



บริษัท ดีลอยท์ ทูเช่ โทหมatsu
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อาคารริงนาการ ชั้น 25
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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

TO THE BOARD OF DIRECTORS

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

We have reviewed the statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at March 31, 2013, and the related statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our 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 Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Other Matter

The statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at December 31, 2012, presented herein as comparative information, was audited by other auditors of the same firm, whose report thereon dated February 22, 2013 expressed an unmodified opinion on that statement. The statements of comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 2012, presented herein as comparative information, were reviewed by other auditors of the same firm, whose report thereon dated May 14, 2012 concluded that nothing had come to their attention that caused them to believe that such interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356

BANGKOK
May 10, 2013

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013

Baht: '000

	Notes	"Unaudited"	
		As at March 31, 2013	As at December 31, 2012
ASSETS			
Cash and cash equivalents		1,212,850	534,742
Accrued investment income		12,516	8,200
Premium due and uncollected - net	6	251,854	241,337
Reinsurance assets	7	2,584,371	3,590,959
Investments			
Investment in securities	8		
Available for sale securities		738,064	761,849
Held-to-maturity investment securities		351,339	352,951
General investment securities		1,211	1,211
Total investment in securities		1,090,614	1,116,011
Loans	9	4,044	4,233
Leasehold improvement and equipment - net	10	43,532	42,997
Intangible assets - net		112,864	117,249
Deferred tax assets	11	326,094	336,349
Deferred commission expense		41,657	39,921
Other assets	12	56,703	55,990
TOTAL ASSETS		5,737,099	6,087,988

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2013

Baht: '000

		"Unaudited"	
		As at	As at
	Notes	March 31,	December 31,
		2013	2012
LIABILITIES AND EQUITY			
Due to reinsurers	13	664,514	888,182
Insurance contract liabilities			
Loss reserves and outstanding claims	14	2,633,359	2,842,471
Premium reserve	15	939,599	897,935
Employee benefit obligation	16	45,744	44,236
Deferred tax liabilities	17	3,590	2,814
Premium written received in advance		262,321	258,459
Commission and brokerage payables		51,468	47,105
Accrued expenses		18,258	39,512
Other liabilities	18	73,548	66,042
TOTAL LIABILITIES		<u>4,692,401</u>	<u>5,086,756</u>
EQUITY			
Share capital	19		
Authorized share capital			
240,000,000 ordinary shares of Baht 10.00 each		<u>2,400,000</u>	<u>2,400,000</u>
Issued and paid-up share capital			
180,000,000 ordinary shares of Baht 10.00 each		1,800,000	1,800,000
Retained deficit			
Unappropriated		(769,664)	(810,023)
Other components of equity			
Surplus on revaluation of investment		<u>14,362</u>	<u>11,255</u>
TOTAL EQUITY		<u>1,044,698</u>	<u>1,001,232</u>
TOTAL LIABILITIES AND EQUITY		<u>5,737,099</u>	<u>6,087,988</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2013

"UNAUDITED"

Baht: '000

	Notes	2013	2012
Revenues			
Net premium earned	21	464,812	409,984
Fee and commission income	21	60,886	57,169
Total revenues		525,698	467,153
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	21	237,784	406,068
Commissions and brokerage expenses	21	110,465	96,310
Other underwriting expenses	21	78,716	73,550
Operating expenses	22	59,712	59,320
Total underwriting expenses		486,677	635,248
Profit (loss) on underwriting		39,021	(168,095)
Net investment income		12,096	11,201
Gain (loss) on investment in securities		2,004	(832)
Other income		1,755	33
Income (loss) from operation		54,876	(157,693)

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2013

"UNAUDITED"

			Baht: '000		
	Notes	2013	2012		
Contribution to the Office of Insurance Commission		2,279	1,924		
Contribution to Non - life guarantee fund		1,899	1,604		
Contribution to Road victims protection fund		84	82		
Income (loss) before income tax expense		<u>50,614</u>	<u>(161,303)</u>		
Income tax - expense (income)	23	<u>10,255</u>	<u>(22,237)</u>		
Net income (loss)		<u>40,359</u>	<u>(139,066)</u>		
Other comprehensive income (loss)					
Surplus (deficit) on revaluation of investments	5.1	3,883	(767)		
Income tax relating to other comprehensive income (loss)	5.1	<u>(776)</u>	<u>176</u>		
Other net comprehensive income (loss) for the periods - net of tax		<u>3,107</u>	<u>(591)</u>		
Total comprehensive income (loss) for the periods		<u><u>43,466</u></u>	<u><u>(139,657)</u></u>		
Basic earnings (loss) per share	24	Baht	0.22	(1.16)	

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2013

"UNAUDITED"

Baht: '000

	Notes	Issued and paid-up share capital	Unappropriated Retain earnings (deficit)	Other components of equity - Surplus (deficit) on revaluation of investments	Total equity
Beginning balance as at January 1, 2012		1,200,000	(725,943)	2,970	477,027
Changing during the period					
Comprehensive loss	5.1	-	(139,066)	(591)	(139,657)
Ending balance as at March 31, 2012		<u>1,200,000</u>	<u>(865,009)</u>	<u>2,379</u>	<u>337,370</u>
Beginning balance as at January 1, 2013		1,800,000	(810,023)	11,255	1,001,232
Changing during the period					
Comprehensive income	5.1	-	40,359	3,107	43,466
Ending balance as at March 31, 2013		<u>1,800,000</u>	<u>(769,664)</u>	<u>14,362</u>	<u>1,044,698</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2013

