
***SRI AYUDHYA GENERAL INSURANCE
PUBLIC COMPANY LIMITED***

Interim Financial Statements

***Three-month and nine-month periods ended
September 30, 2013***

**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

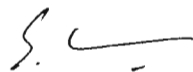
We have reviewed the statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at September 30, 2013, and the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2013, changes in equity and cash flows for the nine-month 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".



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

BANGKOK
November 8, 2013

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2013

Baht: '000

	Notes	"Unaudited"	
		As at September 30, 2013	As at December 31, 2012
ASSETS			
Cash and cash equivalents		2,132,019	534,742
Accrued investment income		10,752	8,200
Premium due and uncollected - net	6	236,126	241,337
Reinsurance assets	7	2,027,434	3,590,959
Investments			
Investment in securities	8		
Available-for-sale securities		905,148	761,849
Held-to-maturity securities		311,746	352,951
General investment in securities		1,211	1,211
Total investment in securities		<u>1,218,105</u>	<u>1,116,011</u>
Loans	9	2,919	4,233
Leasehold improvement and equipment - net	10	45,371	42,997
Intangible assets - net		105,189	117,249
Deferred tax assets	11	281,981	336,349
Deferred commission expense		49,723	39,921
Other assets	12	62,828	55,990
TOTAL ASSETS		<u><u>6,172,447</u></u>	<u><u>6,087,988</u></u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2013

Baht: '000

		"Unaudited"	
		As at	As at
	Notes	September 30,	December 31,
		2013	2012
LIABILITIES AND EQUITY			
Due to reinsurers	13	698,639	888,182
Insurance contract liabilities			
Loss reserves and outstanding claims	14	2,540,211	2,842,471
Premium reserve	15	939,927	897,935
Employee benefit obligation	16	46,421	44,236
Bank overdrafts	17	34	-
Deferred tax liabilities	18	2,456	2,814
Premium written received in advance		306,112	258,459
Commission and brokerage payables		49,199	47,105
Accrued expenses		26,946	39,512
Other liabilities	19	462,016	66,042
TOTAL LIABILITIES		<u>5,071,961</u>	<u>5,086,756</u>
EQUITY			
Share capital	20		
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		(709,337)	(810,023)
Other components of equity			
Surplus on revaluation of investment		9,823	11,255
TOTAL EQUITY		<u>1,100,486</u>	<u>1,001,232</u>
TOTAL LIABILITIES AND EQUITY		<u>6,172,447</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 SEPTEMBER 30, 2013
"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
Revenues			
Net premium earned	21	489,259	428,434
Fee and commission income	21	56,455	45,766
Total revenues		545,714	474,200
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	21	220,599	180,309
Commissions and brokerage expenses	21	103,094	98,540
Other underwriting expenses	21	94,493	76,113
Operating expenses	22	59,631	57,857
Total underwriting expenses		477,817	412,819
Profit on underwriting		67,897	61,381
Net investment income		16,682	9,483
Gain on investment in securities		-	15
Other income		1,925	456
Income from operation		86,504	71,335

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
Contribution to the Office of Insurance Commission		1,968	1,861
Contribution to Non-life Guarantee Fund		1,968	1,861
Contribution to Road Victims Protection Fund		70	85
Income before income tax expense		82,498	67,528
Income tax expense	23	16,724	20,811
Net income		65,774	46,717
Other comprehensive income (loss)			
Surplus (deficit) on revaluation of investments		(2,428)	3,936
Income tax relating to other comprehensive income (loss)		485	(905)
Other net comprehensive income (loss) for the periods - net of tax		(1,943)	3,031
Total comprehensive income for the periods		63,831	49,748
Basic earnings per share	24 Baht	0.37	0.31

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
Revenues			
Net premium earned	21	1,431,318	1,261,644
Fee and commission income	21	176,501	143,571
Total revenues		1,607,819	1,405,215
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	21	625,768	858,305
Commissions and brokerage expenses	21	322,587	292,132
Other underwriting expenses	21	253,241	215,125
Operating expenses	22	291,305	178,072
Total underwriting expenses		1,492,901	1,543,634
Profit (loss) on underwriting		114,918	(138,419)
Net investment income		45,235	33,883
Gain (loss) on investment in securities		2,004	(793)
Other income		4,988	2,893
Income (loss) from operation		167,145	(102,436)

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
Contribution to the Office of Insurance Commission		6,177	5,535
Contribution to Non-life Guarantee Fund		5,677	5,035
Contribution to Road Victims Protection Fund		237	255
Income (loss) before income tax expense		155,054	(113,261)
Income tax expense (income)	23	54,368	(829)
Net income (loss)		100,686	(112,432)
Other comprehensive income (loss)			
Surplus (deficit) on revaluation of investments	5.1	(1,790)	7,031
Income tax relating to other comprehensive income (loss)	5.1	358	(1,617)
Other net comprehensive income (loss) for the periods - net of tax		(1,432)	5,414
Total comprehensive income (loss) for the periods		99,254	(107,018)
Basic earnings (loss) per share	24 Baht	0.56	(0.74)

