



บริษัท ดีลอยท์ ทูเช่ ไซมัทส
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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

TO THE BOARD OF DIRECTORS

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

We have reviewed the statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at June 30, 2013, and the related statements of comprehensive income for the three-month and six-month periods ended June 30, 2013, changes in equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

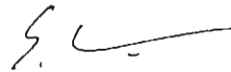
We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and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

Conclusion

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

Other Matter

The statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at December 31, 2012, presented herein as comparative information, was audited by other auditors of the same firm, whose audit report thereon dated February 22, 2013 expressed an unmodified opinion on that statement. The statements of comprehensive income for the three-month and six-month periods ended June 30, 2013, changes in equity and cash flows for the six-month period then ended, presented herein as comparative information, were reviewed by other auditors of the same firm, whose review report thereon dated August 10, 2012 concluded that nothing had come to their attention that caused them to believe that such interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



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

BANGKOK
August 9, 2013

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2013

Baht: '000

	Notes	"Unaudited"	
		As at June 30, 2013	As at December 31, 2012
ASSETS			
Cash and cash equivalents		1,858,815	534,742
Accrued investment income		10,404	8,200
Premium due and uncollected - net	6	258,580	241,337
Reinsurance assets	7	2,304,162	3,590,959
Investments			
Investment in securities	8		
Available for sale securities		727,289	761,849
Held-to-maturity investment securities		311,098	352,951
General investment securities		1,211	1,211
Total investment in securities		<u>1,039,598</u>	<u>1,116,011</u>
Loans	9	3,582	4,233
Leasehold improvement and equipment - net	10	43,667	42,997
Intangible assets - net		108,455	117,249
Deferred tax assets	11	298,705	336,349
Deferred commission expense		45,266	39,921
Other assets	12	66,090	55,990
TOTAL ASSETS		<u><u>6,037,324</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 JUNE 30, 2013

		Baht: '000	
		"Unaudited"	
		As at	As at
		June 30,	December 31,
		2013	2012
Notes			
LIABILITIES AND EQUITY			
	Due to reinsurers	677,887	888,182
	Insurance contract liabilities		
	Loss reserves and outstanding claims	2,701,510	2,842,471
	Premium reserve	946,284	897,935
	Employee benefit obligation	47,253	44,236
	Deferred tax liabilities	2,941	2,814
	Premium written received in advance	279,966	258,459
	Commission and brokerage payables	51,824	47,105
	Accrued expenses	20,370	39,512
	Other liabilities	272,635	66,042
	TOTAL LIABILITIES	<u>5,000,670</u>	<u>5,086,756</u>
EQUITY			
	Share capital		
	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	(775,112)	(810,023)
	Other components of equity		
	Surplus on revaluation of investment	11,766	11,255
	TOTAL EQUITY	<u>1,036,654</u>	<u>1,001,232</u>
	TOTAL LIABILITIES AND EQUITY	<u>6,037,324</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 JUNE 30, 2013

"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
Revenues			
Net premium earned	21	477,248	423,226
Fee and commission income	21	59,159	40,636
Total revenues		536,407	463,862
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	21	167,385	271,928
Commissions and brokerage expenses	21	109,028	97,282
Other underwriting expenses	21	80,032	65,462
Operating expenses	22	171,963	60,895
Total underwriting expenses		528,408	495,567
Profit (loss) on underwriting		7,999	(31,705)
Net investment income		16,458	13,199
Gain on investment in securities		-	24
Other income		1,309	2,404
Income (loss) from operation		25,766	(16,078)

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

		Baht: '000	
	Notes	2013	2012
Contribution to the Office of Insurance Commission		1,931	1,750
Contribution to Non - life guarantee fund		1,811	1,571
Contribution to Road victims protection fund		84	87
Income (loss) before income tax expense		21,940	(19,486)
Income tax expense	23	27,389	597
Net loss		(5,449)	(20,083)
Other comprehensive income (loss)			
Surplus (deficit) on revaluation of investments		(3,245)	3,862
Income tax relating to other comprehensive income (loss)		649	(888)
Other net comprehensive income (loss) for the periods - net of tax		(2,596)	2,974
Total comprehensive loss for the periods		(8,045)	(17,109)
Basic loss per share	24 Baht	(0.03)	(0.14)

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
Revenues			
Net premium earned	21	942,059	833,210
Fee and commission income	21	120,046	97,805
Total revenues		1,062,105	931,015
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	21	405,169	677,996
Commissions and brokerage expenses	21	219,493	193,592
Other underwriting expenses	21	158,748	139,012
Operating expenses	22	231,674	120,215
Total underwriting expenses		1,015,084	1,130,815
Profit (loss) on underwriting		47,021	(199,800)
Net investment income		28,554	24,400
Gain (loss) on investment in securities		2,004	(808)
Other income		3,063	2,437
Income (loss) from operation		80,642	(173,771)

