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

Interim Financial Statements

Three-month period ended March 31, 2014

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

TO THE BOARD OF DIRECTORS

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

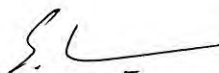
We have reviewed the statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at March 31, 2014, and the related statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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



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

BANGKOK
May 9, 2014

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

Baht: '000

		"Unaudited"	
		As at	As at
		March 31,	December 31,
		2014	2013
	Notes		
ASSETS			
Cash and cash equivalents		403,089	1,592,292
Accrued investment income		12,198	10,890
Premium due and uncollected - net	6	287,936	255,078
Reinsurance assets	7	1,652,010	1,838,461
Investments			
Investment in securities	8		
Available-for-sale securities		905,832	903,686
Held-to-maturity securities		1,389,808	309,395
General investment in securities		1,211	1,211
Total investment in securities		<u>2,296,851</u>	<u>1,214,292</u>
Loans	9	2,205	2,574
Leasehold improvement and equipment - net	10	48,692	43,909
Intangible assets - net		97,195	101,051
Deferred tax assets	11	233,716	275,918
Deferred commission expense		59,584	54,397
Other assets	12	81,666	52,270
TOTAL ASSETS		<u><u>5,175,142</u></u>	<u><u>5,441,132</u></u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31, 2014

Baht: '000

		"Unaudited"	
		As at	As at
	Notes	March 31,	December 31,
		2014	2013
LIABILITIES AND EQUITY			
Due to reinsurers	13	692,682	622,509
Insurance contract liabilities			
Loss reserves and outstanding claims	14	1,713,585	2,176,599
Premium reserve	15	884,817	910,180
Employee benefit obligations	16	49,964	48,185
Deferred tax liabilities	18	2,909	2,442
Premium written received in advance		360,183	330,860
Commission and brokerage payables		58,952	52,876
Accrued expenses		17,316	56,249
Other liabilities	19	66,184	82,984
TOTAL LIABILITIES		<u>3,846,592</u>	<u>4,282,884</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 deficits			
Unappropriated		(483,087)	(651,517)
Other components of equity			
Surplus on revaluation of investment		<u>11,637</u>	<u>9,765</u>
TOTAL EQUITY		<u>1,328,550</u>	<u>1,158,248</u>
TOTAL LIABILITIES AND EQUITY		<u>5,175,142</u>	<u>5,441,132</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

"UNAUDITED"

Baht: '000

	Notes	2014	2013
Revenues			
Net premium earned	20	472,932	464,812
Fee and commission income	20	89,437	60,886
Total revenues		562,369	525,698
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	20	85,121	237,784
Commissions and brokerage expenses	20	110,578	110,465
Other underwriting expenses	20	97,663	78,716
Operating expenses	21	69,923	59,712
Total underwriting expenses		363,285	486,677
Profit on underwriting		199,084	39,021
Net investment income		15,710	12,096
Gain on investment in securities		-	2,004
Other income		720	1,755
Income from operation		215,514	54,876

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
"UNAUDITED"

			Baht: '000
	Notes	2014	2013
Contribution to the Office of Insurance Commission		2,296	2,279
Contribution to Non - life Guarantee Fund		1,913	1,899
Contribution to Road Victims Protection Fund		89	84
Income before income tax expense		211,216	50,614
Income tax expense	22	42,786	10,255
Net income		<u>168,430</u>	<u>40,359</u>
Other comprehensive income			
Surplus on revaluation of			
investments - net of income tax	5.1.1	1,872	3,107
Other net comprehensive income for the periods		1,872	3,107
Total comprehensive income for the periods		<u>170,302</u>	<u>43,466</u>
Basic earnings per share	23	Baht	0.94
			0.22

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014
"UNAUDITED"

Baht: '000

	Notes	Issued and paid-up share capital	Retained deficits Unappropriated	Other components of equity - Surplus on revaluation of investments	Total equity
Beginning balance as at January 1, 2013		1,800,000	(810,023)	11,255	1,001,232
Comprehensive income	5.1.1	-	40,359	3,107	43,466
Ending balance as at March 31, 2013		<u>1,800,000</u>	<u>(769,664)</u>	<u>14,362</u>	<u>1,044,698</u>
Beginning balance as at January 1, 2014		1,800,000	(651,517)	9,765	1,158,248
Comprehensive income	5.1.1	-	168,430	1,872	170,302
Ending balance as at March 31, 2014		<u>1,800,000</u>	<u>(483,087)</u>	<u>11,637</u>	<u>1,328,550</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

"UNAUDITED"