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 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					
Increase of share capital	20	600,000	-	-	600,000
Comprehensive loss	5.1	-	(112,432)	5,414	(107,018)
Ending balance as at September 30, 2012		<u>1,800,000</u>	<u>(838,375)</u>	<u>8,384</u>	<u>970,009</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	-	100,686	(1,432)	99,254
Ending balance as at September 30, 2013		<u>1,800,000</u>	<u>(709,337)</u>	<u>9,823</u>	<u>1,100,486</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
"UNAUDITED"

Baht: '000

	Notes	2013	2012
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Direct premium received		2,323,908	1,982,731
Cash received from reinsurance		714,956	1,745,104
Losses incurred from direct insurance		(954,734)	(3,998,256)
Loss adjustment expenses from direct insurance		(54,794)	(55,233)
Commissions and brokerages from direct insurance		(325,678)	(280,067)
Other underwriting expenses		(255,368)	(220,672)
Interest income		45,007	28,222
Dividend income		9	4
Other income		3,303	539
Operating expenses		227,400	(137,406)
Income tax paid		(9,248)	(8,170)
Net cash provided by (used in) operating activities	5.3	1,714,761	(943,204)
CASH FLOWS USED IN INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY			
Investment in securities		38,453	619,463
Loans		1,591	1,540
Leasehold improvement and equipment		1,781	2,389
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		51,896	370,500
Cash provided by investing activities		93,721	993,892

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
"UNAUDITED"

Baht: '000

	Notes	2013	2012
CASH FLOWS USED IN INVESTING ACTIVITIES (CONTINUED)			
CASH FLOWS USED IN			
Investment in securities		(181,370)	(53,584)
Loans		(365)	(2,080)
Leasehold improvement and equipment		(15,130)	(13,253)
Intangible assets		(1,183)	(8,858)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		(13,191)	(1,073,813)
Cash used in investing activities		<u>(211,239)</u>	<u>(1,151,588)</u>
Net cash used in investing activities		<u>(117,518)</u>	<u>(157,696)</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Bank overdrafts		34	-
Cash received from increase in share capital		-	600,000
Net cash provided by financing activities		<u>34</u>	<u>600,000</u>
Net increase (decrease) in cash and cash equivalents		1,597,277	(500,900)
Cash and cash equivalents as at January 1,		<u>534,742</u>	<u>738,839</u>
Cash and cash equivalents as at September 30,	5.2	<u><u>2,132,019</u></u>	<u><u>237,939</u></u>

See condensed notes to the financial statements

**SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 and nine-month periods ended September 30, 2013 are 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 and nine-month periods ended September 30, 2013 are 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 and nine-month periods ended September 30, 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 (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standard Interpretations (TSI) and Thai Financial Reporting Interpretations (TFRI), which have been announced in the Royal Gazette as follows:

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

The Company's management will adopt the above TAS, TFRS, TSI, and TFRI 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 TAS, TFRS, TSI, and TFRI 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 revised Thai Accounting Standard and new Thai Financial Reporting Standards

Since January 1, 2013, the Company has adopted the revised Thai Accounting Standard and the new Thai Financial Reporting Standard 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 Standard (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 Thai Accounting Standard and Thai Financial Reporting Standard 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, the Company's Managements have continued to monitor the development of the flood losses. As at September 30, 2013, the Company recorded loss reserves from claims of flooding amounting to Baht 1,505.11 million (December 31, 2012 : Baht 2,170.77 million), as part of loss reserves and outstanding claims (see Note 14), and recorded loss refundable from reinsurance amounting to Baht 878.50 million (December 31, 2012 : Baht 1,896.63 million), as part of reinsurance assets account (see Note 7).

For the three-month and nine-month periods ended September 30, 2013, the Company has paid/(received) insurance claims from the flooding to the insured by net of loss refundable from reinsurance amounting to Baht 107.32 million and Baht 213.62 million, respectively (September 30, 2012 : Baht (13.90) million and Baht 526.34 million, respectively), and recorded (reversed) net insurance claims arising from loss incurred and loss refundable from such situation amounting to Baht (22.61) million and Baht (79.34) million, respectively (September 30, 2012 : Baht (42.43) million and Baht 126.55 million, respectively), as part of insurance claims and loss adjustment expenses in the statements of comprehensive income for the three-month and nine-month periods ended September 30, 2013 and 2012 (see Note 21).

