
Information Memorandum regarding Acquisition of Assets and Connected Transaction of Sri Ayudhya Capital Public Company Limited

Sri Ayudhya Capital Public Company Limited (the “Company”)’s Board of Directors’ meeting no. 3/2012, held on 16 March 2012, had considered the acquisition of the existing ordinary shares of Ayudhya Allianz C.P. Life Public Company Limited (“AACP”) from Bank of Ayudhya Public Company Limited (“BAY”) –the major shareholder of the Company. The acquisition will be for the total of 25,072,194 shares with a par value of Baht 10 each, representing 8.50% of AACP’s existing paid-up share capital, at Baht 30 per share, totaling Baht 752.17 million. The meeting also approved the entering into the asset acquisition transaction and connected transaction.

The transaction of the Company acquiring AACP’s 25,072,194 existing ordinary shares from BAY is considered a connected transaction regarding assets or services according to the Notification of the Capital Market Supervisory Board Tor.Jor. 21/2551 regarding Rules on Connected Transaction, and the Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions, 2003. In addition, it is considered an asset acquisition transaction according to the Notification of the Capital Market Supervisory Board Tor.Jor. 20/2551 regarding Rules and Regulations on the Acquisition and Disposition of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosing of Information and Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets, 2004.

The size of the connected transaction and the asset acquisition transaction is determined based on the reviewed consolidated financial statements of the Company and AACP for the 9-month period ending on 30 September 2011. This is because AACP has yet to finalise the 2011 audited financial statements for the period ending on 31 December 2011. However, when determining the size of the transaction based on the 2011 consolidated audited financial statements of the Company compared to the 2011 unaudited management accounts of AACP for the period ending on 31 December 2011, the transaction remains categorised as Class 2 transaction as presently the case.

1) Date of the Transaction

Sri Ayudhya Capital Public Company Limited’s Board of Directors’ meeting no. 3/2012, held on 16 March 2012, had approved the entering into the connected transaction regarding assets or services and the asset acquisition transaction with BAY. The Company will acquire AACP’s existing ordinary shares from BAY upon satisfaction of the conditions precedent as follows:

- BAY receives an approval relating to the sale of AACP’s share capital from BAY’s Board of Directors and the Bank of Thailand.

- The Company receives an approval regarding the acquisition of AACP's shares from the shareholders' meeting.

In this regard, before the Company is to enter into the transaction of acquiring AACP's existing ordinary shares from BAY, the Company had acquired AACP's existing ordinary shares from Charoen Pokphand Group Company Limited, Charoen Pokphand Foods Public Company Limited and Bangkok Produce Merchandising Public Company Limited (herein collectively called the "Charoen Pokphand Group") for the total of 17,265,108 or 5.85% of AACP's paid-up capital. The total payment the Company made to the Charoen Pokphand Group was Baht 517.95 million. All payment for the acquisition of AACP's shares, as aforementioned, was made in cash to the Charoen Pokphand Group on 18 January 2012. The acquisition of AACP's existing ordinary shares from the Charoen Pokphand Group was not considered a connected transaction according to the Notification of the Capital Market Supervisory Board Tor.Jor. 21/2551 regarding Rules on Connected Transaction, and the Notification of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions, 2003 since the Charoen Pokphand Group was not a Company's connected person. Nevertheless, the Company's acquisition of AACP's existing ordinary shares was considered an asset acquisition transaction according to the Notification of Capital Market Supervisory Board Tor.Jor. 20/2551 regarding Rules and Regulations on the Acquisition and Disposition of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosing of Information and Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets, 2004. The Company had already disclosed the information regarding the entering into the aforementioned transaction to the SET on 19 January 2012.

2) Related Parties

Buyer : Sri Ayudhya Capital Public Company Limited (the "Company")

Seller : Bank of Ayudhya Public Company Limited ("BAY")

The Company and BAY are connected as:

- BAY is a major shareholder of the Company holding a total of 10.92% of the Company's existing paid-up share capital as at 11 November 2011, which was the latest closing date of the shareholder's register book of the Company.
- Both companies share 3 members of the Board of Directors as follows:
 1. Mr. Veraphan Teepsuwan
 2. Mr. Surachai Prukbamroong
 3. Mr. Virojn Srethapramotaya

3) General Characteristics of the Transaction

The Company is to enter into the transaction of acquiring AACP's existing ordinary shares from BAY, or the Company's connected person, for the total of 25,072,194 shares, representing 8.50% of AACP's paid-up capital at Baht 30 per share totaling Baht 752.17 million. This transaction of acquiring AACP's shares from BAY is considered a connected transaction regarding assets or services and an asset acquisition transaction of the listed company.

Before the Company is to enter into the transaction of acquiring AACP's existing ordinary shares from BAY, the Company had acquired 17,265,108 existing ordinary shares of AACP, representing 5.85% of AACP's paid-up capital, at Baht 30 per share totaling Baht 517.95 million from the Charoen Pokphand Group who is not a connected person of the Company. The aforementioned transaction was considered an asset acquisition transaction for the Company and its subsidiary.

The total size of the two Company's transactions of acquiring AACP's shares from BAY and the Charoen Pokphand Group, as detailed above, was Baht 1,270.12 million for the total of 42,337,302 existing ordinary shares of AACP, or 14.35% of AACP's paid-up capital, at Baht 30 per share.

4) Transaction Size

Size of the Connected Transaction

The transaction of the Company acquiring AACP's existing ordinary shares of 25,072,194 or 8.50% of AACP's paid-up capital from BAY at Baht 30 per share totaling Baht 752.17 million is considered a connected transaction regarding assets or services. The size of transaction is 14.09%, higher than 3% of the net tangible assets of the Company and its subsidiary of Baht 5,338.63 million as indicated in the 9-month consolidated reviewed financial statements of the Company as at 30 September 2011. Therefore, the transaction must be approved by the shareholders of the Company, by receiving no less than three-fourths of the total number of votes of shareholders or proxies who are present at the meeting, and who have the right to vote, excluding the votes of interested shareholders.

Size of the Asset Acquisition Transaction

To calculate the size of the asset acquisition transaction (which includes the Company's acquisition of 17,265,108 existing ordinary shares of AACP at Baht 30 per share from the Charoen Pokphand Group on 18 January 2012 and the Company's additional acquisition of 25,072,194 existing ordinary shares of AACP from BAY at Baht 30 per share), the calculation for net profit of the assets is used since it resulted in the highest figure for the size of the transaction. The stated figure representing the size of the transaction is 27.88%. According to the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosing of Information and

Other Acts of Listed Companies concerning the Acquisition and Disposition of Assets, 2004, the Company's proposed acquisition is considered a Class 2 transaction. Hence, the Company must prepare a report and disclose information to the Stock Exchange of Thailand immediately without delay. Information disclosure must include at least the information specified in Schedule (1) annexed to the Notification. Moreover, the Company must serve a written notice to the shareholders within 21 days from the date of disclosing information to the Stock Exchange of Thailand. The written notice must contain at least the information as specified in Schedule (2) 1, 2, 3, 5(3), 7 and 8 annexed to the Notification.

1) Net Tangible Assets of the Assets Acquired Comparing with Consolidated Net Tangible Assets of the Company and Its Subsidiary

- Book value of AACP's net tangible assets, as acquired by the Company from the Charoen Pokphand Group and to be acquired by the Company from BAY (14.35% of AACP's existing paid-up capital) as at 30 September 2011 totals Baht 888.33 million (calculating from the 9-month reviewed financial statements of AACP as at 30 September 2011). This represents 16.64% of the book value of net tangible assets of the Company and its subsidiary as at 30 September 2011, which totals Baht 5,338.63 million.

2) Net Profit after Tax from Normal Operations of Assets Acquired Comparing with Consolidated Net Profits of the Company and Its Subsidiary

AACP's net profit after tax from normal operations for the first 9 months of 2011 in proportion with the Company's acquisition of shares (14.35% of AACP's paid-up capital) totaled Baht 82.03 million or 27.88% of consolidated net profits after tax from normal operations according to the consolidated financial statements of the Company for the first 9 months of 2011 of Baht 294.20 million

3) Value of the Total Consideration Paid Comparing with Value of the Total Consolidated Assets of the Company and its Subsidiary

Value of the total consideration is Baht 1,270.12 million (this includes the payment of Baht 517.95 million for AACP's existing ordinary shares to the Charoen Pokphand Group on 18 January 2012 and the payment of Baht 752.17 million for AACP's existing ordinary shares to BAY). Comparing to the value of the total consolidated assets of the Company and its subsidiary of Baht 7,811.44 million, as indicated in the consolidated reviewed financial statements as at 30 September 2011, the size of the transaction will equal 16.26%

4) Value of Securities of the Listed Company and/or Its Subsidiary Issued as a Compensation Comparing with Value of Total Securities Issued by the Listed Company and/or Its Subsidiary

The Company has issued no securities as compensation in this transaction.

In case the Company will acquire additional stake in AACP in the future, it will take into account the transaction of acquiring AACP shares from the Charoen Pokphand Group and the transaction to acquire AACP shares from BAY in determining the size of asset acquisition transaction. The Company will follow relevant rules and regulations regarding asset acquisition as prescribed by the Capital Market Supervisory Board and the SET. In case the size of asset acquisition transaction is significant and the Company is required to ask for approval from shareholders prior to entering into the transaction, the Company will conform to relevant rules and regulations to ask for shareholders approval.

