

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**

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**REPORT AND INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2011 AND 2010**

## AUDITOR'S REVIEW REPORT

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

I have reviewed the statement of financial position of Nam Seng Insurance Public Company Limited as at September 30, 2011, and the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2011 and 2010, changes in share holders' equity and cash flows for the nine-month periods ended September 30, 2011 and 2010. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with generally accepted auditing standards applicable to review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited, in accordance with generally accepted auditing standards, the financial statements for the year ended December 31, 2010 of Nam Seng Insurance Public Company Limited. I expressed an unqualified opinion on those financial statements in my report dated February 24, 2011. The statement of financial position as at December 31, 2010, presented herewith for comparative purposes only, was a part of the audited financial statements that I have already reported. I have not performed any audit procedure since that date.

As described in the note to interim financial statement No.2, during the quarter ended September 30, 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 interim financial statements, the financial statements for three-month and nine-month periods ended September 30, 2010 and statement of financial position as at December 31, 2010 have been presented in accordance with the new format in order to comply with the financial statements for three-month and nine-month periods ended September 30, 2011.

(Mr. Pojana Asavasontichai)  
Certified Public Accountant  
Registration No. 4891

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
November 11, 2011  
2011/1095/0260

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- 3 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**

		Baht	
		As at September	As at December
	Note	30, 2011	31, 2010
Cash and cash equivalents	5	22,225,066.89	34,737,649.31
Accrued investment income, net		9,433,951.51	8,925,764.18
Premium receivable, net	6	123,427,119.65	148,168,660.78
Reinsurance assets, net	7	35,668,473.88	84,010,483.55
Investment assets			
Investment in securities	8		
Available for sale investment securities		390,860,715.69	461,476,861.57
Held to maturity investment securities		1,200,083,208.77	1,024,302,539.82
Non marketable equity securities		2,223,020.00	2,223,020.00
Loans, net	9	12,259,923.00	14,189,194.00
Properties foreclosed, net	10	29,940,554.00	38,956,935.59
Property and equipment, net	11	169,171,871.22	160,788,354.27
Claim receivable from litigants		3,380,198.62	3,627,952.12
Notes receivable	12	12,388,130.62	13,914,681.44
Other assets		36,058,644.67	16,838,930.07
Total assets		<u>2,047,120,878.52</u>	<u>2,012,161,026.70</u>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

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

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- 4 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (COUNT.)**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Baht	
	Note	As at September 30, 2011	As at December 31, 2010
<b>Liabilities</b>			
Accrued income tax		-	5,079,017.12
Due to reinsurers	13	27,576,246.33	21,253,934.42
Insurance contract liabilities			
Loss reserves and outstanding claims	14	481,070,134.72	526,347,826.75
Premium reserve	15	546,478,836.48	523,274,851.62
Employee benefit obligations	16	24,371,636.00	-
Bank overdrafts	17	-	-
Commission and brokerages payable		29,710,699.42	30,335,974.54
Deposit from brokers		7,855,955.07	9,317,420.37
Premium received in advance		15,355,918.20	18,133,793.54
Other liabilities		46,455,877.22	58,571,839.90
Total liabilities		<u>1,178,875,303.44</u>	<u>1,192,314,658.26</u>
<b>Shareholders' equity</b>			
Share capital			
Authorized share capital			
20,000,000 common shares of 10 baht each		<u>200,000,000.00</u>	<u>200,000,000.00</u>
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	8	11,847,854.41	33,112,786.84
Retained earnings			
Appropriated			
Legal reserve	26	24,848,787.17	24,848,787.17
Others	26	6,163,850.00	6,163,850.00
Unappropriated		91,948,248.50	22,284,109.43
Total shareholders' equity		<u>868,245,575.08</u>	<u>819,846,368.44</u>
Total liabilities and shareholders' equity		<u>2,047,120,878.52</u>	<u>2,012,161,026.70</u>

SOMBOON FUSRIBOON  
DIRECTOR

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- 5 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

		Baht	
	Note	2011	2010
Revenues	18		
Net premium earned		276,387,651.84	279,385,894.08
Fee and commission income		6,124,632.87	5,549,105.68
Total revenues		<u>282,512,284.71</u>	<u>284,934,999.76</u>
Expenses			
Underwriting expenses	18		
Insurance claims			
Insurance claims and loss adjustment expenses		164,018,633.27	160,254,196.38
Unexpired risk reserve increase (decrease)		-	-
Commissions and brokerages expenses		47,741,858.07	39,978,495.03
Other underwriting expenses		5,930,559.50	7,376,731.26
Contribution to Road Accident Victims Protection Co., Ltd.		3,060,175.20	5,735,280.71
Operating expenses	19	<u>50,282,727.57</u>	<u>58,973,102.10</u>
Total underwriting expenses		<u>271,033,953.61</u>	<u>272,317,805.48</u>
Profit (loss) from insurance		11,478,331.10	12,617,194.28
Net investments income		13,192,737.82	11,418,155.94
Gains (loss) on sale of investments		822,680.86	540,364.36
Other income		713,736.66	3,429,347.85
Gain (loss) on sale of assets	10	<u>409.97</u>	<u>(284.08)</u>
Profit from operations		26,207,896.41	28,004,778.35

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- 6 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**  
**FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

		Baht	
	Note	2011	2010
Contribution to Office of Insurance Commission		810,306.86	752,179.99
Contribution to Non-life guarantee fund		675,255.72	501,453.33
Contribution to Road victims protection fund		249,810.24	468,186.18
Profit before income tax		24,472,523.59	26,282,958.85
Corporate income tax	27	733,320.25	2,238,632.41
Net profit for the period		23,739,203.34	24,044,326.44
Other comprehensive income			
Gain (loss) on change in value of investments		(10,817,835.51)	47,209,200.35
Total other comprehensive income (loss) for the period		(10,817,835.51)	47,209,200.35
Total comprehensive income		12,921,367.83	71,253,526.79
28			
Net profit for the period		1.71	1.73

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- 7 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