"UNAUDITED"

Baht: '000

	Notes	2013	2012
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Direct premium received		753,461	602,711
Cash received from reinsurance		512,020	613,252
Losses incurred from direct insurance		(351,527)	(1,139,201)
Loss adjustment expenses from direct insurance		(18,812)	(22,556)
Commissions and brokerages from direct insurance		(106,249)	(88,930)
Other underwriting expenses		(76,243)	(76,997)
Net investment income		8,398	3,155
Other income		1,754	32
Operating expenses		(67,993)	(48,928)
Income tax paid		(2,846)	(2,337)
Net cash provided by (used in) operating activities	5.3	651,963	(159,799)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY			
Investment in securities		31,552	4,775
Loans		489	404
Leasehold improvement and equipment		1	1
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		594	25,203
Cash provided by investing activities		32,636	30,383

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2013
"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
(CONTINUED)			
CASH FLOWS USED IN			
Loans		(300)	(200)
Leasehold improvement and equipment		(4,710)	(2,857)
Intangible assets		-	(5,953)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		(1,481)	(131,133)
Cash used in investing activities		(6,491)	(140,143)
Net cash provided by (used in) investing activities		26,145	(109,760)
Net increase (decrease) in cash and cash equivalents		678,108	(269,559)
Cash and cash equivalents as at January 1,		534,742	738,839
Cash and cash equivalents as at March 31,	5.2	1,212,850	469,280

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2013
“UNAUDITED”

1. GENERAL INFORMATION AND OPERATION OF THE COMPANY

Sri Ayudhya General Insurance Public Company Limited (“the Company”) is a limited company incorporated in Thailand on September 21, 1982. The main business is non-life insurance which the Company was awarded its license to operate all classes of non-life insurance on September 24, 1982. On October 3, 2011, the Company was registered to be Public Company Limited with the Ministry of Commerce and has been already approved by the Office of Insurance Commission. The Company’s office was registered at Ploenchit Tower, 18th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The major shareholder company is Sri Ayudhya Capital Public Company Limited which was incorporated in Thailand, holding 99.99% of its share capital.

The Company has extensive transactions and relationships with the parent company and related parties. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such related parties.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 These interim financial statements are prepared in accordance with Thai Accounting Standard (TAS) No. 34 (Revised 2009) “Interim Financial Statements”, accounting practices generally accepted in Thailand and the Notification of the Office of Insurance Commission regarding the Rules, Procedures, Conditions and Periods for Preparing and Submitting Financial Statements and Reports on the Operations of the Non-Life Insurance Business No. 2 B.E. 2553 dated May 27, 2010 which was effective from January 1, 2011.

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (TFRS) and accounting practices generally accepted in Thailand.

2.2 The interim financial statement for the three-month period ended March 31, 2013 is prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.

2.3 The unaudited results of operations presented in the interim financial statements for three-month period ended March 31, 2013 is not necessarily an indication nor anticipation of the operating results for the full year.

2.4 Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month period ended March 31, 2013 should be read in conjunction with the audited financial statements for the year ended December 31, 2012.

- 2.5 The Federation of Accounting Professions has issued the Notifications regarding Thai Accounting Standard Interpretations (TSI) and Thai Financial Reporting Interpretations (TFRI), which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2014 onwards as follows:

Thai Accounting Standard Interpretations (TSI)

TSI 29 Disclosure - Service concession Arrangements

Thai Financial Reporting Interpretations (TFRI)

TFRI 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRI 4 Determining Whether an Arrangement Contains a Lease

TFRI 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRI 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies

TFRI 10 Interim Financial Reporting and Impairment

TFRI 12 Service Concession Arrangements

TFRI 13 Customer Loyalty Programmes

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRS), which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2016 onwards as follows:

Thai Financial Reporting Standards (TFRS)

TFRS 4 Insurance Contracts

The Company's management will adopt the above TSI, TFRI and TFRS relevant to the Company in the preparation of Company's financial statements when they become effective. The Company's management has assessed the effects of these TSI, TFRI and TFRS and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied, with the exception of TFRS 4 which management is in the process of assessing the impact.

- 2.6 Adoption of new and revised Thai Financial Reporting Standards

Since January 1, 2013, the Company has adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards, in the preparation of the interim financial statements of the Company as follows :

Thai Accounting Standards (TAS)

TAS 21 (Revised 2009) The Effects of Changes in Foreign Exchange Rates

Thai Financial Reporting Standard (TFRS)

TFRS 8 Operating Segments

The Company has adopted the above Financial Reporting Standards with no material impact on the Company's financial statements.

2.7 The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRS) also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2012.

4. IMPACT FROM SEVERE FLOODING IN THAILAND

From the severe flooding in Thailand by the end of 2011, as at December 31, 2012 the Company recorded loss reserve from flood claims advised from the insured amounting to Baht 2,170.77 million, as part of loss reserves and outstanding claims account (see Note 14), and recorded loss refundable from reinsurance amounting to Baht 1,896.63 million, as part of reinsurance assets account (see Note 7). Net insurance claims arising from such loss incurred and loss refundable amounting to Baht 108.58 million has been recorded as part of insurance claims and loss adjustment expenses account in the statements of comprehensive income for the year ended December 31, 2012.