5) Details regarding the Asset to be Acquired

5.1) Details regarding the Asset to be Acquired

Company Name	Ayudhya Allianz C.P. Life Public Company Limited (“AACP”)
Major Business	Life Assurance
Registered Capital	Baht 4,000 million, with a par value of Baht 10 each
Paid-up Capital	Baht 2,950 million

5.2) Nature of Business of AACP

AACP engages in life insurance business. Its main income comes from life insurance business and investment business. Details of each business are as follows:

- a. **Life Insurance Business:** This can be divided into 4 main lines of products including Protection Products, Financial Planning Products, Investment Products and other financial services products.
- b. **Investment Business:** AACP gives emphasis on investing premium received to get secured and stable returns to ensure AACP’s sufficient cash flow to pay the policyholders pursuant to the insurance policies. In this respect, the investment needs to be aligned with investment criteria announced and stipulated by the Office of the Insurance Commission (OIC).

5.3) Shareholding Structure and Management Structure

AACP has a total registered capital of Baht 4,000 million, consisting of 400 million ordinary shares, with a par value of Baht 10 each. Its total paid-up capital was Baht 2,950 million, consisting of 295 million ordinary shares, with a par value of Baht 10 each.

The table below shows the shareholding structure of AACP as of February 28, 2012:

Shareholder	Number of Shares Held	% of Total Paid-up Shares
1. CPRN Holding Co., Ltd.	99,560,163	33.75
2. Allianz SE	73,711,193	24.99
3. Sri Ayudha Capital Public Company Limited	34,428,086	11.67
4. Great Luck Equity Co., Ltd.	30,960,728	10.50
5. Bank of Ayudhya Plc.	25,072,194	8.50
6. CPRN (Thailand) Co., Ltd.	11,537,051	3.91
7. Great Fortune Equity Co., Ltd.	8,320,180	2.82
8. Bangkok Broadcasting & TV Co., Ltd.	8,218,212	2.79
9. Super Assets Co., Ltd.	2,418,436	0.82
10. Other shareholders	773,757	0.26
Total	295,000,000	100.00

Source: AACP

AACP's Board of Directors

AACP's Board of Directors consists of 11 directors as follows:

Name	Position
1. Mr. Manuel Bauer	Chairman
2. Mr. Bryan James Smith	Director
3. Mr. Pongpinit Tejagupta	Director
4. Mrs. Napaporn Landy	Director
5. Mr. Narong Chulajata	Director
6. Mr. PUNCHAI Satayaporn	Director
7. Mr. Ayuth Charnsethikul	Director
8. Dr. Apichati Sivayathorn	Director
9. Miss Orawan Tejapaibul	Director
10. Mr. Virojn Srethapramotaya	Director
11. Mr. Titiwut Soukpornchaikul	Director

Source: AACP

5.4) Key Financial Figures for the Period between 2008-2010 and for the 9-month period of 2011

Unit :Millions of THB	2008	2009	2010	9 months of 2011
Total revenue	17,896.55	18,004.72	21,980.81	17,793.36
Net profit	29.97	(1.42)	695.71	571.66
Total assets	83,232.13	90,744.77	101,623.26	108,819.03
Total liabilities	80,059.09	86,118.19	95,645.62	102,545.88
Total shareholders' equity	3,173.04	4,626.58	5,977.64	6,273.15

Source: AACP

6) Value of the Assets Acquired

To value AACP's existing ordinary shares that the Company acquired from the Charoen Pokphand Group and will acquire from BAY, the book value of AACP's net tangible assets is considered based on AACP's 9-month reviewed financial statements as at September 30, 2011. It will be calculated by taking into account the additional investment in AACP which equals 14.35% of AACP's existing ordinary shares as at 30 September 2011. The book value of AACP's net tangible assets, as indicated in the 9-month reviewed financial statements as at September 30, 2011, totals Baht 6,190.45 million. Hence, the value of AACP's existing ordinary shares that the Company acquired from the Charoen Pokphand Group and to acquire from BAY, calculated in proportion with the Company's additional investment in AACP (which equals 14.35%) totals Baht 888.33 million.

7) Net Profit (Loss) to the Assets Acquired during the Year 2009-2010 and during the first 9 months of 2011

Net profit (loss) in proportion with the Company's additional investment in AACP (14.35% of paid-up capital) in 2009-2010 and during the first 9 months of 2011 can be shown as follows.

Year	Net Profit (Loss)	Percentage of Additional Investment in AACP	Net Profit (Loss) of AACP in proportion with the Company's additional investment
2009	(1.42) Million Baht	14.35 %	(0.20) Million Baht
2010	695.71 Million Baht	14.35 %	99.83 Million Baht
9 months of 2011	571.66 Million Baht	14.35 %	82.03 Million Baht

8) The Total Value of Consideration and Terms of Payment

The Company will make a cash payment of Baht 752.17 million to BAY for the transaction of acquiring AACP's existing ordinary shares after the conditions precedent stated in 1) are fully satisfied.

9) Sources of Funds Used to Enter into the Transaction

The payment for the Company's acquisition of 25,072,194 existing ordinary shares of AACP from BAY at Baht 30 per share for a total consideration of Baht 752.17 million will be fully funded by internal cash flow. The internal cash flow stated includes cash flow from the disposal of the Company's investment. No external debt funding is required.

10) Principles Used to Determine Total Consideration

The acquisition price for AACP's existing ordinary shares from the Charoen Pokphand Group, used on 18 January 2012, of Baht 30 per share was determined during the negotiation between the Company and the Charoen Pokphand Group on a willing buyer and willing seller basis. The Company also hired an independent advisor to appraise and prepare an actuarial report to determine the acquisition price of AACP's existing ordinary shares.

In this regard, the Company has agreed on Baht 30 per share as an acquisition price for the additional AACP's existing ordinary shares from BAY. The stated price is the same as the acquisition price of AACP's shares from the Charoen Pokphand Group completed on 18 January 2012.

11) Advantages/Benefits of Additional Investment in AACP

- 1) Conformity with the Company's business plan to be an insurance holding company that holds stakes in life and non-life insurance companies, for the benefit of the Company and the shareholders in the long run.
- 2) Risk diversification since Sri Ayudhya General Insurance Public Company Limited (the core company of the Company)'s main business is only in non-life insurance business.

12) The Approval of Entering into the Transaction by the Shareholders Meeting

The acquisition of AACP's existing ordinary shares from BAY is considered a connected transaction, with the transaction size higher than 3% of the net tangible assets based on the 9-month reviewed financial statements of the Company as at September 30, 2011. As a result, the transaction must be approved by the shareholders of the Company, by receiving no less than three-fourths of the total number of votes of shareholders or proxies who are present at the meeting, and who have the right to vote.

13) Name of connected persons and/or interested shareholders who have no right to vote and the scope and characteristics of the benefits and interests of connected persons and/or interested shareholders from the transaction

In this shareholders' meeting to consider an approval for the Company to enter into the transaction of acquiring additional AACP's existing ordinary shares from BAY, connected persons and/or interested shareholders have no right to vote to approve the transaction.

Details on connected persons and/or interested shareholders who have no right to vote in the shareholders meeting of the Company to approve the entering into the transaction, and the number and the proportion of shares of the Company held by the aforementioned persons are as follows.

Name of Connected Persons	Relationship with the Company	No. of shares held as at 11 November 2011	Proportion of shares held as at 11 November 2011
Bank of Ayudhya Plc.	- Major shareholder of the Company - 3 common directors: Mr. Veraphan Teepsuwan, Mr. Surachai Prukbamroong and Mr. Virojn Srethapramotaya	27,288,700	10.92 %
Bangkok Broadcasting & Television Company Limited	- Major shareholder of the Company - Share 1 Board of Directors member: Mr. Veraphan Teepsuwan - The company in the Ratanarak Group, major shareholder in both the Company and BAY	28,802,500	11.52 %
BBTV Equity Company Limited	- A shareholder of the Company - The company in the Ratanarak Group, major shareholder in both the Company and BAY	21,946,000	8.78 %
Great Fortune Equity Company Limited	- A shareholder of the Company - The company in the Ratanarak Group, major shareholder in both the Company and BAY	7,045,000	2.82 %
Ms. Sudthida Ratanarak	- A shareholder of the Company - A part of the Ratanarak Group, major shareholder in both the Company and BAY	6,344,870	2.54 %
Mrs. Sasithorn Ratanarak	- A shareholder of the Company - A part of the Ratanarak Group, major shareholder in both the Company and BAY	3,125,000	1.25 %

The names of the Company's directors who have stakes and/or are connected persons are as follows.

Name	Designation	Designation in BAY
1) Mr. Veraphan Teepsuwan	Chairman	Chairman
2) Mr. Surachai Prukbamroong	Director	Director
3) Mr. Virojn Srethapramotaya	Director	Director

In this regard, the 3 common directors did not attend the meeting and did not vote in the Board of Directors' meeting to approve the Company to enter into the transaction of acquiring the total of 25,072,194 AACP's existing ordinary shares from BAY.

