

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

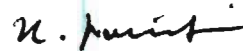
TO THE BOARD OF DIRECTORS THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

We have reviewed the balance sheet of The Ayudhya Insurance Public Company Limited as at March 31, 2009, and the related statements of income, changes in shareholders' equity and cash flows for the quarters ended March 31, 2009 and 2008. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews.

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

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

We have previously audited, in accordance with generally accepted auditing standards, the financial statements of The Ayudhya Insurance Public Company Limited for the year ended December 31, 2008, and expressed an unqualified opinion in our report dated February 16, 2009. The Company's balance sheet as at December 31, 2008, presented herein for comparison, has been derived from the financial statements which have been audited and reported on. We have not performed any other audit procedures subsequent to such report date.



Niti Jungnitnirundr
Certified Public Accountant (Thailand)
Registration No. 3809

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
May 11, 2009

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT MARCH 31, 2009 AND DECEMBER 31, 2008

Baht : '000

	"Unaudited"	
	As at March 31, 2009	As at December 31, 2008
ASSETS		
INVESTMENT IN SECURITIES (Note 4)		
Bonds	504,137	401,298
Treasury bills	518,895	157,917
Notes	437,791	386,350
Stocks	1,147,518	1,177,738
Debentures	487,958	707,777
Other securities		
Unit trusts	1,837,676	1,775,473
Total investment in securities	<u>4,933,975</u>	<u>4,606,553</u>
LOANS (Note 5)	2,226	2,541
CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS (Note 6)	978,092	1,193,376
PREMISES AND EQUIPMENT - NET	53,949	56,142
AMOUNT DEPOSIT ON REINSURANCE TREATIES	7,524	7,537
DUE FROM REINSURERS	48,116	29,003
PREMIUMS DUE AND UNCOLLECTED - NET (Note 7)	236,576	251,737
ACCRUED INCOME ON INVESTMENT	50,153	25,053
OTHER ASSETS		
Deferred tax assets (Note 13)	125,648	106,021
Intangible assets - net	18,234	14,979
Others	58,111	55,513
TOTAL ASSETS	<u><u>6,512,604</u></u>	<u><u>6,348,455</u></u>

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

BALANCE SHEETS (CONTINUED)

AS AT MARCH 31, 2009 AND DECEMBER 31, 2008

Baht : '000

	"Unaudited"	
	As at March 31, 2009	As at December 31, 2008
LIABILITIES AND SHAREHOLDERS' EQUITY		
UNEARNED PREMIUM RESERVE (Note 8)	500,297	483,654
LOSS RESERVES AND OUTSTANDING CLAIMS (Note 9)	208,436	182,316
AMOUNT WITHHELD ON REINSURANCE TREATIES	118,036	116,123
DUE TO REINSURERS	163,313	103,982
BANK OVERDRAFTS (Note 10)	119	93
OTHER LIABILITIES		
Premium written received in advance	95,388	91,154
Accrued income tax (Note 18)	46,171	22,800
Accrued commissions	40,047	45,963
Deferred tax liabilities (Note 13)	6,174	6,174
Others	38,602	44,815
TOTAL LIABILITIES	<u>1,216,583</u>	<u>1,097,074</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
Authorized share capital		
500,000,000 ordinary shares of Baht 1.00 each	<u>500,000</u>	<u>500,000</u>
Issued and paid-up share capital		
250,000,000 ordinary shares of Baht 1.00 each, fully paid	250,000	250,000
PREMIUM ON SHARE CAPITAL	3,512,184	3,512,184
DEFICIT ON REVALUATION OF INVESTMENTS (Note 3.1)	(50,856)	(30,950)
RETAINED EARNINGS		
Appropriated		
Statutory reserve	50,000	50,000
Other reserves	900,000	900,000
Unappropriated	634,693	570,147
TOTAL SHAREHOLDERS' EQUITY	<u>5,296,021</u>	<u>5,251,381</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>6,512,604</u>	<u>6,348,455</u>