For the three-month periods ended March 31, 2013 and 2012, the Company has paid insurance claims from the flooding to the insured by net of loss refundable from reinsurance amounting to Baht 63.84 million and Baht 219.34 million, respectively, and additional (deduct) recorded net insurance claims arising from loss incurred and loss refundable from such situation amounting to Baht (13.42) million and Baht 122.93 million, respectively, as part of insurance claims and loss adjustment expenses account in the statements of comprehensive income for the three-month periods ended March 31, 2013 and 2012 (see Note 21). As at March 31, 2013, the Company has loss reserve from such claims of flooding amounting to Baht 1,923.80 million, as part of loss reserves and outstanding claims account (see Note 14), and loss refundable from reinsurance amounting to Baht 1,370.77 million as part of reinsurance assets account (see Note 7).

The Company's management has reviewed and estimated such loss reserves and loss recovery from the amount appraised by an independent appraiser or by the Company's appraiser, based on situation, received supporting documents and experience of the Company's management. However, there may be an uncertainty resulted from using various assumptions in estimation of such loss reserves and loss recovery.

5. ADDITIONAL INFORMATION FOR CASH FLOWS

5.1 Non-cash items

As at March 31, 2013 and 2012, the surplus on revaluation of investments which is presented in other components of equity were shown net of deferred tax liabilities as follows:

	2013	Baht: '000 2012
Unrealized gain on investment in available for sale securities	17,952	3,090
<u>Less</u> Deferred tax liabilities (see Note 17)	<u>(3,590)</u>	<u>(711)</u>
Surplus on revaluation of investments - net	<u>14,362</u>	<u>2,379</u>

For the three-month periods ended March 31, 2013 and 2012, changes in surplus on revaluation of investments - net of deferred tax were as follows:

	2013	Baht: '000 2012
Increase (decrease) of unrealized gain on investment in available for sale securities	3,883	(767)
(Increase) decrease of deferred tax liabilities (see Note 17)	<u>(776)</u>	<u>176</u>
Increase (decrease) of surplus on revaluation of investments - net	<u>3,107</u>	<u>(591)</u>

5.2 Cash and cash equivalents as at March 31, 2013 and 2012, consist of the following:

	2013	Baht: '000 2012
Cash	265	260
Cheque on hands	14,847	-
Deposits at bank - call deposits	397,946	469,020
Deposits at bank - time deposits and certificate of deposits	351,339	220,707
Government securities - Treasury bill	<u>799,792</u>	<u>-</u>
	1,564,189	689,987
<u>Less</u> Deposits at bank with maturity over 3 months (see Note 8)	<u>(24,750)</u>	<u>(5,777)</u>
Deposits at bank used as collateral (see Note 8)	<u>(326,589)</u>	<u>(214,930)</u>
Cash and cash equivalents	<u>1,212,850</u>	<u>469,280</u>

5.3 Cash flows provided by (used in) operating activities

Items to reconcile net profit (loss) to net cash flows provided by (used in) operating activities for the three-month periods ended March 31, 2013 and 2012 are as follows:

	2013	Baht: '000 2012
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net profit (loss) before income tax	50,614	(161,303)
Items to reconcile net profit (loss) to net cash flows:		
Depreciation	4,175	4,040
Amortization of intangible assets	4,385	4,356
Gain on sale of assets	(1)	(1)
Employment benefit expense	1,508	1,361
Unearned premium reserve increase from prior periods	41,664	44,690
Amortization of bonds premium	658	458
Amortization of bonds discount	(45)	(601)
Amortization of treasury bills discount	-	(829)
Amortization of debentures premium	6	15
Amortization of debentures discount	-	(6)
(Gain) loss on sale of investment in available for sale securities - other securities	(2,004)	832
Profit (loss) from operations before changes in operating assets and liabilities	100,960	(106,988)
Operating assets (increase) decrease		
Accrued investment income	(4,316)	(7,084)
Premium due and uncollected	(10,517)	(22,674)
Reinsurance assets	1,006,588	313,787
Deferred commission expense	(1,736)	(641)
Other assets	2,133	3,376
Operating liabilities increase (decrease)		
Due to reinsurers	(223,668)	92,103
Loss reserves and outstanding claims	(209,112)	(418,031)
Premium written received in advance	3,862	(14,772)
Commission and brokerage payables	4,363	6,082
Accrued expenses	(21,254)	(6,783)
Other liabilities	7,506	4,163
Cash provided by (used in) operating activities	654,809	(157,462)
Income tax paid	(2,846)	(2,337)
Net cash provided by (used in) operating activities	<u>651,963</u>	<u>(159,799)</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at March 31, 2013 and December 31, 2012 consist of the following:

	As at March 31, 2013				As at December 31, 2012			
					Baht: '000			
	Insured	Agent and Broker	Inward	Total	Insured	Agent and Broker	Inward	Total
Within credit terms	23,191	149,932	1,119	174,242	10,748	160,579	1,093	172,420
Less than 30 days	1,330	29,704	926	31,960	410	35,482	987	36,879
31 - 60 days	1,611	15,826	1,819	19,256	366	13,140	3,728	17,234
61 - 90 days	-	8,046	1,286	9,332	21	4,607	993	5,621
91 days - 1 year	-	19,641	5,970	25,611	1	13,730	4,141	17,872
Over 1 year	-	541	488	1,029	-	663	224	887
Total premium due and uncollected	26,132	223,690	11,608	261,430	11,546	228,201	11,166	250,913
Less allowance for doubtful accounts	-	(9,576)	-	(9,576)	-	(9,576)	-	(9,576)
Premium due and uncollected - net	26,132	214,114	11,608	251,854	11,546	218,625	11,166	241,337

7. REINSURANCE ASSETS

Reinsurance assets as at March 31, 2013 and December 31, 2012 consist of the following:

	Baht: '000	
	As at March 31, 2013	As at December 31, 2012
Deposit on reinsurance	1	1
Due from reinsurers	914,128	1,379,471
Insurance reserve refundable from reinsurers	1,670,242	2,211,487
Total reinsurance assets	2,584,371	3,590,959

Insurance reserve refundable from reinsurers March 31, 2013 and December 31, 2012 included an expected refundable from reinsurers caused by suffering losses from flooding in Thailand amounting to Baht 1,370.77 million and Baht 1,896.63 million, respectively (see Note 4).

