

RELIABLE COMMITMENT AND FAIR DEALS CAN ALWAYS BE EXPECTED FROM US

รายงานประจำปี 2554 ANNUAL REPORT 2011



บมจ.นำสินประกันภัย
NAM SENG INSURANCE PLC.
มั่นคงในสัญญา เชื่อตรงในบริการ

สารบัญ

CONTENTS



- | | | | |
|----|--|-----|---|
| 2 | ข้อมูลทางการเงิน
FINANCIAL HIGHLIGHTS | 58 | คำอธิบายและวิเคราะห์ฐานะการเงินและผลการดำเนินงาน
FINANCIAL STATUS AND OPERATIONAL PERFORMANCE |
| 3 | วิสัยทัศน์
VISION | 62 | ความรับผิดชอบต่อของบริษัทฯ ต่อผู้ที่เกี่ยวข้อง (Stakeholders)
RESPONSIBILITY TOWARDS MAJOR STAKEHOLDERS |
| 4 | คณะกรรมการบริษัทฯ
BOARD OF DIRECTORS | 66 | ข้อมูลทั่วไป
GENERAL INFORMATION |
| 6 | รายงานสรุปจากคณะกรรมการบริษัทฯ
SUMMARY REPORT FROM THE BOARD OF DIRECTORS | 68 | รายงานความเห็นของคณะกรรมการต่อการจัดทำและการเปิดเผยรายงานทางการเงิน
STATEMENT OF DIRECTORS' RESPONSIBILITIES |
| 10 | ลักษณะการประกอบธุรกิจ
NATURE OF BUSINESS | 70 | รายงานของคณะกรรมการตรวจสอบ
REPORT OF AUDIT COMMITTEE |
| 16 | ปัจจัยความเสี่ยง
RISK FACTORS | 74 | งบการเงิน
FINANCIAL STATEMENTS |
| 18 | โครงสร้างการถือหุ้นและการจัดการ
SHAREHOLDERS AND MANAGEMENT | 150 | สาขา/สำนักงาน
BRANCH OFFICES |
| 54 | รายการระหว่างกัน
CONNECTED TRANSACTIONS | | |

ข้อมูลทางการเงิน

FINANCIAL HIGHLIGHTS



(หน่วย: ล้านบาท / Unit: Million Baht)

ณ. วันสิ้นสุด / At Year End		2554 2011	2553 2010	2552 2009
ฐานะการเงิน	Financial Status			
สินทรัพย์รวม	Total Assets	2,730.83	2,012.16	1,789.98
หนี้สินรวม	Total Liabilities	1,831.25	1,192.31	1,098.91
ส่วนของผู้ถือหุ้น	Shareholder's Equity	899.58	819.85	691.07
ผลประกอบการ	Financial Performance			
เบี้ยประกันภัยรับรวม	Gross Written Premium	1,170.33	1,140.19	1,162.85
เบี้ยประกันภัยรับสุทธิ	Net Written Premium	1,098.71	1,073.88	1,089.97
เบี้ยประกันภัยที่ถือเป็นรายได้	Earned Premium	1,096.03	1,107.86	1,089.25
รายได้จากการลงทุน	Income on Investment	63.13	87.84	30.24
รายได้อื่นและกำไรจากการขายทรัพย์สิน	Other Income and Gain on sale of assets	138.87	22.16	21.95
รายจ่ายรวม	Total Expenses	1,146.84	1,126.06	1,063.51
กำไร (ขาดทุน) สุทธิ	Net Profit (Loss)	117.27	100.86	63.53
อัตราส่วนทางการเงิน	Financial Ratio			
อัตราผลตอบแทนจากการลงทุน (%)	Investment Yield (%)	3.95	6.06	2.38
อัตราผลตอบแทนผู้ถือหุ้น (%)	Return on Equity (%)	13.64	13.35	10.28
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า)	Debt to Equity (Times)	2.04	1.35	1.59
กำไรต่อหุ้น (บาท)	Earnings per Share (Baht)	8.44	7.26	4.57
มูลค่าตามบัญชี (บาท/หุ้น)	Book Value (Baht/Share)	64.72	58.98	49.72



วิสัยทัศน์

บริษัทฯ มีความมุ่งมั่นในการเป็นบริษัทประกันภัยชั้นนำ และได้รับความไว้วางใจจากลูกค้าและสังคม โดยยึดหลัก “มั่นคงในสัญญา ซื่อตรงในบริการ” เพื่อประโยชน์ของผู้เกี่ยวข้อง

พันธกิจ

- สร้างความเชื่อมั่นให้กรมธรรม์ประกันภัยของบริษัทฯ ได้รับความไว้วางใจจากลูกค้า คู่ค้า และสังคม โดยรวม และเป็นที่ยังได้เมื่อมีภัย
- ยึดมั่นในความยุติธรรม ในการชดเชยค่าสินไหมทดแทนด้วยมาตรฐานที่ยอมรับ
- เติบโตอย่างมีทิศทางที่ชัดเจนและมั่นคง

VISION

We aim to be a leading and reliable insurance company with trust given by society for the benefits of stakeholders by adhering to the principle that “reliable commitment and fair deals can always be expected from us.”

MISSION STATEMENT

- To make our insurance policies to be trusted by policyholders and society.
- To offer standard of services and fair claim settlements.
- To grow step by step with quality.

คณะกรรมการบริษัทฯ

BOARD OF DIRECTORS



นายกำพล เตชะหริวจิตร
ประธานกรรมการ

Mr. Kumpol Techaruvichit
Chairman

นายสมบุญ ฟูศรีบุญ
รองประธานกรรมการ

Mr. Somboon Fusriboon
Vice Chairman

นายวิฑูรย์ พัฒนรัชต์
กรรมการ

Mr. Vithun Patanarat
Director



นางสาวรัตนา เจริญชัยพงศ์
กรรมการ

Miss Ratana Jaroenchaipong
Director

นายสันต์ โชติพฤกษ์
กรรมการ (กรรมการอิสระ)

Mr. Sant Chotipruk
Director (Independent Director)

นายยงยุทธ ผู้สันติ
กรรมการ (กรรมการอิสระ)

Mr. Yongyuth Phusanti
Director (Independent Director)



นายนพดล พุฒรังษี
กรรมการ (กรรมการอิสระ)

Mr. Napadol Putarungsi
Director (Independent Director)



นายไพรัช เจริญชัยพงษ์
กรรมการ

Mr. Pairach Charoenchaipong
Director



นางสาวสุมาลี เจริญชัยพงษ์
กรรมการ

Miss Sumalee Jaroenchaipong
Director



นายมาว อ่อง ทุน
กรรมการ

Mr. Muang Aung Htun
Director



นายลลิต เลิศไม้ไทย
กรรมการ (กรรมการอิสระ)

Mr. Lalit Lertmaithai
Director (Independent Director)



ดร.โชติมา พัวศิริ
กรรมการ

Dr. Chotima Puasiri
Director

รายงานสรุปจากคณะกรรมการบริษัทฯ

SUMMARY REPORT FROM THE BOARD OF DIRECTORS



นายกำพล เตชะหรวุจิตร
ประธานกรรมการ
Mr. Kumpol Techaruvichit
Chairman

มหาอุทกภัยในปี 2554 ส่งผลกระทบต่อประเทศไทย โดยเฉพาะอย่างยิ่งอัตราการขยายตัวทางเศรษฐกิจซึ่งลดจากร้อยละ 7.8 ในปี 2553 เป็นร้อยละ 0.1 ในปี 2554 ดังนั้นธุรกิจประกันวินาศภัยจึงได้รับผลกระทบโดยหลีกเลี่ยงมิได้

บริษัทฯ มีเบี้ยประกันภัยรวมในปี 2554 จำนวน 1,170.33 ล้านบาท ซึ่งสูงกว่าปีที่ผ่านมาเพียงร้อยละ 2.64 เนื่องจากการขยายงานในไตรมาสสุดท้ายของปี 2554 ได้รับผลกระทบจากมหาอุทกภัยอย่างมีนัยสำคัญ ขณะเดียวกันนี้มหาอุทกภัยได้ทำให้ค่าสินไหมทดแทนมีจำนวนสูงกว่าปกติ และมีส่วนทำให้บริษัทฯ ขาดทุนจากการรับประกันภัยจำนวน 21.38 ล้านบาท บริษัทฯ ขยายสิทธิกรมทรัพย์สินในปีเดียวกันนี้ได้กำไรเป็นจำนวน 120.24 ล้านบาท มีรายได้จากการลงทุนสุทธิรวมกับกำไรจากเงินลงทุนอีก 63.13 ล้านบาท ดังนั้นบริษัทฯ จึงได้รับกำไรสุทธิในปี 2554 จำนวน 117.27 ล้านบาท ซึ่งสูงกว่าปีก่อนเป็นจำนวน 16.41 ล้านบาท หรือร้อยละ 16.27

ในปี 2554 บริษัทฯ เร่งรัดให้ลูกหนี้เบี้ยประกันภัยชำระเงิน ทำให้บริษัทฯ ได้รับชำระเบี้ยประกันภัยเร็วขึ้น และมีลูกหนี้เบี้ยประกันภัยที่ได้รับการประเมินจากนายทะเบียน ณ วันที่ 31 ธันวาคม 2554 สูงถึงร้อยละ 89.1 ของลูกหนี้เบี้ยประกันภัยราคาบัญชี สูงกว่า ณ สิ้นปี 2553 ซึ่งเท่ากับร้อยละ 78.7

บริษัทฯ มีเงินกองทุนที่ได้รับการประเมินโดยนายทะเบียน ณ 30 กันยายน 2554 จำนวน 933.75 ล้านบาท ซึ่งเท่ากับร้อยละ 394 ของเงินกองทุนที่ต้องดำรงตามกฎหมาย แสดงถึงความแข็งแกร่งทางการเงิน จึงมีสภาพคล่องที่ดี และมั่นใจว่าถึงแม้จะได้รับผลกระทบจากมหาอุทกภัยในปี 2554 เหมือนกับบริษัทประกันวินาศภัยส่วนมาก แต่เงินกองทุนของบริษัทฯ ยังมีจำนวนที่สูงเพียงพอ ที่จะช่วยให้บริษัทฯ ขยายงานบนพื้นฐานที่มั่นคงได้โดยไม่ต้องเพิ่มเงินกองทุน

ในส่วนที่เกี่ยวกับโครงการต่างๆ ในปี 2555 ที่กำลังจะมาถึง บริษัทฯ มีความมุ่งมั่นที่จะขยายงานให้เติบโตมากกว่าปีที่ผ่านมา โดยมีเป้าหมายที่

จะเพิ่มส่วนแบ่งการตลาดของกรมธรรม์ที่ความเสี่ยงต่ำ จึงได้พัฒนาระบบคอมพิวเตอร์ เพื่ออำนวยความสะดวกแก่ลูกค้า ที่จะได้รับบริการหลังการขายที่ดี ทั้งจะปรับปรุงภาพลักษณ์ของสาขาให้มีความทันสมัยขึ้น จึงมีความมั่นใจว่า น่าจะได้รับผลสำเร็จตามเป้าหมายที่ตั้งไว้

จากการที่นายทะเบียนได้ประกาศให้บริษัทประกันวินาศภัยดำรงเงินกองทุนตามความเสี่ยง (RBC) บริษัทฯ จะประกอบธุรกิจด้วยความระมัดระวัง เพื่อลดความเสี่ยงที่จะทำให้เงินกองทุนมีจำนวนลดลง ทั้งจะหลีกเลี่ยงธุรกิจที่มีความเสี่ยงสูงเกินไป เพื่อให้สัดส่วนของเงินกองทุนที่บริษัทฯ มีอยู่ต่อเงินกองทุนที่จะต้องดำรงตามกฎหมาย (CAR) มีระดับที่เหมาะสม

บริษัทฯ ดำเนินงานด้วยความโปร่งใส ทั้งมีจริยธรรมทางธุรกิจ เปิดเผยข้อมูลที่ถูกต้องและเพียงพอ เพื่อเพิ่มมูลค่า (Value) ให้แก่บริษัทฯ ทั้งมีความรับผิดชอบต่อสังคมตามหลักความรับผิดชอบต่อสังคมและสิ่งแวดล้อมขององค์กรธุรกิจ (CSR) จึงสนับสนุนให้พนักงานให้บริการแก่สังคมด้วยความจริงใจ ส่งเสริมโครงการประหยัดพลังงานไฟฟ้า และใส่ใจในสภาพแวดล้อม เพื่อสร้างสังคมที่ดี ที่ทุกชีวิตมีส่วนร่วมเกื้อกูลแก่กันและกัน

เป็นที่น่ายินดีที่ ในปีที่ผ่านมาบริษัทฯ ได้รับการคัดเลือกจากสำนักงานคณะกรรมการกำกับและส่งเสริมการประกอบธุรกิจประกันภัย (คปภ.) ให้ได้รับรางวัลบริษัทประกันภัยที่มีการบริหารงานดีเด่น รางวัลชมเชย ประจำปี 2553 ซึ่งเป็นผลมาจากการยกระดับประสิทธิภาพในการบริหารงาน และเสริมสร้างความมั่นคงทางการเงินอย่างต่อเนื่อง บริษัทฯ ตั้งปณิธานว่า จะไม่ลดละความพยายาม ที่จะปรับปรุงประสิทธิภาพในการบริหารงาน และให้บริการด้วยความซื่อสัตย์สุจริต โดยยึดมั่นในพันธะสัญญาที่มีอยู่กับลูกค้า คู่ค้า และสังคมโดยรวม อันเป็นการสร้างความสามารถในการแข่งขัน ซึ่งจะช่วยให้บริษัทฯ เติบโตใหญ่ได้โดยมีเสถียรภาพตลอดไป

ในนามของคณะกรรมการขอขอบคุณผู้ถือหุ้น ลูกค้าผู้เอาประกันภัย ตัวแทน นายหน้า และพนักงานทุกท่านที่ให้อภัยและสนับสนุนให้บริษัทฯ ต่อสู้กับอุปสรรค และมีความพร้อมที่จะเจริญเติบโตได้อย่างต่อเนื่อง

(นายกำพล เตชะหรวุจิตร)
ประธานกรรมการ

(นายสมบุญ พุทธิบุญ)
กรรมการผู้อำนวยการ

นายสมบุญ ฟุศรีบุญ
กรรมการผู้อำนวยการ
Mr. Somboon Fusriboon
Managing Director



The worst floods in 2011 severely effected the Thai economy. Its growth consequently declined to 0.1% in 2011 from 7.8% in 2010, hence insurance business was inevitably effected.

Our gross written premium in 2011 amounted to 1,170.33 million Baht, with a weak sales growth of 2.64%, as being impeded by the severe floods in the fourth quarter.

The Company realized 21.38 million Baht of loss from insurance partly due to the rise of insurance claims due to the floods, it however had 120.24 million Baht of gain on the sale of property and 63.13 million Baht of net investment income and gain on the sale of investments. As a result, the net profit rose by 16.41 million Baht or 16.27% to 117.27 million Baht in the reported year.

The Company in 2011 encouraged premiums receivable to speedily pay money, consequently the premiums receivable as evaluated by the registrar as of 31 December 2011 was 89.1% of what was reported in statement of financial position, compared with 78.7% as of 2010.

The Company's available capital as of 30 September 2011 was 933.75 million Baht, or 394% of what was required by the non-life insurance act, indicating to the strength of the financial position of the Company. Our Company's liquidity was therefore at suitable level. We believe with confidence that although the Company was effected by the worst floods, our capital is adequate for the business expansion.

Actually we intend to boost the sales growth in 2012, targeting to increase our market share in markets with low risks. We have hence continually developed our computer system,

so that the after-sales services are improved. Moreover our branches' offices are renovated. The sales targets thus are expected to be successfully achieved.

Due to the fact that all insurance companies must maintain their capitals according to their concerned risks in compliance with the Non-Life Insurance Act and the notification of the registrar, we aim to maintain the suitability of the Company's capital adequacy ratio (CAR). The Company will therefore carefully do business, excessive risks hence will not be accepted.

We believe in the principle of corporate governance, thus transparently disclosing accurate and adequate information. It does increase the value of the Company. We also believe in the principle of Corporate Social Responsibility (CSR), thus encouraging our staff to sincerely service society, supporting energy saving and taking care our environment. We wish to see a society in which every member helps each other.

The Office of Insurance Commission (OIC) in 2011 granted us the Outstanding Management Award-honorable mention for the year 2010, resulting from the continuous improvement of the efficiency of working systems and the strength of our financial basis. The award reminds us that our policy to improve and offer sincere services with honesty and integrity is correct. We believe that adhering to our obligation done with customers, concerned parties and society will help create our competitiveness and sustained growth.

The board of directors thanks shareholders, clients, agents, brokers and all staff for their support which accelerates our consistent progress.

(Mr. Kampo Techaruvichit)
Chairman

(Mr. Somboon Fusriboon)
Managing Director



นายสมบุญ ฟุศรีบุญญ์ รับมอบรางวัลบริษัทประกันภัยที่มีการบริหารงานดีเด่น – ชมเชย ประจำปี 2553 จาก นางสาวยิ่งลักษณ์ ชินวัตร
ฯพณฯ นายกรัฐมนตรี ในวันที่ 1 กันยายน 2554

The prime minister, Ms. Yingluck Shinawatra, gave Mr. Somboon Fusriboon the Outstanding Insurance Management Award - honorable mention for the year 2010 on 1 September 2011.



นายสมบุญ ฟุศิริบุญ กรรมการผู้อำนวยการ และผู้บริหารของ บมจ.นำสินประกันภัย ในวันที่ได้รับมอบรางวัลบริหารงานดีเด่น - ชมเชย ประจำปี 2553 จากฯพณฯ นายกรัฐมนตรี ณ ทำเนียบรัฐบาลเมื่อวันที่ 1 กันยายน 2554

Mr. Somboon Fusriboon, Managing Director, and the management team were at the front of the Government House on 1 September 2011 when the Company was granted the Outstanding Insurance Management Award - honorable mention for the year 2010.

1. Nature of Business

1.1 Business operation

The Company mainly does the following business:

- 1.1.1 **Fire insurance** basically provides coverage for losses or damages to insured properties caused by fire. It can be extended to cover other losses caused by flood and windstorm, including costs in attempt to stop the fire or to prevent the fire from spreading etc.
- 1.1.2 **Motor insurance** comprises compulsory and voluntary insurance. While the voluntary insurance covers losses and damages to the properties and bodily injuries of both insured and third party, the other covers what stated by the Protection for Motor Vehicle Accident Victims Act B.E. 1992.
- 1.1.3 **Marine and transportation insurance** provides coverage for losses and damages to hull and the transported cargo. This also includes those being transported by air and land.
- 1.1.4 **Miscellaneous insurance** is that other than fire, motor, and marine insurance such as burglary, public-liability, contract-work, and golfer's indemnity insurance etc.
- 1.1.5 **Reinsurer** The Company takes up some risks from direct insurance companies.
- 1.1.6 **Investment** The Company invests in financial instruments such as bonds and others under the Office of Insurance Commission's regulations.