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 September 30, 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	12,279	10,888
<u>Less</u> Deferred tax liabilities (see Note 18)	<u>(2,456)</u>	<u>(2,504)</u>
Surplus on revaluation of investments - net	<u>9,823</u>	<u>8,384</u>

For the nine-month periods ended September 30, 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	(1,790)	7,031
(Increase) decrease of deferred tax liabilities (see Note 18)	<u>358</u>	<u>(1,617)</u>
Increase (decrease) of surplus on revaluation of investments - net	<u>(1,432)</u>	<u>5,414</u>

5.2 Cash and cash equivalents as at September 30, 2013 and 2012, consists of the following:

	2013	Baht: '000 2012
Cash	265	260
Cheque on hands	6,991	31,587
Deposits at bank - call deposits	725,597	706,973
Deposits at bank - time deposits	311,746	317,209
Government securities - Treasury bill	<u>1,399,166</u>	<u>-</u>
	2,443,765	1,056,029
<u>Less</u> Deposits at bank with maturity over 3 months (see Note 8)	-	(5,488)
Deposits at bank used as collateral (see Note 8)	<u>(311,746)</u>	<u>(812,602)</u>
Cash and cash equivalents	<u>2,132,019</u>	<u>237,939</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 nine-month periods ended September 30, 2013 and 2012 are as follows:

	2013	Baht: '000 2012
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Profit (loss) before income tax	155,054	(113,261)
Items to reconcile net profit (loss) to net cash flows:		
Depreciation	12,660	12,400
Amortization of intangible assets	13,243	13,140
Gain on sale of assets	(1,685)	(2,354)
Employment benefit expense	2,185	4,292
Unearned premium reserve increase from prior periods	41,992	82,012
Amortization of bonds premium	2,453	1,709
Amortization of bonds discount	(133)	(1,084)
Amortization of treasury bills discount	-	(1,967)
Amortization of debentures premium	12	37
Amortization of debentures discount	-	(11)
(Gain) loss on sale of investment in available-for-sale securities - other securities	(2,004)	793
Bad debt and allowance for doubtful accounts	114,677	47
Profit (loss) from operations before changes in operating assets and liabilities	338,454	(4,247)
Operating assets (increase) decrease		
Accrued investment income	(2,552)	(4,341)
Premium due and uncollected	5,211	(11,594)
Reinsurance assets	1,448,848	1,147,858
Deferred commission expense	(9,802)	213
Other assets	2,498	3,750
Operating liabilities increase (decrease)		
Due to reinsurers	(189,543)	503,451
Loss reserves and outstanding claims	(302,260)	(2,570,743)
Premium written received in advance	47,653	(13,765)
Commission and brokerage payables	2,094	2,068
Accrued expenses	(12,566)	2,712
Other liabilities	395,974	9,604
Cash provided by (used in) operating activities	1,724,009	(935,034)
Income tax paid	(9,248)	(8,170)
Net cash provided by (used in) operating activities	1,714,761	(943,204)

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at September 30, 2013 and December 31, 2012 consists of the following:

	As at September 30, 2013				As at December 31, 2012			
	Agent and		Inward	Total	Agent and		Inward	Total
	Insured	Broker			Insured	Broker		
Within credit terms	8,733	135,615	949	145,297	10,748	160,579	1,093	172,420
Less than 30 days	1,421	36,356	860	38,637	410	35,482	987	36,879
31 - 60 days	3,134	17,497	1,964	22,595	366	13,140	3,728	17,234
61 - 90 days	16	6,239	962	7,217	21	4,607	993	5,621
91 days - 1 year	1,216	23,605	4,631	29,452	1	13,730	4,141	17,872
Over 1 year	-	576	1,928	2,504	-	663	224	887
Total premium due and uncollected	14,520	219,888	11,294	245,702	11,546	228,201	11,166	250,913
<u>Less</u> Allowance for doubtful accounts	-	(9,576)	-	(9,576)	-	(9,576)	-	(9,576)
Premium due and uncollected - net	14,520	210,312	11,294	236,126	11,546	218,625	11,166	241,337

7. REINSURANCE ASSETS

Reinsurance assets as at September 30, 2013 and December 31, 2012 consists of the following:

	Baht: '000	
	As at September 30, 2013	As at December 31, 2012
Deposit on reinsurance	1	1
Due from reinsurers	624,034	1,379,471
Insurance reserve refundable from reinsurers	1,518,076	2,211,487
	2,142,111	3,590,959
<u>Less</u> Allowance for doubtful accounts	(114,677)	-
Total reinsurance assets	2,027,434	3,590,959

Insurance reserve refundable from reinsurers as at September 30, 2013 and December 31, 2012 included an expected refundable from reinsurers caused by suffering losses from flooding in Thailand amounting to Baht 878.50 million and Baht 1,896.63 million, respectively (see Note 4).

