
*SRI AYUDHYA GENERAL INSURANCE
PUBLIC COMPANY LIMITED*

Interim Financial Statements

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

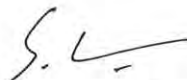
We have reviewed the statement of financial position of Sri Ayudhya General Insurance Public Company Limited as at September 30, 2014, and the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2014, changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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



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

BANGKOK
November 7, 2014

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2014

Baht: '000

	Notes	"Unaudited"	" Restated "	
		As at September 30, 2014	As at December 31, 2013	As at January 1, 2013
ASSETS				
Cash and cash equivalents		625,119	1,592,292	534,742
Accrued investment income		5,883	10,890	8,200
Premium due and uncollected - net	6	258,053	255,078	241,337
Reinsurance assets	7 and 31	2,019,078	2,266,431	4,007,840
Investments				
Investment in securities	8			
Available-for-sale securities		434,510	903,686	761,849
Held-to-maturity securities		1,905,535	309,395	352,951
General investment in securities		1,211	1,211	1,211
Total investment in securities		<u>2,341,256</u>	<u>1,214,292</u>	<u>1,116,011</u>
Loans	9	1,587	2,574	4,233
Leasehold improvement and equipment - net	10	46,863	43,909	42,997
Intangible assets - net		90,913	101,051	117,249
Deferred tax assets	11	182,870	275,918	336,349
Deferred commissions expenses		61,912	54,397	39,921
Other assets	12	53,200	52,270	55,990
TOTAL ASSETS		<u><u>5,686,734</u></u>	<u><u>5,869,102</u></u>	<u><u>6,504,869</u></u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2014

Baht: '000

	Notes	"Unaudited"	" Restated "	
		As at September 30, 2014	As at December 31, 2013	As at January 1, 2013
LIABILITIES AND EQUITY				
Due to reinsurers	13	938,749	622,509	888,182
Insurance contract liabilities				
Loss reserves and outstanding claims	14	1,320,575	2,176,599	2,842,471
Premium reserve	15 and 31	1,424,049	1,338,150	1,314,816
Employee benefit obligations	16	53,847	48,185	44,237
Deferred tax liabilities	18	3,228	2,442	2,814
Premium written received in advance		356,408	330,860	258,459
Commissions and brokerages payables		55,323	52,876	47,105
Accrued expenses		52,087	56,249	39,512
Other liabilities	19	48,485	82,984	66,041
TOTAL LIABILITIES		<u>4,252,751</u>	<u>4,710,854</u>	<u>5,503,637</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>	<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	1,800,000
Retained deficits				
Unappropriated		(378,927)	(651,517)	(810,023)
Other components of equity				
Surplus on revaluation of investments		12,910	9,765	11,255
TOTAL EQUITY		<u>1,433,983</u>	<u>1,158,248</u>	<u>1,001,232</u>
TOTAL LIABILITIES AND EQUITY		<u>5,686,734</u>	<u>5,869,102</u>	<u>6,504,869</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014
"UNAUDITED"

Baht: '000

	Notes	2014	2013
Revenues			
Net premium earned	20	450,854	489,259
Fee and commission income	20	88,643	56,455
Total revenues		<u>539,497</u>	<u>545,714</u>
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	20	183,950	220,599
Commissions and brokerages expenses	20	114,300	103,094
Other underwriting expenses	20	92,478	94,493
Operating expenses	21	71,590	59,631
Total underwriting expenses		<u>462,318</u>	<u>477,817</u>
Profit on underwriting		77,179	67,897
Net investment income		13,780	16,682
Other income		737	1,925
Income from operation		<u>91,696</u>	<u>86,504</u>

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014
"UNAUDITED"

Baht: '000

	Notes	2014	2013
Contribution to the Office of Insurance Commission		2,032	1,968
Contribution to Non - life Guarantee Fund		2,032	1,968
Contribution to Road Victims Protection Fund		87	70
Income before income tax expense		<u>87,545</u>	<u>82,498</u>
Income tax expense	22	<u>28,702</u>	<u>16,724</u>
Net income		<u>58,843</u>	<u>65,774</u>
Other comprehensive income (loss)			
Surplus (deficits) on revaluation of investments - net of income tax		1,430	(1,943)
Other net comprehensive income (loss) for the periods		<u>1,430</u>	<u>(1,943)</u>
Total comprehensive income for the periods		<u>60,273</u>	<u>63,831</u>
Basic earnings per share	23	Baht	0.33
			0.37

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014
"UNAUDITED"

Baht: '000

	Notes	2014	2013
Revenues			
Net premium earned	20	1,396,272	1,431,318
Fee and commission income	20	258,599	176,501
Total revenues		1,654,871	1,607,819
Expenses			
Underwriting expenses			
Losses incurred			
Insurance claims and loss adjustment expenses	20	513,277	625,768
Commissions and brokerages expenses	20	333,902	322,587
Other underwriting expenses	20	272,767	253,241
Operating expenses	21	203,227	291,305
Total underwriting expenses		1,323,173	1,492,901
Profit on underwriting		331,698	114,918
Net investment income		44,810	45,235
Gain on investment in securities		4	2,004
Other income		1,276	4,988
Income from operation		377,788	167,145

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014
"UNAUDITED"