1.2 Income structure

In 2011, the Company's gross written premiums totaled 1,170.33 million Baht, an increase of 2.64% from the previous year.

The loss from insurance in 2011 amounted to 21.38 million Baht, compared with profit from insurance of 16.15 million Baht in the previous year. Investment income decreased by 28.13% to 63.13 million Baht, however gain on sale of assets increased by 120.24 million Baht. Accordingly net profit increased by 16.41 million Baht to 117.27 million Baht.

1.2.1 Insurance business

Motor

In 2011, the gross written premiums were 1,007.21 million Baht, an increase of 0.54% from 2010. Losses incurred and loss adjustment expenses amounted to 632.59 million Baht, a decrease of 1.29% from 2010. The loss from insurance rose to 32.02 million Baht, or 42.02% from 2010.

Fire

Total gross written premiums amounted to 35.91 million Baht, a 12.27% decrease from 2010. Losses incurred and loss adjustment expenses amounted to 5.74 million Baht, an 105.76% increase from 2010. The profit from insurance decreased to 5.45 million Baht, or 58.10% from 2010.

Marine and transportation

Total gross written premiums amounted to 17.58 million Baht, an increase of 20.93% from 2010. Losses incurred and loss adjustment expenses amounted to 7.11 million Baht, an increase of 717.02% from 2010, resulting in loss from insurance of 0.04 million Baht, an 101.53% decrease from 2010.

Miscellaneous

Total gross written premiums for 2011 amounted to 109.64 million Baht, a 32.20% increase from 2010. Losses incurred and loss adjustment expenses amounted to 46.39 million Baht, a 77.96% increase from 2010. The gain from insurance amounted to 5.23 million Baht, a 76.77% decrease from 2010.

1.2.2 Investment and others

The Company's total investment fund amounted to 1,663.41 million Baht. The income from investment amounted to Baht 63.13 million, a 28.13% decrease from 2010.

The Company's other income and gain on sale of assets amounted to 138.87 million Baht of which 119.7 million Baht was due to gain on the sale of the Company's property located close to the Victory monument.

Income Structure of Nam Seng Insurance Plc.

(Unit: Million Baht)

Item	2011		2010		2009	
	Amount	%	Amount	%	Amount	%
Gross written premium						
- Fire	35.91	2.62	40.93	3.27	44.14	3.63
- Motor	1,007.21	73.38	1,001.79	80.14	995.00	81.89
- Marine	17.58	1.28	14.54	1.16	15.69	1.29
- Miscellaneous	109.64	7.99	82.93	6.63	108.03	8.89
Subtotal	1,170.33	85.27	1,140.19	91.21	1,162.85	95.70
Income on investment	63.30	4.61	87.84	7.03	30.24	2.49
Others income and gain on sale of assets	138.87	10.12	22.01	1.76	21.95	1.81
Total	1,372.50	100.00	1,250.04	100.00	1,215.04	100.00

Note : Gross written premium = premium written less premium cancelled and refunded

1.3 Marketing and competition

1.3.1 Marketing strategy

The Company has intended to increase sales with low risks, thus adjusting premium rates to be commensurate with associated risks. Computer system is also improved to accelerate the better services to help create sustainable growth.

1.3.2 Distribution channels

The distribution channels are as follows:

(1) **Sales via agents and brokers**

The Company has sold insurance policies via selected quality agents and brokers. We always train new quality agents and support them in the field of both sales and after-sales services. Most of our premium was sold via this channel.

(2) **Direct sales**

The Company has set up a team to provide services to the target customers. The volume via this channel was 2.0% of total premiums.

(3) **Reinsurance**

The Company has accepted reinsurance from other insurance companies as a part of income, amounting to 1.28% of total premiums.

1.3.3 Competition and Outlook

As at 31 December 2011, there were 69 non-life insurance companies in Thailand.

The total direct premiums in the market from 1 January 2011 to December 2011 were 139,835 million Baht with a growth rate of 11.87%. The Company's total direct premiums in the reported period were 1,155.50 million Baht, equivalent to 0.82% of the total market reported by the OIC. Regarding the motor business, our direct written premiums were 1,007.21 million Baht, equivalent to 1.21% of 82,991 million Baht of the total motor-insurance market.

We projected that the Thai economy could expand by 4.5% - 5.5% in 2012 because it would fully recover in the third quarter. Moreover due to the fact that most people have realized the danger of natural disaster, the benefit of insurance policies now is perceived. The total direct premiums of the market in 2012 could therefore rise by 15%.

We project that the expansion of our direct premiums in 2012 will not be less than the growth of the market, so that our market share could not be less than that in 2011.

2. Risk Factors

2.1 Strategic Risk

Strategic risk arises from improper implementation of strategic and operational plans. It also arises from the lack of responsiveness to the change of external and internal factors.

We manage the risk by setting premium rates in line with risks, choosing reinsurers with strong fundamental, diversifying risks and carefully investing in financial instruments, so that our capital will be strong enough to facilitate our business expansion. We also improve our services to support our marketing schemes.

We utilize computer system and train our staff to understand the conditions of insurance policies, so that claim payments will be speedy and accurate. Claims - managing committee has been set up by the board of directors to make sure that our claim management is suitable.

2.2 Credit Risk

Credit risk arises when our debtors have no ability to meet their obligations. In this case, their credit rating could deteriorate.

The Company manages risks by purchasing debt instruments with acceptable rating, encourages premiums receivable to pay money according to the principle of CBC (cash before cover). As a result, the value of our premiums receivable as at the end of 2011 was 89.1% of the amount appraised by the registrar, compared with the required ratio of 75%.

Besides the Company has done reinsurance agreements with reinsurers with strong fundamental in order to reduce default risks.

2.3 Market Risk

Market risk arises when interest rates and the prices of financial instruments fluctuate.

The board of directors has established the investment committee to determine investment policy, reducing risks associated with the fluctuations of the prices of financial instruments. The risks are generally caused by the movements of interest rates and other financial factors. The committee has closely monitored the economic situation in order to determine the composition of the investment portfolio and diversify risks. The Company concentrates on dividend stocks with strong fundamental rather than speculation in order to reduce the results of economic fluctuation.

2.4 Operational Risk

Operational risk is a risk resulting from inappropriate staff or inadequate or failed internal process effected by the external environment.

The Company reduces the risk by training staff, so that they will have adequate knowledge and efficiently work.

The Company also regularly maintains the computer system to be in good condition. Data backup has also been done every day. Processes responding to the emergency event is always properly managed to make sure that the computer system consistently works.

2.5 Insurance Risks

Insurance risk arises due to the fluctuation of the frequency and severity of losses, which could deviate from assumptions, after the premium rates and the insurance reserves have been fixed.

The Company reduces the risk by determining premium rates, after carefully analyzing data and having done risk surveys. An actuary has also been assigned to calculate the amount of insurance reserves, making sure that they are adequate.

Furthermore the Company has transferred the risk to reinsurers with strong fundamental. As a result the Company is fully ready to indemnify damaged persons without financial difficulty

The Company has set up underwriting committee to determine policies regarding the insurance premiums and conditions.

2.6 Liquidity Risks

Liquidity risk arises when the Company is unable to sell assets quickly at its fair market price, otherwise it may have to sell assets at a loss to meet cash demand.

The Company has reduces the risk by holding liquidity assets which are not less than the insurance reserves and obligations.

SHAREHOLDERS AND MANAGEMENT

3. Shareholders and Management

3.1 Shareholders

The first ten major shareholders as at 16 March 2011 were as follows:

Major Shareholders	No. of Shares	% of Share Capital	Type of Business
1. N.S. Alliance Company Limited 1/	3,996,710	28.75%	Holding Company
2. HIH Overseas Holdings Limited 2/	3,400,000	24.46%	Holding Company
3. Pokkim Company Limited 1/	2,398,027	17.25%	Holding Company
4. Thai NVDR Co.,Ltd.	614,700	4.42%	
5. Mrs. Supaporn Janserivithaya	566,000	4.07%	
6. Mr. Pichai Wongchindawest	563,400	4.05%	
7. Thai Military Bank Plc.	183,500	1.32%	Financial institution
8. Mrs. Kanjana Chernrongroj	149,428	1.08%	
9. Miss Sumalee Jaroenchaipong	125,358	0.90%	
10. Mr. Sopon Viraseranee	78,100	0.56%	
Total	12,075,223	86.87%	

Note: 1/ The major shareholders of N.S. Alliance Company Limited and Pokkim Company Limited. are Mr. Somboon Fusriboon, Miss Ratana Jaroenchaipong, Miss Sumalee Jaroenchaipong, Mrs. Kanjana Chernrongroj and Miss Sriratana Jaroenchaipong.

2/ HIH Insurance Group, Australia, was placed into provisional liquidation in 2001.

3.2 Management

3.2.1 Management structure

The Company had a board of directors and 7 committees set up by the board of directors to execute significant duties as follows:

(1) Board of Directors

a. The board of directors is authorized and responsible to set the Company's business strategies in compliance with the associated laws, the articles of association and the resolutions from the shareholders' meetings.

The board of directors could also approve the purchases of assets and other transactions under terms and conditions set by the Office of Insurance Commission, the Stock Exchange of Thailand and the Security and Exchange Commission. For example, the purchases of properties or securities must be in compliance with the Non-life insurance act and the Ministry of Commerce's notification on the investment.

b. The Board of Director's members as at 31 December 2011 were as follows:

Name	Position in Nam Seng Plc.		Position in other Company.		Training Course	Graduation
	From - To	Position	Company	Position		
Mr. Kumpol Techaruvichit (non-executive director)	1991 - Present	Chairman	N.S. Alliance Co.,Ltd. N.S.B. Co.,Ltd. Asia Hotel Plc. Asia Pattaya Hotel Co.,Ltd. Asia Airport Hotel Co.,Ltd. A.B.K. Enterprise Co.,Ltd. Pattaya Hotel Trading Co.,Ltd. Zeer Property Plc. Pamatoy Co.,Ltd.	Chairman Chairman Chairman Managing Director Chairman Managing Director Chairman Managing Director Chairman Managing Director Chairman Managing Director Director Chairman	DAP	Honorary Doctor Degree of Business Administration, Western Pacific, USA.
Mr. Somboon Fusriboon (executive director)	2008 - Present 1983 - 2008	Vice Chairman Director	N.S. Alliance Co.,Ltd. Pokkim Co.,Ltd. N.S.B. Co.,Ltd. Zeer Property Plc.	Vice Chairman Chairman Vice Chairman Independent Director	DAP	H.N.D. Maths Statistics & Computing, Hatfield Polytechnic, England.
Mr. Vithun Patanarat (executive director)	1980 - Present	Director	-	-	DAP	Master of Business Administration, University of Kansas, USA
Miss Ratana Jaroenchaipong (executive director)	1992 - Present	Director	N.S. Alliance Co.,Ltd. Pokkim Co.,Ltd. N.S.B. Co.,Ltd.	Director Director Director	DAP	H.N.D. Maths Statistics & Computing, Bristol Polytechnic, England.
Miss Sumalee Jaroenchaipong (non-executive director)	1991 - Present	Director	N.S. Alliance Co.,Ltd. Pokkim Co.,Ltd. N.S.B. Co.,Ltd.	Director Director Director	DAP	Certificate in Administrative Management, Siripinyo School
Mr. Pairach Charoenchaipong (non-executive director)	1983 - Present	Director	N.S. Alliance Co.,Ltd N.S.B. Co.,Ltd. Sin Phaibul Group Co.,Ltd. Sin Phaibul Sawmill Co.,Ltd.	Director Director Managing Director Managing Director	DAP	Master of Management, Mahidol University
Mr. Yongyuth Phusanti (Independent Director)	1991 - Present	Director	N.S. Alliance Co.,Ltd N.S.B. Co.,Ltd.	Director Director	DAP	M.S. in Sanitary Engineering Syracuse University, USA
Mr. Sant Chotipruk (Independent Director)	1996 - Present	Director	-	-	DAP	Bachelor' s Degree in Commerce, Thammasat University
Mr. Napadol Putarungsi (Independent Director)	2001 - Present	Director	-	-	DAP	Master's Degree in Engineering(Electrical), Lamar University, USA.

Name	Position in Nam Seng Plc.		Position in other Company.		Training Course	Graduation
	From - To	Position	Company	Position		
Mr. Muang Aung Htun (non-executive director)	2003 - Present	Director	Faye Capital Asia Fund Thai Strategic Partners II LP Thai Strategic Capital Management Co.,Ltd. Imperial Technology Management Services Plc. Drago P.C.B. Plc. KT ZMICO Securities Co.,Ltd.	Director Director Director Director Director Director	DAP	Bsc.Eng.(Hons), University of London, England.
Mr.Lalit Lertmaithai (Independent Director)	2009-Present	Director	Etan mansesse & associate Ariev & Ariev associate Ogilvy & Mather Ogilvy & Mather Advertising Network Lalit consulting firm	graphic designer NY graphic designer NY art director NY art director Thailand creative director/ partner communication design consultant	DAP	Master Degree, Communication design, Pratt institute, New York USA.
Dr. Chotima Puasiri (non-executive director)	2009-Present	Director	N.S. Alliance Co.,Ltd. N.S.B. Co.,Ltd. Asia Hotel Plc.	Director Director Director	DAP	PhD Business Administration, Ramkhamhaeng University, Bangkok (Thailand)

Note : DAP means Directors Accreditation Program held by IOD
Consultant to the board of directors is Dr. Abhijai Chandrasen.
Company secretary is Mr. Thana Vongsangnak.

- c. In 2011, the board of director held 12 meetings, setting up policies, approving financial targets and budgets, monitoring the Company's performance, and solving problems concerned.

The following was the number of the meeting attendance of the directors. :

Name	Position	Number of attendance/total meetings	
		Number of attendance	Total meetings
1. Mr. Kumpol Techaruvichit	Chairman	12	12
2. Mr. Somboon Fusriboon	Vice Chairman	12	12
3. Mr. Vithun Patanarat	Director	12	12
4. Miss Ratana Jaroenchaipong	Director	11	12
5. Miss Sumalee Jaroenchaipong	Director	11	12
6. Mr. Pairach Charoenchaipong	Director	11	12
7. Mr. Yongyuth Phusanti	Director	12	12

	Name	Position	Number of attendance/total meetings	
			Number of attendance	Total meetings
8.	Mr. Sant Chotipruk	Director	11	12
9.	Mr. Napadol Putarungsi	Director	12	12
10.	Mr. Muang Aung Htun	Director	8	12
11.	Mr.Lalit Lertmaithai	Director	12	12
12.	Dr. Chotima Puasiri	Director	10	12

(2) Executive Committee

- a. The executive committee is authorized by the board of directors to review the Company's financial status and results, and set targets, plans and the organizational structure etc.
- b. The executive committee members as at 31 December 2011 were as follows:

	Name	Position	Number of attendance/total meetings	
			Number of attendance	Total meetings
1.	Mr. Somboon Fusriboon	Chairman of Executive Committee	12	12
2.	Mr. Vithun Patanarat	Committee member	12	12
3.	Miss Ratana Jaroenchaipong	Committee member	12	12
4.	Mr. Muang Aung Htun	Committee member	8	12

- c. In 2011, the executive committee held 12 meetings to set up policies to be implemented, so as to achieve the targets.

(3) Audit Committee

- a. The audit committee is responsible to review the Company's procedure, to ensure that the Company's financial statements are accurate and adequate, the internal control is suitable, the associated laws are complied with, and there is no conflict of interest. The committee also recommends the board of directors about the appointment of external auditor and conducts investigation, and reviews evidence whenever there is any suspected frauds or problems in the internal control.
- b. The audit committee members as at 31 December 2011 were as follows :

	Name	Position	Number of attendance/total meetings	
			Number of attendance	Total meetings
1.	Mr. Sant Chotipruk	Chairman of Audit Committee	6	6
2.	Mr.Napadol Putarungsi	Committee Member	6	6
3.	Mr. Yongyuth Phusanti	Committee Member	6	6

Consultant to the audit committee is Dr. Abhijai Chandrasen.

- c. In 2011, the audit committee held 6 meetings, and gave the board of directors advices about issues regarding debtors, financial accounting and investment, so that the notification of the registrar and the articles of association will be complied.

The members of the committee are independent directors. Their qualifications are determined by the Stock Exchange of Thailand.

(4) Investment Committee

- a. The investment committee is responsible to determine the Company's investment policy in accordance with rises, liquidity and returns. As authorized by the board of directors, it could also approve some specified investment such as the purchases of debentures of not above 20 million Baht etc.
- b. The investment committee members as at 31 December 2011 were as follows :

Name	Position	Number of attendance/total meetings	
		Number of attendance	Total meetings
1. Mr. Vithun Patanarat	Chairman of Investment Committee	4	4
2. Mr. Somboon Fusriboon	Committee Member	4	4
3. Miss Ratana Jaroenchaipong	Committee Member	4	4

- c. In 2011, the investment committee held 4 meetings to set up policies and the investment portfolio's structure.

(5) Selection and remuneration Committee

- a. The selection and remuneration committee is authorized to do the following:
 - Advise the board of directors about principle and policies regarding the selection of directors, consultants and the managing director after considering their knowledge, ability, experiences and reputation.
 - Propose the structure of remuneration and other benefits for directors, committees, consultants and the managing director, after comparing them with those in the same industry.
 - Consider policy on the remuneration for the management team and employers.
- b. The selection and remuneration committee members as at 31 December 2011 were as follows:

Name	Position	Number of attendance/total meetings	
		Number of attendance	Total meetings
1. Mr.Napadol Putarungsi	Chairman of Selection and remuneration Committee	2	2
2. Mr. Sant Chotipruk	Committee Member	2	2
3. Mr. Pairach Charoenchaipong	Committee Member	2	2

Consultant to the selection and remuneration committee is Dr. Abhijai Chandrasen.

- c. In 2011, the selection and remuneration committee held 2 meetings, in order to propose suitable persons to be selected by the board of directors and the general meeting of the shareholders as directors. The adjustment of staff salary and remuneration was also determined.

