

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED (FORMERLY "BT INSURANCE COMPANY LIMITED")

We have reviewed the statement of financial position of Sri Ayudhya General Insurance Company Limited (Formerly "BT Insurance Company Limited") as at September 30, 2011, the statements of comprehensive income for the quarter and nine-month period ended September 30, 2011, the statements of changes in equity and cash flows for the nine-month period ended September 30, 2011. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our review. The financial statements of the Company for the quarter and nine-month period ended September 30, 2010 were reviewed by another auditor whose report thereon dated November 1, 2010 that nothing has come to his attention that causes him to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We conducted our review in accordance with the Standard on Auditing applicable to review engagements. The Standard requires that we plan and perform our review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, we do not express an opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements referred to in the first paragraph are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the financial statements for the year ended December 31, 2010, and expressed an unqualified opinion in our report dated April 18, 2011. The statements of financial position as at December 31, 2010, presented herein for comparison, have been derived from such financial statements which we have audited and reported on.

As discussed in Notes 2.1 and 3 to the interim financial statements, since January 1, 2011, the Company has adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions and presented the financial statements in accordance with 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 the effective from January 1, 2011, in preparation and presentation of these interim financial statements. The financial statements for the quarter and nine-month period ended September 30, 2010 and the statements of financial position as at December 31, 2010, presented herein for comparison, are presented in the new format to conform to the financial statements for the quarter and nine-month period ended September 30, 2011. We have reviewed the reclassifications in the interim financial statements.

As discussed in Note 30 to the interim financial statements, the Company has early adopted accounting policies regarding income taxes and employee benefits for the financial statements for the year ended December 31, 2010. However the previous presentation of financial statements for the quarter and nine-month period ended September 30, 2010 had not applied for such accounting policies, therefore the financial statements for the quarter and nine-month period ended September 30, 2010, presented herein for comparison, have been represented to be in accordance with such new accounting policy and we have reviewed the adjustments which were applied to represent the financial statement for the quarter and nine-month period ended September 30, 2010.



Niti Jungnitnirundr
Certified Public Accountant (Thailand)
Registration No. 3809

BANGKOK
November 11, 2011

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED

(FORMERLY "BT INSURANCE COMPANY LIMITED")

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

Unit : '000

	Notes	"Unaudited"	
		As at September 30, 2011	As at December 31, 2010
ASSETS			
Cash and cash equivalents	5.2	992,214	54,578
Accrued investment income		3,884	5,003
Premium due and uncollected - net	6	32,322	44,896
Reinsurance assets	7	119,858	66,606
Investments			
Investment in securities	8		
Held for trading		-	123,463
Available for sale		448,365	1,154,957
Held-to-maturity financial assets		111,266	179,187
Non marketable equity securities		1,211	1,211
Total investment in securities		<u>560,842</u>	<u>1,458,818</u>
Loans	9	492	-
Leasehold improvement and equipment - net	10	6,485	3,474
Intangible assets - net		408	630
Deferred tax assets	18	55,734	36,112
Deferred commission expense		9,975	14,002
Other assets		14,726	12,740
TOTAL ASSETS		<u><u>1,796,940</u></u>	<u><u>1,696,859</u></u>

See notes to the interim financial statements

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY "BT INSURANCE COMPANY LIMITED")
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

Unit : '000

	Notes	"Unaudited"	
		As at September 30, 2011	As at December 31, 2010
LIABILITIES AND EQUITY			
Income tax payable		13,133	5,967
Due to reinsurers	11	35,476	28,031
Insurance contract liabilities			
Loss reserves and outstanding claims	12	161,612	107,204
Premium reserve	13	185,896	204,792
Payable from parent company - share subscription to be returned	14	-	895,680
Employee benefit obligation	15	6,638	5,743
Deferred tax liabilities	18	-	500
Premium written received in advance		116,821	88,619
Commission and brokerage payables		3,936	5,965
Accrued expense		12,195	12,584
Other liabilities	16	12,717	10,095
TOTAL LIABILITIES		548,424	1,365,180

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY "BT INSURANCE COMPANY LIMITED")
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

Unit : '000

	Notes	"Unaudited"	
		As at September 30, 2011	As at December 31, 2010
LIABILITIES AND EQUITY (CONTINUED)			
EQUITY			
Share capital	19		
Authorized share capital			
120,000,000 ordinary shares of Baht 10.00 each		1,200,000	
30,000,000 ordinary shares of Baht 10.00 each			300,000
Issued and paid-up share capital			
120,000,000 ordinary shares of Baht 10.00 each		1,200,000	
30,000,000 ordinary shares of Baht 10.00 each			300,000
Retained earnings			
Unappropriated		48,761	30,511
Other components of equity			
Surplus (deficit) on revaluation of investment	5.1	(245)	1,168
TOTAL EQUITY		<u>1,248,516</u>	<u>331,679</u>
TOTAL LIABILITIES AND EQUITY		<u>1,796,940</u>	<u>1,696,859</u>

See notes to the interim financial statements

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY "BT INSURANCE COMPANY LIMITED")
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED SEPTEMBER 30, 2011 AND 2010
"UNAUDITED"

Unit : '000

	Notes	2011	2010 "Restated"
Revenues			
Net premium earned	20	95,006	80,935
Fee and commission income	20	5,568	7,618
Total revenues		100,574	88,553
Expenses			
Underwriting Expenses			
Losses incurred			
Insurance claims and loss adjustment expense	20	51,936	40,575
Commissions and brokerage expenses	20	6,788	9,309
Other underwriting expenses	20	22,700	16,643
Operating expenses	21	14,090	10,211
Total Underwriting Expenses		95,514	76,738
Profit on underwriting		5,060	11,815
Net investment income		9,280	1,455
Gain on investment		154	150
Other income		875	91
Income from operating		15,369	13,511

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY "BT INSURANCE COMPANY LIMITED")
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE QUARTERS ENDED SEPTEMBER 30, 2011 AND 2010
"UNAUDITED"