14) The Reason that Conflict Persons Hold more than 10% of AACP's paid-up capital

After the acquisition of AACP's capital, shareholding structure of AACP will not meet the regulations relating to the issuance and offering of securities as prescribed by the Capital Market Supervisory Board and requirements related to maintaining a listing status as prescribed by the Stock Exchange of Thailand. This is because AACP's paid-up capital held by Allianz SE, its related entities, and the Ratanarak Group (both groups are the major shareholders of AACP) will collectively exceed 50% of AACP's paid-up capital. Such shareholding structure does not adhere to the Notification of the Capital Market Supervisory Board Tor.Jor. 28/2551 regarding Application and Approval for Newly-issued Shares no. 12(2) stating that the applicant for permission to issue and offer securities must not have its conflicted person (s) holding more than 10% of the subsidiary's and associate company's voting rights unless it could prove that such shareholding structure of the subsidiary and associate company is for the best interest of the applicant. With the stated shareholding structure of AACP, the Company risks not receiving permission to issue and offer securities to raise capital since the qualification does not adhere to the Notification of the Capital Market Supervisory Board Tor. Jor. 28/2551. That is unless the Company can prove that AACP's shareholding structure is for the Company's best interest. Moreover the aforementioned shareholding structure of AACP does not comply with the Notification of the Stock Exchange of Thailand regarding the listed status in the Stock Exchange of Thailand, 2001, no.6 demanding the listed company and its subsidiary have no conflict of interest according to the relevant regulations stipulated in the Notification of the Capital Market Supervisory Board.

Regarding this, Allianz SE, its related entities and the Ratanarak Group have held shares of AACP for a long time. Both groups are major shareholders of AACP before the Company is acquiring shares of AACP from BAY. In the past, Allianz SE (a financial conglomerate from Germany with experience and expertise in insurance, asset management and banking businesses in more than 70 countries worldwide) has managed the business of AACP well and successfully. Moreover, Allianz SE also supports AACP's life insurance business in various ways. Presently, Allianz SE, its related entities and the Ratanarak Group have invested in only one life insurance company in Thailand which is AACP. Moreover, AACP presently does not and in the near future will not enter into

significant transactions with both groups of major shareholders except normal business transactions or transactions to support the normal business of AACP (both kinds of transactions are not significant in size relative to the size of AACP.). In case the Company or its subsidiary will enter into an asset acquisition/disposition transaction, a connected transaction or any transactions that may give rise to potential conflict of interest, the Company and its subsidiary will strictly conform to relevant rules and regulations as prescribed by the SEC and the SET.

15) The Opinion of the Board of Directors concerning a decision to enter into the transaction of acquiring AACP's paid-up capital

The Board of Directors of the Company opined that the transaction of the Company acquiring AACP's existing ordinary shares from BAY is reasonable. This is a strategic investment for the Company to expand into life insurance business where growth potential is high. Moreover, the acquisition will help to diversify risk from non-life insurance business, which is Sri Ayudhya General Insurance Public Company Limited's main business.

16) The Opinion of the Company's Audit Committee and/or Directors which are different from the opinions of the Board of Directors in no. 15)

None

17) Sending of the Notice of Shareholders' Meeting

The Company will send a notice to attend the shareholders' meeting to the SEC and the SET at least 5 business days before sending it to the shareholders. The Company will send a notice to attend the shareholders' meeting no less than 14 days prior to the date of the shareholders' meeting.

18) Responsibility of the Board of Directors to the Disclosed Information

The Board of Directors have reviewed the information contained in this information memorandum and, with carefulness in our capacity of the Company's directors, hereby certify that the information is correct, complete and true and does not cause any misunderstanding or concealment.

Information regarding the Nature and Characteristics of Business of Sri Ayudhya Capital Public Company Limited

1) General Business Information regarding Sri Ayudhya Capital Public Company Limited

Company Name	SRI AYUDHYA CAPITAL PUBLIC COMPANY LIMITED (previously named “The Ayudhya Insurance Public Company Limited”)
Registered Number	0107537001391
Registered Address	7 th Fl., Ploenchit Tower, 898 Ploenchit Rd., Lumpini, Pathumwan, Bangkok 10330
Registration Date	9 May 1994
Type of Business	Investment Holding Company
Registered Capital as at 31 December 2011	Baht 500 million

2) Scope and Characteristics of Business Operation

Sri Ayudhya Capital Public Company Limited (“the Company”) was previously named the Ayudhya Insurance Public Company Limited. It was incorporated with the purpose to engage in insurance and investment businesses. Presently, the Company is a listed company in the Stock Exchange of Thailand. The Company’s extraordinary general meeting of the shareholders no. 1/2011, held on 7 December 2011, had approved the changing of the name of the Company from the Ayudhya Insurance Public Company Limited to Sri Ayudhya Capital Public Company Limited. Upon conversion, the Company will continue to use “AYUD” as its trading symbol on the Stock Exchange of Thailand. In this regard, the Company had registered the change of its name with the Department of Business Development, Ministry of Commerce, effective from 23 December 2011 onwards.

The change of the Company’s name followed the business integration plan which the Company and Sri Ayudhya General Insurance Public Company Limited (currently, the Company’s subsidiary) jointly submitted to the Office of the Insurance Commission (“OIC”) and received approval from the OIC on 17 September 2010. The Company had a plan to convert from a non-life insurance company to an insurance holding company focusing on holding significant interest in non-life insurance company as well as life insurance company. This plan is aligned with the approval received from the annual general meeting of the shareholders no. 61, held on 20 April 2010. Meanwhile the Company will transfer non-life insurance business to Sri Ayudhya General Insurance Public Company Limited (proceeded and completed on 1 October 2011). In this regard, the Company returned the non-life insurance license to the OIC and transformed into an insurance holding company as specified in the business integration plan, effective from 20 December 2011 onwards.

Non-Life Insurance Business of Sri Ayudhya General Insurance Public Company Limited

Sri Ayudhya General Insurance Public Company Limited is the Company's subsidiary, having the Company hold a total of 99.99% of the total issued capital as at 31 December 2011. The main business of Sri Ayudhya General Insurance Public Company Limited is the non-life insurance business. Currently, Sri Ayudhya General Insurance Public Company Limited has its headquarter at 18th Fl. Zone A, Ploenchit Tower, 898 Ploenchit Rd., Lumpini, Pathumwan, Bangkok 10330.

Non-life insurance products of Sri Ayudhya General Insurance Public Company Limited comprise of:

1. **Individual insurance** comprising of motor insurance (private), personal accident insurance, traveling insurance, cancer insurance, burglary insurance and golfer's indemnity insurance.
2. **Business insurance** comprising of motor insurance (fleet), group personal accident insurance, fire insurance (commercial), property all risks insurance, business interruption, machinery breakdown insurance, boiler insurance, constructor's all risks and erection all risks insurance, public liability insurance, marine hull insurance and marine cargo insurance.
3. **Package insurance** comprising of cancer insurance coverage, CIMB Thai PA EASY personal accident insurance, CIMB Thai Auto 3+ EASY motor insurance.

3) The Company's Board of Directors

The Board of Directors consists of 11 directors, with details as follows:

Name	Designation
1. Mr. Veraphan Teepsuwan	Non-Executive Director
2. Mr. Rowan D'Arcy	Executive Director
3. Mr. Chusak Salee	Executive Director
4. Mr. Laksna Thongthai	Executive Director
5. Mr. Surachai Prukbamroong	Independent Director
6. Mr. Metha Suvanasarn	Independent Director
7. Mr. Savang Tongsmutra	Independent Director
8. Mr. Suwat Suksongkroh	Independent Director
9. Mr. Adisorn Tantianankul	Non-Executive Director
10. Mr. Andreas Johann Wilhelm	Non-Executive Director
11. Mr. Virojn Srethapramotaya	Non-Executive Director

Source: *The Stock Exchange of Thailand*

4) The Company's Shareholding Structure

As at 31 December 2011, the Company had a total registered capital of Baht 500 million, consisting of 500 million ordinary shares, with a par value of Baht 1 each. Its paid-up capital is Baht 250 million, consisting of 250 million ordinary shares, with a par value of Baht 1 each.