(6) Risks-managing committee

- a. The risks-managing committee is responsible for the following:
- Identify significant risks together with their causes.
 - Assess and prioritize risks
 - Response to risks by determining measures against risks.
 - Monitor, review and report the progress of risks reducing policies.
- b. The risks-managing committee members as at 31 December 2011 were as follows:

	Name	Position	Number of attendance/total meetings	
			Number of attendance	Total meetings
1.	Mr. Somboon Fusriboon	Committee Chairman	4	4
2.	Mr. Padet Dokchan	Committee Member	2	4
3.	Miss Sumalee Jaroenchaipong	Committee Member	2	4
4.	Manager of Office of Executive Director	Committee Member	4	4
5.	Manager of Motor Claims Department	Committee Member	1	4
6.	Manager of Investment Department	Committee Member	3	4
7.	Manager of Legal Department	Committee Member	3	4
8.	Manager of Office Administration Department	Committee Member	2	4
9.	Manager of Branch Operation Department	Committee Member	3	4
10.	Manager of Motor Underwriting Department	Committee Member	4	4
11.	Manager of Finance Department 1/	Committee Member	1	4
12.	Manager of Non-Motor Insurance Department and Secretary	Committee Member	4	4

Note : 1/ Manager of Finance Department was appointed as the committee member by the Board of Directors in the meeting No.1/2554 held on 25 April 2011.

- c. The committee in the meetings determined procedures to reduce overall risks regarding operations.

(7) Underwriting committee

- a. The underwriting committee is responsible for the following:
- Determine flexible underwriting and reinsurance policy in accordance with risks and laws.
 - Make sure that the board of director's underwriting policy is complied with.
 - Approve the authorized list of reinsurers.
 - Approve the Company's underwriting and reinsurance procedure.

b. The underwriting committee's members as at 31 December 2011 were as follows:

Name	Position	Number of attendance/total meetings	
		Number of attendance	Total meetings
1. Mr. Somboon Fusriboon	Committee Chairman	5	5
2. Mr. Vithun Patanarat	Committee Member	6	6
3. Miss Ratana Jaroenchaipong	Committee Member	6	6
4. Manager of Motor Underwriting Department	Committee Member	6	6
5. Manager of Non - Motor Insurance Department	Committee Member	6	6

c. The committee in the meetings determined underwriting policies and set premiums rate to be commensurate with risks.

(8) Claim - managing committee

a. Claim - managing committee is responsible for the following:

- Determine claims - management policy.
- Oversee the movement of claims payments and make sure that the loss reserve is adequate.
- Properly manage claims disputes and make corrective measure when moral hazard arises.

b. The claims - managing committee's members as at 31 December 2011 were as follows:

Name	Position	Number of attendance/total meetings	
		Number of attendance	Total meetings
1. Mr. Somboon Fusriboon	Committee Chairman	3	3
2. Mr. Vithun Patanarat	Committee Member	2	3
3. Miss Ratana Jaroenchaipong	Committee Member	3	3
4. Manager of Motor Underwriting Department	Committee Member	3	3
5. Manager of Non - Motor Insurance Department	Committee Member	3	3
6. Manager of Branch Operation Department	Committee Member	1	3

c. The committee in the meetings determined policies regarding claims procedure to be more efficient.

As at 31 December 2011, the managers and acting managers of the Company were as follows:

Name	Position
1. Mr. Somboon Fusriboon	Managing Director
2. Mr. Vithun Patanarat	Deputy Managing Director
3. Ms. Ratana Jaroenchaipong	Deputy Managing Director
4. Mr. Padet Dokchan	Assistant to Managing Director, Acting Manager of Information Technology Center
5. Mr. Vichit Jaroenchaipong	Assistant to Managing Director, Acting Manager of Marketing Department
6. Ms. Sumalee Jaroenchaipong	Director and Senior manager
7. Dr. Chotima Puasiri	Director and Manager of Office Administration Department
8. Mr. Teera Trussat	Manager of Accounting Department
9. Mrs. Kanjana Chernrongroj	Manager of Finance Department
10. Mr. Kochakorn Nantaphan	Manager of Office of Executive Directors
11. Ms. Malinee Udomsangpetch	Manager of Investment Department
12. Mr. Voravatch Jaroenchaiyapangs	Manager of Branch Operation Department
13. Ms. Siriwan Bovornrubporn	Manager of Motor Underwriting Department
14. Mr. Phisudh Tanphairoh	Manager of Non - Motor Insurance Department
15. Mr. Piriya Klabwihok	Manager of Motor Claims Department
16. Mr. Permsak Roysirikul	Manager of Legal Department
17. Ms. Savanee Onsuwan	Manager of Personnel Department

The executives in accordance with the notification of the SEC were composed of the manager or the next four executives succeeding the manager, and persons holding the position of manager or equivalent in accounting or finance departments. The following were the Company's executives :

Name	Position in Nam Seng Plc.		Position of top executives in other Company.		Graduation
	From - To	Position	Company	Position	
Mr. Somboon Fusriboon	2008 - Present	Managing Director	N.S. Alliance Co.,Ltd.	Vice Chairman	H.N.D. Maths Statistics & Computing, Hatfield Polytechnic, England.
	1997 - 2008	Deputy Managing Director	Pokkim Co.,Ltd. N.S.B. Co.,Ltd. Zeer Property Plc.	Chairman Vice Chairman Independent Director	
Mr. Vithun Patanarat	1980 - Present	Deputy Managing Director	-	-	Master of Business Administration, University of Kansas, USA
	1995 - 2009	Manager of Branch Operation Department			
Miss Ratana Jaroenchaipong	2006 - Present	Deputy Managing Director	N.S. Alliance Co.,Ltd.	Director	H.N.D. Maths Statistics & Computing, Bristol
	1997 - 2006	Assistant Managing Director	Pokkim Co.,Ltd. N.S.B. Co.,Ltd.	Director Director	
Mr. Padet Dokchan	2006 - Present	Assistant to Managing Director, Acting Manager of Information Technology Center	-	-	Bachelor of Electrical Engineering, King Mongkut Institute of Technology Lad Krabang Campus
	2001 - 2006	Manager of Information			
Vichit Jaroenchaipong	2010 - Present	Assistant to Managing Director, Acting Manager of Marketing Department	Tropical Timber Co.,Ltd N.S.B. Co.,Ltd.	Director Director	M.S. (Development Economics) National Institute of Development Administration
Mr. Teera Trussat	2002 - Present	Manager of Accounting Department	-	-	Bachelor's Degree in Business (Accounting), Ramkhamhaeng University
	1999 - 2002	Manager of Internal Audit Office			
Mrs. Kanjana Chemrongroj	1976 - Present	Manager of Finance Department	N.S.B.Co.,Ltd	Director	Certificate of Taipei Commercial College

3.2.2 Selection of the directors

The selection and remuneration committee suggests the board of directors to propose the shareholders' meeting to elect directors in accordance with the following rules and procedure:

- (1) One shareholder shall have one vote for each share.
- (2) Each shareholder shall exercise all the votes he or she has to elect one or several persons as a director or directors, but he or she cannot divide his or her votes for any person.
- (3) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all the directors positions are filled. If there is a tie in the list to be elected which would otherwise cause the number of directors to be exceeding, the chairman shall have the final say.

If any director resigns from the board of directors, at least three fourth of the directors may choose some one to replace him or her, unless the director's term remains less than 2 months.

An appointed director who replaces the one who resigned will perform his or her function only in the remaining period of the director whom he or she replaces.

In order to be in compliance with the good corporate government regarding the rights of shareholders, shareholders could nominate qualified persons to be nominated as directors in the AGM. The nomination procedure has been declared in the Company website.

As at 31 December 2011, directors representing each group of shareholders are as follows:

- Mr. Muang Aung Htun representing the liquidator of HIH Overseas holdings Ltd.
- Mr. Somboon Fusriboon and Dr. Chotima Puasiri representing Pokkim Company Limited.
- Mr. Kumpol Techaruvichit, Miss Sumalee Jaroenchaipong, Miss Ratana Jaroenchaipong and Mr. Pairach Charoenchaipong representing N.S. Alliance Company Limited.

3.2.3 Remuneration for Directors and Management Team

(1) Paid benefit in 2011

a. Directors

(Baht)

	Meeting allowance	Remuneration
1. Mr. Kumpol Techaruvichit	240,000	177,777
2. Mr. Somboon Fusriboon	180,000	133,333
3. Mr. Vithun Patanarat	120,000	88,889
4. Miss Ratana Jaroenchaipong	120,000	88,889
5. Miss Sumalee Jaroenchaipong	120,000	88,889
6. Mr. Pairach Charoenchaipong	120,000	88,889
7. Mr. Yongyuth Phusanti	120,000	88,889
8. Mr. Sant Chotipruk	120,000	88,889
9. Mr. Napadol Putarungsi	120,000	88,889
10. Mr. Muang Aung Htun	120,000	88,889
11. Mr. Lalit Lertmaithai	120,000	88,889
12. Dr. Chotima Puasiri	120,000	88,889
Total	1,620,000	1,200,000

b. Committees set by the Board of Directors

	Meeting allowance
- Executive Committee - 4 members	540,000
- Audit Committee - 3 members	210,000
- Investment Committee - 3 members	140,000
- Remuneration Committee - 3 members	70,000
Total	960,000

c. Salary and Bonus of Executives

	Salary	Bonus
Executives - 7 members	11,270,100	1,777,802

Note : 7 Executives in accordance with the notification of the SEC were composed of the manager or the next former executives succeeding the manager, and persons holding the position of manager or equivalent in accounting or finance departments.

(2) **Other benefit** - None -

3.2.4 Corporate governance

The board of directors has been compliant with the principles of good corporate governance (item 3.3).

3.2.5 Insider trading

The Company has warned staff not to do insider trading, otherwise they will be severely penalized.

3.2.6 Internal control

The board of directors, in the meeting no. 11/2554-2555 held on 24 February 2012, had reviewed the Company's internal control and found that the audit committee and independent internal auditor have been responsible for auditing the internal control of the Company. Apart from that, the external auditor has to evaluate the internal control and operations regarding the investment activities, in compliance with the notification of the registrar, namely "Regulation on the evaluation of rules and procedures concerning the investment activities of insurance companies." The audit committee, internal auditor and external auditor have advised the management to improve the internal control to be more effective. The management has accordingly taken up the recommendation. Apart from that, there is no significant weak point within the internal control system.

3.3 Good corporate governance

We comply with good corporate governance as follows:

3.3.1 Rights of Shareholders

We encourage shareholders to exercise their rights such as the profit sharing. There are no actions that violate shareholders' rights to study the Company's information and their rights to attend shareholders' meetings.

Shareholders have right to determine the remuneration of the directors in the AGM. The Company had declared that it determined the remuneration depending on its performance after being compared with those in the same industry (item 3.2(5)).

Generally we provide information in our website. The Company preserves the right of shareholders. They could inquire the directors in AGM, ones who come late moreover could attend the AGM.

Shareholders could also submit questions regarding AGM in advance in accordance with procedure set and declared by the Company in the Company's website.

The Company sends invitation letters including documents concerned in advance in line with laws. In the letters, the Company informed shareholders of the names, education background, work experience and the number of companies in which the director candidates have any position. The nomination procedure is also declared. In case the candidates are the former directors, the Company informed shareholders of number of their attendance in the board of directors' meeting together with the number of years for which they have been the Company's directors.

The Company advises shareholders that at least one independent director could be authorized as proxy in case the shareholders cannot attend the AGM.

Minor shareholders could also nominate qualified persons to be selected as directors (item 3.2.2). The board of directors has no policy to place any additional agenda to be considered by the AGM without informing shareholders in advance.

The directors have to do the related - business reports in accordance with the security and exchange act.

The Company's free-float shares have been around 23% of total shares.

3.3.2 Equitable Treatment of Shareholders

All shareholders should be treated in an equal way.

Generally after the auditor has audited the financial statements of the Company in February, we send the notice of shareholders' meetings and all supporting information to shareholders at least within 7 working days before the meeting date.

The Company send shareholders the invitation letters with all kind of proxy forms in order to facilitate shareholders who could not attend the AGM. Shareholders wishing to authorize proxies are informed of procedure and necessary documents to be used in the process of the appointment of the proxies.

The Company has no intention to set any procedure which obstruct the appointment of the proxies.

In the notice, the Company provides the criteria and procedures governing shareholders' meeting. The board of directors also nominates at least one independent director to act as a shareholders' proxy, and encourages shareholders to use proxy form on which they are able to specify their votes.

To enable shareholders to make decisions, the Company provides adequate information on each agenda item such as the profiles of the director candidates including title, criteria and nomination process. The Company also declares the AGM date and agenda on our website 30 days in advance.

Minor shareholders could nominate qualified candidates to be selected as directors (item 3.2.2). Procedure was declared in our website before the AGM. The directors will consider their qualification in accordance with the Company's procedure.

There were 12 directors attending the previous shareholders' meeting. Where all directors cannot attend a shareholders' meeting, there are generally at least the following persons at the meeting: chairman of the board, managing director, chairman of the audit committee and chairman of the selection and remuneration committee.

The chairman of the shareholders' meeting gives an opportunity in the meeting for shareholders to express opinions and ask questions relevant to the agendas or the Company, besides in the director election shareholders are able to vote on individual nominees. Voting cards are used for important agenda items.

The Company distributes the minutes of shareholders' meetings via our website within 14 days after the meeting date.

Measures are in place to prevent directors, executives, and employee from taking advantage of inside information for abusive self dealing. The interests of directors and executives will be disclosed to the board in accordance with the notification of the SEC.

In case there are connected transactions, the Company declares its policy regarding the price or value of the transactions together with the directors' opinion concerned.

The connected transactions have been done in accordance with the notifications of the SET and SEC.

3.3.3 Role of Stakeholders

Stakeholders should be treated fairly in accordance with their legal rights as specified in relevant laws. The board of directors promotes cooperation between the Company and its stakeholders including staff, customers, agents, brokers, shareholders and society in order to create wealth, financial stability and sustainability of the firm as stated in item 6, namely "Responsibility towards major stakeholders".

The Company intends to take part in the development of the Thai economy according to the corporate governance and corporate social responsibility (CSR) stated in item 6.

The Company has a clear policy intending to taking care the safety and sanitation of all staff. Committee of occupational safety health and environment of the workplace has been established. The Company also has clear policy on staff's remuneration and welfare and will not violate the human rights (item 6.1).

The Company has clear policies regarding agents, brokers, traders and competitor, which have been set on the principle of free and fair competition (item 6.3).

The Company also has policies supporting society, religious activities, youth education and energy saving (item 6.5).

The Company establishes mechanism to encourage stakeholders' involvement. They are allowed to suggest the board of directors any concerns. We also disclose procedure to do so in our website. The rights of any person who communicates such concerns will be protected.

3.3.4 Disclosure and Transparency

The Company clearly and transparently declares the structure of major shareholders and the proportion of minor shareholders. Shareholders are able to know the Company's data in our website and annual reports (item 3.1).

The Company discloses all important information (both financial and non-financial) accurately, completely, transparently and on a timely basis, and complies with rules and regulations of the SEC and SET. The following additional information is disclosed in the annual report:

- (1) The performance of the board and committees set up by the board during the previous year (item 3.2.1).
The Company declares directors' data including names, position, age, education, work experience and number of companies in which they are directors (item 3.2.1(1) b).
- (2) Policies on directors' and top executives' remuneration (item 3.3.5.6).
- (3) Disclosure of directors' remuneration received from the Company (3.2.3 (1))
- (4) Training records of each director. (item 3.2.1 (1) b).
- (5) The Company intends to adequately inform shareholders of useful information in annual reports, including financial analysis, business performance, important changes, factors effecting the financial position and performance of the Company (item 5.1 and 5.2). Industrial analysis, market share and the competitiveness of the Company are also declared (item 1.3.3). Furthermore we declared the cause and effect of risks together with procedure to manage and reduce risks (item 2).
- (6) The Company declares data regarding the meeting attendance including the number of attendance of directors and committees' members (item 3.2.1). Directors declare the purchases and sales of the Company's ordinary shares held by them. Every director must declare his or her interest concerned.
- (7) The Company's external auditor is independent, his or her qualification is acceptable and approved by the SEC (item 3.3.5.3). The Company's financial statements are audited by external auditor with unqualified opinion. The SEC has not instructed the Company to amend our financial statements.

We also declare the code of best practice, shareholders' structure, the composition of board of directors, vision, annual reports financial statements and other information in the Company' website.

We send shareholders and investors information via many distribution channels including the Company's website and news papers, so that they equally and easily access to the information. A manager has been assigned to be responsible for investor relation (item 3.3.6)

Necessary information has also been disseminated in the website in English.

3.3.5 Responsibilities of the board

3.3.5.1 Board structure

- (1) There were 12 directors as at 31 December 2011, comprising the following:
 - 3 executive directors
 - 5 non- executive directors
 - 4 independent directors

The number of the independent directors as at 31 December 2011 was one third of the total directors.

- (2) The board establishes a formal and transparent director nomination process. The selection and remuneration committee has nominated suitable persons to be considered and selected by the board of directors and the general meeting of shareholders respectively.

- (3) The chairman of the board and managing director are different persons. Although the chairman is not independent director, he is neutral.
- (4) The number of directors (excluding independent directors) on the board represents a fair proportion of the money invested by each group of shareholders (item 3.2.2).
- (5) The Company clearly discloses in its annual report which directors are major shareholders' representatives/ non-executive directors/ independent directors/ executive directors. (item 3.2.1 (1) b, and 3.2.2).
- (6) According to the public limited companies act and the articles of association, one-third of directors shall retire at every general meeting of shareholders. The retiring director could be reselected. The board does not determine the limits of consecutive terms.
- (7) The term of services of any committee set up by the board is three years.
- (8) The articles of association determines that no director shall operate any business which has the same nature as and is in competition with the business of the Company or become a director of any other Company operating business in competition with the Company.
- (9) Each director membership in other companies is disclosed (item 3.2.1 (1) b). Each director cannot be director of more than 5 listed companies.
- (10) Each top executive's board membership in other companies is disclosed (item 3.2.1).

3.3.5.2 Committees regarding good governance

Audit committee

- (1) The board sets and approves the audit committee's charter in writing.
- (2) The audit committee's qualifications follow relevant rules.
- (3) At least one member of the audit committee has an accounting or financial educational background or work experience.
- (4) The audit committee regularly reports duties performed to the board every quarter.
- (5) The audit committee reports its performance during the previous year to shareholders in the Company's annual report:
 - a. Discloses the number of audit committee meetings (item 3.2.1 (3) b).
 - b. Discloses meeting attendance of each audit committee member (item 3.2.1 (3) b).
 - c. After functioning duties, its opinion is disclosed (item 3.2.1 (3) c).