		Baht	
	Note	2011	2010
Revenues	18		
Net premium earned		821,857,696.51	836,531,658.90
Fee and commission income		18,834,921.76	18,668,072.80
Total revenues		<u>840,692,618.27</u>	<u>855,199,731.70</u>
Expenses			
Underwriting expenses	18		
Insurance claims			
Insurance claims and loss adjustment expenses		507,394,872.36	497,528,195.21
Unexpired risk reserve increase (decrease)		-	-
Commissions and brokerages expenses		151,427,423.93	137,436,928.29
Other underwriting expenses		21,223,071.57	20,687,755.64
Contribution to Road Accident Victims Protection Co., Ltd.		12,714,335.03	20,530,889.27
Operating expenses	19	<u>164,728,227.14</u>	<u>159,106,957.89</u>
Total underwriting expenses		<u>857,487,930.03</u>	<u>835,290,726.30</u>
Profit (loss) from insurance		(16,795,311.76)	19,909,005.40
Net investments income		46,970,599.33	41,159,312.09
Gains (loss) on sale of investments		1,513,851.72	(2,778,033.43)
Other income		4,362,646.63	9,689,110.51
Gain (loss) on sale of assets	10	<u>119,711,870.63</u>	<u>(56,264.23)</u>
Profit from operations		155,763,656.55	67,923,130.34

SOMBOON FUSRIBOON  
DIRECTOR

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- 8 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

		Baht	
	Note	2011	2010
Contribution to Office of Insurance Commission		2,665,068.06	2,553,124.49
Contribution to Non-life guarantee fund		1,911,763.18	1,401,925.58
Contribution to Road victims protection fund		1,037,904.92	1,778,410.25
Profit before income tax		150,148,920.39	62,189,670.02
Corporate income tax	27	57,845,078.32	13,032,280.59
Net profit for the period		92,303,842.07	49,157,389.43
Other comprehensive income			
Gain (loss) on change in value of investments		(21,264,932.43)	56,669,498.27
Total other comprehensive income (loss) for the period		(21,264,932.43)	56,669,498.27
Total comprehensive income		71,038,909.64	105,826,887.70
Basic earnings per share (Baht)	28		
Net profit for the period		6.64	3.54

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- 9 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

	Note	Baht					Total	
		Issued and paid-up share capital	Premium on share capital	Gain (loss) from revaluation of investments	Legal reserve	Retained earnings Others Unappropriate		
Balance as at January 1, 2011 as previously reported		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	3	-	-	-	-	-	(22,639,703.00)	(22,639,703.00)
Balance as at January 1, 2011 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 for the period		-	-	(21,264,932.43)	-	-	92,303,842.07	71,038,909.64
Balance as at September 30, 2011		<u>139,000,000.00</u>	<u>594,436,835.00</u>	<u>11,847,854.41</u>	<u>24,848,787.17</u>	<u>6,163,850.00</u>	<u>91,948,248.50</u>	<u>868,245,575.08</u>
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 for the period		-	-	56,669,498.27	-	-	49,157,389.43	105,826,887.70
Balance as at September 30, 2010		<u>139,000,000.00</u>	<u>594,436,835.00</u>	<u>61,849,824.36</u>	<u>24,848,787.17</u>	<u>6,163,850.00</u>	<u>(29,404,712.10)</u>	<u>796,894,584.43</u>

SOMBOON FUSRIBOON  
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- 10 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

	Baht	
	2011	2010
Cash flows from operating activities :		
Direct premium written	913,097,564.98	906,862,411.17
Receipt (payment) from reinsurance	60,432,722.23	(12,949,098.80)
Loss incurred from direct insurance	(532,445,321.47)	(409,035,107.49)
Loss adjustment expenses from direct insurance	(55,371,413.93)	(16,221,514.52)
Commissions and brokerages from direct insurance	(146,888,595.91)	(139,503,960.06)
Other underwriting expenses from insurance	(33,937,406.60)	(22,229,267.74)
Interest income	30,059,005.90	23,639,754.21
Dividend income	17,917,257.82	15,384,606.91
Other investment income	(1,523,644.79)	2,732,609.05
Other income	124,074,517.26	9,632,846.28
Operating expenses	(174,246,062.72)	(215,341,886.45)
Other expenses	(9,876,979.58)	(7,352,899.56)
Income tax	(63,185,363.35)	(22,083,820.57)
Net cash flows from (used in) operating activities	<u>128,106,279.84</u>	<u>113,534,672.43</u>
Cash flows from investing activities :		
Cash flows from		
Investment in securities	554,855,341.27	592,707,198.58
Loans to	3,802,959.00	5,830,609.00
Property and equipment	22,705.38	365,870.76
Net cash flows from investing activities	<u>558,681,005.65</u>	<u>598,903,678.34</u>

SOMBOON FUSRIBOON  
DIRECTOR

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- 11 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONT.)**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

	Baht	
	2011	2010
Cash flows used in		
Investment in securities	(679,761,151.98)	(761,591,300.64)
Loans to	(1,873,688.00)	(5,151,435.00)
Property and equipment	(17,665,027.93)	(8,205,649.40)
Net cash flows used in investing activities	(699,299,867.91)	(774,948,385.04)
Net cash flows from (used in) investing activities	(140,618,862.26)	(176,044,706.70)
Cash flows from financing activities :		
Net cash flows from (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(12,512,582.42)	(62,510,034.27)
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	22,225,066.89	44,379,111.10

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

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

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- 12 -

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONT.)**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND 2010**

	Baht	
	2011	2010
Supplementary disclosures of cash flows information :		
1. Direct premium written		
Direct premium written at beginning of the period	148,168,660.78	183,342,737.60
<u>Add</u> Direct premium written occurred in the period	888,356,023.85	851,041,495.09
<u>Less</u> Direct premium written at end of the period	<u>(123,427,119.65)</u>	<u>(127,521,821.52)</u>
Cash received from direct premium written	<u>913,097,564.98</u>	<u>906,862,411.17</u>
2. Losses incurred from direct insurance		
Losses incurred from direct insurance at beginning of the period	(467,348,460.70)	(493,617,637.57)
<u>Add</u> Losses incurred from direct insurance in the period	(542,786,796.87)	(454,844,730.86)
<u>Less</u> Losses incurred from direct insurance at end of period	<u>477,689,936.10</u>	<u>539,427,260.94</u>
Cash payment from losses incurred from direct insurance	<u>(532,445,321.47)</u>	<u>(409,035,107.49)</u>

SOMBOON FUSRIBOON  
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DIRECTOR

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

**NAM SENG INSURANCE PUBLIC COMPANY LIMITED**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2011**

**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 interim financial statements

The interim financial statements are prepared in accordance with the Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting" and the announcement of the Stock Exchange of Thailand Accounting.

These interim financial statements are prepared as additional financial statement information with the emphasis on the more current information about new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2010.

2.2 Significant accounting policies

The interim financial statements are prepared in accordance with and comply with Thai generally accepted accounting principles under the Accounting Act B.E. 2543 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.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

The Company prepared the interim financial statements with the same accounting policies used in the preparation of the annual financial statements for the year ended December 31, 2010, except for the accounting policy changed by the adoption of new accounting standard in this year as specified in Note 2.3.

