

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

REPORT OF THE AUDITOR

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

I have audited the accompanying balance sheets of Nam Seng Insurance Public Company Limited as at December 31, 2010 and 2009, and the related statements of earnings, 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, 2010 and 2009, 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.

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

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 24, 2011
2011/084/0221

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

		Baht	
		2010	2009
<u>ASSETS</u>			
	Note		
Investment in securities	2.7, 3		
Bonds	3, 12	620,055,954.00	278,221,520.45
Treasury bills		-	23,937,271.47
Stocks		29,559,956.54	21,459,426.54
Debentures		301,650,135.42	309,615,634.99
Units trust		401,027,138.19	358,779,892.60
Total		1,352,293,184.15	992,013,746.05
<u>Add (Less)</u> Allowance for change in value of investment		32,609,237.24	4,676,776.49
Total investment in securities		1,384,902,421.39	996,690,522.54
Loans	4		
Mortgage loans	4.1	11,624,016.00	13,335,895.00
Other loans	4.2	3,083,550.74	1,687,939.74
Total loans		14,707,566.74	15,023,834.74
<u>Less</u> Allowance for doubtful accounts	2.8	(518,372.74)	(518,372.74)
Total loans - net		14,189,194.00	14,505,462.00
Cash and deposits at financial institutions	5	137,837,649.31	354,889,145.37
Premises and equipment -net	2.9, 6	160,788,354.27	158,402,230.64
Amount deposit on reinsurance treaties		2,928.62	2,928.27
Due from reinsurers		266,488.37	257,578.67
Premium due and uncollected - net	2.8, 7, 13	147,902,317.62	183,085,304.14
Notes receivable	8	13,914,681.44	15,871,108.07
Accrued income on investments		8,925,764.18	7,047,982.66
Other assets			
Advance		4,961,780.02	4,783,906.14
Assets foreclosed - net	2.10, 9	38,956,935.59	43,235,935.59
Others		11,877,150.05	11,204,441.98
Total other assets		55,795,865.66	59,224,283.71
Total assets		1,924,525,664.86	1,789,976,546.07

SOMBOON FUSRIBOON

DIRECTOR

SUMALEE JAROENCHAIPONG

DIRECTOR

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

NAM SENG INSURANCE PUBLIC COMPANY LIMITED
BALANCE SHEETS (CONT.)
AS AT DECEMBER 31, 2010 AND 2009

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht	
		2010	2009
Unearned premium reserve	10	523,274,851.62	557,248,346.84
Loss reserve and outstanding claims	24	438,370,457.88	386,948,127.82
Amount withheld on reinsurance treaties		17,295,956.94	15,870,284.95
Due to reinsurers		3,957,977.48	4,002,857.33
Bank overdraft	11	-	-
Commission and brokerages payable	13	30,335,974.54	33,586,039.03
Other liabilities			
Premium receipt in advance		18,133,793.54	16,454,726.56
Deposits from brokers		9,317,420.37	23,839,371.33
Others		63,992,864.05	60,959,095.48
Total other liabilities		91,444,077.96	101,253,193.37
Total liabilities		1,104,679,296.42	1,098,908,849.34
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
Surplus (deficit) on revaluation of investments	3	33,112,786.84	5,180,326.09
Retained earnings			
Appropriated			
Legal reserve	15	24,848,787.17	24,848,787.17
Others	15	6,163,850.00	6,163,850.00
Unappropriated		22,284,109.43	(78,562,101.53)
Total shareholders' equity		819,846,368.44	691,067,696.73
Total Liabilities and Shareholders' Equity		1,924,525,664.86	1,789,976,546.07