		Unit : '000	
	Notes	2011	2010
			"Restated"
Contribution to the Office of Insurance Commission		306	359
Contribution to Non - life guarantee fund		255	240
Contribution to Road victims protection fund		13	29
Income before income tax expense		14,795	12,883
Income tax - expense	18	3,611	1,551
Net income		11,184	11,332
Other comprehensive income			
Surplus on revaluation of investments		55	2,029
Income tax relating to other comprehensive income (expense)		(17)	(609)
Other net comprehensive income for the periods - net of tax		38	1,420
Total comprehensive income for the periods		11,222	12,752
Basic earnings per share	22	Baht	
		0.10	0.38

See notes to the interim financial statements

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY "BT INSURANCE COMPANY LIMITED")
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
"UNAUDITED"

		Unit : '000	
	Notes	2011	2010
			"Restated"
Revenues			
Net premium earned	20	285,671	225,557
Fee and commission income	20	11,656	22,526
Total revenues		297,327	248,083
Expenses			
Underwriting Expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	20	155,586	119,905
Commissions and brokerage expenses	20	26,194	33,010
Other underwriting expenses	20	56,256	48,569
Operating expenses	21	53,291	37,140
Total Underwriting Expenses		291,327	238,624
Profit on underwriting		6,000	9,459
Net investment income		20,319	6,050
Gain (loss) on investment		(163)	2,751
Other income		1,567	114
Income from operating		27,723	18,374

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY "BT INSURANCE COMPANY LIMITED")
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
"UNAUDITED"

		Unit : '000	
	Notes	2011	2010
			"Restated"
Contribution to the Office of Insurance Commission		921	994
Contribution to Non - life guarantee fund		665	510
Contribution to Road victims protection fund		43	90
Income before income tax expense		26,094	16,780
Income tax - expense (income)	18	7,844	(4,113)
Net income		18,250	20,893
Other comprehensive income (expense)			
Surplus (deficit) on revaluation of investments	5.1	(2,018)	7,284
Income tax relating to other comprehensive income (expense)	5.1	605	(2,185)
Other net comprehensive income (expense) for the periods - net of tax		(1,413)	5,099
Total comprehensive income for the periods		16,837	25,992
Basic earnings per share	22	Baht	
		0.17	0.70

See notes to the interim financial statements

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED

(FORMERLY "BT INSURANCE COMPANY LIMITED")

STATEMENTS OF CHANGES IN EQUITY

FOR THE QUARTERS ENDED SEPTEMBER 30, 2011 AND 2010

"UNAUDITED"

Unit : '000

	Notes	Issued and paid-up share capital	Unappropriated Retain earnings (deficit)	Other components of equity - Surplus (deficit) on revaluation of investments	Total equity
Balance as at January 1, 2010					
as previously reported		300,000	(2,906)	(5,371)	291,723
Cumulative effect of the change in accounting policy for deferred income tax	30	-	25,709	1,611	27,320
Cumulative effect of the change in accounting policy for employee benefits	30	-	(3,275)	-	(3,275)
Balance as at January 1, 2010 as restated		300,000	19,528	(3,760)	315,768
Comprehensive income for the period	5.1 and 30	-	20,893	5,099	25,992
Balance as at September 30, 2010		<u>300,000</u>	<u>40,421</u>	<u>1,339</u>	<u>341,760</u>
Balance as at January 1, 2011		300,000	30,511	1,168	331,679
Increase in share capital	19	900,000	-	-	900,000
Comprehensive income for the period	5.1 and 30	-	18,250	(1,413)	16,837
Balance as at September 30, 2011		<u>1,200,000</u>	<u>48,761</u>	<u>(245)</u>	<u>1,248,516</u>

See notes to the interim financial statements

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED

(FORMERLY "BT INSURANCE COMPANY LIMITED")

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010

"UNAUDITED"

Unit : '000

	Notes	2011	2010
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Direct premium received		349,529	323,705
Cash received from reinsurance		30,178	(6,806)
Losses incurred from direct insurance		(197,653)	(102,649)
Loss adjustment expenses from direct insurance		(9,776)	(9,757)
Commissions and brokerages from direct insurance		(23,209)	(32,637)
Other underwriting expenses		(63,224)	(49,272)
Investment income		21,172	6,545
Other income		4,884	56
Operating expenses		(51,544)	(30,752)
Income tax paid		(20,195)	(8,808)
Net cash provided by operating activities		<u>40,162</u>	<u>89,625</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY			
Investment in securities		325,558	269,129
Loans		133	-
Leasehold improvement and equipment		1,096	58
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		<u>160,589</u>	<u>19,492</u>
Cash provided by investing activities		<u>487,376</u>	<u>288,679</u>

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY "BT INSURANCE COMPANY LIMITED")
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
"UNAUDITED"

		Unit : '000	
	Notes	2011	2010
CASH FLOWS USED IN			
Investment in securities		(333,355)	(369,889)
Cash payment to parent company-share subscription to be returned		(21,625)	-
Loans		(625)	-
Leasehold improvement and equipment		(5,129)	(178)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		(129,168)	-
Cash used in investing activities		(489,902)	(370,067)
Net cash used in investing activities		(2,526)	(81,388)
CASH FLOWS PROVIDED BY (USED IN)			
FINANCING ACTIVITIES			
Cash received from increase in share capital		900,000	-
Net cash provided by financing activities		900,000	-
Net increase in cash and cash equivalents		937,636	8,237
Cash and cash equivalents as at January 1,		54,578	48,136
Cash and cash equivalents as at September 30,	5.2	992,214	56,373

See notes to the interim financial statements

SRI AYUDHYA GENERAL INSURANCE COMPANY LIMITED
(FORMERLY “BT INSURANCE COMPANY LIMITED”)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010
“UNAUDITED”

1. OPERATION OF THE COMPANY

Sri Ayudhya General Insurance Company Limited (formerly “BT Insurance Company Limited”) (“the Company”) is a limited company incorporated in Thailand on September 21, 1982. The main business is non-life insurance and the Company was awarded its license to operate all classes of non-life insurance on September 24, 1982. The Company’s office was registered at CIMB Thai Building, 16th floor, 44 Soi Langsuan, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

Formerly, the major shareholder company is CIMB Thai Bank Public Company Limited which was incorporated in Thailand, holding 99.99% of its share capital. The Ultimate Parent Company is CIMB Group Holdings Berhad which was incorporated in Malaysia.