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

2.3 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

SOMBOON FUSRIBOON  
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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 2.4. 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.

#### 2.4 Changes in accounting policies

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2.3, 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.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR



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.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

**3. 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 September 30, 2011

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

Statement of comprehensive income for the three-month and nine-month periods ended September 30, 2011

	<u>Baht</u>	
	<u>For the three-month period ended September 30, 2011</u>	<u>For the nine-month period ended September 30, 2011</u>
Increase in employee expenses resulting in:		
Increase in operating expenses	362,417.25	1,087,251.75
Finance cost	<u>214,893.75</u>	<u>644,681.25</u>
Decrease in profit	<u><u>(577,311.00)</u></u>	<u><u>(1,731,933.00)</u></u>
Decrease in earnings per share;		
Basic earnings per share (in Baht)	<u><u>(0.04)</u></u>	<u><u>(0.12)</u></u>

**4. 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

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of :-

	Baht	
	As at September 30, 2011	As at December 31, 2010
Cash	402,359.13	146,586.16
Cash at bank - uncallable term	21,822,707.76	34,591,063.15
Cash at bank - callable term	352,000,000.00	103,100,000.00
Total cash and deposits at financial institutions	374,225,066.89	137,837,649.31
<u>Less</u> Cash at financial institutions and other financial institutions due over 3 months	<u>(352,000,000.00)</u>	<u>(103,100,000.00)</u>
Cash and cash equivalents	<u>22,225,066.89</u>	<u>34,737,649.31</u>

6. PREMIUM RECEIVABLE - NET

Aging analyze for premiums receivable as at September 30, 2011 and December 31, 2010 were as follows :

	Baht							
	As at September 30, 2011				As at December 31, 2010			
	From assured	From insurance	From reinsurance	Total	From assured	From insurance	From reinsurance	Total
	<u>agents and brokers</u>				<u>agents and brokers</u>			
Not due	-	104,631,675.23	-	104,631,675.23	-	113,159,909.38	-	113,159,909.38
Over due within 30 days	-	18,705,400.35	-	18,705,400.35	-	15,769,894.05	219,968.17	15,989,862.22
Over due 30 - 60 days	-	11,110,172.73	-	11,110,172.73	-	12,835,192.53	31,105.28	12,866,297.81
Over due 60 - 90 days	-	3,217,603.46	66,916.57	3,284,520.63	-	4,124,907.98	7,936.71	4,132,844.69
Overdue 90 day - 1 years	-	1,328,990.18	23,127.50	1,352,117.68	-	2,195,706.80	126.00	2,195,832.80
Overdue 1 years	-	16,438,323.12	-	16,438,323.12	-	20,808,671.07	7,207.00	20,815,878.07
Total Premium receivable	-	155,432,165.07	90,044.07	155,522,209.14	-	168,894,281.81	266,343.16	169,160,624.97
Less : Allowance for doubtful accounts	-	(32,095,089.49)	-	(32,095,089.49)	-	(20,991,964.19)	-	(20,991,964.19)
Premium receivable - net	-	123,337,075.58	90,044.07	123,427,119.65	-	147,902,317.62	266,343.16	148,168,660.78

SOMBOON FUSRIBOON  
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SUMALEE JAROENCHAIPONG  
DIRECTOR

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 onwards, 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.

**7. REINSURANCE ASSETS, NET**

Reinsurance assets consist of :

	Baht	
	As at September 30, 2011	As at December 31, 2010
Amount deposit on reinsurance treaties	2,928.62	2,928.62
Amount receivable from reinsurers - net	35,665,400.05	84,007,409.72
Premium reserve from reinsurance	145.21	145.21
Other receivable from reinsurance	-	-
Reinsurance asset, net	<u>35,668,473.88</u>	<u>84,010,483.55</u>

Aging analyze for amount receivable from reinsurers as at September 30, 2011 and December 31, 2010 were as follow :

	Baht	
	As at September 30, 2011	As at December 31, 2010
Not due	-	-
Over due less than 1 year	33,848,943.34	18,537,918.31
Over due 1- 2 years	1,302,081.86	64,201,893.44
Over due more than 2 years	514,374.85	1,267,597.97
Total receivable from reinsurers	<u>35,665,400.05</u>	<u>84,007,409.72</u>
Less : Allowance for doubtful accounts	-	-
Amount receivable from reinsurers - net	<u>35,665,400.05</u>	<u>84,007,409.72</u>

SOMBOON FUSRIBOON  
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DIRECTOR

**8. INVESTMENTS IN SECURITIES**

The balance as at September 30, 2011 and December 31, 2010 of investments in securities were as follows :

	Baht			
	As at September 30, 2011		As at December 31, 2010	
	Cost/ Amortized cost	Fair Value	Cost/ Amortized cost	Fair Value
	_____	_____	_____	_____
<b>Available for sale</b>				
Equity securities	38,284,104.83	53,668,585.50	27,336,936.54	43,398,171.50
Unit trust	340,728,756.45	337,192,130.19	401,027,138.19	418,078,690.07
Total	379,012,861.28	390,860,715.69	428,364,074.73	461,476,861.57
<u>Add (less) Allowance for change in value</u>				
of investment	11,847,854.41	-	33,112,786.84	-
<u>Less Allowance for impairment</u>	-	-	-	-
Total available for sale	390,860,715.69	390,860,715.69	461,476,861.57	461,476,861.57
<b>Held to maturity investment securities</b>				
Government and State Enterprise Bonds	530,443,417.84	530,939,868.24	620,055,954.00	620,552,404.40
Debenture	318,143,340.53	318,143,340.53	301,650,135.42	301,650,135.42
Fixed deposits	339,000,000.00	339,000,000.00	100,000,000.00	100,000,000.00
Certificate of deposit	13,000,000.00	13,000,000.00	3,100,000.00	3,100,000.00
Total	1,200,586,758.37	1,201,083,208.77	1,024,806,089.42	1,025,302,539.82
<u>Less Allowance for impairment</u>	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)	(1,000,000.00)
Total held to maturity investment securities	1,199,586,758.37	1,200,083,208.77	1,023,806,089.42	1,024,302,539.82
<b>Non marketable equity securities</b>				
Equity securities	2,223,020.00	2,223,020.00	2,223,020.00	2,223,020.00
<u>Less Allowance for impairment</u>	-	-	-	-
Total non Marketable equity securities	2,223,020.00	2,223,020.00	2,223,020.00	2,223,020.00