As at the latest closing date of shareholder's register book of 11 November 2011, the Company's shareholding structure is as follows:

Name of Shareholder	Number of Shares Held	% of Paid-up Shares
1. DEUTCHE BANK AG, FRANKFURT A/C CLIENTS ACCOUNT-DCS	42,104,000	16.84
2. Bangkok Broadcasting & Television Company Limited	28,802,500	11.52
3. Bank of Ayudhya Public Company Limited	27,288,700	10.92
4. BBTV Equity Company Limited	21,946,000	8.78
5. Thailand Securities Depository Company Limited for Depositors	13,986,090	5.59
6. Triple Prime Team Holdings Company Limited	11,252,660	4.50
7. Thongthai (1956) Company Limited	9,610,000	3.84
8. Great Fortune Equity Company Limited	7,045,000	2.82
9. CITIBANK NOMINEES SINGAPORE PTE LTD-UBS AG LONDON BRANCH-NRB	6,664,200	2.64
10. Ms. Sudthida Ratanarak	6,344,870	2.54
11. Other Shareholders	74,955,980	29.98
Total	250,000,000	100.00

Source: The Stock Exchange of Thailand

5) Financial Performance and Condition of the Company

Statements of Financial Position of the Company as at 31 December 2010 and 30 September 2011

Unit: Millions of Baht	Consolidated Financial Statements				Separate Financial Statements			
	As at 31 December 2010 (Audited)		As at 30 September 2011 (Unaudited but Reviewed)		As at 31 December 2010 (Audited)		As at 30 September 2011 (Unaudited but Reviewed)	
Assets	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
Cash and Cash Equivalents	379.79	4.82%	1,588.55	20.34%	318.87	4.31%	596.33	8.23%
Assets to be Transferred	-	-	-	-	-	-	866.60	11.97%
Accrued Income on Investment	24.77	0.31%	23.09	0.30%	19.77	0.27%	19.20	0.27%
Premium Due and Uncollected –Net	235.04	2.99%	204.37	2.62%	190.15	2.57%	-	-
Reinsurance Assets	426.81	5.42%	437.37	5.60%	360.21	4.87%	-	-
Investment Assets								
Investment in Held-for-Trading Securities	123.46	1.57%	-	-	-	-	-	-
Investment in Available-for-Sale Securities	4,789.76	60.84%	3,853.32	49.33%	3,634.80	49.11%	3,404.95	47.02%
Investment in Held-to-Maturity Securities	592.40	7.52%	383.60	4.91%	418.22	5.65%	272.34	3.76%
Investment in Other Securities	770.24	9.78%	770.24	9.86%	769.02	10.39%	769.02	10.62%
Total Investment in Securities –Net	6,275.86	79.72%	5,007.16	64.10%	4,822.04	65.15%	4,446.31	61.40%
Loans	3.38	0.04%	3.73	0.05%	3.38	0.05%	0.16	0.00%
Investment in Subsidiary	-	-	-	-	331.32	4.48%	1,223.58	16.90%
Receivable from Subsidiary –Share Subscription to be Returned	-	-	-	-	895.68	12.10%	-	-
Premises and Equipment –Net	63.84	0.81%	68.57	0.88%	60.36	0.82%	21.52	0.30%
Intangible Assets –Net	133.38	1.69%	125.47	1.61%	132.75	1.79%	0.01	0.00%
Deferred Tax Assets	208.63	2.65%	260.34	3.33%	172.52	2.33%	29.19	0.40%
Other Assets	120.94	1.54%	92.80	1.19%	94.20	1.27%	39.22	0.54%
Total Assets	7,872.44	100.00%	7,811.45	100.00%	7,401.25	100.00%	7,242.12	100.00%
Liabilities and Shareholders' Equity								
Liabilities to be transferred	-	-	-	-	-	-	1,594.90	22.02%
Income Tax Payable	35.45	0.45%	24.90	0.32%	29.25	0.40%	11.77	0.16%

Unit: Millions of Baht	Consolidated Financial Statements				Separate Financial Statements			
	As at 31 December 2010 (Audited)		As at 30 September 2011 (Unaudited but Reviewed)		As at 31 December 2010 (Audited)		As at 30 September 2011 (Unaudited but Reviewed)	
Assets	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
Due to Reinsurers	263.47	3.35%	287.20	3.68%	235.44	3.18%	-	-
Insurance Contract Liabilities								
Loss Reserve and Outstanding Claims	636.55	8.09%	732.89	9.38%	529.35	7.15%	109.00	1.51%
Unearned Premium Reserve	862.97	10.96%	841.04	10.77%	658.18	8.89%	-	-
Employee benefits obligation	45.66	0.58%	50.23	0.64%	39.92	0.54%	13.85	0.19%
Overdraft	-	-	0.11	0.00%	-	-	0.11	0.00%
Deferred tax liabilities	73.88	0.94%	35.16	0.45%	73.38	0.99%	35.16	0.49%
Premium written received in advance	222.44	2.83%	253.46	3.24%	133.82	1.81%	-	-
Accrued commissions	40.50	0.51%	38.73	0.50%	34.53	0.47%	-	-
Other payables	39.32	0.50%	-	-	39.32	0.53%	-	-
Other liabilities	91.70	1.16%	83.62	1.07%	68.47	0.93%	38.16	0.53%
Total Liabilities	2,311.94	29.37%	2,347.34	30.05%	1,841.66	24.88%	1,802.95	24.90%
Issued and Paid-up Capital	250.00	3.18%	250.00	3.20%	250.00	3.38%	250.00	3.45%
Premium on Share Capital	3,512.18	44.61%	3,512.18	44.96%	3,512.18	47.45%	3,512.18	48.50%
Retained Earnings	1,627.56	20.67%	1,621.75	20.76%	1,626.18	21.97%	1,594.94	22.02%
Surplus on Revaluation of Investments	170.76	2.17%	80.18	1.03%	171.23	2.31%	82.05	1.13%
Total Shareholders' Equity	5,560.50	70.63%	5,464.11	69.95%	5,559.59	75.12%	5,439.17	75.10%
Total Liabilities and Shareholders' Equity	7,872.44	100.00%	7,811.45	100.00%	7,401.25	100.00%	7,242.12	100.00%

Source: The Stock Exchange of Thailand

Statements of Comprehensive Income of the Company for the Nine-Month Period of the years 2010 and 2011

Unit: Millions of Baht	Consolidated Financial Statements (Unaudited but Reviewed)		Separate Financial Statements (Unaudited but Reviewed)			
	For the nine-month period ending September 30, 2011		For the nine-month period ending September 30, 2010		For the nine-month period ending September 30, 2011	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Income						
Earned Premium	1,266.89	88.38%	-	-	-	-
Commission and Brokerage Income	166.64	11.62%	-	-	-	-
Total Income	1,433.53	100.00%	-	-	-	-
Expenses						
Underwriting Expenses						
Insurance Claims and Loss Adjustment Expenses	642.58	44.83%	-	-	-	-
Commissions and Brokerages	270.84	18.89%	-	-	-	-
Other Underwriting Expenses	196.39	13.70%	-	-	-	-
Operating Expenses	217.85	15.20%	44.44	-	46.57	-
Total Underwriting Expenses	1,327.66	92.61%	44.44	-	46.57	-
Profit (Loss) on Underwriting	105.87	7.39%	-44.44	-	-46.57	-
Net Investment Income	208.35	14.53%	187.36	-	187.95	-
Gain on Investment	34.39	2.40%	50.46	-	34.56	-
Other Income	19.14	1.34%	2.48	-	21.46	-
Operating Profit (Loss)	367.75	25.65%	195.86	-	197.40	-
Contribution to the Office of Insurance Commission	5.07	0.35%	-	-	-	-
Contribution to Non-Life Insurance Fund	3.86	0.27%	-	-	-	-
Contribution to Road Victims Protection Fund	0.26	0.02%	-	-	-	-
Interest Expense	0.03	0.00%	0.07	-	0.03	-
Profit (Loss) before Income Taxes	358.53	25.01%	195.79	-	197.37	-
Incomes Taxes –Expense	64.33	4.49%	19.82	-	18.06	-
Profit (Loss) after Incomes Taxes	294.20	20.52%	175.97	-	179.31	-
Discontinued Operations	-	-	-	-	-	-
Profit from Discontinued Operations	-	-	80.80	-	89.45	-

Unit: Millions of Baht	Consolidated Financial Statements (Unaudited but Reviewed)		Separate Financial Statements (Unaudited but Reviewed)			
	For the nine-month period ending September 30, 2011		For the nine-month period ending September 30, 2010		For the nine-month period ending September 30, 2011	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Net Profit	294.20	20.52%	256.77	-	268.76	-
Other Comprehensive Income						
Surplus on Revaluation of Investment	-129.42		141.24		-127.40	
Income Tax relating to Other Comprehensive Income (Expense)	38.83		-35.31		38.22	
Other Net Comprehensive Income for the Periods –Net of Tax	-90.59		105.93		-89.18	
Total Comprehensive Income for the Periods	203.61		362.70		179.58	

Source: The Stock Exchange of Thailand

Statements of Cashflows of the Company for the Nine-Month Period of the years 2010 and 2011

Unit: Millions of Baht	Consolidated Financial Statements (Unaudited but Reviewed)		Separate Financial Statements (Unaudited but Reviewed)	
	For the nine-month period ending September 30, 2011		For the nine-month period ending September 30, 2010	For the nine-month period ending September 30, 2011
	Net Cash from (Used in) Operating Activities	360.35	371.50	321.54
Net Cash from (Used in) Investing Activities	1,148.29	0.78	255.82	
Net Cash from (Used in) Financing Activities	-300.00	-250.00	-300.00	
Net Increase (Decrease) in Cash and Cash Equivalents	1,208.64	122.28	277.36	
Cash and Cash Equivalents at the beginning of the period	379.79	574.24	318.87	
Cash and Cash Equivalents at the end of the period	1,588.43	696.52	596.23	

Source: The Stock Exchange of Thailand

Explanation and Analysis of the Company's Operating Results and Financial Position for the First Nine Months of 2011

Explanation and Analysis of the Company's Operating Result for the First Nine Months of 2011

For the first nine months of the year 2011, the Company and Sri Ayudhya General Insurance Public Company Limited –the Company's subsidiary had a total income of Baht 1,695.41 million comprising of earned premium, commission and brokerage income, net investment income, gain on investment and other income.