Baht: '000

	Notes	2014	2013
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Direct premium received		750,812	753,461
Cash received (paid) from reinsurance		(167,041)	512,020
Losses incurred from direct insurance		(321,447)	(351,527)
Loss adjustment expenses from direct insurance		(22,270)	(18,812)
Commissions and brokerages from direct insurance		(107,783)	(106,249)
Other underwriting expenses		(121,344)	(76,243)
Interest income		15,795	8,398
Other income		718	1,754
Operating expenses		(122,517)	(67,993)
Income tax paid		(2,615)	(2,846)
Net cash provided by (used in) operating activities	5.3	<u>(97,692)</u>	<u>651,963</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY			
Investment in securities		100,000	31,552
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		21,721	594
Loans		369	489
Leasehold improvement and equipment		2	1
Cash provided by investing activities		<u>122,092</u>	<u>32,636</u>

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

"UNAUDITED"

Baht: '000

	Notes	2014	2013
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
(CONTINUED)			
CASH FLOWS USED IN			
Investment in securities		(700,710)	-
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		(502,624)	(1,481)
Loans		-	(300)
Leasehold improvement and equipment		(9,540)	(4,710)
Intangible assets		(729)	-
Cash used in investing activities		<u>(1,213,603)</u>	<u>(6,491)</u>
Net cash provided by (used in) investing activities		<u>(1,091,511)</u>	<u>26,145</u>
Net increase (decrease) in cash and cash equivalents		(1,189,203)	678,108
Cash and cash equivalents as at January 1,		<u>1,592,292</u>	<u>534,742</u>
Cash and cash equivalents as at March 31,	5.2	<u><u>403,089</u></u>	<u><u>1,212,850</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 PERIOD ENDED MARCH 31, 2014
“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.

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

2.2 The interim financial statements for the three-month period ended March 31, 2014 are prepared by the management of the Company and is 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 the three-month period ended March 31, 2014 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 period ended March 31, 2014 should be read in conjunction with the audited financial statements for the year ended December 31, 2013.

2.5 Adoption of new and revised Thai Financial Reporting Standards

Since January 1, 2014, the Company has adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2014 onwards, in the preparation and presentation of interim financial statements of the Company as follows:

Thai Accounting Standards (TASs)

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets

Thai Financial Reporting Standards (TFRSs)

TFRS 2 (Revised 2012)	Share-based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Accounting Standard Interpretations (TSIs)

TSI 15	Operating Leases - Incentive
TSI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 29	Disclosure - Service Concession Arrangements
TSI 32	Intangible Assets - Web Site Costs

Thai Financial Reporting Interpretations (TFRIs)

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
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets from Customers

Guideline on Accounting

Guideline on Accounting regarding Stock Dividend

Such TFRSs have no significant impact on the Company's financial statements.

- 2.6 The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standard (TFRS), which has been announced in the Royal Gazette, and effective for the financial statements for the periods beginning on or after January 1, 2016, as follows:

Thai Financial Reporting Standard (TFRS)

TFRS 4	Insurance Contracts
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The Company's management will adopt the above TFRS in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process of assessing the impact on the Company's financial statements for the period of initial application.

- 2.7 The preparation of financial statements in conformity with TFRSs 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, 2013.

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 March 31, 2014, the Company recorded loss reserves from claims of flooding amounting to Baht 939.14 million (December 31, 2013 : Baht 1,337.12 million), as part of loss reserves and outstanding claims (see Note 14), and recorded loss refundable from reinsurance - net amounting to Baht 619.44 million (December 31, 2013 : Baht 806.81 million), as part of reinsurance assets (see Note 7).

For the three-month period ended March 31, 2014, the Company has paid insurance claims from the flooding to the insured by net of loss refundable from reinsurance amounting to Baht 143.35 million (March 31, 2013 : Baht 63.84 million), and reversed net insurance claims arising from loss incurred and loss refundable from such situation amounting to Baht 142.26 million (March 31, 2013 : Baht 13.42 million), as part of insurance claims and loss adjustment expenses in the statements of comprehensive income for the three-month periods ended March 31, 2014 and 2013.

In 2014, the Company has additional loss refundable from reinsurers from the flooding amounting to Baht 245.87 million with certain business obligations. For the three-month period ended March 31, 2014, the Company recorded such loss refundable from reinsurers amounting to Baht 131.56 million. The remaining loss refundable from reinsurers will be recognized as specified in business obligations aforementioned (see Note 20).