Aging analyze for due from reinsurers as at March 31, 2013 and December 31, 2012 were as follows:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Within credit terms	633,934	1,163,236
Within 12 months	279,735	215,781
1 - 2 years	435	437
Over 2 years	24	17
Total due from reinsurers	914,128	1,379,471

8. INVESTMENT IN SECURITIES

Investment in securities as at March 31, 2013 and December 31, 2012 consist of the following:

	As at March 31, 2013		As at December 31, 2012	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Available for sale securities				
Government and state enterprise securities	280,315	283,577	289,725	293,045
Private enterprises debt securities	5,240	5,436	5,244	5,447
Foreign debt securities	405,032	407,508	405,097	407,150
Unit trusts	29,525	41,543	47,714	56,207
Total	720,112	738,064	747,780	761,849
Add Unrealized gain	17,952	-	14,069	-
Total available for sale securities	738,064	738,064	761,849	761,849
Held-to-maturity investment securities				
Government and state enterprise securities	-		2,500	
Deposits at bank with maturity over 3 months (see Note 5.2)	24,750		24,750	
Deposits at bank used as collateral (see Note 5.2)	326,589		325,701	
Total held-to-maturity investment securities	351,339		352,951	
General investment securities				
Equity securities	1,211		1,211	
Total general investment securities	1,211		1,211	
Total investment in securities - net	1,090,614		1,116,011	

Debt securities classified by the remaining maturity as at March 31, 2013 were as follows:

	Within 1 year	Maturities 1 - 5 years	Over 5 years	Total
Available for sale in debt securities				
Government and state enterprise securities	99,822	177,195	3,298	280,315
Private enterprises debt securities	2,201	3,039	-	5,240
Foreign debt securities	4,701	400,331	-	405,032
Add Unrealized gain	607	5,027	299	5,933
Total available for sale debt securities	107,331	585,592	3,597	696,520
Total debt securities - net	107,331	585,592	3,597	696,520

Debt securities classified by the remaining maturity as at December 31, 2012 were as follows:

	Baht: '000			
	Within 1 year	Maturities 1 - 5 years	Over 5 years	Total
Available for sale in debt securities				
Government and state enterprise securities	8,859	277,564	3,302	289,725
Private enterprises debt securities	2,203	3,041	-	5,244
Foreign debt securities	4,701	400,396	-	405,097
Add Unrealized gain	22	5,235	318	5,575
Total available for sale debt securities	<u>15,785</u>	<u>686,236</u>	<u>3,620</u>	<u>705,641</u>
Held-to-maturity in debt securities				
Government and state enterprise securities	2,500	-	-	2,500
Total held-to-maturity debt securities	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Total debt securities - net	<u>18,285</u>	<u>686,236</u>	<u>3,620</u>	<u>708,141</u>

As at March 31, 2013 and December 31, 2012, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 273.51 million and Baht 235.60 million, respectively (see Note 27).

As at March 31, 2013 and December 31, 2012, certain investment in securities are deposited with a bank as the Company's backup assets according to the Notification of the Office of Insurance Commission (see Note 28).

9. LOANS

Loans of the Company is loan to employees with personal collateral in accordance with the welfare policy of the Company which its limit is not exceed Baht 100,000 each, with interest rate of 3.85% per annum.

Furthermore, in 2012, the Company has loan to employees with personal collateral in accordance with the welfare residential from the flooding crisis policy which its limit is not exceed Baht 100,000 each, with interest rate of 2% per annum.

10. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment - net as at March 31, 2013 and December 31, 2012 consist of the following:

	Cost			Accumulated depreciation			Beginning balance of leasehold improvement and equipment - net as at January 1, 2013	Ending balance of leasehold improvement and equipment - net as at March 31, 2013		
	As at January 1, 2013	Increase	Disposal	As at March 31, 2013	As at January 1, 2013	Depreciation			Disposal	As at March 31, 2013
	Leasehold improvement	21,186	956	-	22,142	(15,037)			(463)	-
Furniture, fixtures and office equipment	101,821	2,854	(57)	104,618	(85,155)	(2,100)	57	(87,198)	16,666	17,420
Vehicles	39,234	900	-	40,134	(19,052)	(1,612)	-	(20,664)	20,182	19,470
Total	162,241	4,710	(57)	166,894	(119,244)	(4,175)	57	(123,362)	42,997	43,532

Baht: '000

	Cost			Accumulated depreciation			Beginning balance of leasehold improvement and equipment - net as at January 1, 2012	Ending balance of leasehold improvement and equipment - net as at December 31, 2012		
	As at January 1, 2012	Increase	Disposal	As at December 31, 2012	As at January 1, 2012	Depreciation			Disposal	As at December 31, 2012
	Leasehold improvement	16,526	4,715	(55)	21,186	(13,507)			(1,560)	30
Furniture, fixtures and office equipment	108,684	2,404	(9,267)	101,821	(85,685)	(8,704)	9,234	(85,155)	22,999	16,666
Vehicles	38,608	8,256	(7,630)	39,234	(19,658)	(6,408)	7,014	(19,052)	18,950	20,182
Total	163,818	15,375	(16,952)	162,241	(118,850)	(16,672)	16,278	(119,244)	44,968	42,997

Baht: '000

As at March 31, 2013 and December 31, 2012, certain fixed assets at cost of Baht 83.11 million and Baht 78.18 million, respectively, were fully depreciated but still in use.

