



ศรีอยุธยาประกันภัย
THE AYUDHYA INSURANCE

Letter from the President

The year 2009 was a year of sharp contrasts and therefore presented great opportunities for learning. It started out at the height of the financial crisis and ended in a clear recovery mode.

The company posted a growth of 8.8% in Gross Written Premium and 11.1% in Net Written Premium in spite of the turbulence experienced in the financial markets during the course of the year. The loss ratio returned to normal levels at 42.5% and the expenses ratio reduced by 1%. New business strain and increased market competition saw the combined ratio go out to 91.1%.

The insurance portfolio retained a good balance at the Gross Written Premium level with the line of business split as follows:

Fire	24%
Marine	14%
Motor	30%
Miscellaneous	32%

The effects on the financial markets and our defensive investment strategy in the first quarter impacted on the company's performance and lead to a reduction in the total investment income to THB241.7 million in the past year.

Shareholders funds increased by 4.2% to THB 5,470,752,143, while book value per share at THB 21.88 improved from the previous year's THB 21.01.

On 1 September the company was presented with the Prime Ministers Insurance Award for Best Management from Prime Minister Abhisit Vejjajeva for the years 2007 and 2008. It is the first time the company has received this honor.

On 1 October The Netherlands Thai Chamber of Commerce and Beluthai presented the company with an award for the Best Product Innovation. The product cited was P.A. Prompt, a personal accident policy developed for and with Bank of Ayudhya Public Company Limited. The concept was the first of its type worldwide and has lead to a change in the way new products are marketed in Thailand.

The automation of insurance services was the focus of the IT Department for the year and substantial progress was made in this regard. Improved productivity, efficiency and accuracy were among the many early benefits gained from the project.

2010 brings fresh opportunities as the insurers prepare and position themselves for the implementation of the Risk Based Capital Framework in 2011. AYUD was an early mover in seeking to identify interesting acquisition opportunities and is currently working towards completing the transaction to acquire BT Insurance Company Limited from CIMB – Thai Bank Public Company Limited. Target date for completion is July 2010.

We are committed to growing through consistent focus on the needs of our customers, and thereby create value for all of our stakeholders.

You are invited to browse through our website to discover for yourself a wide range of general insurance products to suit the many varied needs of our customers.

Thank you for your interest in The Ayudhya Insurance Public Company Limited.

Rowan D'Arcy
President