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

5.1.1 As at March 31, 2014 and 2013, the surplus on revaluation of investments which is presented in other components of equity was shown net of deferred tax liabilities as follows:

	2014	Baht: '000 2013
Unrealized gain on investment in available-for-sale securities	14,546	17,952
<u>Less</u> Deferred tax liabilities (see Note 18)	<u>(2,909)</u>	<u>(3,590)</u>
Surplus on revaluation of investments - net	<u>11,637</u>	<u>14,362</u>

For the three-month periods ended March 31, 2014 and 2013, changes in surplus on revaluation of investments - net of deferred tax were as follows:

	2014	Baht: '000 2013
Increase of unrealized gain on investment in available-for-sale securities	2,339	3,883
Increase of deferred tax liabilities (see Note 18)	<u>(467)</u>	<u>(776)</u>
Increase of surplus on revaluation of investments - net	<u>1,872</u>	<u>3,107</u>

5.1.2 Leasehold improvement and equipment for the three-month periods ended March 31, 2014 and 2013 consist of the following:

	2014	Baht: '000 2013
Other payable - fixed assets as at January 1,	1,813	-
<u>Add</u> Purchases of fixed assets	9,236	4,710
<u>Less</u> Cash paid for purchase of fixed assets	<u>(9,540)</u>	<u>(4,710)</u>
Other payable - fixed assets as at March 31,	<u>1,509</u>	<u>-</u>

5.1.3 Intangible assets for the three-month periods ended March 31, 2014 and 2013 consist of the following:

	2014	Baht: '000 2013
Other payable - intangible assets as at January 1,	279	-
<u>Add</u> Purchases of intangible assets	450	-
<u>Less</u> Cash paid for purchase of intangible assets	<u>(729)</u>	<u>-</u>
Other payable - intangible assets as at March 31,	<u>-</u>	<u>-</u>

5.2 Cash and cash equivalents as at March 31, 2014 and 2013, consist of the following:

	2014	Baht: '000 2013
Cash	265	265
Cheque on hands	12,232	14,847
Deposits at bank - call deposits	891,995	397,946
Deposits at bank - time deposits	288,895	351,339
Government securities - Treasury bill	599,510	799,792
	<u>1,792,897</u>	<u>1,564,189</u>
<u>Less</u> Deposits at bank with maturity over 3 months	-	(24,750)
Deposits at bank used as collateral	(790,298)	(326,589)
Government securities - Treasury bill used as collateral	<u>(599,510)</u>	<u>-</u>
Cash and cash equivalents	<u><u>403,089</u></u>	<u><u>1,212,850</u></u>

5.3 Cash flows provided by (used in) operating activities

Items to reconcile net profit to net cash flows provided by (used in) operating activities for the three-month periods ended March 31, 2014 and 2013 are as follows:

	2014	Baht: '000 2013
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Profit before income tax	211,216	50,614
Items to reconcile net profit to net cash flows:		
Depreciation	4,453	4,175
Amortization	4,306	4,385
Gain on sale of fixed assets	(2)	(1)
Employment benefit expense	1,779	1,508
Unearned premium reserve increase (decrease) from prior periods	(25,363)	41,664
Amortization of bonds premium	1,436	658
Amortization of bonds discount	(45)	(45)
Amortization of debentures premium	2	6
Gain loss on sale of investment in available-for-sale securities - other securities	<u>-</u>	<u>(2,004)</u>
Profit from operations before changes in operating asse and liabilities	197,782	100,960

	2014	Baht: '000 2013
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
(CONTINUED)		
Operating assets (increase) decrease		
Accrued investment income	(1,308)	(4,316)
Premium due and uncollected	(32,858)	(10,517)
Reinsurance assets	186,451	1,006,588
Deferred commission expense	(5,187)	(1,736)
Other assets	(27,365)	2,133
Operating liabilities increase (decrease)		
Due to reinsurers	70,173	(223,668)
Loss reserves and outstanding claims	(463,014)	(209,112)
Premium written received in advance	29,323	3,862
Commission and brokerage payables	6,076	4,363
Accrued expenses	(38,933)	(21,254)
Other liabilities	(16,217)	7,506
Cash provided by (used in) operating activities	(95,077)	654,809
Income tax paid	(2,615)	(2,846)
Net cash provided by (used in) operating activities	<u>(97,692)</u>	<u>651,963</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at March 31, 2014 and December 31, 2013 consists of the following:

	As at March 31, 2014				As at December 31, 2013			
	Agent and				Agent and			
	Insured	Broker	Inward	Total	Insured	Broker	Inward	Total
Within credit terms	46,491	169,656	1,381	217,528	13,273	159,306	1,957	174,536
Less than 30 days	936	20,226	1,737	22,899	478	35,945	1,200	37,623
31 - 60 days	1,129	11,879	2,215	15,223	13	12,424	886	13,323
61 - 90 days	15	5,750	1,716	7,481	1	6,020	980	7,001
91 days - 1 year	-	25,046	4,560	29,606	98	25,811	3,075	28,984
Over 1 year	1,172	492	3,111	4,775	1,173	441	1,573	3,187
Total premium due and uncollected	49,743	233,049	14,720	297,512	15,036	239,947	9,671	264,654
Less Allowance for doubtful accounts	(1,172)	(8,404)	-	(9,576)	-	(9,576)	-	(9,576)
Premium due and uncollected - net	<u>48,571</u>	<u>224,645</u>	<u>14,720</u>	<u>287,936</u>	<u>15,036</u>	<u>230,371</u>	<u>9,671</u>	<u>255,078</u>