SOMBOON FUSRIBOON  
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SUMALEE JAROENCHAIPONG  
DIRECTOR

As at September 30, 2011 and December 31, 2010, debt securities which are classified as held to maturities investment securities were classified by the remaining maturities as follows :

	Baht							
	As at September 30, 2011				As at December 31, 2010			
	Due			Total	Due			Total
	1 year	1 - 5 year	Over 5 year		1 year	1 - 5 year	Over 5 year	
<u>Held to maturity investment securities</u>								
Government and state								
enterprise bond	185,989,695.95	344,950,172.29	-	530,939,868.24	295,787,321.43	324,765,082.97	-	620,552,404.40
Debenture	95,606,351.01	176,536,989.52	45,000,000.00	317,143,340.53	21,025,166.75	204,624,968.67	75,000,000.00	300,650,135.42
Fixed deposits	259,000,000.00	80,000,000.00	-	339,000,000.00	20,000,000.00	80,000,000.00	-	100,000,000.00
Certificate of deposit	-	13,000,000.00	-	13,000,000.00	3,100,000.00	-	-	3,100,000.00
Total	540,596,046.96	614,487,161.81	45,000,000.00	1,200,083,208.77	339,912,488.18	609,390,051.64	75,000,000.00	1,024,302,539.82
<u>Less Allowance for impairment</u>	-	-	-	-	-	-	-	-
Total held - to - maturity								
Investment securities	540,596,046.96	614,487,161.81	45,000,000.00	1,200,083,208.77	339,912,488.18	609,390,051.64	75,000,000.00	1,024,302,539.82
Total investment in debt								
securities	540,596,046.96	614,487,161.81	45,000,000.00	1,200,083,208.77	339,912,488.18	609,390,051.64	75,000,000.00	1,024,302,539.82

As at September 30, 2011 and December 31, 2010, security in type of bond and Government Savings Bank's Lottery Total amount Baht 156.58 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 22, 23 and 24.

SOMBOON FUSRIBOON  
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SUMALEE JAROENCHAIPONG  
DIRECTOR

**9. LOANS, NET**

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

As at September 30, 2011								
Loans (Baht)								
	Mortgage loans		Properties Guaranteed		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Not Due	5,664,884.00	4,431.00	-	-	2,290,459.00	149.00	7,955,343.00	4,580.00
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	9,664,884.00	304,431.00	-	-	2,808,831.74	149.00	12,473,715.74	304,580.00
Less : Allowance for doubtful accounts	-	-	-	-	(518,372.74)	-	(518,372.74)	-
Loans, net	9,664,884.00	304,431.00	-	-	2,290,459.00	149.00	11,955,343.00	304,580.00
As at December 31, 2010								
Loans (Baht)								
	Mortgage loans		Properties Guaranteed		Other		Total	
	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	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	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	304,137.00

As at September 30, 2011 and December 31, 2010, the loans amounting to 10.49 million baht and 13.34 million baht have been secured by properties in appraisal valued 24.17 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.

SOMBOON FUSRIBOON  
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SUMALEE JAROENCHAIPONG  
DIRECTOR

**10. PROPERTIES FORECLOSED, NET**

Properties foreclosed, net consist of:

	Baht			As at September 30, 2011
	As at December 31, 2010	During the period		
		Increase	Decrease	
<u>Assets acquired for debt settlement</u>				
Land	34,549,932.00	-	(6,110,025.00)	28,439,907.00
Building	6,947,466.59	-	(2,906,356.59)	4,041,110.00
Total	41,497,398.59	-	(9,016,381.59)	32,481,017.00
<u>Less allowance for impairment</u>				
of assets foreclosed	(2,540,463.00)	-	-	(2,540,463.00)
Properties foreclosed - net	38,956,935.59			29,940,554.00

During the first quarter of year the Company has sale land and building in total value of 135.45 million Baht, (For the assets foreclosed in total book value of 9.02 million Baht). The Company has expense of sale in total amount of 6.74 million Baht and profit from sale net expense of sale in total amount of 119.69 million Baht.

**11. PROPERTY AND EQUIPMENT - NET**

Property and equipment - net consist of :

	Baht			Balance as at September 30, 2011
	Balance as at December 31, 2010	Transactions during the period		
		Increase	Decrease	
<u>Cost</u>				
Land	103,472,866.10	-	-	103,472,866.10
Building	98,046,710.72	-	-	98,046,710.72
Vehicle	9,289,820.78	2,796,149.53	-	12,085,970.31
Office equipment	78,084,754.14	4,814,344.34	(182,126.18)	82,716,972.30
Work in progress	5,518,103.84	10,054,534.06	(730,065.00)	14,842,572.90
Total	294,412,255.58	17,665,027.93	(912,191.18)	311,165,092.33
<u>Accumulated depreciation</u>				
Building	62,226,269.55	3,599,918.66	-	65,826,188.21
Vehicle	6,515,263.82	732,130.45	-	7,247,394.27
Office equipment	64,882,367.94	4,217,445.71	(180,175.02)	68,919,638.63
Total	133,623,901.31	8,549,494.82	(180,175.02)	141,993,221.11
Property plant and equipment - net	160,788,354.27			169,171,871.22

SOMBOON FUSRIBOON  
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SUMALEE JAROENCHAIPONG  
DIRECTOR



	Baht			
	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Depreciation for the periods	2,962,996.01	3,002,208.82	8,549,494.82	8,691,709.50

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

As at September 30, 2011 and December 31, 2010, the Company had fully depreciated fixed assets but still in active use at the cost value totalling 61.10 million Baht and 53.74 million Baht, respectively.