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

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NAM SENG INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Baht						
2010						2009
Note	Fire	Marine	Motor	Miscellaneous	Total	Total
Underwriting income						
Premium written	13 44,641,038.64	15,941,277.99	1,049,798,599.00	84,182,910.70	1,194,563,826.33	1,215,911,861.30
<u>Less</u> Premium cancelled and refunded	(3,712,780.00)	(1,405,434.00)	(48,010,055.00)	(1,249,293.35)	(54,377,562.35)	(53,062,635.58)
<u>Less</u> Premium ceded	(23,785,821.92)	(9,571,260.93)	(1,830,456.41)	(31,116,694.72)	(66,304,233.98)	(72,879,846.02)
Net premium written	17,142,436.72	4,964,583.06	999,958,087.59	51,816,922.63	1,073,882,030.00	1,089,969,379.70
<u>Less</u> Unearned premium reserve increase (decrease) from previous period	414,878.71	(501,274.47)	(23,835,672.47)	(10,051,426.99)	(33,973,495.22)	718,921.99
Total underwriting income	16,727,558.01	5,465,857.53	1,023,793,760.06	61,868,349.62	1,107,855,525.22	1,089,250,457.71
Underwriting expenses						
Losses incurred during the year	2,696,778.09	752,084.15	570,401,323.22	25,767,271.68	599,617,457.14	583,973,873.06
Losses adjustment expenses	90,399.43	116,248.46	18,403,221.59	29,945.17	18,639,814.65	18,184,443.74
Commissions and brokerages	13 (1,214,607.86)	(1,416,004.04)	158,407,734.40	3,679,198.69	159,456,321.19	167,764,429.41
Other underwriting expenses	37,230.97	(770.81)	35,659,350.80	67,236.00	35,763,046.96	16,209,312.09
Total underwriting expenses	1,609,800.63	(548,442.24)	782,871,630.01	29,543,651.54	813,476,639.94	786,132,058.30
Income on underwriting	15,117,757.38	6,014,299.77	240,922,130.05	32,324,698.08	294,378,885.28	303,118,399.41
Income on investment						
Interest and dividends					88,398,425.77	47,161,600.43
Gain (loss) on sales of investments					(1,896,344.16)	(17,772,775.24)
Other income					1,447,181.94	850,031.97
Total income on investment					87,949,263.55	30,238,857.16
Investment expenses					108,660.06	135,226.79
Gain on investment					87,840,603.49	30,103,630.37
Gain on underwriting and investment					382,219,488.77	333,222,029.78
Other income					22,008,772.65	21,950,892.46
Profit before operating expenses					404,228,261.42	355,172,922.24

SOMBOON FUSRIBOON

DIRECTOR

SUMALEE JAROENCHAIPONG

DIRECTOR

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

NAM SENG INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

		Baht					
		2010					2009
Note	Fire	Marine	Motor	Miscellaneous	Total		Total
Operating expenses							
	Personnel expenses				139,910,775.57		127,995,140.71
	Premises and equipment expenses	13			61,250,878.92		60,664,622.54
	Bad debt and doubtful accounts				14,981,936.77		15,081,478.42
	Management benefit expenses	16			13,338,732.00		24,318,418.00
	Other expenses				56,073,461.35		49,315,949.14
	Total operating expenses				285,555,784.61		277,375,608.81
	Profit before income tax				118,672,476.81		77,797,313.43
	Corporate income tax	17			17,826,265.85		14,272,301.16
	Net profit for the year				100,846,210.96		63,525,012.27
	Basic earnings per share (Baht)	18					
	Net profit				7.26		4.57

SOMBOON FUSRIBOON
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NAM SENG INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Note	Baht						Total
		Issued and paid-up share capital	Premium on share capital	Surplus (deficit) on revaluation of investments	Retained earnings			
					Legal reserve	Other reserve	Unappropriated	
Balance as at January 1, 2009		139,000,000.00	594,436,835.00	(77,352,487.82)	24,848,787.17	6,163,850.00	(142,087,113.80)	545,009,870.55
Increase (decrease) in surplus on revaluation of investments		-	-	82,532,813.91	-	-	-	82,532,813.91
Unrealized item not recognised in the statement of income	3	-	-	82,532,813.91	-	-	-	82,532,813.91
Net profit		-	-	-	-	-	63,525,012.27	63,525,012.27
Balance as at December 31, 2009		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
Increase (decrease) in surplus on revaluation of investments		-	-	27,932,460.75	-	-	-	27,932,460.75
Unrealized item not recognised in the statement of income	3	-	-	27,932,460.75	-	-	-	27,932,460.75
Net profit		-	-	-	-	-	-	-
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