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

		Baht: '000	
	Notes	2013	2012
Contribution to the Office of Insurance Commission		4,210	3,674
Contribution to Non - life guarantee fund		3,710	3,175
Contribution to Road victims protection fund		167	169
Income (loss) before income tax expense		72,555	(180,789)
Income tax - expense (income)	23	37,644	(21,640)
Net income (loss)		34,911	(159,149)
Other comprehensive income			
Surplus on revaluation of investments	5.1	638	3,095
Income tax relating to other comprehensive income	5.1	(127)	(712)
Other net comprehensive income for the periods - net of tax		511	2,383
Total comprehensive income (loss) for the periods		35,422	(156,766)
Basic earnings (loss) per share	24	Baht	0.19
			(1.14)

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

"UNAUDITED"

					Baht: '000
	Notes	Issued and paid-up share capital	Unappropriated Retain earnings (deficit)	Other components of equity - Surplus 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	-	(159,149)	2,383	(156,766)
Ending balance as at June 30, 2012		<u>1,800,000</u>	<u>(885,092)</u>	<u>5,353</u>	<u>920,261</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	-	34,911	511	35,422
Ending balance as at June 30, 2013		<u>1,800,000</u>	<u>(775,112)</u>	<u>11,766</u>	<u>1,036,654</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Direct premium received		1,485,189	1,226,865
Cash received from reinsurance		710,766	1,540,425
Losses incurred from direct insurance		(632,097)	(2,852,886)
Loss adjustment expenses from direct insurance		(36,576)	(37,103)
Commissions and brokerages from direct insurance		(216,987)	(182,539)
Other underwriting expenses		(157,798)	(146,714)
Interest income		27,592	22,819
Dividend income		9	4
Other income		2,720	131
Operating expenses		77,268	(103,982)
Income tax paid		(5,792)	(4,218)
Net cash provided by (used in) operating activities	5.3	1,254,294	(537,198)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY			
Investment in securities		38,454	457,090
Loans		1,016	988
Leasehold improvement and equipment		345	2,315
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		47,253	70,376
Cash provided by investing activities		87,068	530,769

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013

"UNAUDITED"

		Baht: '000	
	Notes	2013	2012
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
(CONTINUED)			
CASH FLOWS USED IN			
Investment in securities		-	(53,584)
Loans		(365)	(730)
Leasehold improvement and equipment		(9,010)	(6,562)
Intangible assets		(14)	(7,015)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		(7,900)	(932,925)
Cash used in investing activities		<u>(17,289)</u>	<u>(1,000,816)</u>
Net cash provided by (used in) investing activities		<u>69,779</u>	<u>(470,047)</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Cash received from increase in share capital		-	600,000
Bank overdraft		-	594
Net cash provided by financing activities		<u>-</u>	<u>600,594</u>
Net increase (decrease) in cash and cash equivalents		1,324,073	(406,651)
Cash and cash equivalents as at January 1,		534,742	738,839
Cash and cash equivalents as at June 30,	5.2	<u><u>1,858,815</u></u>	<u><u>332,188</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 SIX-MONTH PERIODS ENDED JUNE 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 six-month periods ended June 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 six-month periods ended June 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 six-month periods ended June 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 Interpretation (TSI) and Thai Financial Reporting Interpretations (TFRI), which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2014 onwards as follows:

Thai Accounting Standard Interpretation (TSI)

TSI 29 Disclosure - Service concession Arrangements

Thai Financial Reporting Interpretations (TFRI)

TFRI 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRI 4 Determining Whether an Arrangement Contains a Lease

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

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

TFRI 10 Interim Financial Reporting and Impairment

TFRI 12 Service Concession Arrangements

TFRI 13 Customer Loyalty Programmes

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

Thai Financial Reporting Standard (TFRS)

TFRS 4 Insurance Contracts

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

- 2.6 Adoption of revised Thai Accounting Standard and new Thai Financial Reporting Standard

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 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 June 30, 2013, the Company recorded loss reserves from claims of flooding amounting to Baht 1,745.32 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 1,049.48 million (December 31, 2012 : Baht 1,896.63 million), as part of reinsurance assets (see Note 7).