11. DEFERRED TAX ASSETS

Deferred tax assets as at March 31, 2013 and December 31, 2012 were as follows:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Deferred tax assets	<u>326,094</u>	<u>336,349</u>

Movements of deferred tax assets for three-month periods ended March 31, 2013 and 2012 consist of tax effects from the following items:

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income	Baht: '000 As at March 31, 2013
Allowance for doubtful accounts				
- Premium due and uncollected	1,915	-	-	1,915
Allowance for doubtful accounts				
- Other receivable	257	-	-	257
Unearned premium reserve	72,017	4,189	-	76,206
Loss reserve - net	114,736	(8,858)	-	105,878
Incurred but not reported claims	9,113	4,090	-	13,203
Employee benefits obligation	2,229	302	-	2,531
Unused tax losses	130,107	(7,380)	-	122,727
Others	5,975	(2,598)	-	3,377
Total	<u>336,349</u>	<u>(10,255)</u>	<u>-</u>	<u>326,094</u>

	As at January 1, 2012	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income	Baht: '000 As at March 31, 2012
Allowance for doubtful accounts				
- Premium due and uncollected	1,840	-	-	1,840
Allowance for doubtful accounts				
- Other receivable	858	-	-	858
Unearned premium reserve	82,820	-	-	82,820
Loss reserve - net	261,680	(69,006)	-	192,674
Incurred but not reported claims	7,888	4,300	-	12,188
Employee benefits obligation	1,728	126	-	1,854
Unused tax losses	-	86,823	-	86,823
Others	7,114	(6)	-	7,108
Total	<u>363,928</u>	<u>22,237</u>	<u>-</u>	<u>386,165</u>

The Company used a tax rate of 20% for calculation of deferred tax for the three-month period ended March 31, 2013 and used tax rate of 20% and 23% for calculation of deferred tax for three-month period ended March 31, 2012 (see Note 23).

12. OTHER ASSETS

Other assets as at March 31, 2013 and December 31, 2012 consist of the following:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Other receivable	17,243	21,745
Refundable withholding tax	13,914	11,067
Premium saving certificates used as collateral	12,500	12,500
Others	13,046	10,678
Total other assets	<u>56,703</u>	<u>55,990</u>

13. DUE TO REINSURERS

Due to reinsurers as at March 31, 2013 and December 31, 2012 consist of the following:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Premium ceded payables	88,065	73,271
Amount withheld on reinsurance	232,668	209,137
Other reinsurance payables	343,781	605,774
Total due to reinsurers	<u>664,514</u>	<u>888,182</u>

14. LOSS RESERVES AND OUTSTANDING CLAIMS

Loss reserves and outstanding claims as at March 31, 2013 and December 31, 2012 consist of the following:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
As at January 1,	2,842,471	6,228,598
Loss incurred and loss adjustment expenses during the period/year		
- Incurred but not reported	20,451	6,120
- Incurred but not yet agreed	(229,386)	(3,401,669)
- Incurred and agreed	437,787	4,492,618
Loss paid and loss adjustment paid during the period/year	(437,964)	(4,483,196)
As at March 31 and December 31,	<u>2,633,359</u>	<u>2,842,471</u>

As at March 31, 2013 and December 31, 2012, the Company had loss reserves and outstanding claims under the reinsurance contracts amounting to Baht 1,821.98 million and Baht 1,922.38 million, respectively.

Loss reserves and outstanding claims as at March 31, 2013 and December 31, 2012 in the financial statements has been included claim from suffering losses from flooding in Thailand amounting to Baht 1,923.80 million and Baht 2,170.77 million, respectively (see Note 4).

15. PREMIUM RESERVE

Premium reserve as at March 31, 2013 and December 31, 2012 consist of the following:

15.1 Unearned premium reserve

	As at March 31, 2013	Baht: '000 As at December 31, 2012
As at January 1,	897,935	796,725
Premium written for the period/year	506,476	1,811,079
Earned premium for the period/year	<u>(464,812)</u>	<u>(1,709,869)</u>
As at March 31 and December 31,	<u>939,599</u>	<u>897,935</u>

As at March 31, 2013 and December 31, 2012, such unearned premium reserve did not include additional unearned premium reserve of ceded premium to foreign reinsurers amounting to Baht 146.93 million and Baht 157.68 million, respectively. Such unearned premium reserve was required to be recorded in the financial report to be submitted particularly to the Office of Insurance Commission under its relevant regulations.

15.2 Unexpired risk reserve

As at March 31, 2013 and December 31, 2012, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 590.73 million and Baht 614.88 million, respectively, is lower than the unearned premium reserve.

16. EMPLOYEE BENEFIT OBLIGATION

The Company calculated employee benefit obligation by using actuarial technique. The assumptions are included discount rate at 3.97%, turnover rate at 3%, 4%, 10% and 12% based on age group of employees, salary increase rate at 5% and retirement age at 60 years.