SOMBOON FUSRIBOON
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NAM SENG INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Note	Baht	
		2010	2009
Cash flows from (used in) operating activities :			
Direct premium written		1,161,274,629.08	1,179,007,105.79
Receipt (payment) from reinsurance		(5,622,426.87)	69,342,220.05
Loss incurred from direct insurance		(569,831,282.88)	(703,127,655.12)
Loss adjustment expenses from direct insurance		(22,486,789.42)	(19,249,083.81)
Commissions and brokerages from direct insurance		(182,438,558.71)	(193,937,928.97)
Other underwriting expenses from insurance		(35,763,046.96)	(16,209,312.09)
Net investment income		87,859,166.13	45,889,177.63
Other income		22,008,772.65	21,950,892.46
Operating expenses		(263,705,702.53)	(256,725,988.26)
Income tax		(23,309,501.60)	2,904,647.34
Others		(9,137,106.28)	3,697,752.94
Net cash flows from (used in) operating activities		158,848,152.61	133,541,827.96
Cash flows from (used in) investing activities :			
Cash flows from			
Investment in securities		637,414,543.77	962,732,857.10
Loans to		6,617,590.00	3,349,814.98
Deposits at financial institutions - net		145,000,000.00	-
Premises and equipment		376,038.05	800,372.92
Net cash flows from investing activities		789,408,171.82	966,883,045.00
Cash flows used in			
Investment in securities		(999,590,326.03)	(1,088,485,861.28)
Loans to		(6,301,322.00)	(1,496,847.00)
Deposits at financial institutions - net		-	(42,270,000.00)
Premises and equipment		(14,416,172.46)	(3,188,474.13)
Net cash flows used in investing activities		(1,020,307,820.49)	(1,135,441,182.41)
Net cash flows from (used in) investing activities		(230,899,648.67)	(168,558,137.41)

SOMBOON FUSRIBOON

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

NAM SENG INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

		Baht	
	Note	2010	2009
Cash flows from (used in) financing activities :			
Bank overdraft		-	-
Net cash flows from (used in) financing activities		-	-
Net increase (decrease) in cash and cash equivalent		(72,051,496.06)	(35,016,309.45)
Cash and cash equivalent at beginning of the year		106,889,145.37	141,905,454.82
Cash and cash equivalent at end of the year	5	34,837,649.31	106,889,145.37
Supplementary disclosures of cash flows information :			
1. Direct premium written			
Direct premium written at beginning of the year		183,085,304.14	213,069,457.91
<u>Add</u> Direct premium written occurred in the year		1,126,091,642.56	1,149,022,952.02
<u>Less</u> Direct premium written at end of the year		(147,902,317.62)	(183,085,304.14)
Cash received from direct premium written		1,161,274,629.08	1,179,007,105.79
2. Losses incurred from direct insurance			
Losses incurred from direct insurance at beginning of the year		(386,948,127.82)	(398,687,037.06)
<u>Add</u> Losses incurred from direct insurance in the year		(621,253,612.94)	(691,388,745.88)
<u>Less</u> Losses incurred from direct insurance at end of year		438,370,457.88	386,948,127.82
Cash payment from losses incurred from direct insurance		(569,831,282.88)	(703,127,655.12)

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

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

NAM SENG INSURANCE PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. GENERAL INFORMATION

1.1 Legal status

The Company was incorporated as a public limited company under Thai laws and listed on 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 country wide.

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. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of financial statements

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547, Thai Accounting practices related to insurance and the accounting and reporting guidelines prescribed by the regulatory authority or insurance business.