Baht: '000

	Notes	2014	2013
Contribution to the Office of Insurance Commission		6,182	6,177
Contribution to Non - life Guarantee Fund		5,682	5,677
Contribution to Road Victims Protection Fund		286	237
Income before income tax expense		<u>365,638</u>	<u>155,054</u>
Income tax expense	22	93,048	54,368
Net income		<u>272,590</u>	<u>100,686</u>
Other comprehensive income (loss)			
Surplus (deficits) on revaluation of investments - net of income tax	5.1.1	3,145	(1,432)
Other net comprehensive income (loss) for the periods		<u>3,145</u>	<u>(1,432)</u>
Total comprehensive income for the periods		<u>275,735</u>	<u>99,254</u>
Basic earnings per share	23	Baht 1.51	0.56

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 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	-	100,686	(1,432)	99,254
Ending balance as at September 30, 2013		<u>1,800,000</u>	<u>(709,337)</u>	<u>9,823</u>	<u>1,100,486</u>
Beginning balance as at January 1, 2014		1,800,000	(651,517)	9,765	1,158,248
Comprehensive income	5.1.1	-	272,590	3,145	275,735
Ending balance as at September 30, 2014		<u>1,800,000</u>	<u>(378,927)</u>	<u>12,910</u>	<u>1,433,983</u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014
"UNAUDITED"

Baht: '000

	Notes	2014	2013
CASH FLOWS PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Direct premium received		2,296,782	2,323,908
Cash received (paid) from reinsurance		(209,330)	714,956
Losses incurred from direct insurance		(1,069,693)	(954,734)
Loss adjustment expenses from direct insurance		(65,360)	(54,794)
Commissions and brokerages from direct insurance		(333,736)	(325,678)
Other underwriting expenses		(299,000)	(255,368)
Interest income		50,970	45,007
Dividend income		35	9
Other income		932	3,303
Operating income (expenses)		(198,970)	227,400
Income tax received (paid)		4,008	(9,248)
Net cash provided by operating activities	5.3	176,638	1,714,761
CASH FLOWS PROVIDED BY (USED IN)			
INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY			
Investment in securities		2,470,004	38,453
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		559,043	51,896
Loans		1,039	1,591
Leasehold improvement and equipment		447	1,781
Cash provided by investing activities		3,030,533	93,721

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014
"UNAUDITED"

Baht: '000

	Notes	2014	2013
CASH FLOWS PROVIDED BY (USED IN)			
 INVESTING ACTIVITIES (CONTINUED)			
CASH FLOWS USED IN			
Investment in securities		(3,495,731)	(181,370)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral		(657,531)	(13,191)
Loans		(52)	(365)
Leasehold improvement and equipment		(18,068)	(15,130)
Intangible assets		(2,962)	(1,183)
Cash used in investing activities		<u>(4,174,344)</u>	<u>(211,239)</u>
Net cash used in investing activities		<u>(1,143,811)</u>	<u>(117,518)</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Bank overdrafts		-	34
Net cash provided by financing activities		<u>-</u>	<u>34</u>
Net increase (decrease) in cash and cash equivalents		(967,173)	1,597,277
Cash and cash equivalents as at January 1,		<u>1,592,292</u>	<u>534,742</u>
Cash and cash equivalents as at September 30,	5.2	<u><u>625,119</u></u>	<u><u>2,132,019</u></u>

See condensed notes to the financial statements

SRI AYUDHYA GENERAL INSURANCE PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 unaudited results of operations presented in the interim financial statements for the three-month and nine-month period ended September 30, 2014 are not necessarily an indication nor anticipation of the operating results for the full year.

2.3 Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and nine-month periods ended September 30, 2014 should be read in conjunction with the audited financial statements for the year ended December 31, 2013.

2.4 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

Thai Financial Reporting Interpretations (TFRIs) (Continued)
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.

- 2.5 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

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.

- 2.6 The Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2014), which is announced in the Royal Gazette and effective from October 15, 2014, onwards.

The Company's management will adopt the Conceptual Framework for Financial Reporting (Revised 2014) in the preparation of the Company's financial statements when it becomes effective. The Company's management has assessed the effects of such Conceptual Framework for Financial Reporting and believes that it will not have any significant impact on the financial statements for the period in which it is initially applied.

- 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 management has continued to monitor the development of the flood losses. As at September 30, 2014 and December 31, 2013, the Company recorded loss reserves from claims of flooding and recorded loss refundable from reinsurance as follows:

	As at September 30, 2014	Baht: million As at December 31, 2013
Loss reserves (see Note 14)	585.70	1,337.12
<u>Less Loss refundable from reinsurance (see Note 7)</u>	<u>(467.49)</u>	<u>(806.81)</u>
Loss reserves - net	<u>118.21</u>	<u>530.31</u>

For the three-month and nine-month periods ended September 30, 2014 and 2013, the Company had insurance claims from the flooding which paid to the insured by net of loss refundable from reinsurance, and reversed such net insurance claims, as part of insurance claims and loss adjustment expenses in the statements of comprehensive income for the three-month and nine-month periods ended September 30, 2014 and 2013 as follows:

	For the three-month periods ended September 30,		Baht: million For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Net insurance claims paid	95.16	107.32	234.10	213.62
Net insurance claims decreased (see Note 20)	22.93	22.61	178.00	79.34

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 and nine-month periods ended September 30, 2014, the Company recorded such loss refundable from reinsurers amounting to Baht 4.97 million and Baht 141.50 million, respectively. 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 September 30, 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	16,138	12,279
<u>Less</u> Deferred tax liabilities (see Note 18)	<u>(3,228)</u>	<u>(2,456)</u>
Surplus on revaluation of investments - net	<u>12,910</u>	<u>9,823</u>