7. REINSURANCE ASSETS

Reinsurance assets as at March 31, 2014 and December 31, 2013 consist of the following:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Deposit on reinsurance	-	1
Due from reinsurers	730,815	649,288
Insurance reserve refundable from reinsurers	1,035,872	1,303,849
	<u>1,766,687</u>	<u>1,953,138</u>
<u>Less Allowance for doubtful accounts</u>	<u>(114,677)</u>	<u>(114,677)</u>
Total reinsurance assets	<u>1,652,010</u>	<u>1,838,461</u>

Insurance reserve refundable from reinsurers - net as at March 31, 2014 and December 31, 2013 has included an expected loss refundable from reinsurers caused by suffering losses from flooding in Thailand amounting to Baht 619.44 million and Baht 806.81 million, respectively (see Note 4).

Aging analysis for due from reinsurers as at March 31, 2014 and December 31, 2013 was as follows:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Within credit terms	525,747	439,724
Within 12 months	25,008	73,579
1 - 2 years	179,902	135,811
Over 2 years	158	174
Total due from reinsurers	<u>730,815</u>	<u>649,288</u>

8. INVESTMENT IN SECURITIES

Investment in securities as at March 31, 2014 and December 31, 2013 consists of the following:

	Baht: '000			
	As at March 31, 2014		As at December 31, 2013	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Available-for-sale securities				
Government and state enterprise securities	461,696	467,688	461,822	465,953
Foreign debt securities	400,065	401,202	400,131	401,734
Unit trusts	29,525	36,942	29,526	35,999
Total	891,286	905,832	891,479	903,686
<u>Add Unrealized gains</u>	14,546	-	12,207	-
Total available-for-sale securities	<u>905,832</u>	<u>905,832</u>	<u>903,686</u>	<u>903,686</u>
Held-to-maturity securities				
Deposits at bank used as collateral	790,298		309,395	
Government securities - Treasury bill used as collateral	599,510		-	
Total held-to-maturity securities	<u>1,389,808</u>		<u>309,395</u>	
General investment in securities				
Equity securities	1,211		1,211	
Total general investment in securities	<u>1,211</u>		<u>1,211</u>	
Total investment in securities - net	<u>2,296,851</u>		<u>1,214,292</u>	

Debt securities classified by the remaining maturity as at March 31, 2014 were as follows:

	Maturities			Baht: '000
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale debt securities				
Government and state enterprise securities	90,504	371,192	-	461,696
Foreign debt securities	400,065	-	-	400,065
<u>Add Unrealized gains</u>	1,510	5,619	-	7,129
Total available-for-sale debt securities	<u>492,079</u>	<u>376,811</u>	<u>-</u>	<u>868,890</u>
Held-to-maturity debt securities				
Government and state enterprise securities	599,510	-	-	599,510
Total held-to-maturity debt securities	<u>599,510</u>	<u>-</u>	<u>-</u>	<u>599,510</u>
Total debt securities - net	<u>1,091,589</u>	<u>376,811</u>	<u>-</u>	<u>1,468,400</u>

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

	Maturities			Baht: '000
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale debt securities				
Government and state enterprise securities	190,789	224,136	46,897	461,822
Foreign debt securities	400,131	-	-	400,131
Add Unrealized gains	2,380	2,799	555	5,734
Total available-for-sale debt securities	<u>593,300</u>	<u>226,935</u>	<u>47,452</u>	<u>867,687</u>
Total debt securities - net	<u>593,300</u>	<u>226,935</u>	<u>47,452</u>	<u>867,687</u>

As at March 31, 2014 and December 31, 2013, certain of deposits at bank are pledged as collateral for bank overdrafts amounting to Baht 20 million (see Note 17).

As at March 31, 2014 and December 31, 2013, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 272.37 million and Baht 271.28 million, respectively (see Note 26).

As at March 31, 2014 and December 31, 2013, 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 amounting to Baht 2,004.48 million and Baht 923.02 million, respectively (see Note 27).