Subsequently, on March 15, 2010, The Ayudhya Insurance Public Company Limited entered into the Share Purchase Agreement (“SPA”) with CIMB Thai Bank Public Company Limited (“CIMBT”) for acquisition of the Company’s 29,999,998 ordinary shares, representing 99.99% of the total issued and fully-paid share capital of the Company and on November 4, 2010, the Company’s shares have been transferred to The Ayudhya Insurance Public Company Limited resulting in The Ayudhya Insurance Public Company Limited becoming a parent company of the Company as of that date.

On December 7, 2010, the extraordinary shareholders’ meeting No. 3/2010 passed a special resolution to change the Company’s name from “BT Insurance Company Limited” to “Sri Ayudhya General Insurance Company Limited”. The Company registered the change in its name with the Department of Business Development on January 31, 2011.

On March 7, 2011, the Company has registered with the Ministry of Commerce to relocate its office to Ploenchit Tower, 18th floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The Company has transactions and relationships with 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.

On September 1, 2011, the Company and the parent company entered into the Transfer of Business Agreement to transfer all insurance policy including assets and liabilities relating to non-life insurance operations from the parent company (“non-life insurance business transfer”). The responsibilities and obligations under exiting insurance policy made between the parent company and clients or other parties will be responded by the Company. The non-life insurance business transfer prices on the transferred non-life insurance business date are based on the book values of assets and liabilities of the Company as at September 30, 2011. The condition to determine the non-life insurance business transfer prices are as follows:

- (1) If the book value of assets to be transferred exceeds the book value of liabilities to be transferred, the Company is required to pay compensation to the parent company.
- (2) If the book value of liabilities to be transferred exceeds the book value of assets to be transferred, the parent company is required to pay compensation to the Company.

Additional, the Transfer of Business Agreement states that the obligations relating to all expenditure under the transfer of non-life insurance business will be responded by the Company.

The transfer of non-life insurance business will be effective on October 1, 2011 onwards which the Company expected the insurance business transfer will be completed by the 4th quarter of 2011. Total assets and liabilities are as follows:

	Baht: million
	Book value
	as at
	September 30,
	2011
Assets	
Premiums due and uncollected - net	172.05
Reinsurance assets	317.51
Loans	3.08
Equipment - net	40.56
Intangible assets - net	125.05
Deferred tax assets	175.42
Other assets	32.93
Total Assets	<u>866.60</u>
Liabilities	
Due to reinsurers	251.72
Insurance contract liabilities	
Outstanding claims	462.26
Premium reserve	655.14
Employee benefit obligation	29.74
Premium written received in advance	136.64
Commission and brokerage payables	34.80
Other liabilities	24.60
Total liabilities	<u>1,594.90</u>
Liability over assets	<u>728.30</u>

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" and practices generally accepted in Thailand, where the format of financial statements is based on Thai Account Standard No. 1 (Revised 2009) "Presentation of Financial Statements" 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. Therefore, the financial statements for the quarter and nine-month period ended September 30, 2010 and the statements of financial position as at December 31, 2010, presented herein for comparison, are presented in the new format to conform to the financial statements for the quarter and nine-month period ended September 30, 2011.

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.

- 2.2 The interim financial statement for the quarters and nine-month periods ended September 30, 2011 and 2010 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.

The statement of financial position as at December 31, 2010, presented herein for comparison, have been derived from the consolidated and separate financial statements for the year then ended which had been previously audited.

- 2.3 The unaudited results of operations presented in the quarters and nine-month periods ended September 30, 2011 and 2010 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 quarter and nine-month period ended September 30, 2011 should be read in conjunction with the audited financial statements for the year ended December 31, 2010.
- 2.5 The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (TAS) and Thai Accounting Standards Interpretation (TSI), which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards as follows:

TAS

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

TSI

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

The Company's management will adopt the above TAS and TSI 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 standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied. However, the Company has elected to early adopted TAS 12 "Income Taxes".

- 2.6 The preparation of financial statements in conformity with generally accepted accounting principles 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. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2011, the Company has adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in preparation and presentation of interim financial statements. Such TFRS have no significant impact to the Company's financial statements except for TAS 1 (Revised 2009) "Presentation of Financial Statements" which changed requirements about presentation in the financial statements. Therefore, it is affected the reclassification in the interim financial statements for the quarter and nine-month period ended September 30, 2010 and the statements of financial position as at December 31, 2010 presented for comparison (see Note 2.1).

4. 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, 2010, except for the adoption of new and revised TFRS as described in Note 3.

5. ADDITIONAL INFORMATION FOR CASH FLOWS

5.1 Non-cash items

- 1) As at September 30, 2011 and December 31, 2010, surplus (deficit) on revaluation of investments under other components of equity were shown net of deferred tax liabilities as follows:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Unrealized loss on investment in available for sale	(350)	(2,652)
<u>Less</u> Unrealized loss on investment - returned bonds	<u>-</u>	<u>(4,320)</u>
	(350)	1,668
<u>Add</u> Deferred tax assets (see Note 18)	<u>105</u>	<u>-</u>
<u>Less</u> Deferred tax liabilities (see Note 18)	<u>-</u>	<u>(500)</u>
Surplus (deficit) on revaluation of investments - net	<u>(245)</u>	<u>1,168</u>

For the nine-month periods ended September 30, changes in surplus (deficit) on revaluation of investments - net of deferred tax were as follows:

	2011	Baht: '000 2010
Increase (decrease) of unrealized gain on investment in available for sale	(2,018)	7,284
Increase (decrease) of deferred tax assets	105	(1,611)
Decrease (increase) of deferred tax liabilities	<u>500</u>	<u>(574)</u>
Increase (decrease) of surplus (deficit) on revaluation of investments - net	<u>(1,413)</u>	<u>5,099</u>

On December 8, 2010, the Company received bonds at fair value amounting to Baht 891.88 million (Bonds amounting to 876.76 million and accrued interest amounting to Baht 15.12 million) from The Ayudhya Insurance Public Company Limited ("the parent company"). Subsequently, on January 20, 2011 the Company returned such bonds and cash to the parent company (see Note 14).