For the nine-month periods ended September 30, 2014 and 2013, changes in surplus on revaluation of investments - net of deferred tax were as follows:

	2014	Baht: '000 2013
Increase (decrease) of unrealized gain on investment in available-for-sale securities	3,931	(1,790)
(Increase) decrease of deferred tax liabilities (see Note 18)	<u>(786)</u>	<u>358</u>
Increase (decrease) of surplus on revaluation of investments - net	<u>3,145</u>	<u>(1,432)</u>

5.1.2 Leasehold improvement and equipment for the nine-month periods ended September 30, 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	16,870	15,130
<u>Less</u> Cash paid for purchase of fixed assets	<u>(18,068)</u>	<u>(15,130)</u>
Other payable - fixed assets as at September 30,	<u>615</u>	<u>-</u>

5.1.3 Intangible assets for the nine-month periods ended September 30, 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	2,895	1,183
<u>Less</u> Cash paid for purchase of intangible assets	<u>(2,962)</u>	<u>(1,183)</u>
Other payable - intangible assets as at September 30,	<u>212</u>	<u>-</u>

5.2 Cash and cash equivalents as at September 30, 2014 and 2013, consist of the following:

	2014	Baht: '000 2013
Cash	265	265
Cheque on hands	6,911	6,991
Deposits at bank - call deposits	617,943	725,597
Deposits at bank - time deposits	407,883	311,746
Government securities - Treasury bill	1,497,652	1,399,166
	<u>2,530,654</u>	<u>2,443,765</u>
<u>Less</u> Deposits at bank with maturity over 3 months	(150,000)	-
Deposits at bank used as collateral	(257,883)	(311,746)
Government securities - Treasury bill used as collateral	<u>(1,497,652)</u>	<u>-</u>
Cash and cash equivalents	<u>625,119</u>	<u>2,132,019</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 nine-month periods ended September 30, 2014 and 2013 are as follows:

	2014	Baht: '000 2013
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Profit before income tax	365,638	155,054
Items to reconcile net profit to net cash flows:		
Depreciation	13,778	12,660
Amortization	13,033	13,243
Gain on sale of fixed assets	(309)	(1,685)
Employee benefit expenses	4,749	2,185
Unearned premium reserve increase (decrease) from prior periods	(47,783)	41,992
Amortization of bonds premium	4,344	2,453
Amortization of debentures premium	8	12
Amortization of bonds discount	(44)	(133)
Amortization of treasury bills discount	(3,122)	-
Bad debt and allowance for doubtful accounts	4	114,677
Gain on sale of investment in available-for-sale securities - other securities	<u>(4)</u>	<u>(2,004)</u>
Profit from operations before changes in operating assets and liabilities	350,292	338,454

	2014	Baht: '000 2013
CASH FLOWS PROVIDED BY (USED IN) OPERATING		
ACTIVITIES (CONTINUED)		
Operating assets (increase) decrease		
Accrued investment income	5,007	(2,552)
Premium due and uncollected	(2,975)	5,211
Reinsurance assets	381,035	1,448,848
Deferred commissions expenses	(7,515)	(9,802)
Other assets	(4,942)	2,498
Operating liabilities increase (decrease)		
Due to reinsurers	316,240	(189,543)
Loss reserves and outstanding claims	(856,024)	(302,260)
Premium written received in advance	25,548	47,653
Commissions and brokerages payables	2,447	2,094
Accrued expenses	(3,249)	(12,566)
Other liabilities	(33,234)	395,974
Cash provided by operating activities	172,630	1,724,009
Income tax received (paid)	4,008	(9,248)
Net cash provided by operating activities	<u>176,638</u>	<u>1,714,761</u>

6. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected - net as at September 30, 2014 and December 31, 2013 consists of the following:

	As at September 30, 2014				As at December 31, 2013			
	Agent and				Agent and			
	Insured	Broker	Inward	Total	Insured	Broker	Inward	Total
Within credit terms	9,503	168,223	1,710	179,436	13,273	159,306	1,957	174,536
Less than 30 days	608	31,586	1,153	33,347	478	35,945	1,200	37,623
31 - 60 days	262	17,389	1,423	19,074	13	12,424	886	13,323
61 - 90 days	93	6,629	1,382	8,104	1	6,020	980	7,001
91 days - 1 year	59	21,138	2,044	23,241	98	25,811	3,075	28,984
Over 1 year	-	875	3,552	4,427	1,173	441	1,573	3,187
Total premium due and uncollected	10,525	245,840	11,264	267,629	15,036	239,947	9,671	264,654
Less Allowance for doubtful accounts	-	(9,576)	-	(9,576)	-	(9,576)	-	(9,576)
Premium due and uncollected - net	<u>10,525</u>	<u>236,264</u>	<u>11,264</u>	<u>258,053</u>	<u>15,036</u>	<u>230,371</u>	<u>9,671</u>	<u>255,078</u>

7. REINSURANCE ASSETS

Reinsurance assets as at September 30, 2014 and December 31, 2013 consist of the following:

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Deposit on reinsurance	-	1
Due from reinsurers	709,573	649,288
Reinsurance premium reserve (see Note 31)	561,652	427,970
Insurance reserve refundable from reinsurers	862,530	1,303,849
	<u>2,133,755</u>	<u>2,381,108</u>
<u>Less</u> Allowance for doubtful accounts	<u>(114,677)</u>	<u>(114,677)</u>
Total reinsurance assets	<u>2,019,078</u>	<u>2,266,431</u>

Insurance reserve refundable from reinsurers - net as at September 30, 2014 and December 31, 2013 has included an expected loss refundable from reinsurers caused by suffering losses from flooding in Thailand amounting to Baht 467.49 million and Baht 806.81 million, respectively (see Note 4).