## 12. NOTES RECEIVABLE

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

## 13. DUE TO REINSURERS

Due to reinsurers present by type of debt as follows :

	Baht	
	As at September	As at December
	30, 2011	31, 2010
Reinsurance premium payable	-	-
Amount withheld on reinsurance treaties	18,963,949.19	17,295,956.94
Other due to reinsurers	8,612,297.14	3,957,977.48
Total due to reinsurers	<u>27,576,246.33</u>	<u>21,253,934.42</u>

## 14. LOSS RESERVES AND OUTSTANDING CLAIMS

Changing in the loss reserves and outstanding claims consist of :

	Baht	
	As at September	As at December
	30, 2011	31, 2010
Beginning Balance	526,347,826.75	506,441,410.44
Loss incurred and loss adjustment expenses in this period		
- Incurred but not reported	(1,872,749.54)	(12,890,057.78)
- Incurred but not yet agreed/agreed and adjustment	436,805,976.65	625,481,550.67
Loss paid and loss adjustment paid in this period	<u>(480,210,919.14)</u>	<u>(592,685,076.58)</u>
Ending balance	<u>481,070,134.72</u>	<u>526,347,826.75</u>

As at September 30, 2011 and December 31, 2010, the out standing balance of compensation from reinsurance contracts in the amount of Baht 2,639,239.83 and Baht 3,107,390.20, respectively.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

**15. PREMIUM RESERVE**

15.1 Unearned premium reserves

	Baht	
	As at September 30, 2011	As at December 31, 2010
Beginning balance	523,274,851.62	557,248,346.84
Premium written in the period	845,061,681.37	1,075,086,712.61
Earned premium in the period	(821,857,696.51)	(1,109,060,207.83)
Ending balance	<u>546,478,836.48</u>	<u>523,274,851.62</u>

15.2 Unexpired risk reserves

The Company has not set unexpired risk reserves because the estimated unexpired risk reserves of the Company as at September 30, 2011 and December 31, 2010 has total amount of Baht 419,491,853.15 and Baht 399,412,928.00, respectively are lower than unearned premium reserves.

15.3 Unearned premium reserves for supplementary allocation

As at September 30, 2011, the Company's retained earnings did not include Baht 1,406,964.03 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.

**16. 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 3.

The statements of financial position

Movement in the present value of the defined benefit obligations:

	Baht
Nine-month periods ended September 30, 2011	
Defined benefit obligations at January 1, 2011	22,639,703.00
Benefits paid by the plan	-
Current service costs	1,087,251.75
Interest	644,681.25
Defined benefit obligations at September 30, 2011	<u>24,371,636.00</u>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

The statements of comprehensive income

	Baht	
	For the three-month periods ended September 30, 2011	For the nine-month periods ended September 30, 2011
Current service costs		
Operating expenses	362,417.25	1,087,251.75
Interest on obligation	214,893.75	644,681.25
Total	<u>577,311.00</u>	<u>1,731,933.00</u>

Principal actuarial assumptions at the reporting date

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

**17. BANK OVERDRAFTS**

As at September 30, 2011 and December 31, 2010, the Company has overdraft credit lines with 1 bank amounting to 10 million baht which have been secured by government bonds (See Note 24).

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

**18. REPORTING BY INSURANCE TYPE**

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

	Baht					
	For the three-month period ended September 30, 2011					
	Fire	Marine	Motor	Personal accident	Miscellaneous	Total
Under writing income						
Premium written	8,874,003.43	4,905,716.25	234,640,845.00	16,577,697.52	9,240,683.76	274,238,945.96
<u>Less reinsurance premium</u>	<u>(4,467,006.01)</u>	<u>(3,112,785.00)</u>	<u>-</u>	<u>(4,409,249.00)</u>	<u>(5,009,578.96)</u>	<u>(16,998,618.97)</u>
Net premium written	4,406,997.42	1,792,931.25	234,640,845.00	121,168,448.52	4,231,104.80	257,240,326.99
<u>Less unearned premium reserves</u>	<u>359,880.23</u>	<u>479,806.02</u>	<u>(19,852,104.62)</u>	<u>2,099,688.94</u>	<u>(2,234,595.42)</u>	<u>(19,147,324.85)</u>
Premium income is recognized	4,047,117.19	1,313,125.23	254,492,949.62	10,068,759.58	6,465,700.22	276,387,651.84
Commission and brokerage income	2,273,651.21	1,155,322.49	-	1,360,043.01	1,335,616.16	6,124,632.87
Total underwriting income	<u>6,320,768.40</u>	<u>2,468,447.72</u>	<u>254,492,949.62</u>	<u>11,428,802.59</u>	<u>7,801,316.38</u>	<u>282,512,284.71</u>
Underwriting expense						
Insurance claims and loss adjustment expenses	36,270.82	3,711,152.52	163,557,669.53	4,593,694.14	(7,880,153.74)	164,018,633.27
Unexpired risk reserve increase (decrease)	-	-	-	-	-	-
Commission and brokerage	3,118,771.98	670,797.63	39,942,259.06	2,921,227.79	1,088,801.61	47,741,858.07
Other underwriting income	264,842.33	127,992.71	4,807,173.88	474,821.85	255,728.73	5,930,559.50
Contribution Road accident						
Victims protection Co., Ltd.	-	-	3,060,175.20	-	-	3,060,175.20
Operating expenses	<u>(303,622.97)</u>	<u>180,959.47</u>	<u>51,764,460.65</u>	<u>(254,343.96)</u>	<u>(1,104,725.62)</u>	<u>50,282,727.57</u>
Total underwriting expenses	<u>3,116,262.16</u>	<u>4,690,902.33</u>	<u>263,131,738.32</u>	<u>7,735,399.82</u>	<u>(7,640,349.02)</u>	<u>271,033,953.61</u>
Gain(loss)on underwriting						<u>11,478,331.10</u>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

Baht						
For the three-month period ended September 30, 2010						
	Fire	Marine	Motor	Personal accident	Miscellaneous	Total
<b>Under writing income</b>						
Premium written	7,911,819.67	3,118,059.15	220,202,488.00	16,334,710.29	4,959,601.66	252,526,678.77
<u>Less</u> reinsurance premium	<u>(5,131,621.49)</u>	<u>(2,196,770.00)</u>	<u>-</u>	<u>(4,035,679.00)</u>	<u>(3,482,163.49)</u>	<u>(14,846,233.98)</u>
Net premium written	2,780,198.18	921,289.15	220,202,488.00	12,299,031.29	1,477,438.17	237,680,444.79
<u>Less</u> unearned premium reserves	<u>(1,417,469.13)</u>	<u>(441,319.38)</u>	<u>(38,563,094.66)</u>	<u>3,493,199.37</u>	<u>(4,776,765.49)</u>	<u>(41,705,449.29)</u>
Premium income is recognized	4,197,667.31	1,362,608.53	258,765,582.66	8,805,831.92	6,254,203.66	279,385,894.08
Commission and brokerage income	2,587,736.50	808,089.10	-	1,263,661.65	889,618.43	5,549,105.68
<b>Total underwriting income</b>	<b><u>6,785,403.81</u></b>	<b><u>2,170,697.63</u></b>	<b><u>258,765,582.66</u></b>	<b><u>10,069,493.57</u></b>	<b><u>7,143,822.09</u></b>	<b><u>284,934,999.76</u></b>
<b>Underwriting expense</b>						
Insurance claims and loss adjustment expenses	379,253.87	(160,774.41)	153,337,834.53	4,315,105.31	2,382,777.08	160,254,196.38
Unexpired risk reserve increase (decrease)	-	-	-	-	-	-
Commission and brokerage	2,052,202.26	427,986.47	34,056,125.05	2,747,960.84	694,220.41	39,978,495.03
Other underwriting income	393,240.19	178,293.17	5,753,115.55	682,311.36	369,770.99	7,376,731.26
Contribution Road accident Victims protection Co., Ltd.	-	-	5,735,280.71	-	-	5,735,280.71
Operating expenses	347,441.73	2,319,831.69	51,322,327.15	54,641.63	4,928,859.90	58,973,102.10
<b>Total underwriting expenses</b>	<b><u>3,172,138.05</u></b>	<b><u>2,765,366.92</u></b>	<b><u>250,204,682.99</u></b>	<b><u>7,800,019.14</u></b>	<b><u>8,375,628.38</u></b>	<b><u>272,317,805.48</u></b>
<b>Gain(loss)on underwriting</b>						<b><u>12,617,194.28</u></b>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