5.2 Cash and cash equivalents consist of the following:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Cash	239	180
Deposits at bank - call deposits	212,308	54,398
Deposits at bank - time deposits and certificate of deposits	85,766	117,187
Investment in securities - Treasury bills	779,667	-
Investment in securities - Notes	-	62,000
	<u>1,077,980</u>	<u>233,765</u>
<u>Less</u> Deposits at bank with maturity over 3 months	(1,362)	(54,632)
Deposits at bank used as collateral	(84,404)	(62,555)
Notes with maturity over 3 months	-	(10,000)
Notes used as collateral	-	(52,000)
Cash and cash equivalents	<u>992,214</u>	<u>54,578</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at September 30, 2011 and December 31, 2010 were as follows:

	As at September 30, 2011				As at December 31, 2010			
	Agent and				Agent and			
	Insured	Broker	Inward	Total	Insured	Broker	Inward	Total
Within credit terms	1,209	25,488	1,325	28,022	6,935	29,865	681	37,481
Less than 30 days	268	5,002	279	5,549	1,201	2,777	225	4,203
30 - 60 days	235	421	79	735	37	1,284	87	1,408
60 - 90 days	1	221	87	309	3	1,034	76	1,113
90 days - 1 year	-	418	376	794	55	1,696	424	2,175
Over 1 year	-	-	87	87	3	50	35	88
Total premium due and uncollected	1,713	31,550	2,233	35,496	8,234	36,706	1,528	46,468
<u>Less</u> allowance for doubtful accounts	-	(3,174)	-	(3,174)	-	(1,572)	-	(1,572)
Premium due and uncollected, net	<u>1,713</u>	<u>28,376</u>	<u>2,233</u>	<u>32,322</u>	<u>8,234</u>	<u>35,134</u>	<u>1,528</u>	<u>44,896</u>

7. REINSURANCE ASSETS

Reinsurance assets as at September 30, 2011 and December 31, 2010 were as follows:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Due from reinsurers	55,050	12,701
Insurance reserve refundable from reinsurers	64,808	53,905
Reinsurance assets	<u>119,858</u>	<u>66,606</u>

Aging analyze for due from reinsurers as at September 30, 2011 and December 31, 2010 were as follows:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Within credit terms	52,505	7,909
Due within 12 months	2,528	4,792
Due within 1-2 years	17	-
Due from reinsurers	<u>55,050</u>	<u>12,701</u>

8. INVESTMENTS IN SECURITIES

Investments in securities as at September 30, 2011 and December 31, 2010 consist of the following:

	As at September 30, 2011		As at December 31, 2010	
	Cost/Amortized cost	Fair value	Cost/Amortized cost	Fair value
Held for trading				
Government and state enterprise securities	-	-	107,580	107,147
Private enterprises debt securities	-	-	16,082	16,316
Total	-	-	123,662	123,463
Less Unrealized loss	-	-	(199)	-
Total held for trading	-	-	123,463	123,463
Available for sale				
Government and state enterprise securities	360,144	359,244	351,839	350,678
Private enterprises debt securities	30,043	30,203	29,672	30,236
Foreign debt securities	-	-	707,063	703,679
Unit trusts	58,528	58,918	69,035	70,364
Total	448,715	448,365	1,157,609	1,154,957
Less Unrealized loss	(350)	-	(2,652)	-
Total available for sale	448,365	448,365	1,154,957	1,154,957
Held-to-maturity investment securities				
Private enterprises debt securities	25,500		62,000	
Fixed deposit with maturity over 3 months	1,362		54,632	
Fixed deposit used as collateral	84,404		62,555	
Total held-to-maturity investment securities	111,266		179,187	
Non marketable equity securities				
Equity securities	1,211		1,211	
Total non marketable equity securities	1,211		1,211	
Total investment securities - net	<u>560,842</u>		<u>1,458,818</u>	

Debt securities as at September 30, 2011 classified by the remaining maturity were as follows:

	Maturities			Baht: '000
	Within 1 year	1 - 5 years	Over 5 years	Total
Available for sale				
Government and state enterprise securities	197,509	159,316	3,319	360,144
Private enterprises debt securities	20,070	6,920	3,053	30,043
<u>Add</u> Unrealized gain (loss)	(1,113)	(39)	412	(740)
Total from available for sale debt securities	<u>216,466</u>	<u>166,197</u>	<u>6,784</u>	<u>389,447</u>
Held-to-maturity investment securities				
Private enterprises debt securities	20,000	5,500	-	25,500
Fixed deposit with maturity over 3 months	1,324	38	-	1,362
Fixed deposit used as collateral	80,000	4,404	-	84,404
Total held-to-maturity investment securities	<u>101,324</u>	<u>9,942</u>	<u>-</u>	<u>111,266</u>
Total debt securities - net	<u>317,790</u>	<u>176,139</u>	<u>6,784</u>	<u>500,713</u>

Debt securities as at December 31, 2010 classified by the remaining maturity were as follows:

	Maturities			Baht: '000
	Within 1 year	1 - 5 years	Over 5 years	Total
Available for sale				
Government and state enterprise securities	184,315	75,854	91,670	351,839
Private enterprises debt securities	8,950	17,662	3,060	29,672
Foreign debt securities	-	707,063	-	707,063
<u>Add</u> Unrealized gain (loss)	(279)	(4,003)	301	(3,981)
Total debt securities from available for sale	<u>192,986</u>	<u>796,576</u>	<u>95,031</u>	<u>1,084,593</u>
Held-to-maturity investment securities				
Private enterprises debt securities	36,500	25,500	-	62,000
Fixed deposit with maturity over 3 months	54,594	38	-	54,632
Fixed deposit used as collateral	62,555	-	-	62,555
Total held-to-maturity investment securities	<u>153,649</u>	<u>25,538</u>	<u>-</u>	<u>179,187</u>
Total debt securities - net	<u>346,635</u>	<u>822,114</u>	<u>95,031</u>	<u>1,263,780</u>

As at December 31, 2010, available-for-sale securities included bonds at fair value amounting to Baht 887.56 million (Cost amounting to Baht 891.88 million and unrealized loss on change in fair value of bonds amounting to Baht 4.32 million) was received from the parent company to increase in share capital of the Company and to be returned (see Note 14).