As for expenses, the Company and Sri Ayudhya General Insurance Public Company Limited had 2 main expenses: underwriting expenses (comprising of insurance claims and loss adjustment expenses, commissions and brokerages and other underwriting expenses) and operating expenses. During the first 9 months of 2011, the Company and Sri Ayudhya General Insurance Public Company Limited had total underwriting expenses of Baht 1,109.81 million. Commissions and brokerages vary directly with underwriting income. Meanwhile, insurance claims and loss adjustment expenses depend on loss incurred to the policy holders during the year. In the first nine months of 2011, the Company and Sri Ayudhya General Insurance Public Company Limited had total insurance claims and loss adjustment expenses of Baht 642.58 million. As for the operating expenses of the Company and Sri Ayudhya General Insurance Public Company Limited, it totaled Baht 217.85 million during the first nine months of 2011.

In the first nine months of 2011, the Company and Sri Ayudhya General Insurance Public Company Limited had an operating profit of Baht 367.75 million. The Company and Sri Ayudhya General Insurance Public Company Limited had a net profit of Baht 294.20 million during the first nine months of 2011. During the first nine months of 2011, the Company had total operating profit and net profit of Baht 197.40 and 268.76 million respectively.

Explanation and Analysis of the Company's Financial Condition for the First Nine Months of 2011

■ The Company's Assets

According to the consolidated financial statements, the assets of the Company comprise investment in securities, loans, cash and cash equivalents, premises and equipment, premium due and uncollected and other assets. As at 30 September 2011, the Company's assets as indicated in the consolidated financial statements totaled Baht 7,811.44 million, a slight decline from year-end 2010 of Baht 7,872.44 million.

The main assets, in the consolidated financial statements of the Company as at 30 September 2011, was investment in securities. As at 30 September 2011, the company had net investment in securities of Baht 5,007.16 million, a decrease from Baht 6,275.86 million as at 31 December 2010. The main reason for a decrease in investment in securities as at 30 September 2011 from as at 31 December 2010 was a decrease in investment in available-for-sale securities from Baht 4,789.76 million as at 31 December 2010 to Baht 3,853.32 million as at 30 September 2011. Another investment which decreased significantly during the first nine months of the year 2011

was investment in held-to-maturity securities. The investment in held-to-maturity dropped from Baht 592.40 million as at 31 December 2010 to Baht 383.60 million as at 30 September 2011.

Cash and cash equivalents as at 30 September 2011 totaled Baht 1,588.55 million, an increase by Baht 1,208.76 million from Baht 379.79 million as at 31 December 2010. In fact, the fixed deposits were increased.

Premium due and uncollected, as indicated in the consolidated financial statement as at 30 September 2011, totaled Baht 204.37 million, a decrease by Baht 30.67 million from year-end 2010 of Baht 235.04 million.

As at 30 September 2011, the Company's reinsurance assets totaled Baht 437.37 million, an increase from year-end 2010 of Baht 426.81 million. As for deferred tax assets, it increased from Baht 208.63 million as at 31 December 2010 to Baht 260.34 million as at 30 September 2011.

▪ The Company's Liabilities

Liabilities, as shown in the consolidated financial statements as at 30 September 2011, was Baht 2,347.33 million, an increase by Baht 35.39 million from year-end 2010 of Baht 2,311.94 million. The main reason for an increase in liabilities as at 30 September 2011 when comparing to the level as at year-end 2010, was an increase in loss reserve and outstanding claims. Loss reserve and outstanding claims rose from Baht 636.55 million at year-end 2010 to Baht 732.89 million at 30 September 2011.

Another element of liabilities that increased significantly during the first nine months of 2011 was premium written received in advance. It rose from Baht 222.44 million at year-end 2010 to Baht 253.46 million at 30 September 2011, representing an increase of 13.95%.

▪ The Company's Shareholders' Equity

Shareholders' Equity as at 30 September 2011, as shown in the consolidated financial statements of the Company, totaled Baht 5,464.11 million, a decrease by Baht 96.39 million from Baht 5,560.50 million at year-end 2010. The main reason for the decrease was a decline in retained earnings of the Company from Baht 1,627.56 million at year-end 2010 to Baht 1,621.75 million at 30 September 2011. The Company's revaluation surplus on investments also dropped from Baht 170.76 million as at December 31, 2010 to Baht 80.17 million as at 30 September 2011.

▪ Appropriate of the Company's Capital Structure

At 30 September 2011, the debt to equity ratio, as indicated in the consolidated financial statements of the Company was 0.43 times, a slight increase from that at year-end 2010 of 0.42 times.

■ **The Company's Cashflows**

For the first 9 months of 2011, the Company had net cash from operating activities as indicated in its consolidated financial statements of Baht 360.35 million. Meanwhile, during the first 9 months of 2011, the Company had net cash from investing activities of Baht 1,148.29 million as indicated in its consolidated financial statements. As for net cash related to financing activities, the Company had net cash used in financing activities of Baht 300 million during the first 9 months of 2011 as indicated in its consolidated financial statements. All the cash flows relating to financing activities were used in paying dividends to shareholders.

Statements of Financial Position of the Company for the years 2010 and 2011

Unit: Million Baht	Consolidated (Audited)				Separate (Audited)			
	As at 31 December 2010		As at 31 December 2011		As at 31 December 2010		As at 31 December 2011	
Assets	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets	Amount	% of Total Assets
Cash and Cash Equivalents	379.79	4.82%	1,486.26	11.73%	318.87	4.31%	747.42	13.31%
Accrued Income on Investment	24.77	0.31%	20.59	0.16%	19.77	0.27%	14.49	0.26%
Premium Due and Uncollected –Net	235.04	2.99%	212.92	1.68%	190.15	2.57%	-	-
Reinsurance Assets	426.81	5.42%	5,258.56	41.52%	360.21	4.87%	-	-
Investment Assets								
Investment in Held-for-Trading Securities	123.46	1.57%	-	-	-	-	-	-
Investment in Available-for-Sale Securities	4,789.76	60.84%	3,832.48	30.26%	3,634.80	49.11%	2,525.74	44.97%
Investment in Held-to-Maturity Securities	592.40	7.52%	413.21	3.26%	418.22	5.65%	272.93	4.86%
Investment in Other Securities	770.24	9.78%	770.24	6.08%	769.02	10.39%	769.02	13.69%
Total Investment in Securities –Net	6,275.86	79.72%	5,015.93	39.60%	4,822.04	65.15%	3,567.69	63.52%
Loans	3.38	0.04%	3.72	0.03%	3.38	0.05%	0.08	0.00%
Investment in Subsidiary	-	-	-	-	331.32	4.48%	1,223.58	21.79%
Receivable from Subsidiary –Share Subscription to be Returned	-	-	-	-	895.68	12.10%	-	-
Premises and Equipment –Net	63.84	0.81%	65.19	0.51%	60.36	0.82%	20.23	0.36%
Intangible Assets –Net	133.38	1.69%	123.70	0.98%	132.75	1.79%	0.01	0.00%
Deferred Tax Assets	208.63	2.65%	383.62	3.03%	172.52	2.33%	19.70	0.35%
Other Assets	120.94	1.54%	96.16	0.76%	94.20	1.27%	23.16	0.41%
Total Assets	7,872.44	100.00%	12,666.65	100.00%	7,401.25	100.00%	5,616.36	100.00%
Liabilities and Shareholders' Equity								0.00%
Income Tax Payable	35.45	0.45%	17.52	0.14%	29.25	0.40%	17.52	0.31%
Due to Reinsurers	263.47	3.35%	365.99	2.89%	235.44	3.18%	-	-
Insurance Contract Liabilities								
Loss Reserve and Outstanding Claims	636.55	8.09%	6,314.08	49.85%	529.35	7.15%	85.48	1.52%
Unearned Premium Reserve	862.97	10.96%	796.73	6.29%	658.18	8.89%	-	-

Unit: Million Baht	Consolidated (Audited)				Separate (Audited)			
	As at 31 December 2010		As at 31 December 2011		As at 31 December 2010		As at 31 December 2011	
Employment Benefits Obligation	45.66	0.58%	53.56	0.42%	39.92	0.54%	15.08	0.27%
Deferred Tax Liabilities	73.88	0.94%	18.58	0.15%	73.38	0.99%	17.70	0.32%
Premium Written Received in Advance	222.44	2.83%	256.90	2.03%	133.82	1.81%	-	-
Accrued Commissions	40.50	0.51%	40.04	0.32%	34.53	0.47%	-	-
Other Payables	39.32	0.50%	-	-	39.32	0.53%	-	-
Other Liabilities	91.70	1.16%	103.15	0.81%	68.47	0.93%	33.94	0.60%
Total Liabilities	2,311.94	29.37%	7,966.55	62.89%	1,841.66	24.88%	169.72	3.02%
Issued and Paid-up Capital	250.00	3.18%	250.00	1.97%	250.00	3.38%	250.00	4.45%
Premium on Share Capital	3,512.18	44.61%	3,512.18	27.73%	3,512.18	47.45%	3,512.18	62.53%
Retained Earnings	1,627.56	20.67%	872.47	6.89%	1,626.18	21.97%	1,621.99	28.88%
Surplus on Revaluation of Investments	170.76	2.17%	65.45	0.52%	171.23	2.31%	62.47	1.11%
Total Shareholders' Equity	5,560.50	70.63%	4,700.10	37.11%	5,559.59	75.12%	5,446.64	96.98%
Total Liabilities and Shareholders' Equity	7,872.44	100.00%	12,666.65	100.00%	7,401.25	100.00%	5,616.36	100.00%