For the three-month and six-month periods ended June 30, 2013, the Company has paid insurance claims from the flooding to the insured by net of loss refundable from reinsurance amounting to Baht 42.46 million and Baht 106.30 million, respectively (June 30, 2012 : Baht 245.42 million and Baht 464.76 million, respectively), and recorded (reversed) net insurance claims arising from loss incurred and loss refundable from such situation amounting to Baht (43.31) million and Baht (56.73) million, respectively (June 30, 2012 : Baht (29.44) million and Baht 93.49 million, respectively), as part of insurance claims and loss adjustment expenses in the statements of comprehensive income for the three-month and six-month periods ended June 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 June 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	14,707	6,952
<u>Less</u> Deferred tax liabilities (see Note 18)	<u>(2,941)</u>	<u>(1,599)</u>
Surplus on revaluation of investments - net	<u>11,766</u>	<u>5,353</u>

For the six-month periods ended June 30, 2013 and 2012, changes in surplus on revaluation of investments - net of deferred tax were as follows:

	2013	Baht: '000 2012
Increase of unrealized gain on investment in available for sale securities	638	3,095
Increase of deferred tax liabilities (see Note 18)	<u>(127)</u>	<u>(712)</u>
Increase of surplus on revaluation of investments - net	<u>511</u>	<u>2,383</u>

5.2 Cash and cash equivalents as at June 30, 2013 and 2012, consist of the following:

	2013	Baht: '000 2012
Cash	265	260
Cheque on hands	25,561	-
Deposits at bank - call deposits	350,749	1,132,810
Deposits at bank - time deposits	311,098	176,445
Government securities - Treasury bill	<u>1,482,240</u>	<u>-</u>
	2,169,913	1,309,515
<u>Less</u> Deposits at bank with maturity over 3 months (see Note 8)	-	(5,610)
Deposits at bank used as collateral (see Note 8)	<u>(311,098)</u>	<u>(971,717)</u>
Cash and cash equivalents	<u>1,858,815</u>	<u>332,188</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 six-month periods ended June 30, 2013 and 2012 are as follows:

	2013	Baht: '000 2012
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net profit (loss) before income tax	72,555	(180,789)
Items to reconcile net profit (loss) to net cash flows:		
Depreciation	8,338	8,218
Amortization of intangible assets	8,807	8,723
Gain on sale of assets	(343)	(2,306)
Employment benefit expense	3,017	2,827
Unearned premium reserve increase from prior periods	48,349	78,063
Amortization of bonds premium	1,328	1,045
Amortization of bonds discount	(88)	(1,036)
Amortization of treasury bills discount	-	(1,657)
Amortization of debentures premium	9	30
Amortization of debentures discount	-	(11)
Allowance for doubtful accounts	114,677	-
(Gain) loss on sale of investment in available for sale securities - other securities	(2,004)	809
Profit (loss) from operations before changes in operating assets and liabilities	254,645	(86,084)
Operating assets (increase) decrease		
Accrued investment income	(2,204)	51
Premium due and uncollected	(17,243)	(16,140)
Reinsurance assets	1,172,120	754,706
Deferred commission expense	(5,345)	976
Other assets	(4,308)	(4,469)
Operating liabilities increase (decrease)		
Due to reinsurers	(210,295)	331,759
Loss reserves and outstanding claims	(140,961)	(1,495,875)
Premium written received in advance	21,507	(22,321)
Commission and brokerage payables	4,719	4,166
Accrued expenses	(19,142)	(712)
Other liabilities	206,593	963
Cash provided by (used in) operating activities	1,260,086	(532,980)
Income tax paid	(5,792)	(4,218)
Net cash provided by (used in) operating activities	<u>1,254,294</u>	<u>(537,198)</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

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

	As at June 30, 2013				As at December 31, 2012			
	Agent and		Inward	Total	Agent and		Inward	Total
	Insured	Broker			Insured	Broker		
	Baht: '000							
Within credit terms	7,223	156,656	1,313	165,192	10,748	160,579	1,093	172,420
Less than 30 days	329	34,712	917	35,958	410	35,482	987	36,879
31 - 60 days	49	32,685	1,000	33,734	366	13,140	3,728	17,234
61 - 90 days	189	8,987	680	9,856	21	4,607	993	5,621
91 days - 1 year	1,370	17,578	3,606	22,554	1	13,730	4,141	17,872
Over 1 year	-	175	687	862	-	663	224	887
Total premium due and uncollected	9,160	250,793	8,203	268,156	11,546	228,201	11,166	250,913
Less Allowance for doubtful accounts	-	(9,576)	-	(9,576)	-	(9,576)	-	(9,576)
Premium due and uncollected - net	9,160	241,217	8,203	258,580	11,546	218,625	11,166	241,337