Baht						
For the nine-month period ended September 30, 2011						
	Fire	Marine	Motor	Personal accident	Miscellaneous	Total
<b>Under writing income</b>						
Premium written	26,283,129.27	13,614,163.27	774,657,418.00	44,062,901.25	39,465,419.78	898,083,031.57
<u>Less</u> reinsurance premium	<u>(16,070,992.11)</u>	<u>(9,124,609.89)</u>	<u>(1,817,200.00)</u>	<u>(11,524,794.00)</u>	<u>(14,483,754.20)</u>	<u>(53,021,350.20)</u>
Net premium written	10,212,137.16	4,489,553.38	772,840,218.00	32,538,107.25	24,981,665.58	845,061,681.37
<u>Less</u> unearned premium reserves	<u>(1,917,883.26)</u>	<u>664,136.25</u>	<u>11,834,851.13</u>	<u>2,330,783.82</u>	<u>10,292,096.92</u>	<u>23,203,984.86</u>
Premium income is recognized	12,130,020.42	3,825,417.13	761,005,366.87	30,207,223.43	14,689,568.66	821,857,696.51
Commission and brokerage income	7,784,832.54	3,410,499.09	-	3,583,233.10	4,056,357.03	18,834,921.76
<b>Total underwriting income</b>	<b><u>19,914,852.96</u></b>	<b><u>7,235,916.22</u></b>	<b><u>761,005,366.87</u></b>	<b><u>33,790,556.53</u></b>	<b><u>18,745,925.69</u></b>	<b><u>840,692,618.27</u></b>
<b>Underwriting expense</b>						
Insurance claims and loss adjustment expenses	1,578,899.71	5,876,155.16	509,870,046.51	13,432,424.01	(23,362,653.03)	507,394,872.36
Unexpired risk reserve increase (decrease)	-	-	-	-	-	-
Commission and brokerage	8,381,189.38	1,856,530.29	129,606,454.45	6,926,906.20	4,656,343.61	151,427,423.93
Other underwriting income	1,267,473.81	593,075.49	16,011,977.80	2,189,824.57	1,160,719.90	21,223,071.57
Contribution Road accident Victims protection Co., Ltd.	-	-	12,714,335.03	-	-	12,714,335.03
Operating expenses	170,202.21	490,096.38	163,433,472.05	71,831.90	562,624.60	164,728,227.14
<b>Total underwriting expenses</b>	<b><u>11,397,765.11</u></b>	<b><u>8,815,857.32</u></b>	<b><u>831,636,285.84</u></b>	<b><u>22,620,986.68</u></b>	<b><u>(16,982,964.92)</u></b>	<b><u>857,487,930.03</u></b>
<b>Gain(loss)on underwriting</b>						<b><u>(16,795,311.76)</u></b>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

Baht						
For the nine-month period ended September 30, 2010						
	Fire	Marine	Motor	Personal accident	Miscellaneous	Total
<b>Under writing income</b>						
Premium written	30,033,623.08	10,218,468.93	753,845,753.00	40,806,174.43	24,904,306.72	859,808,326.16
<u>Less</u> reinsurance premium	<u>(18,911,562.66)</u>	<u>(6,690,957.00)</u>	<u>(1,532,000.00)</u>	<u>(10,877,007.00)</u>	<u>(14,013,912.06)</u>	<u>(52,025,438.72)</u>
Net premium written	11,122,060.42	3,527,511.93	752,313,753.00	29,929,167.43	10,890,394.66	807,782,887.44
<u>Less</u> unearned premium reserves	<u>(1,680,440.12)</u>	<u>(739,556.13)</u>	<u>(19,079,170.35)</u>	<u>6,953,365.06</u>	<u>(14,202,969.92)</u>	<u>(28,748,771.46)</u>
Premium income is recognized	12,802,500.54	4,267,068.06	771,392,923.35	22,975,802.37	25,093,364.58	836,531,658.90
Commission and brokerage income	9,538,295.28	2,512,858.26	-	3,421,420.74	3,195,498.52	18,668,072.80
<b>Total underwriting income</b>	<b><u>22,340,795.82</u></b>	<b><u>6,779,926.32</u></b>	<b><u>771,392,923.35</u></b>	<b><u>26,397,223.11</u></b>	<b><u>28,288,863.10</u></b>	<b><u>855,199,731.70</u></b>
<b>Underwriting expense</b>						
<b>Insurance claims and loss adjustment</b>						
expenses	1,700,824.90	1,236,475.05	474,319,195.45	10,712,359.08	9,559,340.73	497,528,195.21
<b>Unexpired risk reserve increase</b>						
(decrease)	-	-	-	-	-	-
Commission and brokerage	9,349,108.02	1,429,260.68	115,200,490.75	7,038,054.07	4,420,014.77	137,436,928.29
Other underwriting income	1,271,053.49	582,645.93	15,502,463.55	2,175,980.97	1,155,611.70	20,687,755.64
<b>Contribution Road accident</b>						
Victims protection Co., Ltd.	-	-	20,530,889.27	-	-	20,530,889.27
Operating expenses	347,441.73	2,319,831.69	151,456,182.94	54,641.63	4,928,859.90	159,106,957.89
<b>Total underwriting expenses</b>	<b><u>12,668,428.14</u></b>	<b><u>5,568,213.35</u></b>	<b><u>777,009,221.96</u></b>	<b><u>19,981,035.75</u></b>	<b><u>20,063,827.10</u></b>	<b><u>835,290,726.30</u></b>
<b>Gain(loss)on underwriting</b>						<b><u>19,909,005.40</u></b>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