The financial statements have been prepared on a historical cost basis except where otherwise 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 Adoption of new accounting standards during the year

During the year 2010, the Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, new issued of accounting standards and financial reporting standards and the interpretation, totalling 32 standards, 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

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

TAS 11 (revised 2009) Construction Contracts
TAS 12 Income Taxes
TAS 16 (revised 2009) Property, Plant and Equipment
TAS 17 (revised 2009) Leases
TAS 18 (revised 2009) Revenue
TAS 19 Employee Benefits
TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates
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

These accounting standards and financial reporting standards are effective for the fiscal year beginning on or after January 1, 2011, except for TAS 12, TAS 20 and TAS 21, they are effective for the fiscal year beginning on or after January 1, 2013.

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 the year in which they are initially applied, except for TAS 12 Income Taxes, TAS 16 (revised 2009) Property, Plant and Equipment, and TAS 19 Employee Benefits. The management of the Company is in the process of reviewing the effect of such accounting standards to the financial statements for the year in which they are initially applied.

SOMBOON FUSRIBOON
DIRECTOR

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DIRECTOR

2.3 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.

2.4 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

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

2.5 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.

2.6 Commissions and brokerages

Commissions and brokerages are recorded as expenses when they occurred.

2.7 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 a separate item in shareholders' equity 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.

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

2.8 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.

2.9 Premises, equipment

Premises and equipment are stated at cost. Cost is measured by purchase value and cost of obtaining the assets and of bringing it to the condition necessary for its intended use. Premises and equipment, except land are presented at cost net of accumulated depreciation.

Depreciation and amortization are depreciated by the straight-line method over their estimated useful lives as followings.-

	<u>Useful lives (Year)</u>
Building and construction	20
Furniture and office equipment	5

2.10 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.

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

2.11 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.

2.12 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.

2.13 Provident Fund

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.

2.14 Employee benefits

Salary, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

2.15 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).

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

2.16 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.

2.17 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.

2.18 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 on the balance sheet date are translated into Baht at the rates applied on the balance sheet date.

Exchange gains and losses are included in determining earnings.

2.19 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.

2.20 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.

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR

3. INVESTMENTS IN SECURITIES

Investments in securities as at December 31, 2010 consist of :

Current investments :

	Thousand Baht			
	Available-for -sale securities	Other investments	Held to maturity debt securities	Total
<u>Debt Instruments</u>				
Government and State Enterprise Bonds				
- guaranteed by government	-	-	295,787	295,787
Debentures	-	-	22,025	22,025
<u>Equity securities</u>				
Listed securities				
- Common stocks	24,008	-	-	24,008
Total current investments - cost	24,008	-	317,812	341,820
<u>Add</u> Allowance for change in value of investment	9,514	-	-	9,514
<u>Less</u> Allowance for impairment				
- Debentures	-	-	(1,000)	(1,000)
Total current investments - fair value	33,522	-	316,812	350,334

Long-term investments :

	Thousand Baht			
	Available - for -sale securities	Other investments	Held to maturity debt securities	Total
<u>Debt Instruments</u>				
Government and State Enterprise Bonds				
- guaranteed by government	-	-	324,269	324,269
Debentures	-	-	279,625	279,625
<u>Equity securities</u>				
Listed securities				
- Common stocks	3,329	-	-	3,329
Other securities				
- Common stocks	-	2,223	-	2,223
- Units trust of open-ended funds	401,027	-	-	401,027
Total long-term investments - cost	404,356	2,223	603,894	1,010,473
<u>Add</u> Allowance for change in value of investment	23,599	-	496	24,095
<u>Less</u> Allowance for impairment				
- Common stocks	-	-	-	-
Total long-term investments - fair value	427,955	2,223	604,390	1,034,568
Total investments in securities				<u>1,384,902</u>

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DIRECTOR

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DIRECTOR

Investments in debt securities as at December 31, 2010 will be due as follows:

	Due within (Thousand Baht)			Total
	1 year	2 - 5 years	6 - 10 years	
Bonds	295,787	324,765	-	620,552
Debentures - net	21,025	204,625	75,000	300,650
Total	316,812	529,390	75,000	921,202

Investments in securities as at December 31, 2009 consist of :

Current investments :