7. REINSURANCE ASSETS

Reinsurance assets as at June 30, 2013 and December 31, 2012 consist of the following:

	Baht: '000	
	As at June 30, 2013	As at December 31, 2012
Deposit on reinsurance	1	1
Due from reinsurers	807,877	1,379,471
Insurance reserve refundable from reinsurers	1,610,961	2,211,487
	<u>2,418,839</u>	<u>3,590,959</u>
Less Allowance for doubtful accounts	(114,677)	-
Total reinsurance assets	<u>2,304,162</u>	<u>3,590,959</u>

Insurance reserve refundable from reinsurers as at June 30, 2013 and December 31, 2012 included an expected refundable from reinsurers caused by suffering losses from flooding in Thailand amounting to Baht 1,049.48 million and Baht 1,896.63 million, respectively (see Note 4).

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

	As at June 30, 2013	Baht: '000 As at December 31, 2012
Within credit terms	554,063	1,163,236
Within 12 months	212,680	215,781
1 - 2 years	41,024	437
Over 2 years	110	17
Total due from reinsurers	<u>807,877</u>	<u>1,379,471</u>

8. INVESTMENT IN SECURITIES

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

	As at June 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	282,791	285,428	289,725	293,045
Private enterprises debt securities	-	-	5,244	5,447
Foreign debt securities	400,266	402,995	405,097	407,150
Unit trusts	29,525	38,866	47,714	56,207
Total	<u>712,582</u>	<u>727,289</u>	<u>747,780</u>	<u>761,849</u>
Add Unrealized gain	14,707	-	14,069	-
Total available for sale securities	<u>727,289</u>	<u>727,289</u>	<u>761,849</u>	<u>761,849</u>
Held-to-maturity investment securities				
Government and state enterprise securities	-		2,500	
Deposits at bank with maturity over 3 months (see Note 5.2)	-		24,750	
Deposits at bank used as collateral (see Note 5.2)	311,098		325,701	
Total held-to-maturity investment securities	<u>311,098</u>		<u>352,951</u>	
General investment securities				
Equity securities	1,211		1,211	
Total general investment securities	<u>1,211</u>		<u>1,211</u>	
Total investment in securities - net	<u>1,039,598</u>		<u>1,116,011</u>	

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

	Within 1 year	Maturities 1 - 5 years	Over 5 years	Total
Available for sale in debt securities				
Government and state enterprise securities	120,153	159,344	3,294	282,791
Foreign debt securities	400,266	-	-	400,266
Add Unrealized gain	3,362	1,756	248	5,366
Total available for sale debt securities	<u>523,781</u>	<u>161,100</u>	<u>3,542</u>	<u>688,423</u>
Total debt securities - net	<u>523,781</u>	<u>161,100</u>	<u>3,542</u>	<u>688,423</u>

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

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

As at June 30, 2013, certain of bank deposits are pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 17).

As at June 30, 2013 and December 31, 2012, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 272.31 million and Baht 235.60 million, respectively (see Note 27).

As at June 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 June 30, 2013 and December 31, 2012 consist of the following:

	Cost			Accumulated depreciation			Ending balance of leasehold improvement and equipment - net as at June 30, 2013
	As at January 1, 2013	Increase	Disposal	As at June 30, 2013	Depreciation	Disposal	
Leasehold improvement	21,186	2,606	(367)	23,425	(15,037)	367	7,758
Furniture, fixtures and office equipment	101,821	3,478	(164)	105,135	(85,155)	162	16,088
Vehicles	39,234	2,926	(581)	41,579	(19,052)	581	19,821
Total	162,241	9,010	(1,112)	170,139	(119,244)	1,110	43,667
							Baht: '000
							Beginning balance of leasehold improvement and equipment - net as at January 1, 2013
							6,149
							16,666
							20,182
							42,997

	Cost			Accumulated depreciation			Ending balance of leasehold improvement and equipment - net as at December 31, 2012
	As at January 1, 2012	Increase	Disposal	As at December 31, 2012	Depreciation	Disposal	
Leasehold improvement	16,526	4,715	(55)	21,186	(13,507)	30	6,149
Furniture, fixtures and office equipment	108,684	2,404	(9,267)	101,821	(85,685)	9,234	16,666
Vehicles	38,608	8,256	(7,630)	39,234	(19,658)	7,014	20,182
Total	163,818	15,375	(16,952)	162,241	(118,850)	16,278	42,997
							Baht: '000
							Beginning balance of leasehold improvement and equipment - net as at January 1, 2012
							3,019
							22,999
							18,950
							44,968

As at June 30, 2013 and December 31, 2012, certain fixed assets at cost of Baht 85.72 million and Baht 78.18 million, respectively, were fully depreciated but still in use.