Employee benefit obligation for the three-month periods ended March 31, 2013 and 2012 consist of the following:

	2013	Baht: '000 2012
Current service cost	1,102	1,084
Interest cost	406	381
Total reserve for retirement benefit expense	<u>1,508</u>	<u>1,465</u>

Movements in the present value of the employee benefit obligation as at March 31, 2013 and December 31, 2012 were as follows:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Present value of obligation at the beginning of the period/year	44,236	38,479
Current service cost of the period/year	1,102	4,338
Interest cost	406	1,523
Benefit paid during the period/year	-	(104)
Present value of obligation at the ending of the period/year	<u>45,744</u>	<u>44,236</u>

17. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at March 31, 2013 and December 31, 2012 were as follows:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Deferred tax liabilities	<u>3,590</u>	<u>2,814</u>

Movements of deferred tax liabilities for three-month periods ended March 31, 2013 and 2012 consist of tax effects from the following items:

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income	Baht: '000 As at March 31, 2013
Unrealized gain on the change in value of investment in available for sale securities	2,814	-	776	3,590
Total (see Note 5.1)	<u>2,814</u>	<u>-</u>	<u>776</u>	<u>3,590</u>

	As at January 1, 2012	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income	Baht: '000 As at March 31, 2012
Unrealized gain on the change in value of investment in available for sale securities	887	-	(176)	711
Total (see Note 5.1)	<u>887</u>	<u>-</u>	<u>(176)</u>	<u>711</u>

The Company used a tax rate of 20% for calculation of deferred tax for the three-month period ended March 31, 2013 and used tax rate of 20% and 23% for calculation of deferred tax for the three-month period ended March 31, 2012 (see Note 23).

18. OTHER LIABILITIES

Other liabilities as at March 31, 2013 and December 31, 2012 consist of the following:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Other payable - promotion expense	20,584	16,313
Amount received in advance - premium	27,566	32,604
Revenue Department payable	7,473	-
Withholding tax payable	3,914	4,461
Undue output vat	2,895	3,149
Others	11,116	9,515
Total other liabilities	<u>73,548</u>	<u>66,042</u>

19. SHARE CAPITAL

On April 12, 2012, the ordinary shareholders' meeting No. 2 passed resolutions to approve an increase in share capital of the Company from Baht 1,200 million (120 million ordinary shares of Baht 10.00 each) to Baht 2,400 million (240 million ordinary shares of Baht 10.00 each) by issuing 120 million new ordinary shares with a par value of Baht 10.00 each to offer to the existing shareholders at par value of Baht 10.00 each per share, totally Baht 1,200 million. The Company has called and received subscriptions of the increased share capital of 60 million ordinary shares, totaling Baht 600 million and registered with the Department of Business Development on May 4, 2012.

20. CAPITAL FUND MAINTAINED

In accordance with the registrar declarations regarding "Rules, Procedures and Conditions for preparing Risk-Based Capital report of non-life insurance company B.E. 2554" dated August 31, 2011, non-life insurance company has to maintain the capital adequacy ratio at least 125 percent from September 1, 2011 to December 31, 2012 and at least 140 percent from January 1, 2013 onwards. As at March 31, 2013 and December 31, 2012, the Company has the capital adequacy ratio exceeded the requirement.

21. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

Underwriting information classified by type of insurance for the three-month periods ended March 31, 2013 and 2012 were as follows:

	For the three-month period ended March 31, 2013					Baht: '000
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
	Underwriting income					
Gross premiums written	159,940	97,458	236,203	83,521	189,962	767,084
<u>Less</u> Premiums ceded	80,829	70,236	1,518	9,109	98,916	260,608
Net premiums written	79,111	27,222	234,685	74,412	91,046	506,476
<u>Less</u> Unearned premium reserve	2,636	1,346	17,217	18,755	1,710	41,664
Net premium earned	76,475	25,876	217,468	55,657	89,336	464,812
Fee and commission income	16,799	19,830	-	1,702	22,555	60,886
Total underwriting income	93,274	45,706	217,468	57,359	111,891	525,698
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	17,821	7,342	153,303	30,977	28,341	237,784
Commissions and brokerages expenses	33,622	12,070	31,965	14,106	18,702	110,465
Other underwriting expenses	8,004	6,537	18,028	17,639	28,508	78,716
Total underwriting expenses	59,447	25,949	203,296	62,722	75,551	426,965

	For the three-month period ended March 31, 2012					Baht: '000
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	139,453	89,729	198,508	63,961	160,544	652,195
<u>Less</u> Premiums ceded	<u>49,285</u>	<u>66,817</u>	<u>3,310</u>	<u>8,554</u>	<u>69,555</u>	<u>197,521</u>
Net premiums written	90,168	22,912	195,198	55,407	90,989	454,674
<u>(Add) Less</u> Unearned premium reserve	<u>(16)</u>	<u>1,588</u>	<u>6,582</u>	<u>11,235</u>	<u>25,301</u>	<u>44,690</u>
Net premium earned	90,184	21,324	188,616	44,172	65,688	409,984
Fee and commission income	10,262	27,542	(3)	1,491	17,877	57,169
Total underwriting income	<u>100,446</u>	<u>48,866</u>	<u>188,613</u>	<u>45,663</u>	<u>83,565</u>	<u>467,153</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	56,052	9,703	128,355	48,919	163,039	406,068
Commissions and brokerages expenses	30,739	10,830	26,560	11,014	17,167	96,310
Other underwriting expenses	12,605	6,610	15,245	19,077	20,013	73,550
Total underwriting expenses	<u>99,396</u>	<u>27,143</u>	<u>170,160</u>	<u>79,010</u>	<u>200,219</u>	<u>575,928</u>