**19. OPERATING EXPENSES**

Operation expenses for the three-month and nine-month periods ended September 30, 2011 and 2010 are summarized as follow :

	Baht	
	For the three-month periods	
	Ended September 30,	
	2011	2010
Staff cost	23,335,089.56	27,022,625.80
Expenditure on building and equipment	15,469,589.91	15,542,886.04
Bad debt and doubtful debts	(4,427,353.41)	1,940,889.79
Other operation expenses	15,905,401.51	14,466,700.47
Total operation expense	<u>50,282,727.57</u>	<u>58,973,102.10</u>

	Baht	
	For the nine-month periods	
	Ended September 30,	
	2011	2010
Staff cost	54,855,714.71	59,305,460.05
Expenditure on building and equipment	45,488,489.42	45,758,467.68
Bad debt and doubtful debts	14,259,364.65	14,404,974.62
Other operation expenses	50,124,658.36	39,638,055.54
Total operation expenses	<u>164,728,227.14</u>	<u>159,106,957.89</u>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR



## 20. RELATED PARTY TRANSACTIONS

The business transactions with related parties occurred for the three-month and nine-month periods ended September 30, 2011 and 2010 and are summarized as follows :-

	Baht	
	For the three-month periods ended September 30,	
	2011	2010
Premium income net		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	197,756,584.10	212,991,464.10
Other related companies:-		
- Asia Hotel Plc.	6,787.00	132,932.00
- Asia Pattaya Hotel Co., Ltd.	19,006.00	19,073.00
- Zeer Property Co., Ltd.	102,250.00	59,842.00
- Asia Airport Hotel Co., Ltd.	-	-
- Thai Military Bank Plc.	(3,702.00)	1,950,670.00
Brokerage		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	36,754,972.58	32,267,001.06
Other related companies:-		
- Thai Military Bank Plc.	-	289,306.53
Office rental		
A combination of entities or business under common control:-		
- N.S.B. Co.,Ltd.	279,766.31	282,600.00
Service fee		
A combination of entities or business under common control:-		
- N.S.B. Co.,Ltd.	4,487,147.83	4,524,906.66

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

	Baht	
	For the nine-month periods ended September 30,	
	2011	2010
Premium income net		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	692,101,748.74	712,307,267.84
Other related companies:-		
- Asia Hotel Plc.	388,023.00	630,881.00
- Asia Pattaya Hotel Co., Ltd.	270,027.00	253,920.00
- Zeer Property Co., Ltd.	1,006,995.00	799,808.00
- Asia Airport Hotel Co., Ltd.	284,672.00	157,543.00
- Thai Military Bank Plc.	1,935,773.00	8,905,967.00
Brokerage		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	125,002,985.32	109,525,181.23
Other related companies:-		
- Thai Military Bank Plc.	-	1,733,431.40
Office rental		
A combination of entities or business under common control:-		
- N.S.B. Co.,Ltd.	844,646.85	847,800.00
Service fee		
A combination of entities or business under common control:-		
- N.S.B. Co.,Ltd.	13,512,178.02	13,570,327.45

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

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

	Baht	
	As at September 30, 2011	As at December 31, 2010
Cash at bank		
Other related companies:-		
- TMB Bank Plc.	261,802.47	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.	132,512,167.71	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.	12,639,487.71	-
Accrued commission and brokerage		
A combination of entities or business under common control:-		
- Dung Seng Insurance Broker Co.,Ltd.	22,262,812.69	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 Co., Ltd. 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.

SOMBOON FUSRIBOON  
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SUMALEE JAROENCHAIPONG  
DIRECTOR

**21. 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 three-month and nine-month periods ended September 30, 2011 and 2010, the Company has paid the management benefit expense to its management and directors totaling Baht 5.39 million and Baht 5.83 million and Baht 16.66 million and Baht 19.76 million, respectively.

For the three-month and nine-month periods ended September 30, 2011, the Company has increase a assistant director, therefore the sequent in running number of director for calculation of management benefit expenses in the three-month and nine-month periods ended September 30, 2011 is difference from the three-month and nine-month periods ended September 30, 2010.

**22. SECURITIES DEPOSITED WITH THE REGISTRAR**

As at September 30, 2011 and December 31, 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	
	As at September 30, 2011	As at December 31, 2010
Government Bonds	14,000,000.00	14,000,000.00

**23. ASSETS ALLOCATED AS A RESERVE WITH THE REGISTRAR**

As at September 30, 2011 and December 31, 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	
	As at September 30, 2011	As at December 31, 2010
Government Bonds	117,000,000.00	87,000,000.00

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

**24. COLLATERIZED ASSETS**

As at September 30, 2011 and December 31, 2010 , the Company's collateralized assets are as follows :-

	Baht	
	As at September 30, 2011	As at December 31, 2010
The Government Savings Bank's		
callable lotteries as collateral for - Drivers in Criminal Court	-	100,000.00
Bonds as collateral for		
- Drivers in Criminal Court	15,350,000.00	15,250,000.00
- Electrical usage	230,000.00	230,000.00
- Bank overdrafts	10,000,000.00	10,000,000.00
Total	<u>25,580,000.00</u>	<u>25,580,000.00</u>

**25. 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 September 30, 2011 and December 31, 2010, the Company maintains the capital fund exceed the requirement.

**26. 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.

**27. CORPORATE INCOME TAX**

Corporate income tax for the three-month and nine-month periods ended September 30, 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 three-month and nine-month periods ended September 30, 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.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

## 28. 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.

	For the three-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Net profit for the period (Baht)	23,739,203.34	24,044,326.44	92,303,842.07	49,157,389.43
Weighted average number of ordinary shares (shares)	13,900,000	13,900,000	13,900,000	13,900,000
Basic earnings per share (Baht/Share)	1.71	1.73	6.64	3.54

## 29. CONTINGENT LIABILITIES AND OTHER COMMITMENT

As at September 30, 2011 and December 31, 2010, the Company had contingent liabilities and other commitments as follows :-

29.1 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 :

29.1.1 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.

29.1.2 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. 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.

29.2 The Company has entered into rental agreements for 7 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 :-

<u>Year</u>	<u>Baht</u>
2011	469,510.66
2012	10,789,508.30
2013	1,033,560.00
2014	96,000.00

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

29.3 On June 15, 2010 the Company entered into a contract with a local company to manage and control the building construction of branch office amounting to Baht 0.96 million. As at December 31, 2010 the Company paid the fee of Baht 0.72 million in accordance with the terms of the contract and has commitment to settle the remaining balance of Baht 0.24 million.