11. DEFERRED TAX ASSETS

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

	As at June 30, 2013	Baht: '000 As at December 31, 2012
Deferred tax assets	<u>298,705</u>	<u>336,349</u>

Movements of deferred tax assets for six-month periods ended June 30, 2013 and 2012 consist of tax effects from the following items:

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at June 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	3,339	-	75,356
Loss reserve - net	114,736	88,730	-	203,466
Incurred but not reported claims	9,113	3,807	-	12,920
Employee benefits obligation	2,229	603	-	2,832
Unused tax losses	130,107	(129,210)	-	897
Others	5,975	(4,913)	-	1,062
Total	<u>336,349</u>	<u>(37,644)</u>	<u>-</u>	<u>298,705</u>

	As at January 1, 2012	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at June 30, 2012
Allowance for doubtful accounts				
- Premium due and uncollected	1,840	-	-	1,840
Allowance for doubtful accounts				
- Other receivable	858	-	-	858
Unearned premium reserve	82,820	-	-	82,820
Loss reserve - net	261,680	(50,635)	-	211,045
Incurred but not reported claims	7,888	(46)	-	7,842
Employee benefits obligation	1,728	250	-	1,978
Unused tax losses	-	74,169	-	74,169
Others	7,114	(2,098)	-	5,016
Total	<u>363,928</u>	<u>21,640</u>	<u>-</u>	<u>385,568</u>

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

12. OTHER ASSETS

Other assets as at June 30, 2013 and December 31, 2012 consist of the following:

	As at June 30, 2013	Baht: '000 As at December 31, 2012
Other receivable	23,862	21,745
Refundable withholding tax	16,859	11,067
Premium saving certificates used as collateral	12,500	12,500
Others	12,869	10,678
Total other assets	<u>66,090</u>	<u>55,990</u>

13. DUE TO REINSURERS

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

	As at June 30, 2013	Baht: '000 As at December 31, 2012
Premium ceded payables	41,790	73,271
Amount withheld on reinsurance	259,086	209,137
Other reinsurance payables	377,011	605,774
Total due to reinsurers	<u>677,887</u>	<u>888,182</u>

14. LOSS RESERVES AND OUTSTANDING CLAIMS

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

	As at June 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	19,035	6,120
- Incurred but not yet agreed	(156,876)	(3,401,669)
- Incurred and agreed	766,306	4,492,618
Loss paid and loss adjustment paid during the period/year	(769,426)	(4,483,196)
As at June 30 and December 31,	<u>2,701,510</u>	<u>2,842,471</u>

As at June 30 2013 and December 31, 2012, the Company had loss reserves and outstanding claims under the reinsurance contracts amounting to Baht 1,718.36 million and Baht 1,922.38 million, respectively.

Loss reserves and outstanding claims as at June 30, 2013 and December 31, 2012 in the financial statements has been included claim from suffering losses from flooding in Thailand amounting to Baht 1,745.32 million and Baht 2,170.77 million, respectively (see Note 4).

15. PREMIUM RESERVE

Premium reserve as at June 30, 2013 and December 31, 2012 consist of the following:

15.1 Unearned premium reserve

	As at June 30, 2013	Baht: '000 As at December 31, 2012
As at January 1,	897,935	796,725
Premium written for the period/year	990,408	1,811,079
Earned premium for the period/year	(942,059)	(1,709,869)
As at June 30 and December 31,	<u>946,284</u>	<u>897,935</u>

As at June 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 117.22 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 June 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 586.23 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 six-month periods ended June 30, 2013 and 2012 consist of the following:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Current service cost	1,102	1,085	2,205	2,169
Interest cost	406	381	812	762
Total reserve for retirement benefit expense	<u>1,508</u>	<u>1,466</u>	<u>3,017</u>	<u>2,931</u>

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

	As at June 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	2,205	4,338
Interest cost	812	1,523
Benefit paid during the period/year	-	(104)
Present value of obligation at the ending of the period/year	<u>47,253</u>	<u>44,236</u>

17. BANK OVERDRAFTS

As at June 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).

As at June 30, 2013, such credit lines were undrawn.