Selection and remuneration committee

- (1) The board appoints the selection and remuneration committee to help it determine payment criteria and type of remuneration the Company should pay its directors and top executive.
- (2) The board sets and approves the selection and remuneration committee's charter in writing.
- (3) Names and the qualifications of the selection and remuneration committee members are disclosed.
- (4) The composition of selection and remuneration committee:
 - a. Chairman of the committee is an independent director who is not the chairman of the board.
 - b. Majority of the committee members are independent directors.
- (5) The selection and remuneration committee reports its performance to the board regularly.

- (6) The selection and remuneration committee reports its performance during the previous year in the Company's annual report:
- a. Discloses the number of remuneration committee meetings (item 3.2.1 (5) b).
 - b. Discloses meeting attendance of each remuneration committee member (item 3.2.1 (5) b).
 - c. Its performance is disclosed (item 3.2.1 (5) c).

3.3.5.3 Roles and responsibilities of the board

The board clearly separates its roles and responsibilities from those of the management, e.g., financial authorization or authority to make decisions. It also approves significant decisions, such as strategy, financial targets and budgets. (item 3.2.1 (1) a.)

The board monitors implementation of the policies and plans by management.

The board approves corporate governance policy and encourages all staff to comply with the policy. The board also evaluates the implementation of the policy and reviews the policy at least annually.

The board of directors in the meeting no. 8/2546 held on 24 December 2003 approved the code of best practice including the claims management, compliant handling procedure and corporate governance, so that all staff could perform duties with honesty, fairness and transparency, resulting in the confidence of shareholders and all concerned parties.

In order to prevent problems caused by the conflict of interests, the board of directors pays careful attention to any transaction involving connected parties, and sets up guidelines on keeping and protecting the inside information as follows:

The board of directors must be reported about any connected transactions, and will carefully consider the issues, and disclose them in the annual report and the form 56-1.

Executives have been instructed to report the SEC on the changes of their stock holdings.

Executives and officers are prohibited from giving away any internal information to unauthorized persons.

The Company has hired Audit House Co., Ltd. to conduct the internal auditing so as to advise the Company about the weak points of the controlling system. Audit House Co., Ltd. is not the external auditor and reports the audit committee independently. According to the internal auditing reports, there is no significant pitfall, although there are problems regarding co-ordinations and human errors which could happen in every organization.

The board of directors has set up risk management system to deal with risks. For example, insurance rates have been adjusted to be commensurate with risks. Moreover laws and associated regulations have been complied with.

Mr.Pojana Asavasontichai, the certified public accountant No.4891, or Miss Chantra Wongsri-Udomporn the certified public account No. 4996, or Mr. Pichai Dachanapirom, the certified public accountant No. 2421, or Miss Wannisa Ngambuathong, the certified public accountant No.6838, from Dharmniti Auditing Co.,Ltd. or Mr.Thanawut Piboonsawat the certified public accountant No.6699, were appointed as the external auditors for 2011.

3.3.5.4 Board Meetings

The board annually sets its meeting schedule in advance and ensures that each director knows that schedule. There are methods for each member of the board to propose items as board meeting agendas. The chairman of the board allocates sufficient meeting time for directors to discuss main issues for consideration.

We send invitation letters for the board meeting 7 days in advance, but associated data is delivered to the directors after that. It is difficult to send them 7 days in advance, because the meetings of board of directors are held within 6 days after the meetings of the executive committee.

Board meeting minutes include at least the following information: meeting date, beginning and ending times, name of directors who attended and were absent from the meeting, summarized information proposed to the board on each issue, summarized discussion and directors' observations, board resolutions and opinions of dissenting directors (if any), name of person who certified the minutes. The minutes are kept properly and easily accessible for future reference, but can be edited only with the board's approval.

As required by the SEC, the total attendance of each director at board meetings is disclosed (item 3.2.1 (1) c).

Non-executive directors meet as necessary among themselves without the management team, to discuss their concerns about management issues.

3.3.5.5 Board's Self Assessment

The board has set criterion and regularly conducts its self-assessment to improve its performance.

3.3.5.6 Remuneration

Directors' remuneration

- (1) The selection and remuneration committee, comprising of 3 members, is responsible for proposing the board of directors to determine the structure of remuneration and benefits of committees after considering those in the same industry. Remuneration for directors is close to those in the same industry on average, and are transparently approved by the shareholders' meeting and adequate enough to attract and retain quality directors whom the board needs. The audit committee's members' extra remuneration has been paid appropriately.
- (2) The remunerations for top executives have been determined according to the principle that the rewards should be linked to the performance of the Company and each executive.
- (3) In order for shareholders to evaluate the relationships between amounts paid and the remuneration policy, the amount of remuneration paid to each director is disclosed. Disclosure also includes monetary and other benefits a director receives from the Company (item 3.2.3 (1)).

Remuneration of managing director

The selection and remuneration committee, without any executive directors, appraises the managing director's performance and reports the board of directors on its result.

3.3.5.7 Board and Management Training

The board sets policy for educating new directors on their responsibilities and the Company's business. The board sets policy and methods on directors' ongoing training. The board encourages the training of executives and internal parties related to the Company's corporate governance, such as the Company secretary, internal auditor, etc.

The board has a policy to set the executives' development plan for the management succession.

3.3.6 Relationship with investors

The board of directors believes that the Company's information affects the decisions of investors and interested persons, thus requiring the management to disclose the information adequately, regularly, reliably and punctually. The management has accordingly complied with the board of directors' requirements. Regarding the investor relations, the manager of the office of executive directors has been assigned to communicate with the institutional investors, shareholders, analysts and associated government's organizations. Investors are also able to visit the Company's website at www.namsengins.co.th.

Moreover the board of directors has approved investor relation plan.

4. Connected transactions

In 2011, the Company had some connected transactions with N.S.B. Co., Ltd., Throng Seen Co., Ltd. and Asia Hotel Plc. and so on as follows:

4.1 N.S.B. Co., Ltd.

4.1.1 Details of the connected transactions

- (1) Connected persons : N.S.B. Co., Ltd.
- (2) Relationship : N.S.B. Co., Ltd. is a juristic person in which the major shareholder of the Company holds more than 10% of the total shares.
- (3) Business type : Property developer
- (4) Major shareholders (% of total shares) : N.S. Alliance Company Limited 37.50 %
: Pokkim Company Limited 62.50%
- (5) The value of the connected transactions between the Company and N.S.B. Co., Ltd. in 2011 and 2010 were stated in the Auditors' notes to the financial statements for 2011.

4.1.2 The rationale, policy and trend of the connected transactions

On 15 April 1994, the Company entered into a construction contract with N.S.B. Co., Ltd. and employed N.S.B. Co., Ltd. to build an office building on the Company's land, with the consent of the Department of Insurance, under the following conditions:

- (1) N.S.B. Co., Ltd. was granted the right to utilize and to lease out the office building spaces for a period, commencing from 1 December 1994 through 30 November 2014, and has the right to collect the rental fees or any remuneration. Upon termination of the contract, N.S.B. Co., Ltd. shall return the property in sound condition.
- (2) The Company has the right to utilize 5,085 square meters of the office space with 1,275 square meter of parking space, however it had to pay N.S.B. Co., Ltd. service fees approved by the Board of Directors' meeting held on 24 September 2009 at 265 Baht per square meter per month.

Since then, the Company had rented additional space of 628 square meters from 1 February 2009 to 31 January 2012. Rents and service fees for the space of 628 square meters had been set by the Board of Directors' meeting held on 24 March 2009 at 380 Baht per square meter per month.

Due to the fact that the elevators in NSI building have been utilized for 16 years, their capacity were thus deteriorating. N.S.B. Co., Ltd. had proposed that it would install new elevators, if rent and service fees are increased by 15%, when the lease and services contracts are renewed. The Company consequently will be benefited from the new elevators, when the building is transferred to the Company in 2014. The Board of Director in the meeting on 24 August 2011 hence approved N.S.B.Co.,Ltd.'s proposal.

The Company has a long - term agreement with N.S.B. Co., Ltd. If its business expands the Company could rent additional area, with the consent of the board of directors.

4.2 Dung Seng Insurance Broker Co., Ltd.

4.2.1 Details of the connected transactions

- (1) Connected persons : Dung Seng Insurance Broker Co., Ltd.
- (2) Relationship : Dung Seng Insurance Broker Co., Ltd. is subsidiary of a juristic person in which the major shareholder of the Company holds more than 10% of the total shares.
- (3) Business type : Insurance broker
- (4) Major shareholders (% of total shares) : N.S.B. Co., Ltd. 95.20%
- (5) The value of connected transactions between the Company and Dung Seng Insurance Broker Co., Ltd. in 2011 and 2010 were stated in the auditors' notes to the financial statements for 2011.

4.2.2 The rationale, policy and trend of the connected transactions

The Company has made transactions with Dung Seng Insurance Broker Co., Ltd., because Dung Seng Insurance Broker Co., Ltd., as a broker, has been doing business with the Company's agents for a long time without any significant problem.

The Company has a policy to give a chance for all brokers to conduct business with the Company fairly. The commission rates the Company offers Dung Seng Insurance Broker Co., Ltd. are not different from those received by other brokers under the regulations of the Office of Insurance Commission.

4.3 Asia Hotel Plc. and subsidiary

4.3.1 Details of the connected transactions

- (1) Connected persons : Asia Hotel Plc. and subsidiary
- (2) Relationship : The chairman of the Company is chairman and managing director of Asia Hotel Plc.
- (3) Business type : Hotel
- (4) Major shareholders (% of total shares) : A.B.K.Enterprise Co., Ltd. 46.33 %
Mrs. Pompun Tanariyakul 10.42 %
Bangkok Bank Plc. 5.63 %
- (5) The value of connected transactions between the Company and Asia Hotel Plc. and subsidiary in 2011 and 2010 were stated in the auditors' notes to the financial statements for 2011.

4.3.2 The rationale, policy and trend of the connected transactions

The Company has made transactions with Asia Hotel Plc. and subsidiary in the ordinary course of business, because Asia Hotel Plc. and subsidiary has been doing business with the Company for a long time.

The Company has approved the transactions with Asia Hotel Plc. and subsidiary as normal business practice. The insurance premium rates the Company offers Asia Hotel Plc. and subsidiary are under the regulations of the Office of Insurance Commission.

Audit committee's opinion on connected transactions and connected persons

After having examined the connected transactions between Nam Seng Insurance Plc. and the connected persons, stated in the Company's annual disclosure of information for 2011 (Form 56-1) and the annual report for 2011 (Form 56-2), we, Mr. Sant Chotipruk, Mr. Napadol Putarungsi and Mr. Yongyuth Phusanti, as members of the audit committee, remark that some transactions arise due to the utilization of building of which rent and service fee are depend on the size of the utilization area. It could be classified as one related with lease contract done to support the business of the Company. Other transactions occurred in the ordinary course of business with fair dealing, the agreed remunerations are also in line with the normal market prices.

5. Financial Status and Operational Performance

5.1 Financial results

(1) Underwriting performance

The Company in 2011 booked loss from insurance of 21.38 million Baht, compared with insurance profit of 16.15 million Baht in the previous year.

Total insurance revenues dropped by 16.53 million Baht as the severe floods in the fourth quarter of 2011 impeded our sales expansion. The floods also escalated the increase of 31.36 million Baht of loss incurred. As a result profit from insurance activities deteriorated as mentioned above.

(2) Net Investment income

The Company had investment income and gains on the sale of investments in 2011 amounting to 63.13 million Baht which decreased by 24.71 million Baht because of the stagnation of the price of stocks in 2011.

(3) Other incomes and gains on sale of assets

Other incomes and gains on sale of assets increased by 116.71 million Baht, including 119.7 million Baht of gain from the sale of the company's property located close to the victory monument.

(4) Net profit and return on equity

The net profit of 117.27 million Baht was realized in 2011, an increase of 16.42 million Baht, because of the gain on sale of property as mentioned above.

Accordingly, the ratio the return on equity rose from 13.35% in the previous year to 13.64% in the reported year.

(5) Projection in disclosure for the sale of securities

The Company did not submit disclosure for the sale of securities in the reported year.

5.2 Financial Status

5.2.1 Assets

(1) Composition of assets

The Company's assets totaling 2,730.83 million Baht as of the end of 2011 were composed of the following:

- Investment in securities, loans, cash and deposits totaling 1,663.41 million Baht, or 60.91% of total assets.
- Premised and equipment amounting to 167.56 million Baht, or 6.14% of total assets.
- Premiums receivable amounting to 151.19 million Baht, or 5.54% of total assets.
- Other assets were 748.67 Million Baht or 27.42% of total assets. Significantly most of them were net reinsurance assets.

Total assets as of the end of 2011 increased by 718.67 million Baht because of the following:

- Net reinsurance assets increased by 583.25 million Baht because floods in the reported year intensified the obligation of reinsurers.
- The investment assets increased by 126.48 million Baht. We had sold our property with gains of 120.24 million Baht in 2011, mainly resulting in the cash - flows from operating activities of 157.74 million Baht. The Company consequently purchased more financial instruments.

(2) The quality of assets

a. Debtors

Unless there is special reason, the Company will not give loan to new borrowers. The details of premiums receivable and the Company's related policy have been mentioned already.

b. Investment in securities

The Company has tended to cautiously invest in securities, thus diversifying our portfolio.

When considering returns on investment, we believe that our investment yield of 3.95% is commensurate with associated risk.

5.2.2 Liquidity

The Company had cash - flows from operating activities of 157.74 million Baht.

Our liquidity was adequate, as our liquid assets were 1.4 times greater than the unearned premium reserves and loss reserves.

5.2.3 Sources of funds

(1) Suitability of capital structure

The debt to equity ratio increased to 2.04 times, as at the end of 2011 from 1.35 times as at the end of 2010, because the amount unearned premium reserves and other liabilities rose mainly because of the increase of loss reserves due to the floods.

Regarding capital adequacy, according to the Non-life insurance Act, any non-life insurance company must maintain the capital fund at amount determined by the OIC , in line with the amount of assets, liabilities or associated risks. Our capital fund, as appraised by the registrar as at the end of September 2011, was 933.75 million Baht, or equivalent to 394% of what was required by the registrar, signifying our financial strength.

(2) Equity

Equity rose from 819.85 million Baht as of the end of the previous year to 899.58 million Baht as we had net profit in the reported year.

(3) Liabilities

As at the end of 2011, the Company opened overdraft accounts with a bank, amounting to 10 million Baht, secured by fixed deposits and bonds in order to support normal business operations, however having no overdraft outstanding as at 31 December 2011. We besides have no long - term liability.

5.3 Auditing fees

The AGM no.64 set the auditing fees for 2011 as follows :

	(Baht)
Fee for auditing financial statements	425,000
Fee for reviewing quarterly financial statements	405,000
The service fee for the investigation of internal control and investment activities.	150,000
Fee for auditing the summary of financial statements to be publicized in newspaper	15,000
total	995,000

6. Responsibility towards major stakeholders

6.1 Staff

The Company has established committee of occupational safety health and environment of the workplace, setting up policies and action plans promoting safety in the workplace. Our staff accordingly are working in the better environment. Moreover a free annual health check-up is also provided.

Remuneration and benefits of staff are according to performance, furthermore a registered provident fund has been set up in accordance with the Provident Fund Act B.E. 2530 with authorization of the Ministry of Finance as of 24 July 1996. The rate at which the Company contributes to the fund increases depending on years of service.

The Company has human resource development schemes every year, succession plans besides are developed, employees consequently are ready to be promoted. The succession plan besides accelerate their morale.

We have no intention to violate the human rights and believe that all human are equal, they cannot be discriminated on grounds of race, sex or religion. All employees are treated the same way. Male and female employees have an equal chance to be promoted.

6.2 Customers and creditors

The Company believes in offering sincere services with honesty and integrity, whenever its customers face accidents in time with its motto:

“Reliable commitment and fair deals can always be expected from us”.

We have our Code of Best Practice, aiming that claim amount must be speedily paid within 15 days since any agreement is made. The preliminary compensation to any motor vehicle victim in according with the Protection for Motor Vehicle Victims act must be paid within 7 days. The Company also returns premiums paid within 15 days since any policy expires.

Apart from that, the Company has set up the policy and procedure in receiving complaints from policyholders, who sustain from the loss or damage with fairness. The procedure will reduce conflicts between the Company and policyholders.

We also adhere to our obligation done with creditors.

6.3 Brokers agents and competitors

To a significant degree, the Company's success stems from the exceptional supports of agents, brokers and party to the contract. Recognizing this, the Company always deals with them promptly, consistently and fairly, thus creating its strong reputation. Complementing these efforts, workshops and seminars are periodically held to support agents.

Regarding competitors, we have Code of Best Practice determining that the rights of competitors must be recognized. Free competitions on fair basis will accelerate the progress of the Thai economy. The Company has no policy to violate intellectual property rights or do corruption or pay bribes for gaining benefit over competitors.

6.4 Shareholders

The Company determines to create value for every shareholder through a policy of careful and sustainable business expansion that emphasize quality above quantity.

6.5 Social Responsibility

The Company promotes the corporates social responsibilities (CSR), as being a member of society, thus making contributions for the benefits of society.

We have cooperated with Department of Alternative Energy Development and Efficiency, the Ministry of Energy, promoting energy-saving campaign. We aim to reduce the global warming so that the next generation will live in the better environment. We besides have continually trained our staff. Our staff is also encouraged to donate blood to the Thai Red Cross every year in order to create sense of sacrifice without material reward.

Regarding public interest, we give donation to the educational projects of “H.R.H. Princess Maha Chakri Sirindhorn Charity Fund” on 15 September 2011, we also support the Red Cross Concert held by the Royal Thai Navy on 15 June 2011.

The Company gave donation to Thai Stock Market flood Relief Fund, and donated drinking water and other necessity to flood victims in Nonthaburi and Angthong Province on 13 October 2011 and 20 October 2011 respectively. We also gave donation to Thai Disability Foundation, supporting its Wheelchair - Providug Project on 18 August 2011.

Regarding religious activities we gave donation to Wanchai Anavaratana temple located in Nakhon Rachasima province, Praeng Ka Yang temple located in Chanthaburi province, and Chaimas temple located in Loei province on 6 November 2011, 15 October 2011 and 10 October 2011 respectively.



Our staff donated blood to Siriraj Hospital on 6 October 2011.

The representative of Nam Seng Insurance Plc. donated drinking water to flood victims at the town hall of Nonthaburi province on 13 October 2011.