Aging analyze for due from reinsurers as at September 30, 2013 and December 31, 2012 were as follows:

	As at September 30, 2013	Baht: '000 As at December 31, 2012
Within credit terms	371,971	1,163,236
Within 12 months	129,606	215,781
1 - 2 years	122,439	437
Over 2 years	18	17
Total due from reinsurers	624,034	1,379,471

8. INVESTMENT IN SECURITIES

Investment in securities as at September 30, 2013 and December 31, 2012 consists of the following:

	As at September 30, 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	463,146	465,393	289,725	293,045
Private enterprises debt securities	-	-	5,244	5,447
Foreign debt securities	400,199	402,002	405,097	407,150
Unit trusts	29,524	37,753	47,714	56,207
Total	892,869	905,148	747,780	761,849
Add Unrealized gain	12,279	-	14,069	-
Total available-for-sale securities	905,148	905,148	761,849	761,849
Held-to-maturity securities				
Government and state enterprise securities	-	-	2,500	-
Deposits at bank with maturity over 3 months (see Note 5.2)	-	-	24,750	-
Deposits at bank used as collateral (see Note 5.2)	311,746	-	325,701	-
Total held-to-maturity securities	311,746	-	352,951	-
General investment in securities				
Equity securities	1,211	-	1,211	-
Total general investment in securities	1,211	-	1,211	-
Total investment in securities - net	1,218,105	-	1,116,011	-

Debt securities classified by the remaining maturity as at September 30, 2013 were as follows:

	Maturities			Baht: '000
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale debt securities				
Government and state enterprise securities	170,550	245,531	47,065	463,146
Foreign debt securities	400,199	-	-	400,199
Add Unrealized gain	2,725	972	353	4,050
Total available-for-sale debt securities	573,474	246,503	47,418	867,395
Total debt securities - net	573,474	246,503	47,418	867,395

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

	Maturities			Baht: '000
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale 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	15,785	686,236	3,620	705,641
Held-to-maturity debt securities				
Government and state enterprise securities	2,500	-	-	2,500
Total held-to-maturity debt securities	2,500	-	-	2,500
Total debt securities - net	18,285	686,236	3,620	708,141

As at September 30, 2013, certain of bank deposits are pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 17) (December 31, 2012 : Nil).

As at September 30, 2013 and December 31, 2012, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 271.19 million and Baht 235.60 million, respectively (see Note 27).

As at September 30, 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 September 30, 2013 and December 31, 2012 consists of the following:

	Cost			Accumulated depreciation			Baht: '000			
	As at	Increase	Disposal	As at	As at	Depreciation	Disposal	As at	Beginning balance of leasehold improvement and equipment - net as at January 1, 2013	Ending balance of leasehold improvement and equipment - net as at September 30, 2013
	January 1, 2013			September 30, 2013	January 1, 2013			September 30, 2013		
Leasehold improvement	21,186	3,202	(486)	23,902	(15,037)	(1,564)	411	(16,190)	6,149	7,712
Furniture, fixtures and office equipment	101,821	6,403	(2,042)	106,182	(85,155)	(6,019)	2,021	(89,153)	16,666	17,029
Vehicles	39,234	5,525	(2,931)	41,828	(19,052)	(5,077)	2,931	(21,198)	20,182	20,630
Total	162,241	15,130	(5,459)	171,912	(119,244)	(12,660)	5,363	(126,541)	42,997	45,371

	Cost			Accumulated depreciation			Baht: '000			
	As at	Increase	Disposal	As at	As at	Depreciation	Disposal	As at	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
	January 1, 2012			December 31, 2012	January 1, 2012			December 31, 2012		
Leasehold improvement	16,526	4,715	(55)	21,186	(13,507)	(1,560)	30	(15,037)	3,019	6,149
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

As at September 30, 2013 and December 31, 2012, certain fixed assets at cost of Baht 87.20 million and Baht 78.18 million, respectively, were fully depreciated but still in use.

11. DEFERRED TAX ASSETS

Deferred tax assets as at September 30, 2013 and December 31, 2012 were as follows:

	As at September 30, 2013	Baht: '000 As at December 31, 2012
Deferred tax assets	<u>281,981</u>	<u>336,349</u>

Movements of deferred tax assets for nine-month periods ended September 30, 2013 and 2012 consists of tax effects from the following items:

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at September 30, 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	-	-	72,017
Loss reserve - net	114,736	73,986	-	188,722
Incurred but not reported claims	9,113	4,120	-	13,233
Employee benefit obligation	2,229	1,384	-	3,613
Unused tax losses	130,107	(128,711)	-	1,396
Others	5,975	(5,147)	-	828
Total	<u>336,349</u>	<u>(54,368)</u>	<u>-</u>	<u>281,981</u>

	As at January 1, 2012	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at September 30, 2012
Allowance for doubtful accounts				
- Premium due and uncollected	1,840	75	-	1,915
Allowance for doubtful accounts				
- Other receivable	858	(601)	-	257
Unearned premium reserve	82,820	-	-	82,820
Loss reserve - net	261,680	(67,253)	-	194,427
Incurred but not reported claims	7,888	430	-	8,318
Employee benefit obligation	1,728	376	-	2,104
Unused tax losses	-	69,888	-	69,888
Others	7,114	(2,086)	-	5,028
Total	<u>363,928</u>	<u>829</u>	<u>-</u>	<u>364,757</u>

The Company used a tax rate of 20% for calculation of deferred tax for the nine-month period ended September 30, 2013 and used tax rate of 20% and 23% for calculation of deferred tax for nine-month period ended September 30, 2012 (see Note 23).