18. DEFERRED TAX LIABILITIES

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

	As at June 30, 2013	Baht: '000 As at December 31, 2012
Deferred tax liabilities	<u>2,941</u>	<u>2,814</u>

Movements of deferred tax liabilities for six-month periods ended June 30, 2013 and 2012 consist of tax effects from the following items:

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at June 30, 2013
Unrealized gain on the change in value of investment in available for sale securities	<u>2,814</u>	<u>-</u>	<u>127</u>	<u>2,941</u>
Total (see Note 5.1)	<u>2,814</u>	<u>-</u>	<u>127</u>	<u>2,941</u>

	As at January 1, 2012	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at June 30, 2012
Unrealized gain on the change in value of investment in available for sale securities	<u>887</u>	<u>-</u>	<u>712</u>	<u>1,599</u>
Total (see Note 5.1)	<u>887</u>	<u>-</u>	<u>712</u>	<u>1,599</u>

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

19. OTHER LIABILITIES

Other liabilities as at June 30, 2013 and December 31, 2012 consist of the following:

	As at June 30, 2013	Baht: '000 As at December 31, 2012
Payable from purchase of security	199,812	-
Other payable - promotion expense	20,396	16,313
Amount received in advance - premium	35,043	32,604
Revenue Department payable	558	-
Withholding tax payable	4,086	4,461
Undue output vat	3,200	3,149
Others	9,540	9,515
Total other liabilities	272,635	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 June 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 during the year 2012 (60,000,000 x 58/182)	-	19,120,879
	180,000,000	139,120,879

21. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

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

	For the three-month period ended June 30, 2013					Baht: '000
	Fire	Marine	Motor	Personal	Other	Total
				Accident	miscellaneous	
Underwriting income						
Gross premiums written	145,087	96,682	237,103	70,966	180,399	730,237
<u>Less</u> Premiums ceded	52,635	66,842	1,518	11,716	113,594	246,305
Net premiums written	92,452	29,840	235,585	59,250	66,805	483,932
<u>(Add) Less</u> Unearned premium reserve	(412)	3,479	9,509	(1,244)	(4,648)	6,684
Net premium earned	92,864	26,361	226,076	60,494	71,453	477,248
Fee and commission income	15,627	18,510	-	2,944	22,078	59,159
Total underwriting income	<u>108,491</u>	<u>44,871</u>	<u>226,076</u>	<u>63,438</u>	<u>93,531</u>	<u>536,407</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	16,351	10,913	125,501	29,409	(14,789)	167,385
Commissions and brokerages expenses	30,586	11,852	31,466	12,230	22,894	109,028
Other underwriting expenses	9,680	7,661	24,289	12,326	26,076	80,032
Total underwriting expenses	<u>56,617</u>	<u>30,426</u>	<u>181,256</u>	<u>53,965</u>	<u>34,181</u>	<u>356,445</u>

	For the three-month period ended June 30, 2012					Baht: '000
	Fire	Marine	Motor	Personal	Other	Total
				Accident	miscellaneous	
Underwriting income						
Gross premiums written	132,061	97,789	207,813	53,920	149,908	641,491
<u>Less</u> Premiums ceded	37,059	71,036	(7)	8,405	68,399	184,892
Net premiums written	95,002	26,753	207,820	45,515	81,509	456,599
<u>(Add) Less</u> Unearned premium reserve	2,936	4,201	17,579	(2,147)	10,804	33,373
Net premium earned	92,066	22,552	190,241	47,662	70,705	423,226
Fee and commission income	5,787	19,398	(3)	1,810	13,644	40,636
Total underwriting income	<u>97,853</u>	<u>41,950</u>	<u>190,238</u>	<u>49,472</u>	<u>84,349</u>	<u>463,862</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	91,430	7,838	103,545	15,701	53,414	271,928
Commissions and brokerages expenses	29,908	12,314	29,850	9,282	15,928	97,282
Other underwriting expenses	7,721	7,670	16,318	8,957	24,796	65,462
Total underwriting expenses	<u>129,059</u>	<u>27,822</u>	<u>149,713</u>	<u>33,940</u>	<u>94,138</u>	<u>434,672</u>