	Thousand Baht			Total
	Available-for-sale securities	Other investments	Held to maturity debt securities	
<u>Debt Instruments</u>				
Government and State Enterprise Bonds				
- guaranteed by government	-	-	49,043	49,043
Treasury bills	-	-	23,937	23,937
Debentures	-	-	52,363	52,363
<u>Equity securities</u>				
Listed securities				
- Common stocks	15,907	-	-	15,907
Total current investments - cost	15,907	-	125,343	141,250
<u>Add</u> Allowance for change in value of investment	2,796	-	(41)	2,755
<u>Less</u> Allowance for impairment				
- Debentures	-	-	(1,000)	(1,000)
Total current investments - fair value	18,703	-	124,302	143,005

Long-term investments :

	Thousand Baht			Total
	Available - for - sale securities	Other investments	Held to maturity debt securities	
<u>Debt Instruments</u>				
Government and State Enterprise Bonds				
- guaranteed by government	-	-	229,178	229,178
Debentures	-	-	257,253	257,253
<u>Equity securities</u>				
Listed securities				
- Common stocks	3,329	-	-	3,329
Other securities				
- Common stocks	-	2,223	-	2,223
- Units trust of open-ended funds	358,780	-	-	358,780
Total long-term investments - cost	362,109	2,223	486,431	850,763
<u>Add</u> Allowance for change in value of investment	2,426	-	496	2,922
<u>Less</u> Allowance for impairment				
- Common stocks	-	-	-	-
Total long-term investments - fair value	364,535	2,223	486,927	853,685
Total investments in securities				996,690

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DIRECTOR

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DIRECTOR

The following assets have been placed as insurance policy reserve with the Office of Insurance Commission in accordance with section 19 and according to the Office of Insurance Commission regarding “Ratio Criteria and procedure for unearned premium reserves of the insurance company B.E. 2552” dated December 17, 2009 are as follow:-

	Thousand Baht	
	2010	2009
Government bond specially issued in the budget year 2004 # 1	14,000	14,000
TLOAN 2004	14,000	-
Government bond issued the budget year 2007#1	20,000	-
Bank of Thailand bond 2/3 year/2009	20,000	-
Bank of Thailand bond 4/2 year/2009	30,000	-
Government Saving bond issued the budget year 2004/10 Year	3,000	-
	<u>101,000</u>	<u>14,000</u>

Moreover, the government bonds are bound to commitments described in Note 12.

4. LOANS

4.1 Mortgage loans

As at December 31, 2010 and 2009 the Company had mortgage loans in the amount of 11.62 million baht and 13.34 million baht which equal to 79.04% and 88.76% of total loans, respectively. The aging of outstanding balance the said loans were as follow :

	Thousand Baht			
	2010			2009
	Principal	Interest	Total	
<u>Aging of the outstanding loans</u>				
3 months or less	7,320	4	7,324	9,036
Over 3 months up to 6 months	-	-	-	-
Over 6 months up to 12 months	-	-	-	-
Over 12 months	4,000	300	4,300	4,300
Total	11,320	304	11,624	13,336
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Net loans	<u>11,320</u>	<u>304</u>	<u>11,624</u>	<u>13,336</u>
The value of guaranteed properties			22,930	32,140

The Company has filed law suits against the debtors aged over 12 months.

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DIRECTOR

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DIRECTOR

As at December 31, 2010 and 2009, the loans amounting to 11.62 million baht and 13.34 million baht have been secured by properties valued 22.93 million baht and 32.14 million baht, respectively. The properties' values are appraised from the following sources :-

Appraising year	Thousand Baht						
	2010				2009		
	Independent appraiser	Department of Land/Legal Execution	Others	Total value of guaranteed securities	Loans	Total value of guaranteed securities	Loans
2010	2,500	1,056	1,249	4,805	2,847	-	-
2009	2,835	-	-	2,835	655	2,835	586
2008	5,430	-	-	5,430	1,706	8,800	3,308
2007	300	-	-	300	151	1,450	705
2006	3,160	-	700	3,860	1,390	12,155	3,645
2005	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-
2003	1,400	-	-	1,400	575	1,400	644
2002	-	4,300	-	4,300	4,300	4,300	4,300
2001	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-
1999	-	-	-	-	-	1,200	148
Total	<u>15,625</u>	<u>5,356</u>	<u>1,949</u>	<u>22,930</u>	<u>11,624</u>	<u>32,140</u>	<u>13,336</u>

The Company has a policy to appraise all properties secured for the loans receivable.