Aging analysis for due from reinsurers as at September 30, 2014 and December 31, 2013 was as follows:

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Within credit terms	560,437	439,724
Within 12 months	12,828	73,579
1 - 2 years	66,524	135,811
Over 2 years	69,784	174
Total due from reinsurers	<u>709,573</u>	<u>649,288</u>

8. INVESTMENT IN SECURITIES

Investment in securities as at September 30, 2014 and December 31, 2013 consists of the following:

	Baht: '000			
	As at September 30, 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	388,847	394,819	461,822	465,953
Foreign debt securities	-	-	400,131	401,734
Unit trusts	29,525	39,691	29,526	35,999
Total	418,372	434,510	891,479	903,686
<u>Add Unrealized gains</u>	16,138	-	12,207	-
Total available-for-sale securities	<u>434,510</u>	<u>434,510</u>	<u>903,686</u>	<u>903,686</u>
Held-to-maturity securities				
Deposits at bank with maturity over 3 months	150,000		-	
Deposits at bank used as collateral	257,883		309,395	
Government securities - Treasury bill used as collateral	1,497,652		-	
Total held-to-maturity securities	<u>1,905,535</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>2,341,256</u>		<u>1,214,292</u>	

Debt securities classified by the remaining maturity as at September 30, 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	20,078	368,769	-	388,847
<u>Add Unrealized gains</u>	20	5,952	-	5,972
Total available-for-sale debt securities	<u>20,098</u>	<u>374,721</u>	<u>-</u>	<u>394,819</u>
Held-to-maturity debt securities				
Government and state enterprise securities	1,497,652	-	-	1,497,652
Total held-to-maturity debt securities	<u>1,497,652</u>	<u>-</u>	<u>-</u>	<u>1,497,652</u>
Total debt securities - net	<u>1,517,750</u>	<u>374,721</u>	<u>-</u>	<u>1,892,471</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 September 30, 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 September 30, 2014 and December 31, 2013, certain investment in securities are deposited as collateral with the Registrar amounting to Baht 273.45 million and Baht 271.27 million, respectively (see Note 26).

As at September 30, 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 1,897.81 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 September 30, 2014 and December 31, 2013 consist of the following:

	Cost				Accumulated depreciation				Baht: '000
	As at	Increase	Disposal /	As at	As at	Depreciation	Disposal /	As at	
	January 1, 2014		Write off	September 30, 2014	January 1, 2014		Write off	September 30, 2014	
Leasehold improvement	22,939	6,054	(655)	28,338	(15,299)	(2,123)	547	(16,875)	11,463
Furniture, fixtures and office equipment	60,245	7,525	(1,281)	66,489	(42,776)	(6,021)	1,276	(47,521)	18,968
Vehicles	39,325	3,291	(1,266)	41,350	(20,525)	(5,634)	1,241	(24,918)	16,432
Total	122,509	16,870	(3,202)	136,177	(78,600)	(13,778)	3,064	(89,314)	46,863
									Ending balance of leasehold improvement and equipment - net as at September 30, 2014
									Beginning balance of leasehold improvement and equipment - net as at January 1, 2014

	Cost				Accumulated depreciation				Baht: '000
	As at	Increase	Disposal /	As at	As at	Depreciation	Disposal /	As at	
	January 1, 2013		Write off	December 31, 2013	January 1, 2013		Write off	December 31, 2013	
Leasehold improvement	21,186	3,735	(1,982)	22,939	(15,037)	(2,149)	1,887	(15,299)	7,640
Furniture, fixtures and office equipment	101,821	8,638	(50,214)	60,245	(85,155)	(7,812)	50,191	(42,776)	17,469
Vehicles	39,235	5,525	(5,435)	39,325	(19,053)	(6,907)	5,435	(20,525)	18,800
Total	162,242	17,898	(57,631)	122,509	(119,245)	(16,868)	57,513	(78,600)	43,909
									Ending balance of leasehold improvement and equipment - net as at December 31, 2013
									Beginning balance of leasehold improvement and equipment - net as at January 1, 2013

As at September 30, 2014 and December 31, 2013, certain leasehold improvement and equipment at cost of Baht 40.51 million and Baht 37.37 million, respectively, were fully depreciated but still in use.

11. DEFERRED TAX ASSETS

Deferred tax assets as at September 30, 2014 and December 31, 2013 were as follows:

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Deferred tax assets	<u>182,870</u>	<u>275,918</u>

Movement of deferred tax assets for the nine-month periods ended September 30, 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 September 30, 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	(7,107)	-	85,152
Loss reserve - net	160,520	(84,083)	-	76,437
Incurred but not reported claims	12,541	706	-	13,247
Employee benefit obligations	4,588	950	-	5,538
Others	3,839	(3,514)	-	325
Total	<u>275,918</u>	<u>(93,048)</u>	<u>-</u>	<u>182,870</u>

	As at January 1, 2013	Transactions recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at September 30, 2013
Allowance for doubtful accounts				
- Premium due and uncollected	1,915	-	-	1,915
Allowance for doubtful accounts				
- Other receivable	257	-	-	257
Unearned premium reserve	72,017	-	-	72,017
Loss reserve - net	114,736	73,986	-	188,722
Incurred but not reported claims	9,113	4,120	-	13,233
Employee benefit obligations	2,229	1,384	-	3,613
Unused tax losses	130,107	(128,711)	-	1,396
Others	5,975	(5,147)	-	828
Total	<u>336,349</u>	<u>(54,368)</u>	<u>-</u>	<u>281,981</u>