12. OTHER ASSETS

Other assets as at September 30, 2013 and December 31, 2012 consists of the following:

	As at September 30, 2013	Baht: '000 As at December 31, 2012
Other receivable	16,279	21,745
Refundable withholding tax	20,315	11,067
Premium saving certificates used as collateral	12,500	12,500
Others	13,734	10,678
Total other assets	<u>62,828</u>	<u>55,990</u>

13. DUE TO REINSURERS

Due to reinsurers as at September 30, 2013 and December 31, 2012 consists of the following:

	As at September 30, 2013	Baht: '000 As at December 31, 2012
Premium ceded payables	45,588	73,271
Amount withheld on reinsurance	302,813	209,137
Other reinsurance payables	350,238	605,774
Total due to reinsurers	<u>698,639</u>	<u>888,182</u>

14. LOSS RESERVES AND OUTSTANDING CLAIMS

Loss reserves and outstanding claims as at September 30, 2013 and December 31, 2012 consists of the following:

	As at September 30, 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	20,600	6,120
- Incurred but not yet agreed	(323,479)	(3,401,669)
- Incurred and agreed	1,303,026	4,492,618
Loss paid and loss adjustment paid during the period/year	<u>(1,302,407)</u>	<u>(4,483,196)</u>
As at September 30, and December 31,	<u>2,540,211</u>	<u>2,842,471</u>

As at September 30, 2013 and December 31, 2012, the Company had loss reserves and outstanding claims under the reinsurance contracts amounting to Baht 1,521.22 million and Baht 1,922.38 million, respectively.

Loss reserves and outstanding claims as at September 30, 2013 and December 31, 2012 in the financial statements has been included claim from suffering losses from flooding in Thailand amounting to Baht 1,505.11 million and Baht 2,170.77 million, respectively (see Note 4).

15. PREMIUM RESERVE

Premium reserve as at September 30, 2013 and December 31, 2012 consists of the following:

15.1 Unearned premium reserve

	As at September 30, 2013	Baht: '000 As at December 31, 2012
As at January 1,	897,935	796,725
Premium written for the period/year	1,473,310	1,811,079
Earned premium for the period/year	<u>(1,431,318)</u>	<u>(1,709,869)</u>
As at September 30, and December 31,	<u>939,927</u>	<u>897,935</u>

As at September 30, 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 125.36 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 September 30, 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 597.01 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% 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 and nine-month periods ended September 30, 2013 and 2012 consists of the following:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013	2012	2013	2012
Current service cost	1,975	1,085	4,180	3,254
Interest cost	406	381	1,217	1,143
Total reserve for retirement benefit expense	<u>2,381</u>	<u>1,466</u>	<u>5,397</u>	<u>4,397</u>

Movements in the present value of the employee benefit obligation as at September 30, 2013 and December 31, 2012 were as follows:

	As at September 30, 2013	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	4,180	4,338
Interest cost	1,217	1,523
Benefit paid during the period/year	<u>(3,212)</u>	<u>(104)</u>
Present value of obligation at the ending of the period/year	<u>46,421</u>	<u>44,236</u>

17. BANK OVERDRAFTS

As at September 30, 2013, the Company had credit lines for bank overdrafts of Baht 20 million with interest rate of the fixed deposit rate of plus 2% per annum which were guaranteed by fixed deposit of the Company of Baht 20 million (see Note 8) (December 31, 2012: Nil).

18. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at September 30, 2013 and December 31, 2012 were as follows:

	As at September 30, 2013	Baht: '000 As at December 31, 2012
Deferred tax liabilities	<u>2,456</u>	<u>2,814</u>

Movements of deferred tax liabilities for nine-month periods ended September 30, 2013 and 2012 consists of tax effects from the following items:

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at September 30, 2013
Unrealized gain on the change in value of investment in available-for-sale securities	<u>2,814</u>	<u>-</u>	<u>(358)</u>	<u>2,456</u>
Total (see Note 5.1)	<u>2,814</u>	<u>-</u>	<u>(358)</u>	<u>2,456</u>

	As at January 1, 2012	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at September 30, 2012
Unrealized gain on the change in value of investment in available-for-sale securities	<u>887</u>	<u>-</u>	<u>1,617</u>	<u>2,504</u>
Total (see Note 5.1)	<u>887</u>	<u>-</u>	<u>1,617</u>	<u>2,504</u>

The Company used a tax rate of 20% for calculation of deferred tax for the nine-month period ended September 30, 2013 and used tax rate of 20% and 23% for calculation of deferred tax for the nine-month period ended September 30, 2012 (see Note 23).