ข้อมูลทั่วไป

GENERAL INFORMATION

ชื่อบริษัท Company Name	บริษัท นำสินประกันภัย จำกัด (มหาชน) Nam Seng Insurance Public Company Limited.
สถานที่ตั้ง Address	767 ถนนกรุงเทพ-นนทบุรี แขวงบางซื่อ เขตบางซื่อ กรุงเทพฯ 10800 767 Krungthep-Nonthaburi Road, Bangsue, Bangkok 10800.
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จดทะเบียนเป็นบริษัทมหาชนจำกัด Public Company Registration	เลขที่ 0107536000196 No.0107536000196
ประเภทธุรกิจ Type of Business	ธุรกิจการรับประกันวินาศภัย General Insurance
วัตถุประสงค์ของบริษัท Nature of Business	ประกอบธุรกิจประกันวินาศภัย ประกันภัยต่อ และกิจการลงทุน ภายใต้พระราชบัญญัติประกันวินาศภัย พ.ศ.2535 General Insurance, Reinsurance and Investment under General Insurance Acts 1992.
ใบอนุญาตให้ประกอบธุรกิจ Business Permit	หนังสืออนุญาตให้ประกอบกิจการประกันภัยลงวันที่ 28 เมษายน 2491 General Insurance Permit granted since April 28, 1948.
ทุนจดทะเบียน Authorized Share Capital	หุ้นสามัญ จำนวน 20,000,000 หุ้น มูลค่าที่ตราไว้ หุ้นละ 10.00 บาท รวม 200,000,000.00 บาท 20 million shares at Baht 10 each, totaling Baht 200 million.
ทุนที่ออกและชำระแล้วทั้งหมดของบริษัท Issued and Paid-up Share Capital	หุ้นสามัญ จำนวน 13,900,000 หุ้น มูลค่าที่ตราไว้ หุ้นละ 10.00 บาท รวม 139,000,000.00 บาท 13.9 million Shares at Baht 10 each, totaling Baht 139 million.
นายทะเบียนหลักทรัพย์ Share Registrar	บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด อาคารตลาดหลักทรัพย์แห่งประเทศไทย 62 ถนนรัชดาภิเษก คลองเตย กรุงเทพฯ 10110 โทร 0-2359-1200-1 โทรสาร 0-2359-1259 Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2359-1200-1 Fax : 0-2359-1259.
ที่ปรึกษากฎหมาย Legal Consultant	บริษัท สำนักกฎหมาย ปุณยฤทธิ์ จำกัด 22 ซอยสุนทรสารทูล (อ่อนนุช 21/1) สุขุมวิท 77 แขวงสวนหลวง เขตสวนหลวง กรุงเทพฯ 10250 โทร. 0-2730-6969-76 โทรสาร : 0-2730-6967-68 Punyariddhi Law Office Co., Ltd. 22 Soi Soontornsaratoon (Onnut 21/1) Sukhumvit 77 Suanluang District, Bangkok 10250 Tel. 0-2730-6969-76 Fax : 0-2730-6967-68

ผู้สอบบัญชี
Auditor

นายพจน์ อัสวสันติชัย ผู้สอบบัญชีรับอนุญาต เลขทะเบียน 4891 หรือ
นางสาวจันทรา ว่องศรีอุดมพร ผู้สอบบัญชีรับอนุญาต เลขทะเบียน 4996
หรือ
นายพิชัย ดัชนีภิรมย์ ผู้สอบบัญชีรับอนุญาต เลขทะเบียน 2421 หรือ
นางสาววันนิสา งามบัวทอง ผู้สอบบัญชีรับอนุญาต เลขทะเบียน 6838 หรือ
นายธนวุฒิ พิบูลย์สวัสดิ์ ผู้สอบบัญชีรับอนุญาต เลขทะเบียน 6699
บริษัท สอบบัญชีธรรมนิติ จำกัด
267/1 ถนนประชากรราษฎร์ สาย 1 แขวงบางซื่อ เขตบางซื่อ กรุงเทพฯ 10800
โทร. 0-2587-8080 โทรสาร 0-2586-0301
Mr. Pojana Asavasontichai, the certified Public Accountant No. 4891
or
Miss Chantra wongsri-Udomporn, the certified Public Accountant No.
4996 or
Mr. Pichai Dachanapirom, the certified public accountant No. 2421 or
Miss Wannisa Ngambuathong, the certified public accountant No.
6838 or
Mr. Thanawut Piboonsawat, the certified public accountant No. 6699
Dharmniti Auditing Co.,Ltd.
267/1 Pracharij Sai 1 Road, Bangsue, Bangkok 10800, Thailand.
Tel. 0-2587-8080 Fax : 0-2586-0301

STATEMENT OF DIRECTORS RESPONSIBILITIES

The board of directors of Nam Seng Insurance Plc., the management and the external auditor have reviewed the company's financial statements for the year ended 31 December 2011 and concluded that the Company has conformed with accepted accounting policies, and applies them consistently. In addition, the report is supported by reasonable and prudent judgment and estimates.

The board of directors is also responsible for the presentation of accurate and complete financial information and has set appropriate measure to protect the value of the Company's assets. It also has suitable internal control in a way as to prevent any fraud or mismanagement of the Company's assets.

The directors also maintain the principles of good corporate governance. Although having not achieved some objectives, we aim to improve our performance.



(Mr. Karpol Techaruvichit)

Chairman



(Mr. Somboon Fusriboon.)

Managing Director

REPORT OF AUDIT COMMITTEE

The board of directors of Nam Seng Insurance Plc. has set up the audit committee comprising 3 independent directors with financial and organizational skill. Mr. Sant Chotipruk is the committee chairman as Mr. Napadol putarungsi and Mr. Yongyuth Phusanti are committee members, and Dr. Abhijai Chandrasen is a consultant to the committee.

In 2011 the committee held 6 meeting in which all the committee members attended. The committee also discussed with both internal and external auditors and the top management in order to approve internal auditing plan and considered internal auditing reports as well as quarterly and yearly financial statements, so as to ensure that financial reports were accurate and adequate.

The audit committee has functioned duties as assigned by the board of directors in accordance with the audit committee charter and notifications of the Stock Exchange of Thailand, including the review of financial statements, the review of internal control, the review of good corporate governance, the review of connected transactions, the review of risk management, the supervision of internal audit, and the nomination of the external auditor. The following activities were undertaken by the committee:

The review of quarterly and yearly financial statements for the year ended 2011.

The audit committee reviewed the quarterly and yearly audited financial statements for the year ended 2011. The committee has discussed with the external auditor regarding scope, method, timing of the auditing, significant adjustment, and the recommendations of the auditor together with the management's reactions to the advices of the auditor. Its objective is to ensure that the Company's financial statements are accurate and report adequate data. The committee has also informed the board of directors on important results from the review of financial reports and followed up the rectification of problems so that they are rectified within reasonable time.

The committee also reviewed whether the Company was ready to make financial reports in accordance with the Thai Financial Reporting standards together with reports on the Company's capital adequacy in accordance with the notification of the OIC. The committee found that the Company had complied with the standards and the OIC's notifications.

The review of internal control.

The audit committee reviewed the Company's internal control system to make sure that it is good enough for business operation, and the objectives of internal control are achieved both efficiently and effectively. Both audit committee and external auditor believe that the Company's internal control is appropriate without significant pitfalls which will be risk factors seriously effecting business operation.

Moreover the committee has advised the management to be compliance with the recommendation of internal auditor external auditor, and the regulatory unit, so that the Company's operation will be effective.

The review of good corporate governance.

The audit committee reviewed the company's corporate governance whether it is in accordance with the notifications of the Stock Exchange of Thailand and the Securities and Exchange Commission. It also reviewed the working system to ensure that the Company complies with the security and exchange act B.E.2535, the notifications of the Stock Exchange of Thailand, laws regarding insurance business and the regulations of the OIC.

The review of connected transactions

The audit committee reviewed the connected transactions in order to ensure that the transactions occurred in the ordinary course of business with fair dealing and were in accordance with the notifications of the Stock Exchange of Thailand and the Securities and Exchange Commission.

It also gave some comments about the rationale of the connected transactions, after considering their conditions, effects and the benefit of the Company.

The review of risk management

The audit committee supervised the process of risk management by reviewing the risk management plan to make sure that the Company has managed risks at acceptable level. The committee recommended the management to review the risk management regarding underwriting activities which are the essential part of insurance business with care. The management was also advised to be careful when managing investment portfolio, so that it will be balanced and suitable.

The supervision of internal audit

The audit committee reviewed the annual and 3 – year auditing plans which were set in line with the Company's strategy and business trend. It also reviewed internal auditing reports, provided advice, and followed up the rectification of significant problems revealed by the internal auditing reports in order to promote the good corporate governance and adequate internal control.

The nomination of external auditor for 2012

The audit committee had considered the qualification of external auditors and advised the board of directors to recommend the annual general meeting of shareholders to appoint Mrs. Nonglak Pumnoi, C.P.A., Registration No.4172 or Miss Somjai Khunapasut, C.P.A. Registration No.4499 or Miss Rachada Yongsawadvanich, C.P.A. Registration No.4951 from Ernst & Young Office Limited. as the Company's external auditor for 2012. The committee also advised the board of director to recommend the general meeting of shareholders to approve the audit fee of 1,850,000 Baht.

The audit committee pays attention to the good corporate governance, because it is necessary and crucial for the sustainable development of the Company. It also encourages the Company to be compliant with the principles of good corporate governance promoted by the Stock Exchange of Thailand, and the Securities and Exchange Commission. The audit committee has candidly discussed and exchanged opinions with the management to ensure that the internal control and financial statements of the Company are reliable, which will finally build value and create sustainable growth for the Company.



(Mr. Sant Chotipruk)

Chairman, Audit Committee

24 February 2012

FINANCIAL STATEMENTS



REPORT OF THE AUDITOR

To The Board of Directors and Shareholders of
Nam Seng Insurance Public Company Limited

I have audited the accompanying the statements of financial position of Nam Seng Insurance Public Company Limited as at December 31, 2011 and 2010, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nam Seng Insurance Public Company Limited as at December 31, 2011 and 2010, and the results of its operations, its changes in shareholders' equity and its cash flows for the years then ended in accordance with generally accepted accounting principles.

As described in the note to financial statement No.2.1, during the year 2011, the Company has adopted the revised and new issued financial reporting standard, which issued by Federation of Accounting Professions (FAP) and the preparation of financial statement according to the Instruction of the Notification of the Office of Insurance Commission. It requires compliance with the financial statement for the period beginning on or after January 1, 2011. In order to prepare and present the financial statements, the financial statements for the year ended December 31, 2010 have been presented in accordance with the new format in order to comply with the financial statements for the year ended December 31, 2011.



(Mr. Pojana Asavasontichai)

Certified Public Accountant

Registration No. 4891

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 24, 2012
2012/135/0260

STATEMENTS OF FINANCIAL POSITION

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2011 AND 2010

Unit : Baht

	Note	2011	2010
Asset			
Cash and cash equivalents	3.5, 6	46,644,783.57	34,737,649.31
Accrued investment income, net		11,819,273.00	8,925,764.18
Premium receivable, net	3.7, 7	151,185,920.48	148,168,660.78
Reinsurance assets, net	8	667,263,904.65	84,010,483.55
Investment assets			
Investment in securities	3.6, 9		
Trading investment securities		49,996,691.95	-
Available for sale investment securities		362,796,915.71	461,476,861.57
Held to maturity investment securities		1,195,078,778.84	1,024,302,539.82
Non marketable equity securities		2,223,020.00	2,223,020.00
Loans, net	10	6,671,831.00	14,189,194.00
Properties foreclosed, net	3.8, 11	24,887,004.00	38,956,935.59
Property and equipment, net	3.9, 12	167,556,737.16	160,788,354.27
Claim receivable from litigants		2,694,283.62	3,627,952.12
Notes receivable	13	9,058,539.63	13,914,681.44
Other assets		32,952,262.45	16,838,930.07
Total assets		2,730,829,946.06	2,012,161,026.70

Notes to financial statements form an integral part of these statements.

STATEMENTS OF FINANCIAL POSITION (CONT.)

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2011 AND 2010

Unit : Baht

	Note	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Accrued income tax		-	5,079,017.12
Due to reinsurers	14	40,679,150.00	21,253,934.42
Insurance contract liabilities			
Loss reserves and outstanding claims	15	1,130,886,876.08	526,347,826.75
Premium reserve	16	525,952,546.80	523,274,851.62
Employee benefit obligations	17	24,022,597.00	-
Bank overdrafts	18	-	-
Commission and brokerages payable		33,075,070.07	30,335,974.54
Deposit from brokers		6,706,009.23	9,317,420.37
Premium received in advance		13,726,670.00	18,133,793.54
Other liabilities		56,204,340.64	58,571,839.90
Total liabilities		1,831,253,259.82	1,192,314,658.26
Shareholders' equity			
Share capital			
Authorized share capital			
20,000,000 common shares of 10 baht each		200,000,000.00	200,000,000.00
Issued and paid-up share capital			
13,900,000 common shares of 10 baht each		139,000,000.00	139,000,000.00
Premium on share capital		594,436,835.00	594,436,835.00
Gain (loss) from revaluation of investments	9	18,213,119.24	33,112,786.84
Retained earnings			
Appropriated			
Legal reserve	29	24,848,787.17	24,848,787.17
Others	29	6,163,850.00	6,163,850.00
Unappropriated			
		116,914,094.83	22,284,109.43
Total shareholders' equity		899,576,686.24	819,846,368.44
Total liabilities and shareholders' equity		2,730,829,946.06	2,012,161,026.70

Notes to financial statements form an integral part of these statements.

STATEMENTS OF COMPREHENSIVE INCOME

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	Note	2011	2010
Revenues	19		
Net premium earned		1,096,028,032.79	1,107,855,525.22
Fee and commission income		22,178,837.54	26,879,995.64
Total revenues		1,118,206,870.33	1,134,735,520.86
Expenses			
Underwriting expenses	19		
Insurance claims			
Insurance claims and loss adjustment expenses			
- normal operation		660,477,196.76	670,317,979.29
Insurance claims and loss adjustment expenses			
- severe flooding in Thailand		31,355,838.81	-
Unexpired risk reserve increase (decrease)		-	-
Commissions and brokerages expenses		198,103,082.92	186,336,316.83
Other underwriting expenses		28,309,848.16	27,511,125.84
Contribution to Road Accident Victims Protection Co., Ltd.		15,675,613.78	25,744,915.57
Operating expenses	20	205,666,902.82	208,680,681.61
Total underwriting expenses		1,139,588,483.25	1,118,591,019.14
Profit (loss) from insurance		(21,381,612.92)	16,144,501.72
Net investments income		58,908,147.39	89,845,607.71
Gains (loss) on sale of investments		2,126,723.72	(2,005,004.22)
Gain (loss) from revaluation of investment		2,096,040.31	-

Notes to financial statements form an integral part of these statements.

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	Note	2011	2010
Other income		18,622,622.02	22,216,820.39
Gain (loss) on sale of assets	11	120,243,342.69	(58,148.74)
Profit from operations		180,615,263.21	126,143,776.86
Contribution to Office of Insurance Commission		3,388,745.94	3,315,229.12
Contribution to Non-life guarantee fund		2,579,618.17	1,952,025.88
Contribution to Road victims protection fund		1,279,641.94	2,204,045.05
Profit before income tax		173,367,257.16	118,672,476.81
Corporate income tax	30	56,097,568.76	17,826,265.85
Net profit		117,269,688.40	100,846,210.96
Other comprehensive income			
Gain (loss) on change in value of investments		(14,899,667.60)	27,932,460.75
Total other comprehensive income (loss) for the year		(14,899,667.60)	27,932,460.75
Total comprehensive income		102,370,020.80	128,778,671.71
Basic earnings per share (Baht)	22		
Net profit		8.44	7.26

Notes to financial statements form an integral part of these statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	Note	Issued and paid-up share capital	Premium on share capital	Gain (loss) from revaluation of investments	Retained earnings			Total
					Legal reserve	Ohters	Unappropriate	
Balance as at January 1, 2010		139,000,000.00	594,436,835.00	5,180,326.09	24,848,787.17	6,163,850.00	(78,562,101.53)	691,067,696.73
Total comprehensive income		-	-	27,932,460.75	-	-	100,846,210.96	128,778,671.71
Balance as at December 31, 2010		139,000,000.00	594,436,835.00	33,112,786.84	24,848,787.17	6,163,850.00	22,284,109.43	819,846,368.44
Effect of change in accounting policy	4	-	-	-	-	-	(22,639,703.00)	(22,639,703.00)
Balance as at December 31, 2010 as restated		139,000,000.00	594,436,835.00	33,112,786.84	24,848,787.17	6,163,850.00	(355,593.57)	797,206,665.44
Total comprehensive income		-	-	(14,899,667.60)	-	-	117,269,688.40	102,370,020.80
Balance as at December 31, 2011		139,000,000.00	594,436,835.00	18,213,119.24	24,848,787.17	6,163,850.00	116,914,094.83	899,576,686.24

Notes to financial statements form an integral part of these statements.

STATEMENTS OF CASH FLOWS

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	2011	2010
Cash flows from operating activities :		
Direct premium written	1,152,481,121.61	1,161,265,719.38
Receipt (payment) from reinsurance	54,062,964.10	17,048,582.86
Loss incurred from direct insurance	(671,886,590.58)	(592,151,375.88)
Loss adjustment expenses from direct insurance	(73,474,337.66)	(74,547,496.92)
Commissions and brokerages from direct insurance	(188,868,362.31)	(182,438,558.71)
Other underwriting expenses from insurance	(43,985,461.94)	(53,256,041.41)
Interest income	41,740,265.18	31,502,975.60
Dividend income	18,497,137.42	54,459,846.37
Other investment income	(4,429,428.08)	1,896,344.16
Other income	138,865,964.71	22,158,671.65
Operating expenses	(204,291,767.93)	(194,643,906.61)
Income tax	(61,176,585.88)	(23,309,501.60)
Other expenses	201,329.88	(9,137,106.28)
Net cash flows from (used in) operating activities	157,736,248.52	158,848,152.61
Cash flows from investing activities :		
Cash flows from		
Investment in securities	863,824,687.87	782,414,543.77
Loans to	10,185,216.00	6,617,590.00
Property and equipment	35,681.51	376,038.05
Net cash flows from investing activities	874,045,585.38	789,408,171.82

Notes to financial statements form an integral part of these statements.

STATEMENTS OF CASH FLOWS (CONT.)