Source: The Stock Exchange of Thailand

Statements of Comprehensive Income of the Company for the years 2010 and 2011

Unit: Million	Consolidated (Audited)				Separate (Audited)			
	For the Year Ended December 31, 2010		For the Year Ended December 31, 2011		For the Year Ended December 31, 2010		For the Year Ended December 31, 2011	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Income								
Earned Premium	1,259.69	87.00%	1,661.46	88.22%	-	-	-	-
Commission and Brokerage Income	188.28	13.00%	221.91	11.78%	-	-	-	-
Total Income	1,447.97	100.00%	1,883.37	100.00%	-	-	-	-
Expenses								
Underwriting Expenses								
Insurance Claims and Loss Adjustment Expenses	632.04	43.65%	1,831.17	97.23%	-	-	-	-
Commissions and Brokerages	333.65	23.04%	360.91	19.16%	-	-	-	-
Other Underwriting Expenses	211.89	14.63%	269.98	14.33%	-	-	-	-
Operating Expenses	231.65	16.00%	283.38	15.05%	61.58	-	76.92	-
Total Underwriting Expenses	1,409.23	97.32%	2,745.44	145.77%	61.58	-	76.92	-
Profit (Loss) on Underwriting	38.74	2.68%	-862.07	-45.77%	-61.58	-	-76.92	-
Net Investment Income	226.01	15.61%	234.63	12.46%	222.98	-	206.17	-
Gain on Investment	85.89	5.93%	97.95	5.20%	86.60	-	98.10	-
Other Income	10.22	0.71%	22.60	1.20%	5.36	-	25.86	-
Operating Profit (Loss)	360.86	24.92%	-506.89	-26.91%	253.36	-	253.21	-
Contribution to the Office of Insurance Commission	5.54	0.38%	6.74	0.36%	-	-	-	-
Contribution to Non-Life Insurance Fund	3.52	0.24%	5.25	0.28%	-	-	-	-
Contribution to Road Victims Protection Fund	0.34	0.02%	0.34	0.02%	-	-	-	-
Interest Expense	0.09	0.01%	0.03	0.00%	0.09	-	0.03	-
Profit (Loss) before Income Taxes	351.37	24.27%	-519.25	-27.57%	253.27	-	253.18	-
Incomes Taxes –Expense	29.73	2.05%	-64.16	-3.41%	33.64	-	34.63	-
Profit (Loss) after Incomes Taxes	321.64	22.21%	-455.09	-24.16%	219.63	-	218.55	-
Discontinued Operations	-	-	-	-	100.65	-	77.26	-

Unit: Million	Consolidated (Audited)				Separate (Audited)			
	For the Year Ended December 31, 2010		For the Year Ended December 31, 2011		For the Year Ended December 31, 2010		For the Year Ended December 31, 2011	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Profit from Discontinued Operations	321.64	22.21%	-455.09	-24.16%	320.28	-	295.81	-
Net Profit	321.64	22.21%	-455.09	-24.16%	320.28	-	295.81	-
Other Comprehensive Income								
Surplus on Revaluation of Investment	74.93		-160.62		75.59		-164.44	
Income Tax relating to Other Comprehensive Income (Expense)	-30.93		55.30		-31.13		55.68	
Other Net Comprehensive Income for the Periods –Net of Tax	44.00		-105.32		44.46		-108.76	
Total Comprehensive Income for the Periods	365.64		-560.41		364.74		187.05	

Source: The Stock Exchange of Thailand

Statements of Cash Flows of the Company for the years 2010 and 2011

Unit: Million Baht	Consolidated (Audited)		Separate (Audited)	
	For the Year ending 31 December 2010	For the Year ending 31 December 2011	For the Year ending 31 December 2010	For the Year ending 31 December 2011
Net Cash from (Used in) Operating Activities	309.43	240.99	309.74	284.09
Net Cash from (Used in) Investing Activities	-328.29	1,165.47	-314.67	444.46
Net Cash from (Used in) Financing Activities	-250.00	-300.00	-250.00	-300.00
Net Increase (Decrease) in Cash and Cash Equivalents	-268.86	1,106.46	-254.93	428.55
Cash and Cash Equivalents as at 1 January	648.64	379.79	573.79	318.87
Cash and Cash Equivalents as at 31 December	379.78	1,486.25	318.86	747.42

Source: The Stock Exchange of Thailand

Explanation and Analysis of the Company's Operating Results and Financial Position for the Year 2011

Explanation and Analysis of the Company's Operating Results for the Year 2011

In 2011, the Company and Sri Ayudhya General Insurance Public Company Limited –the Company's subsidiary had a total income of Baht 2,239.05 million comprising of earned premium, commission and brokerage income, net investment income, gain on investment and other income. The total income increased from 2010 when the Company and Sri Ayudhya General Insurance Public Company Limited had a total income of Baht 1,770.09 million by Baht 468.96 million, or 26.49%. The main reason for an increase was an increase in earned premium from Baht 1,259.69 million in 2010 to Baht 1,661.46 million in 2011, representing a 31.89% increase. Another component of total income which increased significantly in 2011 was commission and brokerage income, which rose from Baht 188.28 million in 2010 to Baht 221.91 million in 2011, representing a growth of 17.86%.

As for expenses, the Company and Sri Ayudhya General Insurance Public Company Limited had 2 main expenses: underwriting expenses (comprising of insurance claims and loss adjustment expenses, commissions and brokerages and other underwriting expenses) and operating expenses. In 2011, the Company and Sri Ayudhya General Insurance Public Company Limited had total underwriting expenses of Baht 2,462.06 million or an increase by 109.08% from that in the Year 2010 of Baht 1,177.58. Commissions and brokerages vary directly with underwriting income. Meanwhile, insurance claims and loss adjustment expenses depend on loss incurred to the policy holders during the year. In 2011, the Company and Sri Ayudhya General Insurance Public Company Limited had total insurance claims and loss adjustment expenses of Baht 1,831.17 million, an increase from 2010 of Baht 632.04 million. The increase in insurance claims and loss adjustment expenses was due to transfer of non-life insurance business from the Company to Sri Ayudhya General Insurance Public Company Limited at the beginning of the fourth quarter of 2011 and claims payment to the policy holders affected from the flood crisis during October – November 2011. As for the operating expenses of the Company and Sri Ayudhya General Insurance Public Company Limited, it totaled Baht 283.38 million in 2011, an increase by Baht 51.73 million or 22.33% from Baht 231.65 million in 2010.

In 2011, the Company and Sri Ayudhya General Insurance Public Company Limited had an operating loss of Baht 506.89 million meanwhile in 2010, they had an operating profit of Baht 360.86 million. The main cause was an increase in insurance claims and loss adjustment expenses to Baht 1,831.17 million in 2011 from Baht 632.04 million in 2010. As a result, the Company and Sri Ayudhya General Insurance Public Company Limited had a net loss of Baht 455.09 million in 2011 and a net profit of Baht 321.64 million in 2010.

Explanation and Analysis of the Company's Financial Position for the Year 2011

▪ Assets of the Company

According to the consolidated financial statements, the assets of the Company comprise investment in securities, loans, cash and cash equivalents, premises and equipment, premium due and uncollected and other

assets. As at 31 December 2011, the Company's assets as indicated in the consolidated financial statements totaled Baht 12,666.65 million, an increase by 60.90% from year-end 2010 of Baht 7,842.44 million.

The main asset, in the consolidated financial statements of the Company as at 31 December 2011, was investment in securities. As at 31 December 2011, the Company had net investment in securities of Baht 5,015.93 million, a decrease from Baht 6,275.86 million as at 31 December 2010. The main reason for a decrease in investment in securities as at 31 December 2011 from as at 31 December 2010 was a decrease in investment in available-for-sale securities from Baht 4,789.76 million as at 31 December 2010 to Baht 3,832.48 million as at 31 December 2011. Another investment which decreased significantly during the year 2011 was investment in held-to-maturity securities. The investment in held-to-maturity dropped from Baht 592.40 million as at 31 December 2010 to Baht 413.21 million as at 31 December 2011.

Cash and cash equivalents as at year-end 2011 totaled Baht 1,486.26 million, an increase by Baht 1,106.47 million from Baht 379.79 million at year-end 2010. In fact, the fixed deposits were increased.

Premium due and uncollected, as indicated in the consolidated financial statements as at 31 December 2011, totaled Baht 212.92 million, a decrease by Baht 22.12 million from year-end 2010 of Baht 235.04 million. Concerning this matter, Sri Ayudhya General Insurance Public Company Limited who operates non-life insurance business, put a great emphasis on keeping track of premium due and uncollected by strictly follow and monitor the premium collection more closely. In addition, Sri Ayudhya General Insurance Public Company Limited had taken legal action against agents and customers who do not comply with the obligations. It also verifies the information regarding premium due and uncollected, the follow-up on premium due and collected, the payment of premium due and collected, as well as related accounting records.