9. LOANS

Loans of the Company, which are loans to employees with personal collateral in accordance with the welfare policy of the Company, consist of the following:

Types of loans	Credit line of loans	Interest rate per year
General loans	Not exceed Baht 100,000 per person	3.85
Loans for residential from the flooding crisis	Not exceed Baht 100,000 per person	2.00

10. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Leasehold improvement and equipment - net as at March 31, 2014 and December 31, 2013 consist of the following:

	Cost		Accumulated depreciation		Ending balance of leasehold improvement and equipment - net as at March 31, 2014
	As at January 1, 2014	As at March 31, 2014	As at January 1, 2014	As at March 31, 2014	
Leasehold improvement	22,939	24,830	(15,299)	(15,954)	8,876
Furniture, fixtures and office equipment	60,245	66,239	(42,776)	(44,708)	21,531
Vehicles	39,325	40,616	(20,525)	(22,331)	18,285
Total	122,509	131,685	(78,600)	(82,993)	48,692

	Cost		Accumulated depreciation		Ending balance of leasehold improvement and equipment - net as at December 31, 2013
	As at January 1, 2013	As at December 31, 2013	As at January 1, 2013	As at December 31, 2013	
Leasehold improvement	21,186	22,939	(15,037)	(15,299)	7,640
Furniture, fixtures and office equipment	101,821	60,245	(85,155)	(42,776)	17,469
Vehicles	39,235	39,325	(19,053)	(20,525)	18,800
Total	162,242	122,509	(119,245)	(78,600)	43,909

As at March 31, 2014 and December 31, 2013, certain leasehold improvement and equipment at cost of Baht 39.94 million and Baht 37.37 million, respectively, were fully depreciated but still in use.

11. DEFERRED TAX ASSETS

Deferred tax assets as at March 31, 2014 and December 31, 2013 were as follows:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Deferred tax assets	<u>233,716</u>	<u>275,918</u>

Movement of deferred tax assets for the three-month periods ended March 31, 2014 and 2013 consists of tax effects from the following items:

	As at January 1, 2014	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at March 31, 2014
Allowance for doubtful accounts				
- Premium due and uncollected	1,915	-	-	1,915
Allowance for doubtful accounts				
- Other receivable	256	-	-	256
Unearned premium reserve	92,259	(2,624)	-	89,635
Loss reserve - net	160,520	(40,487)	-	120,033
Incurred but not reported claims	12,541	553	-	13,094
Employee benefits obligations	4,588	356	-	4,944
Others	3,839	-	-	3,839
Total	<u>275,918</u>	<u>(42,202)</u>	<u>-</u>	<u>233,716</u>

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

The Company used a tax rate of 20% for calculation of deferred tax for the three-month periods ended March 31, 2014 and 2013 (see Note 22).

12. OTHER ASSETS

Other assets as at March 31, 2014 and December 31, 2013 consist of the following:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Other receivable	13,177	14,046
Refundable withholding tax	14,322	13,819
Revenue Department receivable	27,379	-
Premium saving certificates used as collateral	12,500	12,500
Others	14,288	11,905
Total other assets	<u>81,666</u>	<u>52,270</u>

13. DUE TO REINSURERS

Due to reinsurers as at March 31, 2014 and December 31, 2013 consist of the following:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Premium ceded payables	85,196	66,301
Amount withheld on reinsurance	327,919	306,626
Other reinsurance payables	279,567	249,582
Total due to reinsurers	<u>692,682</u>	<u>622,509</u>

14. LOSS RESERVES AND OUTSTANDING CLAIMS

Loss reserves and outstanding claims as at March 31, 2014 and December 31, 2013 consist of the following:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
As at January 1,	2,176,599	2,842,471
Loss incurred and loss adjustment expenses during the period/year		
- Incurred but not reported	2,765	17,140
- Incurred but not yet agreed	(470,413)	(678,721)
- Incurred and agreed	655,565	1,947,644
Loss paid and loss adjustment paid during the period/year	(650,931)	(1,951,935)
As at March 31, and December 31,	<u>1,713,585</u>	<u>2,176,599</u>

As at March 31, 2014 and December 31, 2013, the Company had loss reserves and outstanding claims under the reinsurance contracts of Baht 955.59 million and Baht 1,349.98 million, respectively.

Loss reserves and outstanding claims as at March 31, 2014 and December 31, 2013 in the financial statements have included claim from suffering losses from flooding in Thailand amounting to Baht 939.14 million and Baht 1,337.12 million, respectively (see Note 4).

15. PREMIUM RESERVE

Premium reserve as at March 31, 2014 and December 31, 2013 consists of the following:

15.1 Unearned premium reserve

	As at March 31, 2014	Baht: '000 As at December 31, 2013
As at January 1,	910,180	897,935
Premium written for the period/year	447,569	1,920,896
Earned premium for the period/year	<u>(472,932)</u>	<u>(1,908,651)</u>
As at March 31, and December 31,	<u>884,817</u>	<u>910,180</u>

As at March 31, 2014 and December 31, 2013, such unearned premium reserve did not include additional unearned premium reserve of ceded premium to foreign reinsurers amounting to Baht 119.14 million and Baht 86.33 million, respectively. Such unearned premium reserve was required to be recorded in the financial report to be submitted particularly to the Office of Insurance Commission under its relevant regulations.