The loans receivable aged over 12 months, the Company shall revalue the properties secured in every 2 years subject to the future change in economic situation.

4.2 Other loans

Other loans consist of :-

	Thousand Baht	
	2010	2009
Other loans	3,083	1,688
<u>Less Allowance for doubtful accounts</u>	<u>(518)</u>	<u>(518)</u>
Other loans - net	<u>2,565</u>	<u>1,170</u>

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

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DIRECTOR

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DIRECTOR

5. CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS

Cash and deposits at financial institutions consist of :-

	Thousand Baht	
	2010	2009
Cash	147	345
Cash at bank - uncallable term	34,591	106,444
Cash at bank - callable term	103,100	248,100
Total cash and deposits at financial institutions	137,838	354,889
<u>Less</u> Cash at financial institutions and other financial institutions due over 3 months	(103,000)	(248,000)
Cash and cash equivalents	<u>34,838</u>	<u>106,889</u>

6. PREMISES AND EQUIPMENT - NET

	Thousand Baht			
	Balance as at	Transactions during the year		Balance as at
	December 31, 2009	Increase	Decrease	December 31, 2010
<u>Cost</u>				
Land	102,693	780	-	103,473
Building	98,047	-	-	98,047
Vehicle	7,387	2,437	(535)	9,289
Office equipment	81,355	6,001	(9,271)	78,085
Work in progress	320	6,945	(1,747)	5,518
Total	<u>289,802</u>	<u>16,163</u>	<u>(11,553)</u>	<u>294,412</u>
<u>Accumulated depreciation</u>				
Building	57,354	4,872	-	62,226
Vehicle	5,830	939	(253)	6,516
Office equipment	68,216	5,864	(9,198)	64,882
Total	<u>131,400</u>	<u>11,675</u>	<u>(9,451)</u>	<u>133,624</u>
Premises and equipment - net	<u>158,402</u>			<u>160,788</u>

	Thousand Baht	
	2010	2009
Depreciation for the year	11,675	11,749

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

As at December 31, 2010 and 2009, the Company had fully depreciated fixed assets but still in active use at the cost value totalling 53.74 million Baht and 52.01 million Baht, respectively.

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7. PREMIUM DUE AND UNCOLLECTED - NET

Premium due and uncollected consist of :-

		Thousand Baht	
		2010	2009
Premium due and uncollected	- fire	4,012	5,766
	- marine	2,804	4,328
	- motor	159,161	187,170
	- miscellaneous	2,917	9,842
Total		168,894	207,106
<u>Less</u> Allowance for doubtful accounts		(20,992)	(24,021)
Premium due and uncollected - net		147,902	183,085

The balance of premium due and uncollected is classified by valuable assets specified by the Insurance Commission as follows:

		Thousand Baht	
		2010	2009
Assessable portion		116,362	141,598
Non-assessable portion		52,532	65,508
Total premium due and uncollected		168,894	207,106
<u>Less</u> : Allowance for doubtful accounts		(20,992)	(24,021)
Premium due and uncollected - net		147,902	183,085

Aging of outstanding balance of premium due and uncollected is as follows :-

		Thousand Baht	
		2010	2009
<u>Aging of outstanding</u>			
2 months or less		128,930	138,951
Over 2 months up to 6 months		18,250	31,788
Over 6 months up to 12 months		905	12,144
Over 12 months		20,809	24,223
Total		168,894	207,106
<u>Less</u> Allowance for doubtful accounts		(20,992)	(24,021)
Premium due and uncollected - net		147,902	183,085

The premium due and uncollected over 12 months are due from the Company's current 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.