As at 31 December 2011, the Company's reinsurance assets totaled Baht 5,258.56 million, an increase from year-end 2010 of Baht 426.81 million. As for deferred tax assets, it increased from Baht 208.63 million as at 31 December 2010 to Baht 383.62 million as at year-end 2011.

▪ Liabilities of the Company

Liabilities, as shown in the consolidated financial statements as at 31 December 2011, was Baht 7,966.55 million, an increase by Baht 5,654.61 million from year-end 2010 of Baht 2,311.94 million. The main reason for a significant increase in liabilities as at year-end 2011 when comparing to the level as at year-end 2010, was an increase in loss reserve and outstanding claims. The increase in loss reserve and outstanding claims from Baht 636.55 million at year-end 2010 to Baht 6,314.08 million at 31 December 2011 rooted from the loss reserve and outstanding claims to be paid to the policy holders affected by the flood crisis in the fourth quarter of 2011.

Another element of liabilities that increased significantly during the year 2011 was due to reinsurers. It rose from Baht 263.47 million at year-end 2010 to Baht 365.99 million at year-end 2011, representing an increase of 38.91%.

▪ **Shareholders' Equity of the Company**

Shareholders' Equity as at 31 December 2011, as shown in the consolidated financial statements of the Company, totaled Baht 4,700.10 million, a decrease by Baht 860.40 million from Baht 5,560.50 million at year-end 2010. The main reason for the decrease was a drop in retained earnings of the Company from Baht 1,627.56 million at year-end 2010 to Baht 872.47 million at year-end 2011. In fact, in 2011 the Company had a net loss of Baht 455.09 million –the main cause being the claims payment Sri Ayudhya General Insurance Public Company Limited had to make to the policy holders affected by the flood crisis.

▪ **The Appropriateness of the Capital Structure of the Company**

At 31 December 2011, the debt to equity ratio, as indicated in the consolidated financial statements of the Company was 1.69 times, increasing from at year-end 2010 of 0.42 times. The main reasons for a dramatic increase in the debt to equity ratio at year-end 2011 from at year-end 2010 were an increase in the liabilities in the consolidated financial statements (with the main cause being an increase in loss reserve and outstanding claims) and a decrease in the shareholders' equity (due to a decrease in retained earnings during 2011).

▪ **Cash Flows of the Company**

Considering the years 2010 and 2011, net cash from operating activities were always positive. Meanwhile, in 2011 the Company had net cash from investing activities of Baht 1,165.47 million; however, in 2010 the Company had net cash used in investing activities of Baht 328.29 million. As for net cash related to financing activities, the Company had net cash used in financing activities of Baht 250 million and Baht 300 million in 2010 and 2011 respectively. Most of the cash flows relating to financing activities were used in paying dividends to shareholders.

6) Related Transactions of the Company for the years 2010 and 2011

The consolidated and separate financial statements include certain transactions with the subsidiary and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and separate financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiary and the related parties which are as follows:

The relationships between the Company and its related parties are summarized below:

Companies	Relationship	Type of Business
Bank of Ayudhya Plc.	Some common shareholders and directors	Banking
Krungsri Securities Plc. (Formerly Ayudhya Securities Plc.)	Some common shareholders and directors	Finance
Krungsri Asset Management Co., Ltd. (Formerly Ayudhya Fund Management Co., Ltd.)	Some common shareholders	Fund Management
PrimaVest Asset Management Co., Ltd.	Some common shareholders	Fund Management
Ayudhya Development Leasing Co., Ltd.	Some common shareholders	Leasing
Ayudhya Auto Lease Co., Ltd.	Some common shareholders	Leasing
Ayudhya Capital Lease Plc.	Some common shareholders	Leasing
Siam City Cement Plc.	Some common shareholders and directors	Manufacturing
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders and director	Television Business
Great Luck Equity Co., Ltd.	Some common shareholders	Advertising
Super Asset Co., Ltd.	Some common shareholders	Investments
BBTV Equity Co., Ltd.	Some common shareholders	Office Space Rental
CKS Holding Ltd.	Some common shareholders	Investments
Sunrise Equity Co., Ltd.	Some common shareholders	Consulting
Thai Reinsurance Plc.	Some common shareholders and directors	Reinsurance
Ayudhya Allianz C.P. Life Plc.	Some common shareholders and directors	Life Insurance
Hyla (Thailand) Co., Ltd.	Some common shareholders and directors	Selling Electrical Appliances
Grand Canal Land Public Co., Ltd.	Some common shareholders	Advertising
Ayudhya Asset Management Co., Ltd.	Some common shareholders	Asset Management
Siam Realty and Services Co., Ltd.	Some common shareholders	Services
Krungsri Factoring Co., Ltd. (Formerly Ayudhya Factoring Co., Ltd.)	Some common shareholders	Factoring
Ayudhya Capital Auto Lease Plc.	Some common shareholders	Leasing
Krungsriayudhya Card Co., Ltd.	Some common shareholders	Services
Nirvana Co., Ltd.	Some common shareholders and directors	Training and Computer Sales

Investments

As at December 31, 2011

Companies	Consolidated and separate financial statements			
	Paid-up share capital	Shareholding %	Investment	Dividend
	Baht		Baht	Baht
Investment - ordinary shares				
Bank of Ayudhya Plc.	60,741,437,470	0.01	6,184,560	197,680
Krungsri Securities Plc. (Formerly Ayudhya Securities Plc.)	600,000,000	0.43	3,166,660	-
Sunrise Equity Co., Ltd.	9,970,000,000	5.43	546,136,660	60,184,260
Siam City Cement Plc.	2,300,000,000	0.13	76,987,200	3,600,000
Ayudhya Allianz C.P. Life Plc.	2,950,000,000	5.82	217,144,558	-
			<u>849,619,638</u>	<u>63,981,940</u>

Companies	Consolidated and separate financial statements	
	Investment Baht	Dividend Baht
Investment - unit trusts		
Unit trusts managed by		
Krungsri Asset Management Co., Ltd. (Formerly Ayudhya Fund Management Co., Ltd.)		
- Krungsri Medium Term Fixed Income Dividend Fund	447,757,866	5,191,141
- Krungsri Medium Term Fixed Income Fund	144,918,932	-
- Krungsri Dividend Stock Fund	25,802,600	1,000,000
- Krungsri Dynamic Dividend Fund	11,667,960	1,752,000
- Krungsri Flexible Dividend Fund	90,023,514	22,802,714
- Krungsri Financial Focus Dividend Fund	6,780,481	601,094
- Krungsri-AllianzGI Oriental Flexible Fund	26,447,228	-
- Krungsri-AllianzGI Global High Payout Fund	15,430,148	-
	<u>768,828,729</u>	<u>31,346,949</u>

As at December 31, 2010

Companies	Consolidated and separate financial statements			
	Paid-up	Shareholding	Investment	Dividend
	share capital			
	Baht	%	Baht	Baht
Investment - ordinary shares				
Bank of Ayudhya Plc.	60,741,437,740	0.01	7,201,20	112,960
Krungsri Securities Plc. (Formerly Ayudhya Securities Plc..)	600,000,000	0.43	3,166,66	-
Sunrise Equity Co., Ltd.	9,970,000,000	5.48	546,136,66	54,613,666
Siam City Cement Plc.	2,375,000,000	0.13	69,600,00	8,990,000
Ayudhya Allianz C.P. Life Plc.	2,950,000,000	5.82	217,144,55	-
			<u>843,249,07</u>	<u>63,716,626</u>

Companies	Investment	Dividend
	Baht	Baht
Investment - unit trusts		
Unit trusts managed by		
Krungsri Asset Management Co., Ltd. (Formerly Ayudhya Fund Management Co., Ltd.)		
- Krungsri Medium Term Fixed Income Dividend Fund	442,46๙	4,619,235
- Krungsri Medium Term Fixed Income Fund	141,47๕	-
- Krungsri Cash Plus Fund	75,84๙	-
- Krungsri Dividend Stock Fund	27,86๕	4,600,000
- Krungsri Dynamic Dividend Fund	12,15๙	2,400,000
- Krungsri Flexible Dividend Fund	112,39๙	9,201,095
- Krungsri Financial Focus Dividend Fund	7,29๙	1,073,382
- Krungsri Money Fund	134,18๙	-
- Krungsri-AllianzGI Oriental Flexible Fund	27,93๙	-
- Krungsri-AllianzGI Global High Payout Fund	15,51๙	-
	<u>997,13๙</u>	<u>21,893,712</u>

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2011 Baht	As at December 31, 2010 Baht	As at December 31, 2011 Baht	As at December 31, 2010 Baht
Investment - debentures				
Bank of Ayudhya Plc.	-	204,596,300	-	204,096,300
Siam City Cement Plc.	-	102,882,900	-	102,882,900
Ayudhya Capital Auto Lease Plc.	-	274,320,520	-	274,320,520
	<u>-</u>	<u>581,799,720</u>	<u>-</u>	<u>581,299,720</u>
Investment - Notes				
Bank of Ayudhya Plc.	20,000,000	20,000,000	-	-