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	2011	2010
Cash flows used in		
Investment in securities	(996,387,912.50)	(999,690,326.03)
Loans to	(2,667,853.00)	(6,301,322.00)
Property and equipment	(20,818,934.14)	(14,416,172.46)
Net cash flows used in investing activities	(1,019,874,699.64)	(1,020,407,820.49)
Net cash flows from (used in) investing activities	(145,829,114.26)	(230,999,648.67)
Cash flows from financing activities :		
Net cash flows from (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	11,907,134.26	(72,151,496.06)
Cash and cash equivalents at beginning of the period	34,737,649.31	106,889,145.37
Cash and cash equivalents at end of the period	46,644,783.57	34,737,649.31
Supplementary disclosures of cash flows information :		
1. Direct premium written		
Direct premium written at beginning of the year	148,168,660.78	183,342,737.60
Add Direct premium written occurred in the year	1,155,498,381.31	1,126,091,642.56
Less Direct premium written at end of the year	(151,185,920.48)	(148,168,660.78)
Cash received from direct premium written	1,152,481,121.61	1,161,265,719.38
2. Losses incurred from direct insurance		
Losses incurred from direct insurance at beginning of the year	(522,719,874.63)	(493,617,637.57)
Add Losses incurred from direct insurance in the year	(1,277,359,308.41)	(621,253,612.94)
Less Losses incurred from direct insurance at end of year	1,128,192,592.46	522,719,874.63
Cash payment from losses incurred from direct insurance	(671,886,590.58)	(592,151,375.88)

Notes to financial statements form an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

DECEMBER 31, 2011 AND 2010

1. GENERAL INFORMATION

1.1 Legal status

The Company was incorporated as a public limited company under Thai laws and listed in the Stock Exchange of Thailand.

1.2 Address

Head office of the Company is located at 767 Krungthep - Nonthaburi Road, Bangsue, Bangkok, Thailand., and the Company has 27 branch offices all over the country.

1.3 Nature of the Company's business

The Company operates its business in Thailand and its principal activities are non-life insurance and investment under the Non-life Insurance Act, B.E.2535.

2. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards for Publicly Accountable Entities and presented accordingly to the Instruction of the Notification of the Office of Insurance Commission regarding the presentation of the financial statements of non-life insurance companies No. 2 B.E.2553 date 27 May 2010.

The financial statements have been prepared on a historical cost basis except where other wise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

2.2 New accounting standards and financial reporting standards effective for using in this year.

During the years 2010 and 2011, the Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, new issued of accounting standards, financial reporting standards and the interpretations of which they are effective for using in the periods beginning on or after January 1, 2011, as follows.

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs

TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

The management of the Company has assessed the effect of these accounting standards and financial reporting standards and believes that they will not have any significant impact on the financial statements for this year. However, TAS 1 (revised 2009) Presentation of Financial Statements, TAS 16 (revised 2009) Property, Plant and Equipment and TAS 19 Employee Benefits of which the Company has adopted of using in this year, have the effects of changes in the Company's accounting policies as disclosed in Note 2.3. These changes of accountings policies mostly affect to the presentation of financial statements in new format and prospective adjustment, except for the accounting standards of Employee Benefits which the company has adopted by adjusting to the beginning retained earnings in full amount.

2.3 Changes in accounting policies

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2.2, the Company has changed its accounting policies as follows :

TAS 1 (revised 2009) Presentation of Financial Statements

Under the revised TAS, a set of financial statements comprises :

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in shareholders' equity;
- Statement of cash flows; and
- Notes to the financial statements.

TAS 16 (revised 2009) Property, Plant and Equipment

Under the revised TAS, there are the principal changes as follows:

1. Costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation;

2. The depreciation charge has to be determined separately for each significant part of an asset;
3. In determining the depreciable amount, the residual value of an item of assets has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised TAS, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively.

TAS 19 Employee Benefits.

Under the new policy, the Company has the obligations in respect of the severance payments to employees upon retirement under the Company's article and labour law. The Company treats these severance payment obligation as a defined benefit plan. Previously, this obligation was recognized as occurred. The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate and inflation rates.

The Company has opted to record the entire amount of this liability as an adjustment to retained earning as at January 1, 2011, in accordance with the transitional provisions of TAS 19.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

a) Premium

For insurance policies with coverage periods of up to 1 year, premium income is recognized on the date the insurance policy comes into effect, after deducting premium ceded and cancelled. For long-term insurance policies with coverage periods of longer than 1 year, related revenues and expenses are recorded as unearned and prepaid items, and amortised to income and expenses over the coverage period.

b) Reinsurance premium income

Reinsurance premium income is recognised when the reinsurer places the reinsurance application or statement of accounts with the Company.

c) Interest and dividends

Interest is recognised as income based on the principle of period of time, taking into accounts the effective yield rate. Dividends are recognised as income on the date the right to receive the dividend arises.

d) Gains (losses) on securities trading

Gains (losses) on trading in securities are recognised as income or expenses on the transaction dates.

3.2 Unearned premium reserve

Unearned premium reserve is set aside in compliance with the Notification of the Ministry of Commerce governing the appropriation of unearned premium reserves of non-life insurance companies as follows:

Fire, motor, hull and miscellaneous	- Monthly average basis (the one-twenty fourth basis)
Marine and transportation (cargo)	- Net premium written for the last ninety days
Travelling accident	- Net premium written for the last thirty days

3.3 Claims

Claims are recognised as expenses when notification of loss is received from the insureds. They are recorded at the value appraised by an independent appraiser, or by the Company's staff, as the case may be, net of the portion refundable through reinsurance agreements. The maximum value of claim estimated is not however, to exceed the suminsured under the relevant policy. In addition, the Company sets up provision for losses incurred but not yet reported (IBNR) at 2.5 percent of net premium written for the last 12 months in compliance with the Notification of the Ministry of Commerce governing the appropriation of loss reserves of non-life insurance companies. Since January 1, 2009, the Company shall allocate according to the past experience by chain ladder approach or other international approaches but not less than 2.5% of the total net written premium on all types of risk in the previous twelve months. The reserve calculation report has to be endorsed by an actuary of the Company.

Differences between the estimated costs of claims and the amount actually paid are included in the statements of earnings in the year they are expensed.

3.4 Commissions and brokerages

Commissions and brokerages are recorded as expenses when they occurred.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at financial institutions with an original maturity of 3 months or less, and free restrictions.

3.6 Investment in securities

- | | |
|---|---|
| Securities for trading | - stated at fair value. Unrealized gain (loss) on change in value of investment is included as income or expenses in the statement of income. |
| Securities available for sale | - stated at fair value. Unrealized gain (loss) on change in value of investment is recorded as other comprehensive income until securities are sold, the change shall be included in the statement of income. |
| Debt instruments to be held to maturity | - stated at amortized cost adjusted by the investment impairment, decrease in that investment is charged as an expense to the statement of income. |
| Other securities | - stated at cost adjusted by the investment impairment, decrease in that investment is charged as an expense to the statement of income. |

Cost of the securities for trading and available for sale which are sold during the year are valued at the weighted - average method.

3.7 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for premium receivables, loans, advances and other receivables on the basis of debts collection experience, review of current status of debts and the appraised value of collateral securities of each account.

3.8 Assets foreclosed

Assets foreclosed are stated at the lower of net book value of loan or cost of acquisition of assets as following :

- Land and buildings from auction are stated at the bidded prices plus cost of the acquisition of the assets.
- Land and buildings from debt compromise are stated at mutually agreed prices plus cost of the acquisition of the assets. The Company, in general, will rely on the price in consideration of the Department of Insurance. In case of loan amount, the Company's investment committee will consider the appropriate price by comparing to the appraised value of the Office of Insurance Commission before the assets transferation.

The Company holds the foreclosed assets for sale only and will hold the assets for the maximum as follows :-

Foreclosed assets for sale obtained before February 6, 2008, held for no longer than 9 years.

Foreclosed assets for sale obtained since February 6, 2008, held for no longer than 5 years.

3.9 Property and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Buildings and complements	20	years
Furniture and office equipment	5	years
Motor vehicles	5	years

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.10 Impairment of assets

The Company will consider the impairment of assets when there are incidents or changes in the environment which indicate that the recoverable amount (the higher of net selling price of the particular assets or its value in use) is lower than the book value of the assets.

In the case that the book value of the asset is higher than its recoverable amount, the Company will recognise loss from the impairment of assets in the statement of profit and loss. The Company then will reverse the loss from impairment of assets previously recognised when there are indications that impairment will discontinue or will diminish by such recording in other income.

3.11 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognised as expense on a straight-line basis over the lease term.

3.12 Employee benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act (B.E. 2530). The Ministry of Finance approved the registered provident fund plan on July 24, 1996. Under this plan, the Company shall contribute to the fund for 4% to 6% of its employees' salaries subject to the length of employment. The employee will receive the contribution fund from the Company which including the net average gain from the fund. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and the Company's article. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in profit or loss.

The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provisions of TAS 19.

3.13 Income tax

The Company records income tax expense, based on the amount currently payable under the Revenue Code and at the rate specified by law.

Corporate income tax has been calculated on the profit before tax after adjusting of adding back certain provisions and expenses which are disallowable for tax computation purposes, deducting certain income which are exemption or allowable from income tax and loss brought forward from previous year (if any).

3.14 Basic earnings per share

Earnings per share as presented in the statement of income is the basic earnings per share which is calculated by dividing the net profit of the year by the weighted average number of ordinary shares that are issued and paid up during the year.

3.15 Financial instruments

The Company has no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried on the balance sheet include cash and deposits at financial institutions, investments, premium due and uncollected and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.16 Foreign currencies

Transactions in foreign currency during the year are translated into Baht at the rates applied on the transaction dates. Monetary assets and liabilities in foreign currency outstanding at the reporting date are translated into Baht at the exchange rates ruling at that date.

Exchange gains and losses are included in determining earnings.

3.17 Accounting estimation

Preparation of financial statements with in conformity with generally accepted accounting principles requires the management to make estimates and assumptions which may have an effect on the reported amounts of revenues, expenses, assets and liabilities and disclosures of commitment and contingent. Actual results may differ from these estimates.

4. EFFECT OF CHANGES IN ACCOUNTING POLICIES DUE TO ADOPTION OF NEW ACCOUNTING STANDARDS

From January 1, 2011, consequent to the adoption of new and revised TFRS, the Company has affected to the financial statements as follows:

Adjustment of financial statements

Statement of financial position as at December 31, 2011

	Baht
Unappropriated retained earnings at December 31, 2010 - as reported in the previous period	22,284,109.43
Increase in employee benefit obligations	(22,639,703.00)
Unappropriated retained earnings at January 1, 2011	(355,593.57)

Statement of comprehensive income for the year ended December 31, 2011

	Baht
Increase in employee expenses resulting in:	
Increase in operating expenses	1,449,669.00
Finance cost	859,575.00
Decrease in profit	2,309,244.00
Decrease in earnings per share;	
Basic earnings per share (in Baht)	0.17

5. INTERPRETATION OF NEW ACCOUNTING STANDARDS PROMULGATED DURING THE YEAR

During the year 2011, the Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the new interpretations of accounting standards of which are effective for the fiscal year beginning on or after January 1, 2013, as follows.

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

The management of the Company has assessed the effect of these new interpretations of accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of :-

	Baht	
	2011	2010
Cash	178,637.09	146,586.16
Cash at bank - uncallable term	46,466,146.48	34,591,063.15
Cash at bank - callable term	372,000,000.00	103,100,000.00
Total cash and deposits at financial institutions	418,644,783.57	137,837,649.31
<u>Less</u> Cash at financial institutions and other financial institutions due over 3 months	(372,000,000.00)	(103,100,000.00)
Cash and cash equivalents	46,644,783.57	34,737,649.31

7. PREMIUM RECEIVABLE - NET

Aging analyze for premiums receivable as at December 31, 2011 and 2010 were as follows :

	2011				2010			
	From assured	From insurance agents and brokers	From reinsurance	Total	From assured	From insurance agents and brokers	From reinsurance	Total
Not due	-	116,191,813.57	-	116,191,813.57	-	113,159,909.38	-	113,159,909.38
Over due within 30 days	-	19,658,978.20	-	19,658,978.20	-	15,769,894.05	219,968.17	15,989,862.22
Over due 30 - 60 days	-	9,881,369.02	-	9,881,369.02	-	12,835,192.53	31,105.28	12,866,297.81
Over due 60 - 90 days	-	5,277,499.47	173,903.22	5,451,402.69	-	4,124,907.98	7,936.71	4,132,844.69
Overdue 90 day - 1 years	-	4,244,221.33	2,357.00	4,246,578.33	-	2,195,706.80	126.00	2,195,832.80
Overdue 1 years	-	16,035,586.04	-	16,035,586.04	-	20,808,671.07	7,207.00	20,815,878.07
Total Premium receivable	-	171,289,467.63	176,260.22	171,465,727.85	-	168,894,281.81	266,343.16	169,160,624.97
<u>Less</u> : Allowance for doubtful accounts	-	(20,279,807.37)	-	(20,279,807.37)	-	(20,991,964.19)	-	(20,991,964.19)
Premium receivable - net	-	151,009,660.26	176,260.22	151,185,920.48	-	147,902,317.62	266,343.16	148,168,660.78

The accrued premium due and uncollected over 12 months are accrued premium from the Company's agents who consistently conduct business with the Company and the Company expects that it can collect those premiums. However, the Company has provided an allowance for doubtful debts for the said accrued premiums which were 12 months overdue and were expected to be uncollectable after deducting the assessed value of each agent's collateral assets.

From January 1, 2011 to October 31, 2011, the Company has set an allowance for doubtful accounts for accrued premium, which over 2 months in full amount without considering assessed value of security of each agent.

From November 1, 2011 onwards, the Company has set an allowance for doubtful accounts for accrued premium, which over 4 months in full amount without considering assessed value of security of each agent.

8. REINSURANCE ASSETS, NET

Reinsurance assets consist of :

	Baht	
	2011	2010
Amount deposit on reinsurance treaties	2,928.62	2,928.62
Amount receivable from reinsurers - net	-	-
Reinsurers' share of insurance contract liabilities	667,260,830.82	84,007,409.72
Premium reserve from reinsurance	145.21	145.21
Other receivable from reinsurance	-	-
Reinsurance asset, net	667,263,904.65	84,010,483.55

9. INVESTMENTS IN SECURITIES

The balance as at December 31, 2011 and 2010 of investments in securities were as follows :

9.1 Trading investment securities

	Baht				
	2011				
	Cost	Unrealized gain	Unrealized loss	Fair value	% of total asset
<u>Individual</u>					
Common stocks	10,385,350.28	1,198,262.38	(154,650.66)	11,428,962.00	0.42
Unit trust	38,515,301.36	52,428.59	-	38,567,729.95	1.41
Total	48,900,651.64	1,250,690.97	(154,650.66)	49,996,691.95	1.83
<u>Less</u> Allowance for impairment	-	-	-	-	-
Total trading investment securities	48,900,651.64	1,250,690.97	(154,650.66)	49,996,691.95	1.83

9.2 Available for sale investment securities

Baht

	2011				
	Cost	Unrealized gain	Unrealized loss	Fair value	% of total asset
<u>Individual</u>					
Common stocks	33,052,256.58	13,277,323.03	(395,442.21)	45,934,137.40	1.68
Unit trust	311,531,539.89	10,488,412.35	(5,157,173.93)	316,862,778.31	11.60
Total	344,583,796.47	23,765,735.38	(5,552,616.14)	362,796,915.71	13.28
<u>Less</u> Allowance for impairment	-	-	-	-	-
Total available for sale	344,583,796.47	23,765,735.38	(5,552,616.14)	362,796,915.71	13.28

Baht

	2010				
	Cost	Unrealized gain	Unrealized loss	Fair value	% of total asset
<u>Individual</u>					
Common stocks	27,336,936.54	16,143,309.65	(82,074.69)	43,398,171.50	2.15
Unit trust	401,027,138.19	21,096,909.79	(4,045,357.91)	418,078,690.07	20.78
Total	428,364,074.73	37,240,219.44	(4,127,432.60)	461,476,861.57	22.93
<u>Less</u> Allowance for impairment	-	-	-	-	-
Total available for sale	428,364,074.73	37,240,219.44	(4,127,432.60)	461,476,861.57	22.93

9.3 Held to maturity investment securities

Baht

	2011		2010	
	Amortize Cost	% of total asset	Amortize Cost	% of total asset
<u>Government and State Enterprise</u>				
Government bond	167,031,717.06	6.12	208,748,524.43	10.37
State Enterprise bond	344,290,299.46	12.60	408,761,818.51	20.31
Saving Certificate	-	-	100,000.00	0.01
Total	511,322,016.52	18.72	617,610,342.94	30.69
<u>Less Allowance for impairment</u>	-	-	-	-
Total	511,322,016.52	18.72	617,610,342.94	30.69
<u>Individual</u>				
Debenture	298,756,762.32	10.94	301,650,135.42	14.99
<u>Less Allowance for impairment</u>	-	-	(1,000,000.00)	(0.05)
Total	298,756,762.32	10.94	300,650,135.42	14.94
<u>Foreign securities</u>				
Debenture	-	-	3,042,061.46	0.15
<u>Less Allowance for impairment</u>	-	-	-	-
Total	-	-	3,042,061.46	0.15
<u>Cash at financial institutions and other financial institutions due over 3 months</u>				
Cash at commercial bank	372,000,000.00	13.62	100,000,000.00	4.97
Certificate of Deposit	13,000,000.00	0.48	3,000,000.00	0.15
Total	385,000,000.00	14.10	103,000,000.00	5.12
<u>Less Allowance for impairment</u>	-	-	-	-
Total	385,000,000.00	14.10	103,000,000.00	5.12
<u>Total held to maturity investment securities</u>	<u>1,195,078,778.84</u>	<u>43.76</u>	<u>1,024,302,539.82</u>	<u>50.90</u>

9.4 Non marketable equity securities

Baht

	2011		2010	
	Cost	% of total asset	Cost	% of total asset
Equity securities	2,223,020.00	0.08	2,223,020.00	0.11
<u>Less Allowance for impairment</u>	-	-	-	-
<u>Total non marketable equity securities</u>	<u>2,223,020.00</u>	<u>0.08</u>	<u>2,223,020.00</u>	<u>0.11</u>

9.5 This remaining term of financial instruments

	2011			2010			Baht
	Due		Total	Due		Total	
	1 year	1 - 5 year		over 5 year	1 year		
<u>Held to maturity investment securities</u>							
<u>Government and state enterprise</u>							
Government bond	-	147,115,396.65	19,916,320.41	167,031,717.06	70,121,174.58	138,627,349.85	208,748,524.43
State Enterprise bond	216,500,840.83	127,789,458.63	-	344,290,299.46	222,624,085.39	186,137,733.12	408,761,818.51
Saving Certificate	-	-	-	-	100,000.00	-	100,000.00
Certificate of Deposits	-	13,000,000.00	-	13,000,000.00	3,000,000.00	-	3,000,000.00
Cash at commercial bank	70,000,000.00	10,000,000.00	-	80,000,000.00	-	80,000,000.00	80,000,000.00
Total	286,500,840.83	297,904,855.28	19,916,320.41	604,322,016.52	295,845,259.97	404,765,082.97	700,610,342.94
Less Allowance for impairment	-	-	-	-	-	-	-
Total	286,500,840.83	297,904,855.28	19,916,320.41	604,322,016.52	295,845,259.97	404,765,082.97	700,610,342.94
<u>Individual</u>							
Debenture	90,501,962.82	163,254,799.50	45,000,000.00	298,756,762.32	22,025,166.75	204,624,968.67	301,650,135.42
Cash at commercial bank	292,000,000.00	-	-	292,000,000.00	20,000,000.00	-	20,000,000.00
Total	382,501,962.82	163,254,799.50	45,000,000.00	590,756,762.32	42,025,166.75	204,624,968.67	321,650,135.42
Less Allowance for impairment	-	-	-	-	(1,000,000.00)	-	(1,000,000.00)
Total	382,501,962.82	163,254,799.50	45,000,000.00	590,756,762.32	41,025,166.75	204,624,968.67	320,650,135.42
<u>Foreign securities</u>							
Debenture	-	-	-	-	3,042,061.46	-	3,042,061.46
Less Allowance for impairment	-	-	-	-	-	-	-
Total	-	-	-	-	3,042,061.46	-	3,042,061.46
Total held to maturity investment securities	669,002,803.65	461,159,654.78	64,916,320.41	1,195,078,778.84	339,912,488.18	609,390,051.64	1,024,302,539.82

As at December 31, 2011 and 2010, security in type of bond and Government Savings Bank's Lottery Total amount Baht 170.07 million and 126.58 million, respectively have been used as security with registrar, for assets allocated as a reserve with the Registrar and assets that have restrictions and obligations, please see the note to financial statement item 25, 26 and 27.