	For the six-month period ended June 30, 2013					Baht: '000
	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	305,027	194,140	473,306	154,487	370,361	1,497,321
<u>Less</u> Premiums ceded	<u>133,464</u>	<u>137,078</u>	<u>3,036</u>	<u>20,825</u>	<u>212,510</u>	<u>506,913</u>
Net premiums written	171,563	57,062	470,270	133,662	157,851	990,408
<u>(Add) Less</u> Unearned premium reserve	<u>2,225</u>	<u>4,825</u>	<u>26,726</u>	<u>17,511</u>	<u>(2,938)</u>	<u>48,349</u>
Net premium earned	169,338	52,237	443,544	116,151	160,789	942,059
Fee and commission income	32,427	38,340	-	4,645	44,634	120,046
Total underwriting income	<u>201,765</u>	<u>90,577</u>	<u>443,544</u>	<u>120,796</u>	<u>205,423</u>	<u>1,062,105</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	34,172	18,255	278,804	60,386	13,552	405,169
Commissions and brokerages expenses	64,208	23,922	63,431	26,336	41,596	219,493
Other underwriting expenses	17,684	14,198	42,317	29,965	54,584	158,748
Total underwriting expenses	<u>116,064</u>	<u>56,375</u>	<u>384,552</u>	<u>116,687</u>	<u>109,732</u>	<u>783,410</u>
For the six-month period ended June 30, 2012						
	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	271,514	187,518	406,321	117,881	310,452	1,293,686
<u>Less</u> Premiums ceded	<u>86,344</u>	<u>137,853</u>	<u>3,303</u>	<u>16,959</u>	<u>137,954</u>	<u>382,413</u>
Net premiums written	185,170	49,665	403,018	100,922	172,498	911,273
<u>Less</u> Unearned premium reserve	<u>2,920</u>	<u>5,789</u>	<u>24,161</u>	<u>9,088</u>	<u>36,105</u>	<u>78,063</u>
Net premium earned	182,250	43,876	378,857	91,834	136,393	833,210
Fee and commission income	16,049	46,940	(6)	3,301	31,521	97,805
Total underwriting income	<u>198,299</u>	<u>90,816</u>	<u>378,851</u>	<u>95,135</u>	<u>167,914</u>	<u>931,015</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	147,482	17,541	231,900	64,620	216,453	677,996
Commissions and brokerages expenses	60,647	23,144	56,410	20,296	33,095	193,592
Other underwriting expenses	20,326	14,280	31,563	28,034	44,809	139,012
Total underwriting expenses	<u>228,455</u>	<u>54,965</u>	<u>319,873</u>	<u>112,950</u>	<u>294,357</u>	<u>1,010,600</u>

22. OPERATING EXPENSES

Operating expenses for the three-month and six-month periods ended June 30, 2013 and 2012, consist of the following:

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Employee benefit expense, excluded underwriting and loss adjustment expenses	19,628	18,487	40,981	36,140
Premises and equipment expense, excluded underwriting expenses	22,109	20,635	44,317	40,903
Taxes and duties	134	214	1,103	384
Bad debt and doubtful accounts	114,677	47	114,677	47
Directors personnel's remuneration	346	341	673	682
Management fee (see Note 25)	4,157	11,292	8,439	22,052
Other operating expenses	10,912	9,879	21,484	20,007
Total operating expenses	<u>171,963</u>	<u>60,895</u>	<u>231,674</u>	<u>120,215</u>

23. INCOME TAX EXPENSE (INCOME)

Income tax expenses (income) for the three-month and six-month periods ended June 30, 2013 and 2012, consist of the following:

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Income tax expense from taxable income per income tax return	-	-	-	-
Deferred tax expenses relating to the origination and reversal of temporary differences	<u>27,389</u>	<u>597</u>	<u>37,644</u>	<u>(21,640)</u>
Income tax expense (income) per the statements of comprehensive income	<u>27,389</u>	<u>597</u>	<u>37,644</u>	<u>(21,640)</u>

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

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Accounting income (loss) before tax	<u>21,940</u>	<u>(19,486)</u>	<u>72,555</u>	<u>(180,789)</u>
Income tax at 20%	4,388	-	14,511	-
Income tax at 23%	-	(4,481)	-	(41,581)
Deferred income tax expenses related to change in corporation tax rate	-	4,797	-	19,559
Tax effect of non-deductible expenses (benefits)	<u>23,001</u>	<u>281</u>	<u>23,133</u>	<u>382</u>
Income tax expense (income) per the statements of comprehensive income	<u>27,389</u>	<u>597</u>	<u>37,644</u>	<u>(21,640)</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 six-month periods ended June 30, 2013 and used a tax rate of 23% for corporate income tax calculation for the three-month and six-month periods ended June 30, 2012.

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

24. BASIC EARNINGS (LOSS) PER SHARE

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Net profit (loss) (Baht : '000)	(5,449)	(20,083)	34,911	(159,149)
Weighted average number of share capital (shares) (see Note 20)	<u>180,000,000</u>	<u>139,120,879</u>	<u>180,000,000</u>	<u>139,120,879</u>
Basic earnings (loss) per share (Baht)	<u>(0.03)</u>	<u>(0.14)</u>	<u>0.19</u>	<u>(1.14)</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 June 30, 2013	Baht: '000 As at December 31, 2012
Deposits at bank		
Bank of Ayudhya Plc.	545,400	453,239
Premium due and uncollected		
Bank of Ayudhya Plc.	617	42
Krungsri Securities Plc.	-	140
Ayudhya Development Leasing Co., Ltd.	1,583	4,930
Siam City Cement Plc.	549	231
Bangkok Broadcasting & T.V. Co., Ltd.	1,242	26
BBTV Equity Co., Ltd.	33	-
CKS Holding Co., Ltd.	-	132
Allianz Ayudhya Assurance Plc.	(6)	41
Grand Canal Land Plc.	-	344
Ayudhya Asset Management Co., Ltd.	1,009	513
Siam Realty and Services Co., Ltd.	51	115
Krungsriayudhya Card Co., Ltd.	1,172	-
	6,250	6,514