15.2 Unexpired risk reserve

As at March 31, 2014 and December 31, 2013, no additional reserve for unexpired risk reserve has been established as the unexpired risk reserve estimated by the Company amounting to Baht 497.65 million and Baht 567.10 million, respectively, is lower than the unearned premium reserve.

16. EMPLOYEE BENEFIT OBLIGATIONS

The Company calculated employee benefit obligations by an actuary using the projected unit credit cost method. The assumptions consist of the following:

Discount rate (%)	4.12
Resignation rate (%) based on age group of employees	3,4,12
Salary increase (%)	6
Retirement age (years)	60

Movement in the present value of the employee benefit obligations as at March 31, 2014 and December 31, 2013 was as follows:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Present value of obligation at the beginning of the period/year	48,185	44,237
Current service cost of the period/year	1,283	4,409
Interest cost	496	1,623
Actuarial loss	-	1,128
Benefit paid during the period/year	-	(3,212)
Present value of obligation at the ending of the period/year	<u>49,964</u>	<u>48,185</u>

The expense that is recorded in the statement of comprehensive income for employee benefit obligations for the three-month periods ended March 31, 2014 and 2013 consists of the following:

	2014	Baht: '000 2013
Current service cost	1,283	1,102
Interest cost	496	406
Total employee benefit expenses	<u>1,779</u>	<u>1,508</u>

17. BANK OVERDRAFTS

As at March 31, 2014 and December 31, 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).

18. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at March 31, 2014 and December 31, 2013 were as follows:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Deferred tax liabilities	<u>2,909</u>	<u>2,442</u>

Movement of deferred tax liabilities for the three-month periods ended March 31, 2014 and 2013 consists of tax effects from the following items:

	As at January 1, 2014	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at March 31, 2014
Unrealized gain on the change in value of investment in available-for-sale securities	<u>2,442</u>	<u>-</u>	<u>467</u>	<u>2,909</u>
Total (see Note 5.1.1)	<u>2,442</u>	<u>-</u>	<u>467</u>	<u>2,909</u>

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at March 31, 2013
Unrealized gain on the change in value of investment in available-for-sale securities	<u>2,814</u>	<u>-</u>	<u>776</u>	<u>3,590</u>
Total (see Note 5.1.1)	<u>2,814</u>	<u>-</u>	<u>776</u>	<u>3,590</u>

The Company used a tax rate of 20% for calculation of deferred tax for the three-month periods ended March 31, 2014 and 2013 (see Note 22).

19. OTHER LIABILITIES

Other liabilities as at March 31, 2014 and December 31, 2013 consist of the following:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Other payable - promotion expense	8,983	17,344
Amount received in advance - premium	25,400	25,689
Revenue Department payable	7,084	6,419
Undue output VAT	4,838	3,340
Others	19,879	30,192
Total other liabilities	66,184	82,984

20. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

Underwriting information classified by type of insurance for the three-month periods ended March 31, 2014 and 2013 consists of the following:

	For the three-month period ended March 31, 2014					Baht: '000
	Fire	Marine	Motor	Personal accident	Other miscellaneous	Total
	Underwriting income					
Gross premiums written	172,054	85,189	240,250	77,410	184,696	759,599
<u>Less</u> Premiums ceded	62,927	56,877	79,246	9,165	103,815	312,030
Net premiums written	109,127	28,312	161,004	68,245	80,881	447,569
<u>(Add) Less</u> Unearned premium reserve	27,823	(110)	(65,629)	14,491	(1,938)	(25,363)
Net premium earned	81,304	28,422	226,633	53,754	82,819	472,932
Fee and commission income	17,213	19,471	27,311	978	24,464	89,437
Total underwriting income	98,517	47,893	253,944	54,732	107,283	562,369
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	13,106	3,755	155,441	31,279	(118,460)	85,121
Commissions and brokerages expenses	37,015	10,360	30,068	13,196	19,939	110,578
Other underwriting expenses	11,062	7,639	33,623	19,857	25,482	97,663
Total underwriting expenses	61,183	21,754	219,132	64,332	(73,039)	293,362

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

21. OPERATING EXPENSES

Operating expenses for the three-month periods ended March 31, 2014 and 2013, consist of the following:

	2014	Baht: '000 2013
Employee benefit expenses, excluded underwriting and loss adjustment expenses	20,549	21,353
Premises and equipment expense, excluded underwriting expenses	23,566	22,208
Taxes and duties	1,005	970
Directors personnel's remuneration	2,975	328
Management fee (see Note 24)	5,153	4,282
Other operating expenses	16,675	10,571
Total operating expenses	<u>69,923</u>	<u>59,712</u>