As at September 30, 2011, certain of bank deposits are pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 17).

As at September 30, 2011 and December 31, 2010, bonds and fixed deposits are pledged as collateral with the Registrar amounting to Baht 65.92 million and Baht 42.30 million, respectively (see Note 24).

As at September 30, 2011 and December 31, 2010, certain of investment in securities and bank deposits are deposited with a bank as the Company's backup assets according to the Notification of the Office of Insurance Commission (see Note 25).

As at December 31, 2010, fixed deposits are pledged as collateral for insured amounting to Baht 0.10 million.

9. LOANS

Loans of the Company is loan to employees in accordance with the welfare policy of the Company with interest rate at 3.75% per annum.

10. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment - net as at September 30, 2011 and December 31, 2010 consist of the following:

	Cost			Accumulated depreciation			Baht: '000			
	As at December 31, 2010	Increase	Disposal	As at September 30, 2011	As at December 31, 2010	Increase	Disposal	As at September 30, 2011	Beginning balance of leasehold improvement and equipment - net as at December 31, 2010	Ending balance of leasehold improvement and equipment - net as at September 30, 2011
Leasehold improvement	4,435	1,788	(3,850)	2,373	(4,013)	(232)	3,592	(653)	422	1,720
Furniture, fixtures and office equipment	14,609	2,538	(3,954)	13,193	(12,951)	(760)	3,906	(9,805)	1,658	3,388
Vehicles	5,548	803	(599)	5,752	(4,154)	(765)	544	(4,375)	1,394	1,377
Total	24,592	5,129	(8,403)	21,318	(21,118)	(1,757)	8,042	(14,833)	3,474	6,485

As at September 30, 2011 and December 31, 2010, certain fixed assets at cost of Baht 8.61 million and Baht 12.90 million, respectively, were fully depreciated but still in use.

11. DUE TO REINSURERS

Due to reinsurers as at September 30, 2011 and December 31, 2010 consist of the following:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Premium ceded payables	8,100	8,891
Amount withheld on reinsurance	18,255	18,439
Other reinsurance payables - treaty	9,121	701
Total due to reinsurers	35,476	28,031

12. LOSS RESERVES AND OUTSTANDING CLAIMS

Loss reserves and outstanding claims as at September 30, 2011 and December 31, 2010 consist of the following:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
As at January 1,	107,204	61,325
Loss incurred and loss adjustment expenses in this period/year		
- Incurred but not reported	25,751	3,675
- Incurred but not yet agreed	27,986	42,204
- Incurred and agreed	205,378	197,642
Loss paid and loss adjustment paid in this period/year	<u>(204,707)</u>	<u>(197,642)</u>
As at September 30, and December 31,	<u>161,612</u>	<u>107,204</u>

As at September 30, 2011 and December 31, 2010, the Company had loss reserves and outstanding claims under the reinsurance contracts of Baht 2.83 million and Baht 4.28 million, respectively

13. PREMIUM RESERVE

Premium reserve as at September 30, 2011 and December 31, 2010 consist of the following:

13.1 Unearned premium reserve

	As at September 30, 2011	Baht: '000 As at December 31, 2010
As at 1 January	204,792	141,842
Premium written in the period/year	266,775	375,823
Earned premium in the period/year	<u>(285,671)</u>	<u>(312,873)</u>
As at September 30, and December 31,	<u>185,896</u>	<u>204,792</u>

As at September 30, 2011 and December 31, 2010, the Company did not include additional unearned premium reserve of ceded premium to foreign reinsurers in statement of financial position of Baht 1.55 million and Baht 13.95 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.

13.2 Unexpired risk reserve

As at September 30, 2011 and December 31, 2010, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company of Baht 141.01 million and Baht 129.25 million, respectively, is lower than the unearned premium reserve.

14. PAYABLE FROM PARENT COMPANY-SHARE SUBSCRIPTION TO BE RETURNED

On December 8, 2010, the Company received bonds at fair value amounting to Baht 891.88 million (Bonds amounting to Baht 876.76 million and accrued interest amounting to Baht 15.12 million) and cash amounting to Baht 8.12 million from The Ayudhya Insurance Public Company Limited (“the parent company”) as share subscription paid for the increase in share capital of the Company amounting to Baht 900 million. The Company submitted for a registration of the share capital increase with the Ministry of Commerce on that date. However, the increase in share capital of the Company had been approved by the Office of Insurance Commission (OIC). However, OIC did not approve such increase in share capital by using such bonds transferred from the parent company and required to use cash. Therefore, the Company had to return the bonds to the parent company which would replace it by paying cash. As such, as at December 31, 2010 the Company recorded such bonds and cash as payable from the parent company - share subscription to be returned (see Note 8).

As at December 31, 2010, payable from parent company - share subscription to be returned was as follows:

	Baht: '000
Bonds	876,764
Accrued interest	1,611
<u>Less</u> Unrealized loss on changes in fair value of the bonds	<u>(4,320)</u>
	874,055
<u>Add</u> Cash	<u>21,625</u>
	<u>895,680</u>

Subsequently, on January 20, 2011, the Company returned such bonds and cash to the parent company and received cash of Baht 900 million for the increase in share capital of the Company instead. The Company has registered the increased share capital with the Ministry of Commerce on January 31, 2011 (see Note 19).

15. EMPLOYEE BENEFIT OBLIGATION

The Company calculated employee benefit obligation by using actuarial technique. The assumptions are included discount rate at 4.25%, turnover rate at 3%, 4% and 10% based on age group of employees, salary increase rate at 5% and retirement age at 60 years, respectively.