10. LOANS, NET

Investment in loans and accrued interest are classified by age of principal and accrued interest as follows :

	As at December 31, 2011									
	Loans (Baht)									
	Mortgage loans		Properties Guaranteed		Other		Total			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Not Due	5,819,819.00	8,986.00	-	-	843,026.00	-	6,662,845.00	-	8,986.00	-
Over Due										
Less than 3 months	-	-	-	-	-	-	-	-	-	-
3 - 6 months	-	-	-	-	-	-	-	-	-	-
6 - 12 months	-	-	-	-	-	-	-	-	-	-
More than 12 months	-	-	-	-	518,372.74	-	518,372.74	-	-	-
Total	5,819,819.00	8,986.00	-	-	1,361,398.74	-	7,181,217.74	-	8,986.00	-
Less Allowance for doubtful accounts	-	-	-	-	(518,372.74)	-	(518,372.74)	-	-	-
Loans_net	5,819,819.00	8,986.00	-	-	843,026.00	-	6,662,845.00	-	8,986.00	-

	As at December 31, 2010									
	Loans (Baht)									
	Mortgage loans		Properties Guaranteed		Other		Total			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Not Due	7,319,913.00	4,103.00	-	-	2,565,144.00	34.00	9,885,057.00	34.00	4,137.00	-
Over Due										
Less than 3 months	-	-	-	-	-	-	-	-	-	-
3 - 6 months	-	-	-	-	-	-	-	-	-	-
6 - 12 months	-	-	-	-	-	-	-	-	-	-
More than 12 months	4,000,000.00	300,000.00	-	-	518,372.74	-	4,518,372.74	-	300,000.00	-
Total	11,319,913.00	304,103.00	-	-	3,083,516.74	34.00	14,403,429.74	34.00	304,137.00	-
Less Allowance for doubtful accounts	-	-	-	-	(518,372.74)	-	(518,372.74)	-	-	-
Loans_net	11,319,913.00	304,103.00	-	-	2,565,144.00	34.00	13,885,057.00	34.00	304,137.00	-

As at December 31, 2011 and 2010, the loans amounting to 5.82 million baht and 11.32 million baht have been secured by properties in appraisal valued 17.99 million baht and 22.93 million baht, respectively.

The mentioned loans were guaranteed by person and charged interest at the rate of MLR of GHB.

11. PROPERTIES FORECLOSED, NET

Properties foreclosed, net consist of:

	Baht			
	As at December 31, 2010	During the period		As at December 31, 2011
		Increase	Decrease	
Assets acquired for debt settlement				
Land	34,549,932.00	-	(8,781,394.00)	25,768,538.00
Building	6,947,466.59	-	(5,389,005.59)	1,558,461.00
Total	41,497,398.59	-	(14,170,399.59)	27,326,999.00
<u>Less</u> allowance for impairment of assets foreclosed	(2,540,463.00)	-	100,468.00	(2,439,995.00)
Properties foreclosed - net	38,956,935.59			24,887,004.00

During the year 2011, the Company has sale land and building in total value of 141.30 million Baht, (For the assets foreclosed in total book value of 14.07 million Baht). The Company has expense of sale in total amount of 6.99 million Baht and profit from sale net expense of sale in total amount of 120.24 million Baht.

12. PROPERTY AND EQUIPMENT - NET

Property and equipment - net consist of :

	Baht				
	Balance as at December 31, 2010	การเปลี่ยนแปลงระหว่างปี			Balance as at December 31, 2011
		Increase	Decrease	Transfer	
Cost					
Land	103,472,866.10	-	-	-	103,472,866.10
Building	98,046,710.72	-	-	-	98,046,710.72
Vehicle	9,289,820.78	2,888,000.00	-	-	12,177,820.78
Office equipment	78,084,754.14	5,266,618.05	(1,410,568.62)	1,522,782.14	83,463,585.71
Work in progress	5,518,103.84	10,902,413.95	(577,345.00)	(1,522,782.14)	14,320,390.65
Total	294,412,255.58	19,057,032.00	(1,987,913.62)	-	311,481,373.96
<u>Accumulated depreciation</u>					
Building	62,226,269.55	4,813,078.06	-	-	67,039,347.61
Vehicle	6,515,263.82	1,097,002.17	-	-	7,612,265.99
Office equipment	64,882,367.94	5,773,923.65	(1,383,268.39)	-	69,273,023.20
Total	133,623,901.31	11,684,003.88	(1,383,268.39)	-	143,924,636.80
Property plant and equipment - net	160,788,354.27				167,556,737.16

	Baht	
	2011	2010
Depreciation for the years	11,684,003.88	11,674,862.04

The aboved - mentioned land, property and building are not pledged as security for any liabilities.

As at December 31, 2011 and 2010, the Company had fully depreciated fixed assets but still in active use at the cost value totalling 60.23 million Baht and 53.74 million Baht, respectively.

13. NOTES RECEIVABLE

Notes receivable are cheques on hand and post dated cheques of premium due on 1 month to 3 months.

14. DUE TO REINSURERS

Due to reinsurers present by type of debt as follows :

	Baht	
	2011	2010
Reinsurance premium payable	-	-
Amount withheld on reinsurance treaties	20,351,981.08	17,295,956.94
Other due to reinsurers	20,327,168.92	3,957,977.48
Total due to reinsurers	40,679,150.00	21,253,934.42

15. LOSS RESERVES AND OUTSTANDING CLAIMS

Changing in the loss reserves and outstanding claims consist of :

	Baht	
	2011	2010
Beginning Balance	526,347,826.75	506,441,410.44
Loss incurred and loss adjustment expenses in this year		
- Incurred but not reported	12,455,858.43	(12,890,057.78)
- Incurred but not yet agreed/agreed and adjustment	1,195,733,319.48	625,481,550.67
Loss paid and loss adjustment paid in this year	(603,650,128.58)	(592,685,076.58)
Ending balance	1,130,886,876.08	526,347,826.75

As at December 31, 2011 and 2010, the out standing balance of compensation from reinsurance contracts in the amount of Baht 22,409,850.62 and Baht 3,107,390.20, respectively.

16. PREMIUM RESERVE

16.1 Unearned premium reserves

	Baht	
	2011	2010
Beginning balance	523,274,851.62	557,248,346.84
Premium written in the year	1,098,705,727.97	1,073,882,030.00
Earned premium in the year	(1,096,028,032.79)	(1,107,855,525.22)
Ending balance	525,952,546.80	523,274,851.62

16.2 Unexpired risk reserves

The Company has not set unexpired risk reserves because the estimated unexpired risk reserves of the Company as at December 31, 2011 and 2010 has total amount of Baht 449,767,652.00 and Baht 399,412,928.00, respectively are lower than unearned premium reserves.

16.3 Unearned premium reserves for supplementary allocation

As at December 31, 2011, the Company's retained earnings did not include Baht 2,152,059.66 of unearned premium reserve (December 31, 2010: Baht 946,007.92) which the Company set aside for the premium ceded to a foreign reinsurer, in compliance with the regulations of the Office of Insurance Commission.

17. EMPLOYEE BENEFIT OBLIGATION

The Company adopted TAS 19 Employee Benefits which effective from January 1, 2011 and the effect on the financial statements is disclosed in note 4.

	Baht
	2011
<u>Expenses under the defined benefits plan</u>	
Current service cost	1,449,669.00
Past service cost	22,639,703.00
Interest cost	859,575.00
<u>Less expected return on plan assets</u>	-
	24,948,947.00
<u>Defined benefit obligations</u>	
Net present value of defined benefit obligations	24,022,597.00
<u>Less fair value of plan assets</u>	-
	24,022,597.00
Unrecognized actuarial (gains)/losses	-
Unrecognized past service cost	-
	24,022,597.00

	2011
<u>Change in present value of defined benefit obligations</u>	
Beginning balance	-
Current service cost	1,449,669.00
Past service cost	22,639,703.00
Interest cost	859,575.00
Contribution from employee	-
<u>Less</u> benefits paid	(926,350.00)
Actuarial (gains)/losses	-
Ending balance	24,022,597.00

Principal actuarial assumptions at the reporting date

	Percentage
For the year ended December 31, 2011	
Discount rate	4.0
Salary increase rate	4.0 - 5.5
Employee turnover rate	7.0 - 10.0
Mortality rate	Thailand TMO97 tables
Long-term inflation rate	3.0

18. BANK OVERDRAFTS

As at December 31, 2011 and 2010, the Company has overdraft credit lines with 1 bank amounting to 10 million baht which have been secured by government bonds (See Note 27).

19. REPORTING BY INSURANCE TYPE

Underwriting income, claims expenses and underwriting expenses by type consist of:-

	2011					Total
	Fire	Marine	Motor	Personal accident	Miscellaneous	
Under writing income						
Premium written	35,907,105.97	17,578,886.55	1,007,207,427.00	59,590,994.74	50,048,078.07	1,170,332,492.33
Less reinsurance premium	(20,421,531.65)	(12,017,654.89)	(4,093,888.11)	(15,491,186.00)	(19,602,503.71)	(71,626,764.36)
Net premium written	15,485,574.32	5,561,231.66	1,003,113,538.89	44,099,808.74	30,445,574.36	1,098,705,727.97
Less unearned premium reserves	(678,970.55)	310,985.97	(8,660,120.87)	3,286,730.83	8,419,069.80	2,677,695.18
Premium income is recognized	16,164,544.87	5,250,245.69	1,011,773,659.76	40,813,077.91	22,026,504.56	1,096,028,032.79
Commission and brokerage income	8,784,553.58	4,479,500.06	-	4,313,044.86	4,601,739.04	22,178,837.54
Total underwriting income	24,949,098.45	9,729,745.75	1,011,773,659.76	45,126,122.77	26,628,243.60	1,118,206,870.33
Underwriting expense						
Insurance claims and loss adjustment expenses - normal operation	3,957,077.79	7,108,063.16	626,590,852.15	30,107,563.50	(7,286,359.84)	660,477,196.76
Insurance claims and loss adjustment expense - severe flooding in Thailand	1,783,514.49	-	6,000,000.00	-	23,572,324.32	31,355,838.81
Unexpired risk reserve increase (decrease)	-	-	-	-	-	-
Commission and brokerage	11,901,392.21	1,534,956.24	169,487,153.93	9,786,081.30	5,393,499.24	198,103,082.92
Other underwriting income	1,862,312.49	864,294.30	20,663,409.46	3,208,310.42	1,711,521.49	28,309,848.16
Contribution Road accident Victims protection Co., Ltd.	-	-	15,675,613.78	-	-	15,675,613.78
Operating expenses	(5,217.22)	266,367.94	205,376,862.35	29,103.32	(213.57)	205,666,902.82
Total underwriting expenses	19,499,079.76	9,773,681.64	1,043,793,891.67	43,131,058.54	23,390,771.64	1,139,588,483.25
Gain (loss) on underwriting						(21,381,612.92)

Baht

	2010						
	Fire	Marine	Motor	Personal accident	Miscellaneous	Total	
Under writing income							
Premium written	40,928,258.64	14,535,843.99	1,001,788,544.00	52,849,288.14	30,084,329.21	1,140,186,263.98	
Less reinsurance premium	(23,785,821.92)	(9,571,260.93)	(1,830,456.41)	(14,153,382.28)	(16,963,312.44)	(66,304,233.98)	
Net premium written	17,142,436.72	4,964,583.06	999,958,087.59	38,695,905.86	13,121,016.77	1,073,882,030.00	
Less unearned premium reserves	414,878.71	(501,274.47)	(23,835,672.47)	6,303,763.12	(16,355,190.11)	(33,973,495.22)	
Premium income is recognized	16,727,558.01	5,465,857.53	1,023,793,760.06	32,392,142.74	29,476,206.88	1,107,855,525.22	
Commission and brokerage income	13,817,980.19	3,411,399.32	-	5,341,501.56	4,309,114.57	26,879,995.64	
Total underwriting income	30,545,538.20	8,877,256.85	1,023,793,760.06	37,733,644.30	33,785,321.45	1,134,735,520.86	
Underwriting expense							
Insurance claims and loss adjustment expenses	2,787,177.52	868,332.61	640,865,252.31	15,004,019.65	10,793,197.20	670,317,979.29	
Unexpired risk reserve increase (decrease)	-	-	-	-	-	-	
Commission and brokerage	12,603,372.33	1,995,395.28	158,407,734.40	9,193,030.22	4,136,784.60	186,336,316.83	
Other underwriting income	1,743,014.07	788,284.69	20,430,811.68	2,966,543.34	1,582,472.06	27,511,125.84	
Contribution Road accident Victims protection Co., Ltd.	-	-	25,744,915.57	-	-	25,744,915.57	
Operating expenses	408,743.54	2,345,614.41	200,882,682.38	71,137.48	4,972,503.80	208,680,681.61	
Total underwriting expenses	17,542,307.46	5,997,626.99	1,046,331,396.34	27,234,730.69	21,484,957.66	1,118,591,019.14	
Gain (loss) on underwriting							16,144,501.72

20. OPERATING EXPENSES

Operation expenses for the year ended December 31, 2011 and 2010 are summarized as follows :

	Baht	
	2011	2010
Staff cost	73,241,112.91	72,869,505.57
Expenditure on building and equipment	60,292,790.84	61,250,878.92
Bad debt and doubtful debts	3,958,529.33	14,981,936.77
Other operation expenses	68,174,469.74	59,578,360.35
Total operation expense	205,666,902.82	208,680,681.61

21. EMPLOYEES' EXPENSE

Employees' expenses for the year ended December 31, 2011 and 2010 are summarized as follows:

	Baht	
	2011	2010
Salary and wage	126,607,195.00	130,257,328.00
Social security	3,707,689.00	3,681,120.00
Contribution under the defined benefits plan	2,309,244.00	-
Other benefit	6,202,627.42	1,470,615.00
Total employees' expense	138,826,755.42	135,409,063.00

22. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period.

	2011	2010
Net profit for the period (Baht)	117,269,688.40	100,846,210.96
Weighted average number of ordinary shares (shares)	13,900,000	13,900,000
Basic earnings per share (Baht/Share)	8.44	7.26

23. RELATED PARTY TRANSACTIONS

The business transactions with related parties occurred for the years ended December 31, 2011 and 2010 are summarized as follows :

	Baht	
	2011	2010
Premium income net		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	877,364,486.20	931,642,126.37
Other related companies:-		
- Asia Hotel Plc.	400,633.00	649,820.00
- Asia Pattaya Hotel Co., Ltd.	284,786.00	268,679.00
- Zeer Property Plc.	1,035,328.00	844,697.00
- Asia Airport Hotel Co., Ltd.	325,388.00	157,543.00
- Thai Military Bank Plc.	1,846,437.00	9,459,029.00
Brokerage		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	159,316,946.81	145,461,162.72
Other related companies:-		
- Thai Military Bank Plc.	-	1,850,723.31
Office rental		
A combination of entities or business under common control:-		
- N.S.B. Co.,Ltd.	1,091,616.92	1,130,400.00
Service fee		
A combination of entities or business under common control:-		
- N.S.B. Co.,Ltd.	17,929,727.11	18,105,000.47

The outstanding balances of related party transactions are as follows :-

	Baht	
	2011	2010
Cash at bank		
Other related companies:-		
- TMB Bank Plc.	182,440.81	459,983.36
Premium due (Net from Postdated cheques from agent)		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	140,522,464.09	125,040,293.12
Other related companies:-		
- TMB Bank Plc.	-	642,294.25
Prepaid office rental and service fee		
A combination of entities or business under common control:-		
- N.S.B. Co., Ltd.	7,996,828.39	-
Accrued commission and brokerage		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	23,606,655.49	22,313,729.56
Other related companies:-		
- TMB Bank Plc.	-	137,517.16

Dung Seng Insurance Broker Co., Ltd. is related to the Company by way of a subsidiary to N.S.B. Co., Ltd., which in turn is a subsidiary of N.S. Alliance Co., Ltd., a shareholder of more than 10% in Nam Seng Insurance Plc. in which Throng Seen Co., Ltd., is the main agent of the Company. The rate of the above - mentioned brokerage is consistent with those paid to other brokers and is not in excess of that stipulated by the Office of Insurance Commission.

N.S.B. Co., Ltd., is the Company's related party. N.S.B. is a major shareholders of the Company, with shareholding of more than 10%. Some directors of N.S.B. are the directors of the Company. N.S.B. rents office space to the Company with rental service fees at the market rate.

Asia Hotel Plc., Asia Pattaya Hotel Co., Ltd., Zeer Property Plc. and Asia Airport Hotel Co., Ltd. are the Company's related parties. One director of the Company is a shareholder and director of these companies. The Company is the insurer of these companies and charges the insurance premium at the market rate.