22. INCOME TAX EXPENSE

Income tax expense for the three-month periods ended March 31, 2014 and 2013, consists of the following:

	2014	Baht: '000 2013
Income tax expense from taxable income per income tax return	584	-
Deferred tax expenses relating to the origination and reversal of temporary differences	<u>42,202</u>	<u>10,255</u>
Income tax expense per the statements of comprehensive income	<u>42,786</u>	<u>10,255</u>

The reconciliation between income tax expense and accounting income for the three-month periods ended March 31, 2014 and 2013 was as follows:

	2014	Baht: '000 2013
Accounting income before tax	211,216	50,614
Income tax at 20%	42,243	10,123
Tax effect of non-deductible expenses	543	132
Income tax expense per the statements of comprehensive income	<u>42,786</u>	<u>10,255</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 calculation of corporate income tax and deferred tax for the three-month periods ended March 31, 2014 and 2013 (see Notes 11 and 18).

23. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended March 31, 2014 and 2013 were as follows:

	2014	2013
Net profit (Baht : '000)	168,430	40,359
Number of share capital (shares)	<u>180,000,000</u>	<u>180,000,000</u>
Basic earnings per share (Baht)	<u>0.94</u>	<u>0.22</u>

24. TRANSACTIONS WITH RELATED PARTIES

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

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

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

Significant balances and transactions are as follows:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Deposits at bank		
Bank of Ayudhya Plc.	1,063,180	768,792
Premium due and uncollected		
Bank of Ayudhya Plc.	35,824	311
Krungsri Asset Management Co., Ltd.	1,343	129
Siam City Cement Plc.	2,157	485
Bangkok Broadcasting & T.V. Co., Ltd.	252	975
Super Asset Co., Ltd.	66	-
CKS Holding Ltd.	-	108
Allianz Ayudhya Assurance Plc.	293	38
Ayudhya Asset Management Co., Ltd.	768	-
Ayudhya Capital Auto Lease Plc.	-	571
Krungsriayudhya Card Co., Ltd.	2,155	2,155
	<u>42,858</u>	<u>4,772</u>

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Accrued interest income		
Bank of Ayudhya Plc.	3,255	2,401
Rental and facilities deposits		
BBTV Equity Co., Ltd.	3,910	3,924
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	18	12
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	16,420	15,883
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	6,982	6,286
Accrued expense		
Sri Ayudhya Capital Plc.	5,153	10,560

	Baht: '000 For the three-month periods ended March 31, 2014 2013	
Premium written		
Bank of Ayudhya Plc.	33,352	12,092
Krungsri Securities Plc.	5	4
Krungsri Asset Management Co., Ltd.	1,251	1,345
Ayudhya Development Leasing Co., Ltd.	38	860
Siam City Cement Plc.	2,288	1,417
Bangkok Broadcasting & T.V. Co., Ltd.	520	481
Super Assets Co., Ltd.	61	54
BBTV Equity Co., Ltd.	29	25
Allianz Ayudhya Assurance Plc.	273	590
Ayudhya Asset Management Co., Ltd.	648	70
Siam Realty and Services Co., Ltd.	7	247
Ayudhya Capital Auto Lease Plc.	-	508
Krungsriayudhya Card Co., Ltd.	-	2,689
	<u>38,472</u>	<u>20,382</u>

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

	Baht: '000 For the three-month periods ended March 31, 2014 2013	
Interest income		
Bank of Ayudhya Plc.	1,423	1,621

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

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2014	2013
Commissions and brokerages		
Bank of Ayudhya Plc.	45,052	41,365
Other underwriting expenses		
Bank of Ayudhya Plc.	19,427	18,545

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

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2014	2013
Custodian fee		
Bank of Aydhya Plc.	39	30

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

	Baht: '000	
	For the three-month	
	periods ended March 31,	
	2014	2013
Rental and service fees		
BBTV Equity Co., Ltd.	3,920	3,910
Management fee		
Sri Ayudhya Capital Plc. (see Note 21)	5,153	4,282

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.

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.

25. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month periods ended March 31, 2014 and 2013, the Company had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognized as expenses as follows:

	2014	Baht: '000 2013
Directors and key management personnel's remunerations	5,991	5,930

Directors' remunerations for the year of 2014 and 2013 were approved by the ordinary shareholders' meeting of the Company held on March 21, 2014 and April 9, 2013, respectively.