Significant balances and transactions are as follows:

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2011 Baht	As at December 31, 2010 Baht	As at December 31, 2011 Baht	As at December 31, 2010 Baht
Bank deposits				
Bank of Ayudhya Plc.	1,370,263,501	162,187,918	805,315,644	152,808,552
Premium due and uncollected				
Ayudhya Development Leasing Co., Ltd.	-	361,125	-	361,125
Krungsri Securities Plc. (Formerly Ayudhya Securities Plc.)	72,287	49,946	-	49,946
Bank of Ayudhya Plc.	966,337	601,313	-	601,313
Krungsri Asset Management Co., Ltd. (Formerly Ayudhya Fund Management Co., Ltd.)	25,224	33,433	-	33,433
Bangkok Broadcasting & T.V. Co., Ltd.	1,710,823	108,441	-	108,441
BBTV Equity Co., Ltd.	-	16,006	-	16,006
Siam City Cement Plc.	657,788	2,935,893	-	2,935,893
Ayudhya Allianz C.P. Life Plc.	42,544	958,940	-	958,940
Ayudhya Asset Management Co., Ltd.	620,338	756,754	-	756,754
Siam Realty and Services Co., Ltd.	85,287	76,533	-	76,533
Krungsri Ayudhya Card Co., Ltd.	415,048	3,498,167	-	3,498,167
Ayudhya Capital Auto Lease Plc.	339,015	238,799	-	238,799
Grand Canal Land Plc.	357,198	357,198	-	357,198
	<u>5,291,889</u>	<u>9,992,548</u>	<u>-</u>	<u>9,992,548</u>
Investment in subsidiary (see Note 10)				
Sri Ayudhya General Insurance Plc. (Formerly BT Insurance Co., Ltd.)	-	-	1,223,578,981	331,316,041
Due from subsidiary - bonds (see Note 11)				
Sri Ayudhya General Insurance Plc. (Formerly BT Insurance Co., Ltd.)	-	-	-	895,679,719
Accrued interest income				
Bank of Ayudhya Plc.	1,539,458	1,546,733	1,027,937	1,544,205
Siam City Cement Plc.	-	197,260	-	197,260
Ayudhya Capital Auto Lease Plc.	-	2,441,367	-	2,441,367
	<u>1,539,458</u>	<u>4,185,360</u>	<u>1,027,937</u>	<u>4,182,832</u>
Accrued income				
Sri Ayudhya General Insurance Plc. (Formerly BT Insurance Co., Ltd.)	-	-	1,369,908	-

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2011 Baht	As at December 31, 2010 Baht	As at December 31, 2011 Baht	As at December 31, 2010 Baht
Rental and facilities deposits				
BBTV Equity Co., Ltd.	5,686,493	4,589,393	4,589,393	4,589,393
Siam City Cement Plc.	36,000	36,000	36,000	36,000
	<u>5,722,493</u>	<u>4,625,393</u>	<u>4,625,393</u>	<u>4,625,393</u>

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2011 Baht	As at December 31, 2010 Baht	As at December 31, 2011 Baht	As at December 31, 2010 Baht
Financial lease liabilities				
Ayudhya Capital Auto Lease Plc.	-	1,190,150	-	1,190,150
Accrued interest of financial lease				
Ayudhya Capital Auto Lease Plc.	-	4,951	-	4,951
Accrued expense - management fee				
Krungsri Securities Plc. (Formerly Ayudhya Securities Plc.)	40,042	42,571	40,042	42,571
Accrued expense - custodian fee				
Bank of Ayudhya Plc.	19,239	14,137	8,546	14,137
Accrued expense - commissions and brokerages				
Bank of Ayudhya Plc.	12,944,831	12,704,198	-	12,704,198
Accrued expense - other underwriting expenses				
Bank of Ayudhya Plc.	6,180,003	10,053,512	-	10,053,512
Accrued expense - other operating expenses				
Sri Ayudhya General Insurance Plc. (Formerly BT Insurance Co., Ltd.)	-	-	11,820,911	-
Premium written				
Ayudhya Development Leasing Co., Ltd.	35,909	486,509	35,909	486,509
Ayudhya Auto Lease Plc.	5,058	22,285	5,058	22,285
Krungsri Securities Plc. (Formerly Ayudhya Securities Plc.)	72,635	174,285	5,347	174,285
Bank of Ayudhya Plc.	17,501,164	21,028,673	16,496,133	21,028,673
Krungsri Asset Management Co., Ltd. (Formerly Ayudhya Fund Management Co., Ltd.)	1,423,422	1,640,508	1,269,156	1,640,508
Bangkok Broadcasting & T.V. Co., Ltd.	7,573,599	7,977,423	6,010,628	7,977,423
Super Assets Co., Ltd.	85,144	73,903	58,194	73,903
BBTV Equity Co., Ltd.	997,768	1,029,055	-	1,029,055
Siam City Cement Plc.	76,778,053	66,800,601	66,149,013	66,800,601
CKS Holding Co., Ltd.	13,642	33,198	13,642	33,198
Great Luck Equity Co., Ltd.	57,823	63,780	57,823	63,780
Thai Reinsurance Plc.	-	5,667,630	-	5,667,630

	Consolidated financial statements		Separate financial statements	
	As at December 31, 2011 Baht	As at December 31, 2010 Baht	As at December 31, 2011 Baht	As at December 31, 2010 Baht
PrimaVest Asset Management Co., Ltd.	-	(1,633)	-	(1,633)
Ayudhya Allianz C.P. Life Plc.	43,189	1,835,417	3,590	1,835,417
Grand Canal Land Plc.	332,500	860,171	-	860,171
Ayudhya Asset Management Co., Ltd.	2,934,746	4,476,282	2,252,019	4,476,282
Siam Realty and Services Co., Ltd.	1,261,485	1,265,008	990,789	1,265,008
Krungsri Factoring Co., Ltd. (formerly Ayudhya Factoring Co., Ltd.)	4,300	4,300	4,300	4,300
Ayudhya Capital Auto Lease Plc.	350,573	260,589	35,000	260,589
Krungsriayudhya Card Co., Ltd.	753,902	6,948,572	367,553	6,948,572
	<u>110,224,912</u>	<u>120,646,556</u>	<u>93,754,154</u>	<u>120,646,556</u>
Premium Ceded				
Thai Reinsurance Plc.	-	52,098,365	-	52,098,365

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Commissions and brokerages				
Bank of Ayudhya Plc.	122,242,826	121,507,923	91,754,243	121,507,923
Other underwriting expenses				
Bank of Ayudhya Plc.	65,665,992	73,234,149	48,895,110	73,234,149

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Interest income				
Bank of Ayudhya Plc.	7,608,136	12,844,094	4,645,149	12,839,964
Siam City Cement Plc.	334,247	4,500,000	334,247	4,500,000
Ayudhya Capital Auto Lease Plc.	525,363	10,179,753	525,363	10,179,753
	<u>8,467,746</u>	<u>27,523,847</u>	<u>5,504,759</u>	<u>27,519,717</u>
Other income				
Sri Ayudhya General Insurance Plc. (Formerly BT Insurance Co., Ltd.)	15,864,391	-	15,864,391	-
Interest expense				
Bank of Ayudhya Plc.	407	789	407	789
Ayudhya Capital Auto Lease Plc.	32,364	88,659	32,364	88,659
	<u>32,771</u>	<u>89,448</u>	<u>32,771</u>	<u>89,448</u>

Interest was charged at the same interest rates as the bank has offered to other insurance companies. For the interest rates charged by other related parties, the rates were the same as they charged other customers.

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Commission paid				
Ayudhya Securities Plc.	480,622	825,531	480,622	825,531
Management fee				
Ayudhya Securities Plc.	495,907	435,621	495,907	435,621
Custodian fee				
Bank of Ayudhya Plc.	216,997	157,513	140,812	157,513
Purchase of office equipment				
Nirvana Co., Ltd.	-	27,061	-	27,061

Commission, management fee, custodian fee and purchase of office equipment were paid at the same rates and conditions as the related parties charged other customers.

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Rental and service expenses				
BBTV Equity Co., Ltd.	18,227,400	14,570,400	14,570,400	14,570,400
Siam City Cement Plc.	96,000	144,000	96,000	144,000
Sri Ayudhya General Insurance Plc. (Formerly BT Insurance Co., Ltd.)	-	-	75,000	-

The Company has office rental, equipment rental and service agreements with related companies for a term of 3 years. The rental rates and conditions are the same as the related parties offer to other companies (see Note 38).

The above related transactions with Thai Reinsurance Plc. related to the Company by virtue of having common director were shown by end of March 31, 2010. Since April 2010, the Company had no any common director with such company, so it's no longer the related company.

7) **Contingent Liabilities**

As at December 31, 2011 and 2010, lawsuits have been brought against the Company and its subsidiary, as insurer, from which the Company and its subsidiary estimates losses totaling Baht 94.71 million and Baht 83.58 million, respectively, (Company : Baht 85.48 million and Baht 82.38 million, respectively). Such amount has been set aside in the loss reserve and outstanding claims accounts. The Company's management does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Company's operating results, liquidity or financial status.