Employee benefit obligation for the quarters and nine-month periods ended September 30, were as follows:

	Baht: '000			
	For the quarters ended		For the nine-month	
	September 30,		periods ended September 30,	
	2011	2010	2011	2010
Current service cost	237	217	712	650
Interest cost	61	50	183	149
Reserve for retirement benefit expense	<u>298</u>	<u>267</u>	<u>895</u>	<u>799</u>

Movements in the present value of the employee benefit obligation as at September 30, 2011 and December 31, 2010 were as follows:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Present value of obligation at the beginning of the period/year	5,743	4,678
Current service cost of the period/year	712	866
Interest cost	183	199
Present value of obligation at the ending of the period/year	<u>6,638</u>	<u>5,743</u>

16. OTHER LIABILITIES

Other liabilities as at September 30, 2011 and December 31, 2010 consist of:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Other payable - promotion expense	2,324	3,068
Deferred premium received	1,044	1,316
Premium cancelled and refunded payable	1,320	1,410
Payable - Revenue department	1,105	1,977
Others	6,924	2,324
	<u>12,717</u>	<u>10,095</u>

17. BANK OVERDRAFTS

As at September 30, 2011, the Company had credit lines for bank overdrafts of Baht 20 million which were guaranteed by fixed deposit of the Company of Baht 20 million which was unused credit facilities. The interest rate was the fixed deposit rate plus 2% (see Note 8).

18. INCOME TAX EXPENSE

For the quarters and the nine-month periods ended September 30, income tax expenses consisted of the following:

	Baht: '000			
	For the quarters ended September 30,		For the nine-month periods ended September 30,	
	2011	2010	2011	2010
Income tax expense-current tax	2,451	4,602	27,361	6,153
<u>Add (Less) Tax effect from deferred income tax</u>				
Allowance for doubtful account of premium due and uncollected	-	-	(480)	(277)
Allowance for doubtful - other receivable	680	-	(1,275)	265
Unearned premium reserve	229	(2,775)	(3,403)	(5,241)
Loss reserve-net	2,953	185	(5,828)	(2,856)
Incurred but not reported claims	(2,632)	(323)	(7,726)	(479)
Unrealized gain (loss) on change in value of investment - held for trading	-	(58)	60	(1,438)
Employee benefits expenses	(89)	(80)	(268)	(240)
Others	19	-	(597)	-
	<u>1,160</u>	<u>(3,051)</u>	<u>(19,517)</u>	<u>(10,266)</u>
Income tax expense	<u>3,611</u>	<u>1,551</u>	<u>7,844</u>	<u>(4,113)</u>

The Company uses a tax rate of 30% for calculation of deferred tax. As at September 30, 2011 and December 31, 2010, deferred tax assets and liabilities which resulted from the temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base are as follows:

	Baht: '000	
	As at September 30, 2011	As at December 31, 2010
Deferred tax assets resulted from:		
Allowance for doubtful account of premium due and uncollected	952	472
Allowance for doubtful - other receivable	4,102	2,827
Unearned premium reserve	19,742	16,339
Loss reserve-net	16,874	11,046
Incurred but not reported claims	10,891	3,165
Unrealized loss on change in value of investment - held for trading	-	60
Unrealized loss on change in value of investment - available for sale (see Note 5.1)	105	-
Employee benefits expenses	1,991	1,723
Others	1,077	480
Total deferred tax assets	<u>55,734</u>	<u>36,112</u>
Deferred tax liabilities resulted from:		
Unrealized gain on the change in value of investment - available for sale (see Note 5.1)	-	500
Total deferred tax liabilities	<u>-</u>	<u>500</u>

19. SHARE CAPITAL

On December 7, 2010, the extraordinary shareholders' meeting No. 3/2010 passed the resolution to increase the share capital from Baht 300 million (30 million ordinary shares of Baht 10.00 each) to Baht 1,200 million (120 million ordinary shares of Baht 10.00 each) by issuing 90 million new ordinary shares with a par value of Baht 10.00 each to be offered to the existing shareholders, at par value of Baht 10.00 each per share, totaling Baht 900 million. The Company has called and received subscriptions of the increased share capital and registered with the Registrar of Partnerships and Companies on January 31, 2011 (see Note 14).

The number of weighted average ordinary shares as at September 30, 2011 and December 31, 2010 were as follows:

	As at September 30, 2011 shares	As at December 31, 2010 shares
Beginning balance	30,000,000	30,000,000
The number of weighted average ordinary shares during the period (90,000,000 x 243/273)	80,109,890	-
	<u>110,109,890</u>	<u>30,000,000</u>

20. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

Underwriting information classified by type of insurance for the quarters and nine-month periods ended September 30, consists of the following:

	For the quarter ended September 30, 2011					Baht: '000
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	11,038	2,955	32,768	3,316	53,075	103,152
Less Premiums ceded	2,867	1,705	1,566	960	11,891	18,989
Net premiums written	8,171	1,250	31,202	2,356	41,184	84,163
Less Unearned premium reserve	(2,334)	370	(9,577)	1,188	(490)	(10,843)
Earned premium	10,505	880	40,779	1,168	41,674	95,006
Fee and commission income	811	550	36	336	3,835	5,568
Total underwriting income	<u>11,316</u>	<u>1,430</u>	<u>40,815</u>	<u>1,504</u>	<u>45,509</u>	<u>100,574</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses	4,226	1,266	24,759	307	21,378	51,936
Commissions and brokerages expenses	2,190	300	1,275	442	2,581	6,788
Other underwriting expenses	891	99	4,438	1,278	15,994	22,700
Total underwriting expenses	<u>7,307</u>	<u>1,665</u>	<u>30,472</u>	<u>2,027</u>	<u>39,953</u>	<u>81,424</u>

Baht: '000

For the quarter ended September 30, 2010

	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	20,308	1,817	46,160	3,708	50,620	122,613
Less Premiums ceded	11,836	1,038	468	3,167	2,260	18,769
Net premiums written	8,472	779	45,692	541	48,360	103,844
Less Unearned premium reserve	(3,498)	(19)	9,928	(49)	16,547	22,909
Earned premium	11,970	798	35,764	590	31,813	80,935
Fee and commission income	5,166	363	22	1,294	773	7,618
Total underwriting income	17,136	1,161	35,786	1,884	32,586	88,553
Underwriting expenses						
Insurance claims and loss adjustment expenses	1,540	522	15,814	2,308	20,391	40,575
Commissions and brokerages expenses	4,123	231	2,528	(1,017)	3,444	9,309
Other underwriting expenses	2,178	238	6,677	(533)	8,083	16,643
Total underwriting expenses	7,841	991	25,019	758	31,918	66,527