TMB Bank is the Company's related party. The Bank holds 9.97% of the Company's shares. The Company is the insurer of the Bank and charges the insurance premium at the market rate.

24. MANAGEMENT BENEFIT EXPENSE

Management benefit expenses represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act.

For the years ended December 31, 2011 and 2010, the Company has paid the management benefit expense to its management and directors totaling Baht 15.02 million and Baht 13.34 million, respectively.

25. SECURITIES DEPOSITED WITH THE REGISTRAR

As at December 31, 2011 and 2010, investments in held to maturity debt securities were deposited with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 (2008) as follows:

	Baht	
	2011	2010
Government Bonds	14,000,000.00	14,000,000.00

26. ASSETS ALLOCATED AS A RESERVE WITH THE REGISTRAR

As at December 31, 2011 and 2010, investments in held to maturity debt securities were deposited in accordance with 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:

	Baht	
	2011	2010
Government Bonds	131,000,000.00	87,000,000.00

27. COLLATERIZED ASSETS

As at December 31, 2011 and 2010, the Company's collateralized assets are as follows :-

		Baht
	2011	2010
The Government Savings Bank's callable lotteries as collateral for	-	100,000.00
- Drivers in Criminal Court		
Bonds as collateral for	14,840,000.00	15,250,000.00
- Drivers in Criminal Court		
- Electrical usage	230,000.00	230,000.00
- Bank overdrafts	10,000,000.00	10,000,000.00
Total	25,070,000.00	25,580,000.00

28. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net capital rule in accordance with Notifications of the Office of Insurance Commission.

Under the Non-life Insurance Act, the Company shall maintain the capital fund during the undertaking of non-life insurance business in the amount of not less than ten percent of net premium written for the last calendar year but not lower than thirty million baht. As at December 31, 2011 and 2010, the Company maintains the capital fund exceed the requirement.

29. LEGAL RESERVE AND OTHER RESERVE

The Company shall appropriate statutory reserve at the minimum rate of 5% of its net profit deducted by beginning deficit (if any) until the reserve reaches 10% of the registered share capital. Except for the reserve specified in the Company's Articles of Association, the board of directors may propose at the shareholder meeting to resolve to appropriate other reserve.

30. CORPORATE INCOME TAX

Corporate income tax for the year ended December 31, 2011 is calculated by multiplying earnings by the rate 30% of net profit after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax and loss brought forward from previous year.

Corporate income tax for the year ended December 31, 2010 is calculated by multiplying earnings by the rate 25% of net profit not exceed Baht 300 million. Which the tax rates applied are in compliance with the provision of Royal Decree 475 (B.E. 2551) dated July 29, 2008, issued under the Revenue Code.

31. CONTINGENT LIABILITIES AND OTHER COMMITMENT

As at December 31, 2011, the Company had contingent liabilities and other commitments as follows :-

31.1 On April 15, 1994, the Company made a construction contract to hire N.S.B. Co., Ltd. to build an office building on the Company's land under the following significant conditions :

31.1.1 N.S.B. Co., Ltd. was granted the right to utilize and to lease out the office building spaces for a term of 20 years, commencing from December 1, 1994 to November 30, 2014. Upon termination of the contract, NSB shall return the property in a sound condition.

31.1.2 The Company has obtained the right from N.S.B. Co., Ltd. to occupy and utilizes 5,058 square metres of the office space and 1,275 square metres of the parking building totalling 6,333 square metres for free of charges, excluding the building's common service fees for a term of 20 years, commencing from December 1, 1994 to November 30, 2014 and service fee at 1,340,370.00 baht per month. In addition, the Company has entered into several rental contracts as follows :-

- Rental contract for 628 square metres of office space at 85,722.- baht per month and service fee at 132,884.80 baht per month for a term of 3 years which is expired in 2009. The Company has extended the contract for another 3 years in the rental of 94,200.00 baht and service fee at 144,440.00 baht per month.

31.2 The Company has entered into rental agreements for 9 branch offices at the total rental of 119,630 baht per month. The term of the agreements is 3 years due in 2011 - 2014.

Rental to be paid in the subsequent year are summarized as follows :-

	Baht
Year	
2012	9,003,060.00
2013	1,033,560.00
2014	96,000.00

31.3 On June 28, 2010 the Company entered into a construction contract with a local company to construction of branch office amounting to Baht 14.20 million. As at December 31, 2011 the company paid the deposit of Baht 12.00 million in accordance with the terms of the contract. The Company has commitment to pay the outstanding balance of Baht 2.20 million.

32. LEGAL CASES

The Company has lawsuits for claims of damage from motor accidents by the insured parties as follows :

	Baht	
	2011	2010
The amounts in dispute	356,509,026.48	375,288,994.37
The amounts covered by insurance policies	52,833,703.35	53,041,934.45

As at December 31, 2011 and 2010, the outcomes of these cases were not final which, in effect, the Company was not able to estimate the damages from the cases. Nevertheless, the Company believes that it shall partly be responsible for the amount in dispute. However, the Company recorded the loss reserve claims above in the amount of Baht 50.73 million and Baht 50.36 million, respectively.

33. FINANCIAL INFORMATION BY SEGMENT

The Company's operations involve a single industry segment in non-life insurance and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

34. DISCLOSURE OF FINANCIAL INSTRUMENTS

Subject to the Accounting Standard No. 107, "Presentation of transactions and disclosure of financial instruments", the Company has information in connection with financial instruments both in and off financial statement as follows :-

34.1 Accounting policies

Details of accounting policies are disclosed in Note 3.15.

The Company does not have any policies to engage in an off-financial statement financial instrument neither for speculation, trading nor risk prevention.

34.2 Credit risk

The Company's concentration of credit risk derived from premium due and uncollected is not significant as the Company's customers are in a wide range of industries and situated in different geographic areas of the country.

Credit risk derived from loan receivable and premium due are exposed from the concerned parties who do not follow the requirement in the contracts which can cause financial damages to the Company. The Company has a policy to protect this risk by requiring the contractors to pledge collateral to cover the loss from the loan receivable and premium due.

The loans receivable and premium due are presented at book value net from allowance for doubtful debts which are the highest value from risk breach of contracts.

34.3 Interest rate risk

Interest rate risk in the financial statement is derived from the change in interest rates which may cause damage to the Company in the current year and in the future period. The Company had assigned the Investment Board to overlook and consider the expected return on investment to be complied with the policy of the Board of Directors.

The financial instruments with interest and without interest are classified below :-

Baht

Net book value as at December 31, 2011				
	Floating interest rate	Fixed interest rate	Interest - free	Total
Financial assets				
Deposits at financial institutions	37,625,754.67	-	8,840,391.81	46,466,146.48
Investments in securities				
Fixed deposits and certificate of deposit	-	385,000,000.00	-	385,000,000.00
Bonds	-	511,322,016.52	-	511,322,016.52
Debentures - net	-	298,756,762.32	-	298,756,762.32
Equity securities	-	-	59,586,119.40	59,586,119.40
Unit trust	-	-	355,430,508.26	355,430,508.26
	37,625,754.67	1,195,078,778.84	423,857,019.47	1,656,561,552.98

The financial instruments carrying interest at fixed rates are classified below, according to the period from the financial statement date to the contractual reprising date, or the maturity date (whichever is earlier) :-

	Baht					Average interest rate Percent
	At call	Within 1 year	2 - 5 years	6 - 10 years	Total	
Financial assets						
Deposits at financial institutions	-	362,000,000.00	23,000,000.00	-	385,000,000.00	3.342%
Investments in securities						
Bonds	-	216,500,840.83	274,904,855.28	19,916,320.41	511,322,016.52	3.193%
Debentures - net	-	90,501,962.82	163,254,799.50	45,000,000.00	298,756,762.32	4.232%
	-	669,002,803.65	461,159,654.78	64,916,320.41	1,195,078,778.84	

34.4 Fair value of financial instruments

The Company uses the following procedure and assumption in estimating the fair value of financial instruments.

Cash at banks are presented at book value as the majority of the financial instruments are dependent upon floating interest rate or if they are fixed interest rate they have short-term duration.

Determination of the fair value of investment is as described in Note 3.6.

Premium due and uncollected are presented at book value as they have the collection period in short-term duration.

35. IMPACT OF SEVERE FLOODING IN THAILAND

From the severe flooding in Thailand that occurred in the fourth quarter of 2011, The Company's management has estimated losses from the recent floods at Baht 671.49 million, of which approximately Bath 640.14 million is recoverable from reinsures. The Company's management estimated that claims based on the preliminary claims by the surveyor as follows:

	Baht
Gross claims	671,493,627.94
<u>Less</u> Claim reserve refundable from reinsurers	(594,779,139.34)
Net claims	76,714,488.60
<u>Less</u> Claims reserve refundable under Excess of Loss contracts	(45,358,649.79)
Net claims expense in the statements of comprehensive income	31,355,838.81

36. RECLASSIFICATION OF ACCOUNTS

Some accounting transaction in financial statement for the ended December 31, 2010 had been reclassified in order to comply with transaction shown in financial statement for the year ended December 31, 2011.

Baht

	As at December 31, 2010	
	As previously reported	Reclassified
<u>Statement of financial position</u>		
Cash and deposits of financial institutions	137,837,649.31	-
Cash and cash equivalents	-	34,737,649.31
Premium receivable, net	147,902,317.62	148,168,660.78
Reinsurance assets, net	-	84,010,483.55
Amount deposit on reinsurance treaties	2,928.62	-
Due from reinsurers	266,488.37	-
Investment assets		
Investment in securities		
Available for sales investment securities	-	461,476,861.57
Held to maturity investment securities	-	1,024,302,539.82
Non marketable equity securities	-	2,223,020.00
Bonds	620,055,954.00	-
Stocks	29,559,956.54	-
Debentures	301,650,135.42	-
Unit trust	401,027,138.19	-
Allowance for change in value of investment	32,609,237.24	-
Outstanding claims from both sides	-	3,627,952.12
Other assets		
Advance	4,961,780.02	-
Other	11,877,150.05	16,838,930.07
Accrued income tax	-	5,079,017.12
Due to reinsurers	3,957,977.48	21,253,934.42
Insurance contract liabilities		
Loss reserves and outstanding claims	438,370,457.88	526,347,826.75
Amount withheld on reinsurance treaties	17,295,956.94	-
Other liabilities	63,992,864.05	58,571,839.90

Baht

	As at December 31, 2010	
	As previously reported	Reclassified
<u>Statement of comprehensive income</u>		
Fee and commission income	-	26,879,995.64
Insurance claims and loss adjustment expenses	-	618,257,271.79
Losses incurred during the year	599,617,457.14	-
Losses adjustment expense	18,639,814.65	-
Commission and brokerages	159,456,321.19	186,336,316.83
Other underwriting expenses	35,763,046.96	27,511,125.84
Contribution to Road accident Victims Protection Co., Ltd.	-	25,744,915.57
Operating expenses	-	208,680,681.61
Personnel expenses	139,910,775.57	-
Premises and equipment expenses	61,250,878.92	-
Bad debt and doubtful accounts	14,981,936.77	-
Management benefit expenses	13,338,732.00	-
Other expenses	56,073,461.35	-
Net investment income	-	89,845,607.71
Invest and dividends	88,398,425.77	-
Gain (loss) on sales of investments	(1,896,344.16)	(2,005,004.22)
Other income	1,447,181.94	-
Investment expense	108,660.06	-
Other income	22,008,772.65	22,216,820.39
Gain (loss) on sales of fixed assets	-	(58,148.74)
Contribution to office of Insurance commission	-	3,315,229.12
Contribution to Non - life guarantee fund	-	1,952,025.88
Contribution to Road victims protection fund	-	2,204,045.05

Baht

	As at December 31, 2010	
	As previously reported	Reclassified
<u>Statement of cash flows</u>		
Operating activities		
Direct premium written	1,161,274,629.08	1,161,265,719.38
Receipt (payment) from reinsurance	(5,622,426.87)	17,048,582.86
Loss incurred from direct insurance	(569,831,282.88)	(592,151,375.88)
Other underwriting expenses from insurance	(35,763,046.96)	(28,291,746.91)
Net investment income	87,859,166.13	1,896,344.16
Interest income	-	31,502,975.60
Dividend income	-	54,459,846.37
Other investment income	-	1,896,344.16
Other income	22,008,772.65	22,158,671.65
Operating expenses	(263,705,702.53)	(271,668,908.61)
Investment activities		
Cash flows from		
Investment in securities	637,414,543.77	782,414,543.77
Deposits at financial institutions - net	145,000,000.00	-
Cash flows used in		
Investment in securities	(999,590,326.03)	(999,690,326.03)

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on February 24, 2012.

BRANCH OFFICES OF NAM SENG INSURANCE PLC.

Branch/Office	Address	Telephone	Facsimile
1. Chiang Mai	164/3 - 4 Chiang Mai - Lampang Rd., Amphur Muang, Chiang Mai 50000 email:chiangmai@namsengins.co.th	(053) 210055 (053) 210066 (053) 213229	(053) 214656
2. Nakorn Sawan	148/23 Moo 10 Asia Rd., Amphur Muang, Nakorn Sawan 60000 email:nakornsawan@namsengins.co.th	(056) 222520 (056) 231676 (056) 231677-8	(056) 224060
3. Phitsanulok	340 Moo 2 Singhawat Rd., Amphur Muang Phitsa- nulok 65000 email:phitsanulok@namsengins.co.th	(055) 248672-4	(055) 242449
4. Nakorn Ratchasima	1575/7-9 Mittraphap Rd., Amphur Muang, Nakorn Ratchasima 30000 email:korad@namsengins.co.th	(044) 222800-3	(044) 214637
5. Udon Thani	127/2 Moo 9 Liangmuang Rd., Amphur Muang, Udon Thani 41000 email:udon@namsengins.co.th	(042) 222333 (042) 222344 (042) 224171	(042) 222171
6. Khon Kaen	668/99-100 Klangmuang Rd., Amphur Muang, Khon Kaen 40000 email:khonkaen@namsengins.co.th	(043) 223900 (043) 223975-6	(043) 227604
7. Roi Et	435-437 Moo 14 Roi Et-Phonthong Rd., Amphur Muang, Roi Et 45000 email:roi_et@namsengins.co.th	(043) 516664-6	(043) 515762
8. Ubon Ratchathani	756/6 Chayangkul Rd., Amphur Muang, Ubon Ratchathani 34000 email:ubon@namsengins.co.th	(045) 316788 (045) 314731 (045) 314742	(045) 314712
9. Suphanburi	393-395 Moo 5 Bang Bua Thoug-Suphanburi Rd., Amphur Muang, Suphanburi 72000 email:suphan@namsengins.co.th	(035) 494166 (035) 494167-8	(035) 523660
10. Nakhon Pathom	436,438 Moo 8 Petchakasem Rd., Amphur Muang, Nakhon Pathom 73000 email:nakhonpathom@namsengins.co.th	(034) 254600 (034) 258744-5 (034) 250352	(034) 251821

Branch/Office	Address	Telephone	Facsimile
11. Saraburi	211/19-20 Sutbuntat Rd., Amphur Muang, Saraburi 18000 email:saraburi@namsengins.co.th	(036) 222300 (036) 222877 (036) 221068	(036) 211370
12. Samut Sakhon	926/ 305-306 Rama II Rd., Amphur Muang, Samut Sakhon 74000 email:samutsakhon@namsengins.co.th	(034) 422200 (034) 425806 (034) 428167-8	(034) 428169
13. Kanchanaburi	201/27-28 Moo 5 Sangchuto Rd., Amphur Muang, Kanchanaburi 71000 email:kanchanaburi@namsengins.co.th	(034) 520723-4 (034) 520444	(034) 520826
14. Chonburi	116/45- 46 Moo 3 Sukhmit Rd., Amphur Muang, Chonburi 20000 email:chonburi@namsengins.co.th	(038) 272170-1 (038) 260213 (038) 276130	(038) 260214
15. Pattaya	113/28 Moo 13 Amphur Banglamung, Chonburi 20150 email:pattaya@namsengins.co.th	(038) 414711 (038) 415404 (038) 411939	(038) 414306
16. Rayong	26/3-5 Moo 3 Sukhmit Rd., Amphur Muang, Rayong 21000 email:rayong@namsengins.co.th	(038) 021116-8 (038) 021100	(038) 614580
17. Petchaburi	55/1 Moo 2 Petchakasem Rd., Amphur Muang, Petchaburi 76000 email:petchaburi@namsengins.co.th	(032) 426129 (032) 426037 (032) 426000	(032) 426027
18. Prachuabkhirikhan	227-229 Prachuabkhirikhan Rd., Amphur Muang, Prachuabkhirikhan 77000 email:prachuab@namsengins.co.th	(032) 611440 (032) 603444 (032) 601870	(032) 604718
19. Hatyai	500/5-6 Moo 4 Lopburiramate Rd., Amphur Hatyai, Songkla 90110 email:hatyai@namsengins.co.th	(074) 261333 (074) 262770-1	(074) 262759
20. Trang	365/55 Huaiyot Rd., Amphur Muang, Trang 92000 email:trang@namsengins.co.th	(075) 215200 (075) 216311-2	(075) 216313

Branch/Office	Address	Telephone	Facsimile
21. Surat Thani	97/21 Moo 6 Chon Kasem Rd., Amphur Muang, Surat Thani 84000 email:surat@namsengins.co.th	(077) 600688-9 (077) 600690-1 (077) 205862	(077) 289975
22. Nakhonsrithumarach	186/20-21 Omkaywachirawut Rd., Amphur Muang, Nakhonsrithumarach 80000 email:nakhon_sri@namsengins.co.th	(075) 342500 (075) 344133-4	(075) 431200
23. Chumporn	55/13 Moo 1 Petchakasem Rd., Amphur Muang, Chumporn 86190 email : chumphon@namsengins.co.th	(077) 534345 (077) 534174 (077) 534176 (077) 534480	(077) 534493
24. Bangkok (Ramintha)	57/39 Ramintha Rd., Bangken, Bangkok 10220 email:ramintha@namsengins.co.th	(02) 5226800-3	(02) 5226804
25. Bangna Trad	1st Floor, SHOP HOUSE, 120/14 Moo 11 Bangna-Trad Rd., Bangkok 10260 email:bangna@namsengins.co.th	(02) 7441434-5	(02) 7441433
26. Surin	325 Moo 19 Surin-sangka Rd., Amphur Muang, Surin 32000 Email:surin@namsengins.co.th	(044) 512717 (044) 512707 (044) 512747	(044) 512912



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