26. DEPOSITS WITH THE REGISTRAR

As at March 31, 2014 and December 31, 2013, certain investment in securities of the Company was deposited with the Registrar (see Note 8) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2552" as follows:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Government and state enterprise securities	258,373	257,274
Deposits at bank	14,000	14,000
Total deposits with the Registrar	<u>272,373</u>	<u>271,274</u>

27. BACKUP ASSETS

As at March 31, 2014 and December 31, 2013, the Company has deposited certain investment in securities with bank used for the Company's backup assets (see Note 8) according to the Notification of the Office of Insurance Commission regarding "Asset allocation for liabilities and commitment of insurance contract and asset deposition at financial institution B.E. 2551". The backup assets were as follows:

	As at March 31, 2014	Baht: '000 As at December 31, 2013
Government and state enterprise securities	209,315	208,679
Government securities - Treasury bill	599,510	-
Foreign debt securities	401,202	401,734
Unit trusts	36,942	35,999
Deposits at bank	756,298	275,395
Equity securities	1,211	1,211
Total backup assets	<u>2,004,478</u>	<u>923,018</u>

28. CONTINGENT LIABILITIES AND COMMITMENT

- 28.1 As at March 31, 2014 and December 31, 2013, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 31.21 million and Baht 31.99 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.
- 28.2 As at March 31, 2014 and December 31, 2013, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 15.92 million.

29. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at March 31, 2014 and December 31, 2013 consist of the following:

Type of lease	Remaining periods		Baht: '000
	Within 1 year	Over 1 year to 5 years	Total rental payments for the remaining periods
As at March 31, 2014			
Building			
- related company	3,176	2,523	5,699
- others	1,837	3,999	5,836
Service - related company	3,150	2,523	5,673
Equipment - related company	4,200	3,364	7,564
	<u>12,363</u>	<u>12,409</u>	<u>24,772</u>
As at December 31, 2013			
Building			
- related company	2,933	-	2,933
- others	2,928	3,379	6,307
Service - related company	2,896	-	2,896
Equipment - related company	3,862	-	3,862
	<u>12,619</u>	<u>3,379</u>	<u>15,998</u>

30. FINANCIAL INFORMATION BY SEGMENT

The business segment results are prepared based on the Management of the company. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to, and assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard.

The Company has four reportable segments, which represent the major products that the Company underwrites and consists of fire, marine, motor and miscellaneous.

The Company is only operated and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the three-month periods ended March 31, 2014 and 2013, there is no underwriting income with a single external customer contributed 10% or more to the Company's total revenue.

The reporting of underwriting information classified by type of insurance for the three-month periods ended March 31, 2014 and 2013 were as follows:

	For the three-month period ended March 31, 2014				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums written	172,054	85,189	240,250	262,106	759,599
<u>Less</u> Premiums ceded	62,927	56,877	79,246	112,980	312,030
Net premiums written	109,127	28,312	161,004	149,126	447,569
<u>(Add) Less</u> Unearned premium reserve	27,823	(110)	(65,629)	12,553	(25,363)
Net premium earned	81,304	28,422	226,633	136,573	472,932
Fee and commission income	17,213	19,471	27,311	25,442	89,437
Total underwriting income	98,517	47,893	253,944	162,015	562,369
Underwriting expenses					
Insurance claims and loss adjustment expenses	13,106	3,755	155,441	(87,181)	85,121
Commissions and brokerages expenses	37,015	10,360	30,068	33,135	110,578
Other underwriting expenses	11,062	7,639	33,623	45,339	97,663
Total underwriting expenses	61,183	21,754	219,132	(8,707)	293,362
Profit on underwriting before operating expenses					
operating expenses	37,334	26,139	34,812	170,722	269,007
Operating expenses					69,923
Profit on underwriting					199,084

Baht: '000

	For the three-month period ended March 31, 2013				
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums written	159,940	97,458	236,203	273,483	767,084
<u>Less</u> Premiums ceded	80,829	70,236	1,518	108,025	260,608
Net premiums written	79,111	27,222	234,685	165,458	506,476
<u>Less</u> Unearned premium reserve	2,636	1,346	17,217	20,465	41,664
Net premium earned	76,475	25,876	217,468	144,993	464,812
Fee and commission income	16,799	19,830	-	24,257	60,886
Total underwriting income	93,274	45,706	217,468	169,250	525,698
Underwriting expenses					
Insurance claims and loss adjustment expenses	17,821	7,342	153,303	59,318	237,784
Commissions and brokerages expenses	33,622	12,070	31,965	32,808	110,465
Other underwriting expenses	8,004	6,537	18,028	46,147	78,716
Total underwriting expenses	59,447	25,949	203,296	138,273	426,965
Profit on underwriting before					
operating expenses	33,827	19,757	14,172	30,977	98,733
Operating expenses					59,712
Profit on underwriting					39,021

31. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on May 9, 2014.