Baht: '000

For the nine-month period ended September 30, 2011

	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	45,319	5,879	115,388	8,800	135,645	311,031
Less Premiums ceded	9,637	2,867	2,324	3,654	25,775	44,257
Net premiums written	35,682	3,012	113,064	5,146	109,870	266,774
Less Unearned premium reserve	773	291	(10,131)	3,590	(13,420)	(18,897)
Earned premium	34,909	2,721	123,195	1,556	123,290	285,671
Fee and commission income	1,733	1,142	90	1,358	7,333	11,656
Total underwriting income	36,642	3,863	123,285	2,914	130,623	297,327
Underwriting expenses						
Insurance claims and loss adjustment expenses	6,416	3,905	80,239	768	64,258	155,586
Commissions and brokerages expenses	9,895	570	4,583	1,279	9,867	26,194
Other underwriting expenses	2,551	211	21,966	2,592	28,936	56,256
Total underwriting expenses	18,862	4,686	106,788	4,639	103,061	238,036

	For the nine-month period ended September 30, 2010					Baht: '000
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	87,335	5,351	116,246	8,504	116,993	334,429
Less Premiums ceded	47,718	2,972	2,209	6,709	6,229	65,837
Net premiums written	39,617	2,379	114,037	1,795	110,764	268,592
Less Unearned premium reserve	6,024	(74)	11,112	98	25,875	43,035
Earned premium	33,593	2,453	102,925	1,697	84,889	225,557
Fee and commission income	15,547	1,196	67	2,727	2,989	22,526
Total underwriting income	49,140	3,649	102,992	4,424	87,878	248,083
Underwriting expenses						
Insurance claims and loss adjustment expenses	3,903	727	56,067	3,809	55,399	119,905
Commissions and brokerages expenses	15,619	680	7,532	1,038	8,141	33,010
Other underwriting expenses	10,537	805	18,173	307	18,747	48,569
Total underwriting expenses	30,059	2,212	81,772	5,154	82,287	201,484

21. OPERATING EXPENSES

Operating expenses for the quarters and nine-month periods ended September 30, consist of the following:

	For the quarters ended September 30,		For the nine-month periods ended September 30,	
	2011	2010	2011	2010
Employee benefit expense, excluded underwriting and loss adjustment expenses	4,409	5,743	12,876	18,521
Premises and equipment expense, excluded underwriting expenses	4,584	4,066	14,184	12,465
Taxes and duties	17	19	84	69
Bad debt and doubtful accounts (reversal)	(2,267)	-	4,247	40
Other operating expense	7,347	383	21,900	6,045
Total operating expenses	14,090	10,211	53,291	37,140

22. BASIC EARNINGS PER SHARE

Basic earnings per share for the quarters and nine-month periods ended September 30, were as follows:

	For the quarters ended September 30,		For the nine-month periods ended September 30,	
	2011	2010	2011	2010
Net profit (Baht : '000)	11,184	11,332	18,250	20,893
Issued and paid-up share capital (Shares) (see Note 19)	110,109,890	30,000,000	110,109,890	30,000,000
Basic earnings per share (Baht)	0.10	0.38	0.17	0.69

23. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the quarters and nine-month periods ended September 30, the Company had salaries, bonuses, meeting allowances and post-employment benefits of its directors and key management personnel recognized as expenses as follows:

	Baht: '000			
	For the quarters ended September 30,		For the nine-month periods ended September 30,	
	2011	2010	2011	2010
Directors and key management personnel's remuneration	1,354	1,679	4,574	5,496

24. DEPOSITS WITH THE REGISTRAR

As at September 30, 2011 and December 31, 2010, certain fixed deposits and the Company's bond were deposited with the Registrar 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" (see Note 8) as follows:

	Baht: '000	
	As at September 30, 2011	As at December 31, 2010
Bonds	51,516	-
Fixed deposit	14,404	42,297
	<u>65,920</u>	<u>42,297</u>

25. BACKUP ASSETS

As at September 30, 2011 and December 31, 2010, the Company has deposited certain investments with bank used for the Company's backup assets 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" which indicates the Company to start having the backup assets from April 1, 2009 onward (see Note 8). The backup assets are as follows:

	Baht: '000	
	As at September 30, 2011	As at December 31, 2010
Bonds	307,728	289,060
Notes	5,500	52,000
Stock	281	-
Debentures	30,203	46,552
Unit trusts	20,036	30,227
Deposits at financial institutions	50,000	20,158
	<u>413,748</u>	<u>437,997</u>

26. CONTINGENT LIABILITIES

As at September 30, 2011 and December 31, 2010, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 0.6 million and Baht 1.2 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 that would be material to the Company's operating results, liquidity or financial status.

27. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements 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 September 30, 2011			
Building			
- related companies	1,973	2,233	4,206
- others	1,978	3,455	5,433
Service - related company	1,317	1,865	3,182
Equipment - related company	1,755	2,487	4,242
	<u>7,023</u>	<u>10,040</u>	<u>17,063</u>
As at December 31, 2010			
Building - others	1,120	46	1,166
Vehicles - others	329	-	329
	<u>1,449</u>	<u>46</u>	<u>1,495</u>

28. 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
The Ayudhya Insurance Plc.	Parent company	Non-life Insurance
CIMB Thai Bank Plc.*	Parent company	Banking
Bank of Ayudhya Plc.	Some common shareholders and directors	Banking
BBTV Equity Co., Ltd.	Some common shareholders	Office Space Rental
BT World Lease Co., Ltd.*	Some common shareholders and directors	Leasing
Center Auto Lease Co., Ltd.* (formerly BT Leasing Co., Ltd.)	Some common shareholders and directors	Leasing
CIMB Principal Assets Management Co., Ltd. (formerly BT Asset Management Co., Ltd.)	Some common shareholders and directors	Asset Management

* Since November 4, 2010, such companies were no longer the related company as changing of the parent company to The Ayudhya Insurance Public Company Limited (see Note 1).