29.4 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 September 30, 2011 and December 31, 2010 the company paid the deposit of Baht 12.20 million and Baht 4.52 million in accordance with the terms of the contract. The Company has commitment to pay the outstanding balance of Baht 2.00 million and Baht 9.68 million.

### **30. LEGAL CASES**

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

	Baht	
	As at September 30, 2011	As at December 31, 2010
The amounts in dispute	341,000,751.34	375,288,994.37
The amounts covered by insurance policies	51,763,111.35	53,041,934.45

As at September 30, 2011 and December 31, 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 49.07 million and Baht 50.36 million, respectively.

### **31. 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.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

## 32. 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 :-

### 32.1 Accounting policies

Details of accounting policies are disclosed in Note 2.17.

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

### 32.2 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.

### 32.3 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 September 30, 2011			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Deposits at financial institutions	12,856,317.18	352,000,000.00	8,966,390.58	373,822,707.76
Investments in securities				
- Fixed deposits and certificate of deposit	-	-	-	-
- Bonds	-	530,939,868.24	-	530,939,868.24
- Debentures - net	-	317,143,340.53	-	317,143,340.53
- Equity securities	-	-	-	-
- Unit trust	-	-	-	-
	<u>12,856,317.18</u>	<u>1,200,083,208.77</u>	<u>8,966,390.58</u>	<u>1,221,905,916.53</u>

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR



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				Total	Average interest rate Percent
	At call	Within 1 year	2 - 5 years	6 - 10 years		
<u>Financial assets</u>						
Deposits at financial						
institutions	-	259,000,000.00	93,000,000.00	-	352,000,000.00	3.273%
Investments in securities						
- Bonds	-	185,989,695.95	344,950,172.29	-	530,939,868.24	3.199%
- Debentures - net	-	95,606,351.01	176,536,989.52	45,000,000.00	317,143,340.53	4.204%
	-	540,596,046.96	614,487,161.81	45,000,000.00	1,200,083,208.77	

#### 32.4 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 2.7.

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

### 33. EVENTS AFTER THE REPORTING PERIOD

From the severe flooding that occurred after September 30, 2011 in many areas of Thailand at the moment, the Company has assessed the situation and it expects to have no high effect from such event as most insured assets are not in the areas damaged by floods and the Company has risk management from reinsurance to a certain extent. However, the management of the Company is under the process of evaluating the claims that may arise.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

**34. RECLASSIFICATION OF ACCOUNTS**

Some accounting transaction in financial statement for the three-month and nine-month periods ended September 30, 2010 had been reclassified in order to comply with transaction shown in financial statement for the three - month and nine - month periods ended September 30, 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

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

	Baht	
	For the three-month period ended	
	September 30, 2010	
	As previously reported	Reclassified
<u>Statement of comprehensive income</u>		
Fee and commission income	-	5,549,105.68
Insurance claims and loss adjustment expenses	-	160,254,196.38
Losses incurred during the period	143,563,262.23	-
Losses adjustment expense	4,757,083.92	-
Commission and brokerages	34,429,389.35	39,978,495.03
Other underwriting expenses	8,909,267.80	7,376,731.26
Contribution to Road accident Victims Protection Co., Ltd.	-	5,735,280.71
Operating expenses	-	58,973,102.10
Personnel expenses	38,094,947.53	-
Premises and equipment expenses	15,542,886.04	-
Bad debt and doubtful accounts	1,940,889.79	-
Management benefit expenses	5,826,885.00	-
Other expenses	15,276,008.64	-
Net investment income	-	11,418,155.94
Invest and dividends	11,195,827.00	-
Gain (loss) on sales of investments	563,389.36	540,364.36
Other income	82,328.94	-
Investment expense	23,025.00	-
Other income	3,419,164.77	3,429,347.85
Gain (loss) on sales of fixed assets	-	(284.08)
Contribution to office of Insurance commission	-	752,179.99
Contribution to Non - life guarantee fund	-	501,453.33
Contribution to Road victims protection fund	-	468,186.18

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

	Baht	
	For the nine-month period ended September 30, 2010	
	As previously reported	Reclassified
<u>Statement of comprehensive income</u>		
Fee and commission income	-	18,668,072.80
Insurance claims and loss adjustment expenses	-	497,528,195.26
Losses incurred during the period	444,117,645.60	-
Losses adjustment expense	13,905,473.88	-
Commission and brokerages	118,768,855.49	137,436,928.29
Other underwriting expenses	27,962,728.06	20,687,755.64
Contribution to Road accident Victims Protection Co., Ltd.	-	20,530,889.27
Operating expenses	-	159,106,957.89
Personnel expenses	98,810,535.78	-
Premises and equipment expenses	45,758,467.68	-
Bad debt and doubtful accounts	14,404,974.62	-
Management benefit expenses	19,760,170.00	-
Other expenses	38,717,363.71	-
Net investment income	-	41,159,312.09
Invest and dividends	40,593,392.44	-
Gain (loss) on sales of investments	(2,732,609.05)	(2,778,033.43)
Other income	565,919.65	-
Investment expense	45,424.38	-
Other income	9,482,947.28	9,689,110.51
Gain (loss) on sales of fixed assets	-	(56,264.23)
Contribution to office of Insurance commission	-	2,553,124.49
Contribution to Non - life guarantee fund	-	1,401,925.58
Contribution to Road victims protection fund	-	1,778,410.25

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR

	Baht	
	For the nine-month period ended	
	September 30, 2010	
	As previously reported	Reclassified
<u>Statement of cash flows</u>		
Operating activities		
Direct premium written	906,762,850.15	906,862,411.17
Receipt (payment) from reinsurance	(9,213,260.55)	(12,949,098.80)
Loss incurred from direct insurance	(412,673,285.86)	(409,035,107.49)
Other underwriting expenses from insurance	(27,962,728.06)	(22,229,267.74)
Net investment income	41,756,970.17	-
Interest income	-	23,639,754.21
Dividend income	-	15,384,606.91
Other investment income	-	2,732,609.65
Other income	9,482,947.28	9,632,846.28
Operating expenses	(209,456,626.05)	(215,341,886.45)
Investment activities		
Cash flows from		
Investment in securities	527,707,198.58	559,707,198.58
Deposits at financial institutions - net	65,000,000.00	-
Cash flows used in		
Investment in securities	(761,491,300.64)	(761,591,300.64)

**34. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Board of Directors on November 11, 2011.

SOMBOON FUSRIBOON  
DIRECTOR

SUMALEE JAROENCHAIPONG  
DIRECTOR