19. OTHER LIABILITIES

Other liabilities as at September 30, 2013 and December 31, 2012 consists of the following:

	As at September 30, 2013	Baht: '000 As at December 31, 2012
Payable from purchase of security (see Note 25)	399,628	-
Other payable - promotion expense	18,806	16,313
Amount received in advance - premium	24,305	32,604
Revenue Department payable	3,012	-
Withholding tax payable	4,165	4,461
Undue output vat	3,354	3,149
Others	8,746	9,515
Total other liabilities	462,016	66,042

20. 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.

The number of weighted average ordinary shares as at September 30, 2013 and 2012 were as follows:

	2013 shares	2012 shares
Beginning balance	180,000,000	120,000,000
The number of weighted average ordinary shares (60,000,000 x 150/274)	-	32,846,715
	180,000,000	152,846,715

21. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

Underwriting information classified by type of insurance for the three-month and nine-month periods ended September 30, 2013 and 2012 were as follows:

	Baht: '000					
	For the three-month period ended September 30, 2013					
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	134,641	100,107	238,647	53,956	267,564	794,915
<u>Less</u> Premiums ceded	56,753	69,204	1,518	11,734	172,804	312,013
Net premiums written	77,888	30,903	237,129	42,222	94,760	482,902
<u>(Add) Less</u> Unearned premium reserve	4,557	331	5,538	(20,853)	4,070	(6,357)
Net premium earned	73,331	30,572	231,591	63,075	90,690	489,259
Fee and commission income	11,921	19,143	-	1,745	23,646	56,455
Total underwriting income	<u>85,252</u>	<u>49,715</u>	<u>231,591</u>	<u>64,820</u>	<u>114,336</u>	<u>545,714</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	10,655	9,393	133,325	49,110	18,116	220,599
Commissions and brokerages expenses	29,926	12,406	30,384	8,683	21,695	103,094
Other underwriting expenses	5,124	5,481	40,607	14,297	28,984	94,493
Total underwriting expenses	<u>45,705</u>	<u>27,280</u>	<u>204,316</u>	<u>72,090</u>	<u>68,795</u>	<u>418,186</u>
	Baht: '000					
	For the three-month period ended September 30, 2012					
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	125,632	99,657	221,062	65,033	246,460	757,844
<u>Less</u> Premiums ceded	69,842	72,740	3,319	11,704	167,856	325,461
Net premiums written	55,790	26,917	217,743	53,329	78,604	432,383
<u>(Add) Less</u> Unearned premium reserve	(26,208)	(179)	20,855	3,717	5,764	3,949
Net premium earned	81,998	27,096	196,888	49,612	72,840	428,434
Fee and commission income	7,579	18,812	-	1,837	17,538	45,766
Total underwriting income	<u>89,577</u>	<u>45,908</u>	<u>196,888</u>	<u>51,449</u>	<u>90,378</u>	<u>474,200</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	19,925	10,685	124,272	30,246	(4,819)	180,309
Commissions and brokerages expenses	26,676	12,123	32,809	10,836	16,096	98,540
Other underwriting expenses	8,606	7,416	16,756	11,132	32,203	76,113
Total underwriting expenses	<u>55,207</u>	<u>30,224</u>	<u>173,837</u>	<u>52,214</u>	<u>43,480</u>	<u>354,962</u>

	For the nine-month period ended September 30, 2013					Baht: '000
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	439,669	294,246	711,953	208,443	637,926	2,292,237
<u>Less</u> Premiums ceded	190,217	206,282	4,553	32,560	385,315	818,927
Net premiums written	249,452	87,964	707,400	175,883	252,611	1,473,310
<u>(Add) Less</u> Unearned premium reserve	6,782	5,156	32,264	(3,342)	1,132	41,992
Net premium earned	242,670	82,808	675,136	179,225	251,479	1,431,318
Fee and commission income	44,347	57,483	-	6,391	68,280	176,501
Total underwriting income	287,017	140,291	675,136	185,616	319,759	1,607,819

Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	44,827	27,647	412,129	109,497	31,668	625,768
Commissions and brokerages expenses	94,134	36,329	93,815	35,018	63,291	322,587
Other underwriting expenses	22,808	19,679	82,924	44,262	83,568	253,241
Total underwriting expenses	161,769	83,655	588,868	188,777	178,527	1,201,596

	For the nine-month period ended September 30, 2012					Baht: '000
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	397,146	287,175	627,383	182,913	556,912	2,051,529
<u>Less</u> Premiums ceded	156,186	210,593	6,622	28,662	305,810	707,873
Net premiums written	240,960	76,582	620,761	154,251	251,102	1,343,656
<u>(Add) Less</u> Unearned premium reserve	(23,289)	5,610	45,017	12,805	41,869	82,012
Net premium earned	264,249	70,972	575,744	141,446	209,233	1,261,644
Fee and commission income	23,628	65,752	(6)	5,138	49,059	143,571
Total underwriting income	287,877	136,724	575,738	146,584	258,292	1,405,215

Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	167,407	28,225	356,173	94,866	211,634	858,305
Commissions and brokerages expenses	87,323	35,267	89,218	31,132	49,192	292,132
Other underwriting expenses	28,933	21,697	48,317	39,166	77,012	215,125
Total underwriting expenses	283,663	85,189	493,708	165,164	337,838	1,365,562

22. OPERATING EXPENSES

Operating expenses for the three-month and nine-month periods ended September 30, 2013 and 2012, consists of the following:

	Baht: '000			
	For the three-month periods ended September 30, 2013		For the nine-month periods ended September 30, 2012	
Employee benefit expense, excluded underwriting and loss adjustment expenses	19,777	17,300	60,758	53,440
Premises and equipment expense, excluded underwriting expenses	23,479	20,887	67,796	61,790
Taxes and duties	120	151	1,223	535
Bad debt and doubtful accounts	-	-	114,677	47
Directors personnel's remuneration	344	341	1,017	1,023
Management fee (see Note 25)	4,270	9,499	12,709	31,551
Other operating expenses	11,641	9,679	33,125	29,686
Total operating expenses	<u>59,631</u>	<u>57,857</u>	<u>291,305</u>	<u>178,072</u>

23. INCOME TAX EXPENSE (INCOME)

Income tax expenses (income) for the three-month and nine-month periods ended September 30, 2013 and 2012, consists of the following:

	Baht: '000			
	For the three-month periods ended September 30, 2013		For the nine-month periods ended September 30, 2012	
Income tax expense from taxable income per income tax return	-	-	-	-
Deferred tax expenses relating to the origination and reversal of temporary differences	16,724	20,811	54,368	(829)
Income tax expense (income) per the statements of comprehensive income	<u>16,724</u>	<u>20,811</u>	<u>54,368</u>	<u>(829)</u>

The reconciliation between income tax expense (income) and accounting income (loss) for the three-month and nine-month periods ended September 30, 2013 and 2012 were as follows:

	Baht: '000			
	For the three-month periods ended September 30, 2013		For the nine-month periods ended September 30, 2012	
Accounting income (loss) before tax	82,498	67,528	155,054	(113,261)
Income tax at 20%	16,500	-	31,011	-
Income tax at 23%	-	15,531	-	(26,050)
Deferred income tax expenses related to change in corporation tax rate	-	5,193	-	24,752
Tax effect of non-deductible expenses (benefits)	224	87	23,357	469
Income tax expense (income) per the statements of comprehensive income	<u>16,724</u>	<u>20,811</u>	<u>54,368</u>	<u>(829)</u>

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax was reduced from 30% to 23% of net profit for accounting periods beginning on or after January 1, 2012 but not later than December 31, 2012 and reduced to 20% of net profit for the accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014.

The Company used a tax rate of 20% for corporate income tax calculation for the three-month and nine-month periods ended September 30, 2013 and used a tax rate of 23% for corporate income tax calculation for the three-month and nine-month periods ended September 30, 2012.

The Company used a tax rate of 20% for calculation of deferred tax for the three-month and nine-month periods ended September 30, 2013 and used tax rate of 20% and 23% for calculation of deferred tax for the three-month and nine-month periods ended September 30, 2012 (see Notes 11 and 18).

24. BASIC EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the three-month and nine-month periods ended September 30, 2013 and 2012 were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013	2012	2013	2012
Net profit (loss) (Baht : '000)	65,774	46,717	100,686	(112,432)
Weighted average number of share capital (shares) (see Note 20)	180,000,000	152,846,715	180,000,000	152,846,715
Basic earnings (loss) per share (Baht)	<u>0.37</u>	<u>0.31</u>	<u>0.56</u>	<u>(0.74)</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
Great Luck Equity Co., Ltd.	Some common shareholders	Advertising
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.	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
Krungsri Factoring Co., Ltd.	Some common shareholders	Factoring
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 September 30, 2013	Baht: '000 As at December 31, 2012
Deposits at bank		
Bank of Ayudhya Plc.	914,854	453,239
Premium due and uncollected		
Bank of Ayudhya Plc.	2,974	42
Krungsri Securities Plc.	-	140
Krungsri Asset Management Co., Ltd.	36	-
Ayudhya Development Leasing Co., Ltd.	2,887	4,930
Siam City Cement Plc.	2,263	231
Bangkok Broadcasting & T.V. Co., Ltd.	40	26
Great Luck Equity Co., Ltd.	21	-
CKS Holding Co., Ltd.	-	132
Allianz Ayudhya Assurance Plc.	-	41
Grand Canal Land Plc.	-	344
Ayudhya Asset Management Co., Ltd.	-	513
Siam Realty and Services Co., Ltd.	503	115
Ayudhya Capital Auto Lease Plc.	38	-
Krungsriayudhya Card Co., Ltd.	1,173	-
	9,935	6,514
Accrued interest income		
Bank of Ayudhya Plc.	2,231	2,744
Rental and facilities deposits		
BBTV Equity Co., Ltd.	3,914	3,910
Bank overdrafts		
Bank of Ayudhya Plc.	34	-