12. OTHER ASSETS

Other assets as at September 30, 2014 and December 31, 2013 consist of the following:

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Other receivable	15,966	14,046
Withholding tax	8,155	-
Refundable withholding tax	1,656	13,819
Premium saving certificates used as collateral	12,500	12,500
Others	14,923	11,905
Total other assets	53,200	52,270

13. DUE TO REINSURERS

Due to reinsurers as at September 30, 2014 and December 31, 2013 consist of the following:

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Premium ceded payables	40,914	66,301
Amount withheld on reinsurance	339,858	306,626
Other reinsurance payables	557,977	249,582
Total due to reinsurers	938,749	622,509

14. LOSS RESERVES AND OUTSTANDING CLAIMS

Loss reserves and outstanding claims as at September 30, 2014 and December 31, 2013 consist of the following:

	As at September 30, 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	3,531	17,140
- Incurred but not yet agreed	(861,732)	(678,721)
- Incurred and agreed	1,747,058	1,947,644
Loss paid and loss adjustment paid during the period/year	(1,744,881)	(1,951,935)
As at September 30, and December 31,	1,320,575	2,176,599

As at September 30, 2014 and December 31, 2013, the Company had loss reserves and outstanding claims under the reinsurance contracts of Baht 592.54 million and Baht 1,349.98 million, respectively.

Loss reserves and outstanding claims as at September 30, 2014 and December 31, 2013 in the financial statements have included claim from suffering losses from flooding in Thailand amounting to Baht 585.70 million and Baht 1,337.12 million, respectively (see Note 4).

15. PREMIUM RESERVE

Premium reserve as at September 30, 2014 and December 31, 2013 consists of the following:

15.1 Unearned premium reserve

	As at September 30, 2014	Baht: '000 As at December 31, 2013
As at January 1,	1,338,150	1,314,816
Premium written for the period/year	2,298,784	2,988,848
Earned premium for the period/year	(2,212,885)	(2,965,514)
As at September 30, and December 31, (see Note 31)	<u>1,424,049</u>	<u>1,338,150</u>

15.2 Unexpired risk reserve

As at September 30, 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 719.68 million and Baht 700.15 million, respectively, is lower than the unearned premium reserve.

16. EMPLOYEE BENEFIT OBLIGATIONS

Movement in the present value of the employee benefit obligations as at September 30, 2014 and December 31, 2013 was as follows:

	As at September 30, 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	4,502	4,409
Interest cost	1,489	1,623
Actuarial loss	-	1,128
Benefit paid during the period/year	(1,242)	(3,212)
Employee benefit obligation transferred from the parent company	913	-
Present value of obligation at the ending of the period/year	<u>53,847</u>	<u>48,185</u>

The expense that is recorded in the statements of comprehensive income for employee benefit obligations for the three-month and nine-month periods ended September 30, 2014 and 2013 consists of the following:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Current service cost	1,288	1,975	4,502	4,180
Interest cost	496	406	1,489	1,217
Total employee benefit expenses	<u>1,784</u>	<u>2,381</u>	<u>5,991</u>	<u>5,397</u>

17. BANK OVERDRAFTS

As at September 30, 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 September 30, 2014 and December 31, 2013 were as follows:

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Deferred tax liabilities	<u>3,228</u>	<u>2,442</u>

Movement of deferred tax liabilities for the nine-month periods ended September 30, 2014 and 2013 consists of tax effects from the following items:

	As at January 1, 2014	Transaction recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at September 30, 2014
Unrealized gain on the change in value of investment in available-for-sale securities (see Note 5.1.1)	<u>2,442</u>	<u>-</u>	<u>786</u>	<u>3,228</u>
Total	<u>2,442</u>	<u>-</u>	<u>786</u>	<u>3,228</u>

	As at January 1, 2013	Transaction recognized in profit or loss	Transaction recognized in other comprehensive income or loss	Baht: '000 As at September 30, 2013
Unrealized gain on the change in value of investment in available-for-sale securities (see Note 5.1.1)	<u>2,814</u>	<u>-</u>	<u>(358)</u>	<u>2,456</u>
Total	<u>2,814</u>	<u>-</u>	<u>(358)</u>	<u>2,456</u>

19. OTHER LIABILITIES

Other liabilities as at September 30, 2014 and December 31, 2013 consist of the following:

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Other payable - promotion expense	8,046	17,344
Amount received in advance - premium	14,649	25,689
Revenue Department payable	4,651	6,419
Undue output VAT	2,584	3,340
Others	<u>18,555</u>	<u>30,192</u>
Total other liabilities	<u>48,485</u>	<u>82,984</u>

20. UNDERWRITING INFORMATION CLASSIFIED BY TYPE OF INSURANCE

Underwriting information classified by type of insurance for the three-month and nine-month periods ended September 30, 2014 and 2013 consists of the following:

	Baht: '000					
	For the three-month period ended September 30, 2014					
	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	146,069	103,341	231,380	89,493	249,926	820,209
<u>Less</u> Premiums ceded	40,446	72,677	78,254	12,961	154,202	358,540
Net premiums written	105,623	30,664	153,126	76,532	95,724	461,669
<u>(Add) Less</u> Unearned premium reserve	11,181	2,854	(31,607)	19,015	9,372	10,815
Net premium earned	94,442	27,810	184,733	57,517	86,352	450,854
Fee and commission income	9,987	20,123	26,963	2,801	28,769	88,643
Total underwriting income	<u>104,429</u>	<u>47,933</u>	<u>211,696</u>	<u>60,318</u>	<u>115,121</u>	<u>539,497</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	10,144	16,030	111,552	41,755	4,469	183,950
Commissions and brokerages expenses	32,482	12,603	32,293	15,184	21,738	114,300
Other underwriting expenses	13,059	7,925	32,803	17,828	20,863	92,478
Total underwriting expenses	<u>55,685</u>	<u>36,558</u>	<u>176,648</u>	<u>74,767</u>	<u>47,070</u>	<u>390,728</u>
Baht: '000						
	For the three-month period ended September 30, 2013					
	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	134,641	100,107	238,647	53,956	267,564	794,915
<u>Less</u> Premiums ceded	56,753	69,204	1,518	11,734	172,804	312,013
Net premiums written	77,888	30,903	237,129	42,222	94,760	482,902
<u>(Add) Less</u> Unearned premium reserve	4,557	331	5,538	(20,853)	4,070	(6,357)
Net premium earned	73,331	30,572	231,591	63,075	90,690	489,259
Fee and commission income	11,921	19,143	-	1,745	23,646	56,455
Total underwriting income	<u>85,252</u>	<u>49,715</u>	<u>231,591</u>	<u>64,820</u>	<u>114,336</u>	<u>545,714</u>
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	10,655	9,393	133,325	49,110	18,116	220,599
Commissions and brokerages expenses	29,926	12,406	30,384	8,683	21,695	103,094
Other underwriting expenses	5,124	5,481	40,607	14,297	28,984	94,493
Total underwriting expenses	<u>45,705</u>	<u>27,280</u>	<u>204,316</u>	<u>72,090</u>	<u>68,795</u>	<u>418,186</u>

Baht: '000

For the nine-month period ended September 30, 2014

	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	452,761	290,498	696,327	258,905	600,293	2,298,784
Less Premiums ceded	135,584	203,525	232,968	44,879	333,339	950,295
Net premiums written	317,177	86,973	463,359	214,026	266,954	1,348,489
(Add) Less Unearned premium reserve	45,762	2,838	(154,893)	45,108	13,402	(47,783)
Net premium earned	271,415	84,135	618,252	168,918	253,552	1,396,272
Fee and commission income	37,582	59,355	80,270	9,071	72,321	258,599
Total underwriting income	308,997	143,490	698,522	177,989	325,873	1,654,871
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	39,355	29,578	415,550	115,007	(86,213)	513,277
Commissions and brokerages expenses	99,011	34,969	93,659	44,071	62,192	333,902
Other underwriting expenses	34,582	23,100	95,189	54,083	65,813	272,767
Total underwriting expenses	172,948	87,647	604,398	213,161	41,792	1,119,946

Baht: '000

For the nine-month period ended September 30, 2013

	Fire	Marine	Motor	Personal Accident	Other miscellaneous	Total
Underwriting income						
Gross premiums written	439,669	294,246	711,953	208,443	637,926	2,292,237
Less Premiums ceded	190,217	206,282	4,553	32,560	385,315	818,927
Net premiums written	249,452	87,964	707,400	175,883	252,611	1,473,310
(Add) Less Unearned premium reserve	6,782	5,156	32,264	(3,342)	1,132	41,992
Net premium earned	242,670	82,808	675,136	179,225	251,479	1,431,318
Fee and commission income	44,347	57,483	-	6,391	68,280	176,501
Total underwriting income	287,017	140,291	675,136	185,616	319,759	1,607,819
Underwriting expenses						
Insurance claims and loss adjustment expenses (see Note 4)	44,827	27,647	412,129	109,497	31,668	625,768
Commissions and brokerages expenses	94,134	36,329	93,815	35,018	63,291	322,587
Other underwriting expenses	22,808	19,679	82,924	44,262	83,568	253,241
Total underwriting expenses	161,769	83,655	588,868	188,777	178,527	1,201,596

21. OPERATING EXPENSES

Operating expenses for the three-month and nine-month periods ended September 30, 2014 and 2013, consist of the following:

	For the three-month periods ended September 30,		Baht: '000 For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Employee's expenses, excluded underwriting and loss adjustment expenses	26,653	19,777	65,768	60,758
Premises and equipment expense, excluded underwriting expenses	24,243	23,479	71,704	67,796
Taxes and duties	66	120	1,166	1,223
Bad debt and doubtful accounts	4	-	4	114,677
Directors' remuneration	987	344	4,949	1,017
Management fee (see Note 24)	7,928	4,270	17,962	12,709
Other operating expenses	11,709	11,641	41,674	33,125
Total operating expenses	<u>71,590</u>	<u>59,631</u>	<u>203,227</u>	<u>291,305</u>

22. INCOME TAX EXPENSE

Income tax expense for the three-month and nine-month periods ended September 30, 2014 and 2013, consists of the following:

	For the three-month periods ended September 30,		Baht: '000 For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Income tax expense from taxable income per income tax return	-	-	-	-
Deferred tax expenses relating to the origination and reversal of temporary differences	28,702	16,724	93,048	54,368
Income tax expense per the statements of comprehensive income	<u>28,702</u>	<u>16,724</u>	<u>93,048</u>	<u>54,368</u>

The reconciliation between income tax expense and accounting income for the three-month and nine-month periods ended September 30, 2014 and 2013 was as follows:

	For the three-month periods ended September 30,		Baht: '000 For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Accounting income before tax	87,545	82,498	365,638	155,054
Income tax at 20%	17,509	16,500	73,128	31,011
Tax effect of non-deductible expenses	11,193	224	19,920	23,357
Income tax expense per the statements of comprehensive income	<u>28,702</u>	<u>16,724</u>	<u>93,048</u>	<u>54,368</u>

23. BASIC EARNINGS PER SHARE

Basic earnings per share for the three-month and nine-month periods ended September 30, 2014 and 2013 were as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Net profit (Baht : '000)	58,843	65,774	272,590	100,686
Number of share capital (shares)	180,000,000	180,000,000	180,000,000	180,000,000
Basic earnings per share (Baht)	0.33	0.37	1.51	0.56

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
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
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:

	Baht: '000	
	As at September 30, 2014	As at December 31, 2013
Deposits at bank		
Bank of Ayudhya Plc.	811,878	768,792

	As at September 30, 2014	Baht: '000 As at December 31, 2013
Premium due and uncollected		
Bank of Ayudhya Plc.	573	311
Krungsri Asset Management Co., Ltd.	33	129
Ayudhya Development Leasing Co., Ltd.	186	-
Siam City Cement Plc.	3,887	485
Bangkok Broadcasting & T.V. Co., Ltd.	104	975
CKS Holding Ltd.	-	108
Allianz Ayudhya Assurance Plc.	-	38
Siam Realty and Service Co., Ltd.	630	-
Ayudhya Capital Auto Lease Plc.	23	571
Krungsriayudhya Card Co., Ltd.	-	2,155
	5,436	4,772

Accrued interest income		
Bank of Ayudhya Plc.	1,874	2,401
Rental and facilities deposits		
BBTV Equity Co., Ltd.	4,169	3,924
Accrued expense - custodian fee		
Bank of Ayudhya Plc.	16	12
Accrued expense - commissions and brokerages		
Bank of Ayudhya Plc.	13,657	15,883
Accrued expense - other underwriting expenses		
Bank of Ayudhya Plc.	6,492	6,286
Accrued expense		
Sri Ayudhya Capital Plc.	7,798	10,560

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Premium written				
Bank of Ayudhya Plc.	2,440	5,285	36,426	18,576
Krungsri Securities Plc.	-	1	5	5
Krungsri Asset Management Co., Ltd.	42	49	1,305	1,394
Ayudhya Development Leasing Co., Ltd.	182	1,213	2,926	28,005
Siam City Cement Plc.	76,776	81,060	80,138	83,416
Bangkok Broadcasting & T.V. Co., Ltd.	2,974	1,880	8,853	7,083
Great Luck Equity Co., Ltd.	-	20	22	46
Super Assets Co., Ltd.	-	-	61	54
BBTV Equity Co., Ltd.	21	24	78	80
Allianz Ayudhya Assurance Plc.	-	-	608	585
Ayudhya Asset Management Co., Ltd.	-	393	755	1,402
Siam Realty and Services Co., Ltd.	771	469	1,049	1,043
Ayudhya Capital Auto Lease Plc.	32	46	32	554
Krungsriayudhya Card Co., Ltd.	-	-	156	2,689
	83,238	90,440	132,414	144,932

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Interest income				Baht: '000
Bank of Ayudhya Plc.	1,190	1,523	5,008	6,026

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Commissions and brokerages				Baht: '000
Bank of Ayudhya Plc.	42,181	42,407	128,900	122,445
Other underwriting expenses				
Bank of Ayudhya Plc.	22,748	19,457	58,874	53,581

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Custodian fee				Baht: '000
Bank of Ayudhya Plc.	47	32	134	90

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

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Rental and service fees				Baht: '000
BBTV Equity Co., Ltd.	4,343	3,910	12,183	11,730
Management fee				
Sri Ayudhya Capital Plc. (see Note 21)	7,928	4,270	17,962	12,709

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

25. DIRECTORS AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

During the three-month and nine-month periods ended September 30, 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:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2014	2013	2014	2013
Directors and key management personnel's remuneration	9,932	5,076	23,635	16,956

Directors' remuneration for the years 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 September 30, 2014 and December 31, 2013, certain investment in securities of the Company are 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. 2557" as follows:

	As at	Baht: '000
	September 30, 2014	As at December 31, 2013
Government and state enterprise securities	259,451	257,274
Deposits at bank	14,000	14,000
Total deposits with the Registrar	<u>273,451</u>	<u>271,274</u>

27. BACKUP ASSETS

As at September 30, 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	Baht: '000
	September 30, 2014	As at December 31, 2013
Government and state enterprise securities	135,368	208,679
Government securities - Treasury bill	1,497,652	-
Foreign debt securities	-	401,734
Unit trusts	39,691	35,999
Deposits at bank	223,883	275,395
Equity securities	1,211	1,211
Total backup assets	<u>1,897,805</u>	<u>923,018</u>

28. CONTINGENT LIABILITIES AND COMMITMENT

- 28.1 As at September 30, 2014 and December 31, 2013, lawsuits have been brought against the Company, as insurer, from which the Company estimates losses totaling Baht 13.92 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 September 30, 2014 and December 31, 2013, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 13.91 million and Baht 15.92 million, respectively.

29. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements as at September 30, 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 September 30, 2014			
Building			
- related company	1,851	2,111	3,962
- others	2,541	6,294	8,835
Service - related company	1,844	2,111	3,955
Equipment - related company	2,459	2,815	5,274
	<u>8,695</u>	<u>13,331</u>	<u>22,026</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 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 and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 2014 and 2013 were as follows:

	For the three-month period ended September 30, 2014				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums written	146,069	103,341	231,380	339,419	820,209
<u>Less</u> Premiums ceded	40,446	72,677	78,254	167,163	358,540
Net premiums written	105,623	30,664	153,126	172,256	461,669
<u>(Add) Less</u> Unearned premium reserve	11,181	2,854	(31,607)	28,387	10,815
Net premium earned	94,442	27,810	184,733	143,869	450,854
Fee and commission income	9,987	20,123	26,963	31,570	88,643
Total underwriting income	104,429	47,933	211,696	175,439	539,497
Underwriting expenses					
Insurance claims and loss adjustment expenses	10,144	16,030	111,552	46,224	183,950
Commissions and brokerages expenses	32,482	12,603	32,293	36,922	114,300
Other underwriting expenses	13,059	7,925	32,803	38,691	92,478
Total underwriting expenses	55,685	36,558	176,648	121,837	390,728
Profit on underwriting before operating expenses	48,744	11,375	35,048	53,602	148,769
Operating expenses					71,590
Profit on underwriting					77,179

	For the three-month period ended September 30, 2013				Baht: '000
	Fire	Marine	Motor	Miscellaneous	Total
Underwriting income					
Gross premiums written	134,641	100,107	238,647	321,520	794,915
<u>Less</u> Premiums ceded	56,753	69,204	1,518	184,538	312,013
Net premiums written	77,888	30,903	237,129	136,982	482,902
<u>(Add) Less</u> Unearned premium reserve	4,557	331	5,538	(16,783)	(6,357)
Net premium earned	73,331	30,572	231,591	153,765	489,259
Fee and commission income	11,921	19,143	-	25,391	56,455
Total underwriting income	85,252	49,715	231,591	179,156	545,714
Underwriting expenses					
Insurance claims and loss adjustment expenses	10,655	9,393	133,325	67,226	220,599
Commissions and brokerages expenses	29,926	12,406	30,384	30,378	103,094
Other underwriting expenses	5,124	5,481	40,607	43,281	94,493
Total underwriting expenses	45,705	27,280	204,316	140,885	418,186
Profit on underwriting before operating expenses	39,547	22,435	27,275	38,271	127,528
Operating expenses					59,631
Profit on underwriting					67,897

Baht: '000

	For the nine-month period ended September 30, 2014				Total
	Fire	Marine	Motor	Miscellaneous	
Underwriting income					
Gross premiums written	452,761	290,498	696,327	859,198	2,298,784
<u>Less</u> Premiums ceded	135,584	203,525	232,968	378,218	950,295
Net premiums written	317,177	86,973	463,359	480,980	1,348,489
<u>(Add) Less</u> Unearned premium reserve	45,762	2,838	(154,893)	58,510	(47,783)
Net premium earned	271,415	84,135	618,252	422,470	1,396,272
Fee and commission income	37,582	59,355	80,270	81,392	258,599
Total underwriting income	308,997	143,490	698,522	503,862	1,654,871
Underwriting expenses					
Insurance claims and loss adjustment expenses	39,355	29,578	415,550	28,794	513,277
Commissions and brokerages expenses	99,011	34,969	93,659	106,263	333,902
Other underwriting expenses	34,582	23,100	95,189	119,896	272,767
Total underwriting expenses	172,948	87,647	604,398	254,953	1,119,946
Profit on underwriting before operating expenses	136,049	55,843	94,124	248,909	534,925
Operating expenses					203,227
Profit on underwriting					331,698

Baht: '000

	For the nine-month period ended September 30, 2013				Total
	Fire	Marine	Motor	Miscellaneous	
Underwriting income					
Gross premiums written	439,669	294,246	711,953	846,369	2,292,237
<u>Less</u> Premiums ceded	190,217	206,282	4,553	417,875	818,927
Net premiums written	249,452	87,964	707,400	428,494	1,473,310
<u>(Add) Less</u> Unearned premium reserve	6,782	5,156	32,264	(2,210)	41,992
Net premium earned	242,670	82,808	675,136	430,704	1,431,318
Fee and commission income	44,347	57,483	-	74,671	176,501
Total underwriting income	287,017	140,291	675,136	505,375	1,607,819
Underwriting expenses					
Insurance claims and loss adjustment expenses	44,827	27,647	412,129	141,165	625,768
Commissions and brokerages expenses	94,134	36,329	93,815	98,309	322,587
Other underwriting expenses	22,808	19,679	82,924	127,830	253,241
Total underwriting expenses	161,769	83,655	588,868	367,304	1,201,596
Profit on underwriting before operating expenses	125,248	56,636	86,268	138,071	406,223
Operating expenses					291,305
Profit on underwriting					114,918

31. RECLASSIFICATIONS

Certain reclassifications have been made in the statement of financial position as at December 31, 2013 and as at January 1, 2013 to conform to the classifications used in the statement of financial position as at September 30, 2014 as follows:

Accounts	Amount	Previous presentation	Current presentation
(Baht: '000)			
Statement of financial position as at December 31, 2013			
Reinsurance premium reserve	427,970	Premium reserve	Reinsurance assets
Statement of financial position as at January 1, 2013			
Reinsurance premium reserve	416,881	Premium reserve	Reinsurance assets

32. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved for issuance by the Company's authorized executive director on November 7, 2014.