	As at June 30, 2013	Baht: '000 As at December 31, 2012
Accrued interest income		
Bank of Ayudhya Plc.	5,399	2,744
Rental and facilities deposits		
BBTV Equity Co., Ltd.	3,914	3,910
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	10	11
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	14,245	13,202
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	4,692	5,483
Accrued expense		
Sri Ayudhya Capital Plc.	4,039	8,441
Payable from purchase of security		
Bank of Ayudhya Plc.	199,812	-

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Premium written				
Bank of Ayudhya Plc.	1,199	8,661	13,291	11,573
Krungsri Securities Plc.	-	-	4	17
Krungsri Asset Management Co., Ltd.	-	-	1,345	1,346
Ayudhya Development Leasing Co., Ltd.	25,931	-	26,791	36
Siam City Cement Plc.	938	939	2,355	2,672
Bangkok Broadcasting & T.V. Co., Ltd.	4,723	3,554	5,204	4,031
Great Luck Equity Co., Ltd.	26	27	26	27
Super Assets Co., Ltd.	-	-	54	68
BBTV Equity Co., Ltd.	31	38	56	56
CKS Holding Ltd.	-	-	-	131
Allianz Ayudhya Assurance Plc.	(5)	-	585	790
Ayudhya Asset Management Co., Ltd.	939	199	1,009	167
Siam Realty and Services Co., Ltd.	328	294	575	546
Krungsri Factoring Co., Ltd.	-	14	-	14
Ayudhya Capital Auto Lease Plc.	-	1	508	1
Krungsriayudhya Card Co., Ltd.	-	-	2,689	3,010
	<u>34,110</u>	<u>13,727</u>	<u>54,492</u>	<u>24,485</u>

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

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Interest income				
Bank of Ayudhya Plc.	2,882	2,180	4,503	3,045

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

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Commissions and brokerages				
Bank of Ayudhya Plc.	38,673	31,159	80,083	65,368
Other underwriting expenses				
Bank of Ayudhya Plc.	15,579	12,743	34,124	33,640

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

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Custodian fee				
Bank of Ayudhya Plc.	29	42	59	75

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

	Baht: '000			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Rental and service fees				
BBTV Equity Co., Ltd.	3,910	3,910	7,820	6,829
Management fee				
Sri Ayudhya Capital Plc. (see Note 22)	4,157	11,292	8,439	22,052

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 six-month periods ended June 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 periods ended June 30,		For the six-month periods ended June 30,	
	2013	2012	2013	2012
Directors and key management personnel's remuneration	5,950	4,642	11,880	11,727

Baht: '000

Directors' remuneration for the 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 June 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:

	As at	Baht: '000
	June 30, 2013	As at December 31, 2012
Government and state enterprise securities	258,305	51,600
Deposits at bank	14,000	184,000
Total deposits with the Registrar	<u>272,305</u>	<u>235,600</u>

28. BACKUP ASSETS

As at June 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 June 30, 2013	Baht: '000 As at December 31, 2012
Government and state enterprise securities	27,122	243,944
Private enterprises debt securities	-	5,447
Foreign debt securities	402,995	407,150
Unit trusts	38,866	56,207
Deposits at bank	277,098	141,702
Equity securities	1,211	1,211
Total backup assets	<u>747,292</u>	<u>855,661</u>

29. CONTINGENT LIABILITIES AND COMMITMENT

29.1 As at June 30, 2013 and December 31, 2012, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 13.95 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 June 30, 2013 and December 31, 2012, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 17.09 million.

30. LONG - TERM LEASES AND SERVICE AGREEMENTS

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

Type of lease	Remaining periods		Baht: '000
	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
As at June 30, 2013			
Building			
- related company	4,253	989	5,242
- others	2,895	4,520	7,415
Service - related company	4,253	989	5,242
Equipment - related company	5,671	1,319	6,990
	<u>17,072</u>	<u>7,817</u>	<u>24,889</u>

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

31. SEGMENT INFORMATION

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

32. AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on August 9, 2013.