	As at September 30, 2013	Baht: '000 As at December 31, 2012
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	12	11
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	14,062	13,202
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	5,982	5,483
Accrued expense		
Sri Ayudhya Capital Plc.	5,282	8,441
Payable from purchase of security (see Note 19)		
Sri Ayudhya Capital Plc.	399,628	-

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013	2012	2013	2012
Premium written				
Bank of Ayudhya Plc.	5,285	9,829	18,576	21,402
Krungsri Securities Plc.	1	-	5	17
Krungsri Asset Management Co., Ltd.	49	55	1,394	1,401
Ayudhya Development Leasing Co., Ltd.	1,213	-	28,005	36
Siam City Cement Plc.	81,060	79,539	83,416	82,211
Bangkok Broadcasting & T.V. Co., Ltd.	1,880	3,020	7,083	7,051
Great Luck Equity Co., Ltd.	20	21	46	48
Super Assets Co., Ltd.	-	55	54	123
BBTV Equity Co., Ltd.	24	33	80	89
CKS Holding Ltd.	-	-	-	131
Allianz Ayudhya Assurance Plc.	-	(1)	585	789
Ayudhya Asset Management Co., Ltd.	393	626	1,402	793
Siam Realty and Services Co., Ltd.	469	631	1,043	1,177
Krungsri Factoring Co., Ltd.	-	-	-	14
Ayudhya Capital Auto Lease Plc.	46	41	554	42
Krungsriayudhya Card Co., Ltd.	-	-	2,689	3,010
	<u>90,440</u>	<u>93,849</u>	<u>144,932</u>	<u>118,334</u>

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013	2012	2013	2012
Interest income				
Bank of Ayudhya Plc.	1,523	1,136	6,026	4,181

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

	For the three-month		For the nine-month	
	periods ended September 30, 2013	periods ended September 30, 2012	periods ended September 30, 2013	periods ended September 30, 2012
Commissions and brokerages				
Bank of Ayudhya Plc.	42,407	34,208	122,445	99,576
Other underwriting expenses				
Bank of Ayudhya Plc.	19,457	14,914	53,581	48,554

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.

	For the three-month		For the nine-month	
	periods ended September 30, 2013	periods ended September 30, 2012	periods ended September 30, 2013	periods ended September 30, 2012
Custodian fee				
Bank of Ayudhya Plc.	32	39	90	114

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

	For the three-month		For the nine-month	
	periods ended September 30, 2013	periods ended September 30, 2012	periods ended September 30, 2013	periods ended September 30, 2012
Rental and service fees				
BBTV Equity Co., Ltd.	3,910	3,910	11,730	10,739
Management fee				
Sri Ayudhya Capital Plc. (see Note 22)	4,270	9,499	12,709	31,551

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 and nine-month periods ended September 30, 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:

	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2013	2012	2013	2012
Directors and key management personnel's remuneration	5,076	4,123	16,956	15,850

Directors' remuneration for the year of 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 September 30, 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:

	Baht: '000	
	As at September 30, 2013	As at December 31, 2012
Government and state enterprise securities	257,191	51,600
Deposits at bank	14,000	184,000
Total deposits with the Registrar	<u>271,191</u>	<u>235,600</u>

28. BACKUP ASSETS

As at September 30, 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 September 30, 2013	Baht: '000 As at December 31, 2012
Government and state enterprise securities	208,202	243,944
Private enterprises debt securities	-	5,447
Foreign debt securities	402,002	407,150
Unit trusts	37,753	56,207
Deposits at bank	277,746	141,702
Equity securities	1,211	1,211
Total backup assets	926,914	855,661

29. CONTINGENT LIABILITIES AND COMMITMENT

29.1 As at September 30, 2013 and December 31, 2012, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 15.57 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 September 30, 2013 and December 31, 2012, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 15.92 million and Baht 17.09 million, respectively.

30. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at September 30, 2013 and December 31, 2012 consists of the following:

Type of lease	Remaining periods		Baht: '000
As at September 30, 2013	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
Building			
- related company	3,715	354	4,069
- others	2,711	4,175	6,886
Service - related company	3,715	354	4,069
Equipment - related company	4,954	472	5,426
	15,095	5,355	20,450
			Baht: '000

Type of lease	Remaining periods		Total rental payments for the remaining periods
	Within 1 year	Over 1 year to 5 years	
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. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on November 8, 2013.