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8. NOTES RECEIVABLE

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

9. ASSETS FORECLOSED

Assets foreclosed consist of:

	Thousand Baht			As at December 31, 2010
	As at December 31, 2009	During the year		
		Increase	Decrease	
Assets acquired for debt settlement				
Land	38,807	-	(4,256)	34,551
Building	7,660	-	(713)	6,947
Total	46,467	-	(4,969)	41,498
<u>Less allowance for impairment</u> of assets foreclosed	(3,231)	-	690	(2,541)
Asset foreclosed - net	<u>43,236</u>			<u>38,957</u>

10. UNEARNED PREMIUM RESERVES

As at December 31, 2010, the Company's retained earnings did not include Baht 946,007.92 of unearned premium reserve (December 31, 2009: Baht 6,921,620.09) which the Company set aside for the premium ceded to a foreign reinsurer, in compliance with the regulations of the Office of Insurance Commission.

11. BANK OVERDRAFTS

As at December 31, 2010 and 2009, the Company has overdraft credit lines with 1 bank amounting to 10 million baht which have been secured by government bonds (See Note 12).

12. COLLATERIZED ASSETS

The Company's collateralized assets are as follows :-

	Thousand Baht	
	2010	2009
The Government Savings Bank's callable lotteries as collateral for	100	100
Bonds as collateral for		
- Drivers in Criminal Court	15,250	18,300
- Electrical usage	230	214
- Bank overdrafts	10,000	10,000
- Office of Insurance Commission	14,000	14,000
- Registrar	87,000	-
Total	<u>126,580</u>	<u>42,614</u>

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13. RELATED PARTY TRANSACTIONS

The business transactions with related parties occurred for the years ended December 31, 2010 and 2009 and are summarized as follows :-

	Thousand Baht	
	2010	2009
Premium income net		
Dung Seng Insurance Broker Co., Ltd.	931,642	996,892
Other related companies:-		
- Asia Hotel Plc.	650	590
- Asia Pattaya Hotel Co., Ltd.	269	295
- Zeer Property Co., Ltd.	845	829
- Asia Airport Hotel Co., Ltd.	158	199
- TMB Bank Plc.	9,459	13,482
Brokerage		
Dung Seng Insurance Broker Co., Ltd.	145,461	158,020
TMB Bank Plc.	1,851	2,770
Office rental		
N.S.B. Co., Ltd.	1,130	1,104
Service fee		
N.S.B. Co., Ltd.	18,105	16,863

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

	Thousand Baht	
	2010	2009
Cash at bank		
TMB Bank Plc.	460	103,751
Current investment		
TMB Bank Plc.	14,673	-
Premium due (Net from Postdated cheques from agent)		
Dung Seng Insurance Broker Co., Ltd.	125,040	186,311
TMB Bank Plc.	642	2,010
Accrued commission and brokerage		
Dung Seng Insurance Broker Co., Ltd.	22,314	33,251
TMB Bank Plc.	138	414

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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 Plc. 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.

14. 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, 2010 and 2009, the Company maintains the capital fund exceed the requirement.

15. 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.

16. 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, 2010 and 2009, the Company has paid the management benefit expense to its management and directors totaling Baht 13.34 million and Baht 24.32 million, respectively.

For the year 2010, the Company has increased a assistance director, therefore the sequence in running number of director for calculation of management benefit expenses in the year 2010 is difference from the year 2009.

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DIRECTOR

17. CORPORATE INCOME TAX

Corporate income tax for the period is calculated by multiplying earnings by the rate 25% of net profit not exceed Baht 300 million 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. 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.

18. EARNINGS PER SHARE

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

	2010	2009
Net profit for the year (Thousand Baht)	100,846	63,525
Weighted average number of ordinary shares (Thousand shares)	13,900	13,900
Basic earnings per share (Baht/Share)	7.26	4.57

19. CONTINGENT LIABILITIES AND OTHER COMMITMENT

As at December 31, 2010 and 2009, the Company had contingent liabilities and other commitments as follows :-

19.1 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 :

19.1.1 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.

19.1.2 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.