28.1 Investments

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Investment - notes		
Bank of Ayudhya Plc.	20,000	20,000
Investment - debentures		
Bank of Ayudhya Plc.	-	500

28.2 Significant balances and transactions are as follows:

	As at September 30, 2011	Baht: '000 As at December 31, 2010
Deposits at banks		
Bank of Ayudhya Plc.	168,212	20,000
Interest receivable		
Bank of Ayudhya Plc.	335	118
Rental and facilities deposits		
BBTV Equity Co., Ltd.	1,097	-
Payable from parent company-share subscription to be returned (see Note 14)		
The Ayudhya Insurance Plc.	-	895,680
Accrued expenses		
The Ayudhya Insurance Plc.	4,052	-
Accrued custodian fee		
Bank of Ayudhya Plc.	7	-

	For the quarters ended September 30,		Baht: '000 For the nine-month periods ended September 30,	
	2011	2010	2011	2010
Premium written				
CIMB Thai Bank Plc.*	-	1,681	-	5,186
Bank of Ayudhya Plc.	-	-	373	-

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 quarters ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Claims payment				
CIMB Thai Bank Plc.*	-	-	-	8,896

Claims payment was paid by actual amount which stipulated in policies and conditions as charged the other customers.

	Baht: '000			
	For the quarters ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Rental and service fees				
CIMB Thai Bank Plc.*	-	1,436	-	4,127
BBTV Equity Co., Ltd.	1,097	-	2,560	-
The Ayudhya Insurance Plc.	3,855	-	11,565	-

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

	Baht: '000			
	For the quarters ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Promotion expenses				
BT World Lease Co., Ltd.*	-	7,969	-	19,187
Center Auto Lease Co., Ltd.* (formerly BT Leasing Co., Ltd.)	-	4,287	-	13,126
Management fees				
CIMB Principal Assets Management Co., Ltd.* (formerly BT Asset Management Co., Ltd.)	-	(349)	-	1,097

Promotion expenses and management fees were paid at the same rates and conditions as the related parties charged other customers.

	Baht: '000			
	For the quarters ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Interest receivable				
Bank of Ayudhya Plc.	506	-	1,433	-
CIMB Thai Bank Plc.*	-	8	-	243

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

	Baht: '000			
	For the quarters ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Other Income				
The Ayudhya Insurance Plc.	60	-	60	-

The Company has office rental, equipment rental and service agreements with related companies. The rental rates and conditions are the same as the related parties offer to other companies.

	Baht: '000			
	For the quarters ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Custodian fee				
Bank of Ayudhya Plc.	25	-	48	-

The Company paid custodian fee at the same price and condition with the related company charges to the others.

29. 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.

30. CHANGE IN ACCOUNTING POLICIES

The Company has early adopted accounting policies regarding income taxes and employee benefits for the financial statements for year ended December 31, 2010. However the presentation of financial statements for the quarter and nine-month period ended September 30, 2010 had not applied such accounting policies, therefore the financial statements for the quarter and nine-month period ended September 30, 2010, presented herein for comparison, have been restated to be in accordance with such new accounting policy. The cumulative effect of the change in accounting policies to financial statements are summarized as follows:

	Amount previous reported	Restated Increase/ (decrease)	Baht: '000 Amount after restatement
Financial statements for the quarter ended September 30, 2010			
Personnel expenses	10,485	266	10,751
Income taxes - (income) expense	4,602	(3,051)	1,551
Net profit (loss) for the period	8,547	2,785	11,332
Basic earnings (loss) per share (Baht)	0.28	0.10	0.38
	Amount previous reported	Restated Increase/ (decrease)	Baht: '000 Amount after restatement
Financial statements for the nine-month period ended September 30, 2010			
Retained earnings (deficit) brought forward	(2,906)	22,434	19,528
Deficit on revaluation of investment brought forward	(5,371)	1,611	(3,760)
Retained earnings carried forward	8,520	31,901	40,421
Deficit on revaluation of investment carried forward	1,913	(574)	1,339
Personnel expenses	36,190	799	36,989
Income taxes - (income) expense	6,153	(10,266)	(4,113)
Net profit for the period	11,426	9,467	20,893
Basic earnings per share (Baht)	0.38	0.32	0.70

31. EVENT AFTER THE STATEMENT OF FINANCIAL POSITION

- 31.1 On October 1, 2011 the parent company has transferred all insurance policy including assets and liabilities relating to non-life insurance operation to the Company.
- 31.2 On October 3, 2011 The Company has registered to be Public Company Limited with Ministry of Commerce follow to the extraordinary shareholders' meeting of the Company pass a special resolution to change the status of the Company from a private company to be a public company. The Company has been already approved by the Office of Insurance Commission to change the status of the Company from a private company to be a public company.
- 31.3 On October 11, 2011, the Cabinet announced the change in the corporate income tax rate to reduce from 30% to 23% for accounting periods ending December 31, 2012 or after, and to 20% for accounting periods ending December 31, 2013 onward. The Company does not yet adjust the tax or deferred income tax balances in the financial statements. The effect of such change to the financial statements of the Company is summarized as follows:

Baht:'000

Statement of financial position as at September 30, 2011

Deferred tax assets decrease	14,622
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Statement of comprehensive income for the nine-month period ended September 30, 2011

Income tax increase	14,622
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- 31.4 During 2011, many regions of Thailand have suffered losses from flooding which the flooding situation is still ongoing. Losses incurred up to September 30, 2011 have been recognized in these financial statements at the amount appraised by an independent appraiser or by the Company's appraiser. Losses incurred after the reporting date have not been recognized in these financial statements, and the Company's management are in the process of assessing such losses. However, the Company's management believes that this situation will have no significant impact to the Company because the related risk has been transferred to the reinsurers according to the reinsurance agreement and excess of loss reinsurance agreement.

32. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on November 11, 2011.