955
<b>Total underwriting expenses</b>	<b>1,019,464,674</b>	<b>1,066,991,533</b>	<b>123,038,001</b>	<b>73,978,837</b>	<b>1,142,502,675</b>	<b>1,140,970,370</b>
<b>Profit from underwriting</b>	<b>69,214,803</b>	<b>32,958,474</b>	<b>41,729,913</b>	<b>33,259,676</b>	<b>110,944,716</b>	<b>66,218,150</b>
Net investment income					52,431,475	57,431,311
Gains (losses) on investments					(2,324,043)	4,566,992
Fair value gains (losses)					(6,384,915)	8,465,066
Other income					10,964,055	14,681,955
<b>Profit from operation</b>					<b>165,631,288</b>	<b>151,363,474</b>
Contribution to the Office of Insurance Commission					(4,250,290)	(3,698,985)
Contribution to the General Insurance Fund					(3,750,273)	(3,198,116)
Contribution to the Victims Compensation Fund					(1,733,688)	(1,212,390)
<b>Profit before income tax expenses</b>					<b>155,897,037</b>	<b>143,253,983</b>
Income tax expenses					(29,560,923)	(26,174,056)
<b>Profit for the period</b>					<b>126,336,114</b>	<b>117,079,927</b>

(Unaudited but reviewed)

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

(Unit: Baht)

	Motor	Others	Unallocated assets/liabilities	Total
<b>Assets</b>				
30 September 2015	145,332,334	410,719,540	2,727,503,747	3,283,555,621
31 December 2014	132,402,538	255,776,309	2,593,401,722	2,981,580,569
<b>Liabilities</b>				
30 September 2015	1,214,244,629	643,546,234	148,436,173	2,006,227,036
31 December 2014	1,187,426,181	409,686,163	136,217,466	1,733,329,810

For the nine-month periods ended 30 September 2015 and 2014, the Company has revenue from one major broker in amount of Baht 630 million and Baht 664 million, respectively, arising from the motor segment.

## 26. Commitments and contingent liabilities

### 26.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease and service fee of office building space. The terms of the agreements are 1 - 3 years.

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

(Unit: Million Baht)

	30 September 2015	31 December 2014
Payable:		
In up to 1 year	22.4	16.9
In over 1 and up to 5 years	6.8	1.9

### 26.2 Litigation

As at 30 September 2015 and 31 December 2014, the Company had litigation claims as an insurer. The outcomes of the cases have not yet been finalised whereby the maximum responsibility of the sum sued totalling Baht 510.7 million and Baht 548.3 million, respectively. However, the Company has set aside reserve for its losses totaling Baht 52.5 million and Baht 54.2 million, respectively in the financial statements.

## 27. Approval of the interim financial statements

(Unaudited but reviewed)

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