22. OPERATING EXPENSES

Operating expenses for the three-month periods ended March 31, 2013 and 2012, consist of the following:

	Baht: '000	
	2013	2012
Employee benefit expense, excluded underwriting and loss adjustment expenses	21,353	17,653
Premises and equipment expense, excluded underwriting expenses	22,208	20,268
Taxes and duties	970	170
Directors personnel's remuneration	328	341
Management fee (see Note 25)	4,282	10,760
Other operating expenses	10,571	10,128
Total operating expenses	<u>59,712</u>	<u>59,320</u>

23. INCOME TAX EXPENSE (INCOME)

Income tax expenses (income) for the three-month periods ended March 31, 2013 and 2012, consist of the following:

	2013	Baht:'000 2012
Income tax expense from taxable income per income tax return	-	-
Deferred tax expenses relating to the origination and reversal of temporary differences	<u>10,255</u>	<u>(22,237)</u>
Income tax - expense (income) per the statements of comprehensive income	<u>10,255</u>	<u>(22,237)</u>

The reconciliation between income tax - expense (income) and accounting income (loss) for the three-month periods ended March 31, 2013 and 2012 were as follows:

	2013	Baht:'000 2012
Accounting income (loss) before tax	<u>50,614</u>	<u>(161,303)</u>
Income tax at 23%	-	(37,100)
Income tax at 20%	10,123	-
Deferred income tax expenses related to change in corporation tax rate	-	14,762
Tax effect of non-deductible expenses	<u>132</u>	<u>101</u>
Income tax expense (income) per the statements of comprehensive income	<u>10,255</u>	<u>(22,237)</u>

On October 11, 2011, the Thai Cabinet approved a reduction of the corporate income tax rate from 30% to 23% of profits for companies or juristic partnerships with a 2012 accounting period ending on or after December 31, 2012, and from 23% to 20% for companies or juristic partnerships with accounting period beginning on or after January 1, 2013 onwards. According to the Royal Decree No. 530 dated December 21, 2011, the income tax rate has been reduced from 30% to 23% for the accounting period beginning on or after January 1, 2012 and 20% for the accounting periods beginning on or after January 1, 2013 and 2014 only.

The Company used tax rate of 20% and 23% for corporate income tax calculation for the three-month periods ended March 31, 2013 and 2012, respectively.

The Company used a tax rate of 20% for calculation of deferred tax for the three-month period ended March 31, 2013 and used tax rate of 20% and 23% for calculation of deferred tax for the three-month period ended March 31, 2012 (see Notes 11 and 17).

24. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the three-month periods ended March 31, 2013 and 2012 were as follows:

	2013	2012
Net profit (loss) (Baht : '000)	40,359	(139,066)
Number of share capital (shares) (see Note 19)	180,000,000	120,000,000
Basic earnings (loss) per share (Baht)	<u>0.22</u>	<u>(1.16)</u>

25. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business. Transactions with the related parties are mainly as follows:

The relationships between the Company and its related parties are summarized below:

Companies	Relationship	Type of Business
Sri Ayudhya Capital Plc.	Parent company	Holding Company
Bank of Ayudhya Plc.	Some common shareholders and directors	Banking
Krungsri Securities Plc.	Some common shareholders and directors	Finance
Krungsri Asset Management Co., Ltd.	Some common shareholders	Fund Management
Ayudhya Development Leasing Co., Ltd.	Some common shareholders	Leasing
Siam City Cement Plc.	Some common shareholders and directors	Construction Materials
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders and directors	Television Business
Super Asset Co., Ltd.	Some common shareholders	Investment
BBTV Equity Co., Ltd.	Some common shareholders	Office Space Rental
CKS Holding Co., Ltd.	Some common shareholders	Investments
Allianz Ayudhya Assurance Plc. (Formerly Ayudhya Allianz C.P. Life Plc.)	Some common shareholders and directors	Life Insurance
Grand Canal Land Plc.	Some common shareholders	Advertising
Ayudhya Asset Management Co., Ltd.	Some common shareholders	Asset Management
Siam Realty and Service Co., Ltd.	Some common shareholders	Services
Ayudhya Capital Auto Lease Plc.	Some common shareholders	Leasing
Krungsriayudhya Card Co., Ltd.	Some common shareholders	Services

Significant balances and transactions are as follows:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Deposits at bank		
Bank of Ayudhya Plc.	589,295	453,239
Premium due and uncollected		
Bank of Ayudhya Plc.	12,917	42
Krungsri Securities Plc.	-	140
Krungsri Asset Management Co., Ltd.	1,382	-
Ayudhya Development Leasing Co., Ltd.	3,058	4,930
Siam City Cement Plc.	1,294	231
Bangkok Broadcasting & T.V. Co., Ltd.	35	26
CKS Holding Co., Ltd.	-	132
Allianz Ayudhya Assurance Plc.	637	41
Grand Canal Land Plc.	-	344
Ayudhya Asset Management Co., Ltd.	64	513
Siam Realty and Services Co., Ltd.	79	115
Ayudhya Capital Auto Lease Plc.	2	-
Krungsriayudhya Card Co., Ltd.	2,888	-
	<u>22,356</u>	<u>6,514</u>
Accrued interest income		
Bank of Ayudhya Plc.	3,765	2,744
Rental and facilities deposits		
BBTV Equity Co., Ltd.	3,910	3,910
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	11	11
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	16,032	13,202
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	6,205	5,483
Accrued expense		
Sri Ayudhya Capital Plc.	4,285	8,441