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19.2 The Company has entered into rental agreements for 9 branch offices at the total rental of 92,750 baht per month. The term of the agreements is 3 years due in 2011 - 2013.

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

<u>Year</u>	<u>Thousand Baht</u>
2011	19,899
2012	18,164
2013	411

19.3 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. The Company has commitment to settle the remaining balance of Baht 0.24 million.

19.4 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 December 31, 2010 the company paid the deposit of Baht 4.52 million in accordance with the terms of the contract. The Company has commitment to pay the outstanding balance of Baht 9.68 million.

20. LEGAL CASES

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

	<u>Thousand Baht</u>	
	<u>2010</u>	<u>2009</u>
The amounts in dispute	375,289	373,887
The amounts covered by insurance policies	53,042	50,595

As at December 31, 2010 and 2009, 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 50.36 million and Baht 48.71 million, respectively.

21. 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.

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22. NUMBER OF EMPLOYEE AND EMPLOYEE BENEFITS

As at December 31, 2010 and 2009, the Company has the number of employee of 478 persons and 525 persons, respectively.

The staff cost for the years ended December 31, 2010 and 2009 amounted to approximately Baht 139.31 million and Baht 128.00 million respectively (included contribution to the provident fund approximately Baht 5.06 million and Baht 5.06 million, respectively).

23. 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 balance sheets as follows :-

23.1 Accounting policies

Details of accounting policies are disclosed in Note 2.17.

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

23.2 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.

23.3 Interest rate risk

Interest rate risk in the balance sheet 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.

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DIRECTOR

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

	Thousand Baht			
	Net book value as at December 31, 2010			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Deposits at financial institutions	25,046	103,100	9,545	137,691
Investments in securities				
Bonds	-	620,552	-	620,552
Debentures - net	-	300,650	-	300,650
	<u>25,046</u>	<u>1,024,302</u>	<u>9,545</u>	<u>1,058,893</u>

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

	Thousand Baht					Average interest rate Percent
	At call	Within 1 year	2 - 5 years	6 - 10 years	Total	
<u>Financial assets</u>						
Deposits at financial institutions	-	23,100	80,000	-	103,100	2.43
Investments in securities						
Bonds	-	295,787	324,765	-	620,552	2.80
Debentures - net	-	21,025	204,625	75,000	300,650	4.09
	<u>-</u>	<u>339,912</u>	<u>609,390</u>	<u>75,000</u>	<u>1,024,302</u>	

23.4 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.

24. LOSS RESERVES FOR CLAIM WHICH INCURRED BUT NOT REPORTED - IBNR

According to the notification of Ministry of Commerce regarding “Allocation of Unearned Premium Reserve and Loss Reserve”, dated 30 September 2005, from 1 January 2009, the Company is to allocate IBNR according to the actuarial method, but it is not to be less than 2.5% of the total net written premium written on all types of risk in the twelve months prior to the allocation date. Subsequently, the Office of Insurance Commission (“OIC”) issued “Guidance for Calculating Monthly Loss Reserves for Non-life Insurance”, which allows

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1. January to April 2009, the Company to record IBNR reserve at 2.5% of the total net written premium written on all types of risk in the previous twelve months.
2. May 2009 onward, The guidance instructs the Company to estimate claims reserve under the actuarial method and record the higher of the amount calculated under the actuarial method and at 2.5% of total net written premium written on all types of risk in the previous twelve months.

The financial statements for the year ended December 31, 2010 and 2009, the Company recorded the claims reserve at the actuarial method because it is higher than 2.5% of the total net premium written on all types of risk in the previous twelve month.

25. SUBSEQUENT EVENT

On January 4, 2011 the Company has entered contracted of purchasing and selling of land and building contract with a local company under contractual value of 135.00 million Baht, (For the assets foreclosed in book value of 8.91 million Baht). The purchasing company will prepayment to purchase of land and building of 10.00 million Baht on the contract date and will payment the remainder of value of the contract within March 30, 2011.

26. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on February 24, 2011.

SOMBOON FUSRIBOON
DIRECTOR

SUMALEE JAROENCHAIPONG
DIRECTOR