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2013	2012
Premium written		
Bank of Ayudhya Plc.	12,092	2,912
Krungsri Securities Plc.	4	17
Krungsri Asset Management Co., Ltd.	1,345	1,346
Ayudhya Development Leasing Co., Ltd.	860	36
Siam City Cement Plc.	1,417	1,733
Bangkok Broadcasting & T.V. Co., Ltd.	481	477
Super Assets Co., Ltd.	54	68
BBTV Equity Co., Ltd.	25	18
CKS Holding Ltd.	-	131
Allianz Ayudhya Assurance Plc. (Formerly Ayudhya Allianz C.P. Life Plc.)	590	790
Ayudhya Asset Management Co., Ltd.	70	(32)
Siam Realty and Services Co., Ltd.	247	252
Ayudhya Capital Auto Lease Plc.	508	-
Krungsriayudhya Card Co., Ltd.	2,689	3,010
	<u>20,382</u>	<u>10,758</u>

The Company used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2013	2012
Interest income		
Bank of Ayudhya Plc.	1,621	865

Interest was charged at the same interest rates as the bank has offered to other insurance companies.

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2013	2012
Commissions and brokerages		
Bank of Ayudhya Plc.	41,365	34,209
Other underwriting expenses		
Bank of Ayudhya Plc.	18,545	20,897

The Company paid commissions and brokerages and other underwriting expenses as specified in the Bancassurance Agreement made between the Company and such related bank. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Company has offered to other insurance broker companies.

	Baht: '000	
	For the three-month periods ended March 31,	
	2013	2012
Custodian fee		
Bank of Aydhya Plc.	30	33

Custodian fee was paid at the same rates and conditions as the related parties charged other customers.

	Baht: '000	
	For the three-month periods ended March 31,	
	2013	2012
Rental and service fees		
BBTV Equity Co., Ltd.	3,910	2,919
Management fee		
Sri Ayudhya Capital Plc. (see Note 22)	4,282	10,760

The Company has office rental, equipment rental and service agreements with related companies for a term of 3 years. Rental rates and conditions are the same as the related parties offer to other companies (see Note 30).

The Company enters into a management service agreement with the parent company for receiving managerial and administrative services of accounting, payroll and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

26. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month periods ended March 31, 2013 and 2012, the Company had salaries, bonuses, meeting allowances and employment benefit expense of its directors and key management personnel recognized as expenses as follows:

	Baht: '000	
	2013	2012
Directors and key management personnel's remuneration	5,930	7,084

Directors' remuneration for the three-month periods ended March 31, 2013 and 2012 were approved by the ordinary shareholders' meeting of the Company held on April 9, 2013 and April 12, 2012, respectively.

27. DEPOSITS WITH THE REGISTRAR

As at March 31, 2013 and December 31, 2012, certain investment in securities of the Company were deposited with the Registrar (see Note 8) in accordance with the Insurance Act and according to the announcement of the Office of Insurance Commission regarding “Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2552” as follows:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Government and state enterprise securities	259,514	51,600
Deposits at bank	14,000	184,000
Total deposits with the Registrar	<u>273,514</u>	<u>235,600</u>

28. BACKUP ASSETS

As at March 31, 2013 and December 31, 2012, the Company has deposited certain investment in securities with bank used for the Company’s backup assets (see Note 8) according to the Notification of the Office of Insurance Commission regarding “Asset allocation for liabilities and commitment of insurance contract and asset deposition at financial institution B.E. 2551”. The backup assets were as follows:

	As at March 31, 2013	Baht: '000 As at December 31, 2012
Government and state enterprise securities	24,063	243,944
Private enterprises debt securities	5,436	5,447
Foreign debt securities	407,508	407,150
Unit trusts	41,543	56,207
Deposits at bank	312,589	141,702
Equity securities	1,211	1,211
Total backup assets	<u>792,350</u>	<u>855,661</u>

29. CONTINGENT LIABILITIES AND COMMITMENT

29.1 As at March 31, 2013 and December 31, 2012, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 13.81 million and Baht 13.68 million, respectively. Such amount has been set aside in the loss reserve and outstanding claims accounts. The Company's management does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts.

29.2 As at March 31, 2013 and December 31, 2012, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 17.09 million.

30. LONG - TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at March 31, 2013 and December 31, 2012 consist of the following:

Type of lease	Remaining periods		Baht: '000
	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
As at March 31, 2013			
Building			
- related company	4,582	1,833	6,415
- others	2,827	4,063	6,890
Service - related company	4,582	1,833	6,415
Equipment - related company	6,110	2,444	8,554
	<u>18,101</u>	<u>10,173</u>	<u>28,274</u>

Type of lease	Remaining periods		Baht: '000
	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
As at December 31, 2012			
Building			
- related company	4,692	2,896	7,588
- others	2,524	5,051	7,575
Service - related company	4,692	2,896	7,588
Equipment - related company	6,256	3,862	10,118
	<u>18,164</u>	<u>14,705</u>	<u>32,869</u>

31. SEGMENT INFORMATION

Management considers that the Company operates in a single line of business, namely non-life insurance business and a single geographic area, namely in Thailand, therefore, only one major business segment and one major geographic segment are presented.

32. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on May 10, 2013.