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF INCOME
FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008
"UNAUDITED"

Baht : '000

	2009					2008	
	Fire	Marine		Motor	Miscellaneous	Total	Total
		Hull	Cargo				
Underwriting income							
Premiums written	114,612	18,928	41,441	132,144	151,747	458,872	427,685
<u>Less</u> Premium ceded	41,045	17,600	31,646	2,829	105,484	198,604	182,602
Net premium written	73,567	1,328	9,795	129,315	46,263	260,268	245,083
<u>Less</u> Unearned premium reserve increase (decrease) from previous period	(3,728)	605	860	11,188	7,718	16,643	11,665
Earned premium	77,295	723	8,935	118,127	38,545	243,625	233,418
Underwriting expenses							
Losses incurred	7,958	171	1,177	76,931	9,137	95,374	88,723
Loss adjustment expenses	161	(17)	413	1,295	353	2,205	1,564
Commissions and brokerages	9,156	(2,077)	(4,620)	20,558	(10,244)	12,773	4,830
Other underwriting expenses	7,739	75	2,574	4,090	5,458	19,936	14,783
Total underwriting expenses	25,014	(1,848)	(456)	102,874	4,704	130,288	109,900
Profit on underwriting	52,281	2,571	9,391	15,253	33,841	113,337	123,518
Net investment income						50,288	63,946
Gain (loss) on investment in securities						(14,864)	12,915
Reversal of loss on impairment of investment in notes						434	-
Other income							
Gain on sale of assets						67	316
Others						407	472
Total other income						474	788

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF INCOME (CONTINUED)
FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008
"UNAUDITED"

	Baht : '000	
	2009	2008
Operating expenses		
Personnel expenses	44,836	42,150
Premises and equipment expenses	18,674	18,276
Taxes and duties	405	415
Bad debt and doubtful accounts	192	-
Directors' remuneration	2,198	2,268
Other operating expenses		
Travelling expenses	2,237	1,577
Others	4,293	4,721
Total operating expenses	72,835	69,407
PROFIT BEFORE INCOME TAXES	76,834	131,760
INCOME TAXES (Note 13)	12,288	26,126
NET PROFIT	64,546	105,634
BASIC EARNINGS PER SHARE	BAHT	
	0.26	0.42
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	
	250,000,000	250,000,000

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008
"UNAUDITED"

Baht : '000

	Issued and paid-up share capital	Premium on share capital	Surplus (deficit) on revaluation of investments	Retained earnings			Total
				Statutory reserve	Other reserves	Unappropriated	
Beginning balance as at January 1, 2008	250,000	3,512,184	288,128	50,000	900,000	563,584	5,563,896
Changes during the year							
Decrease in the surplus on revaluation of investments (Note 3.1)	-	-	(79,112)	-	-	-	(79,112)
Net profit for the period	-	-	-	-	-	105,634	105,634
Ending balance as at March 31, 2008	<u>250,000</u>	<u>3,512,184</u>	<u>209,016</u>	<u>50,000</u>	<u>900,000</u>	<u>669,218</u>	<u>5,590,418</u>
Beginning balance as at January 1, 2009	250,000	3,512,184	(30,950)	50,000	900,000	570,147	5,251,381
Changes during the year							
Increase in the deficit on revaluation of investments (Note 3.1)	-	-	(19,906)	-	-	-	(19,906)
Net profit for the period	-	-	-	-	-	64,546	64,546
Ending balance as at March 31, 2009	<u>250,000</u>	<u>3,512,184</u>	<u>(50,856)</u>	<u>50,000</u>	<u>900,000</u>	<u>634,693</u>	<u>5,296,021</u>

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008

"UNAUDITED"

	Baht : '000	
	2009	2008
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Direct premium received	427,285	348,636
Cash paid from reinsurance	(36,478)	(71,580)
Losses incurred from direct insurance	(88,095)	(114,169)
Loss adjustment expenses from direct insurance	(2,205)	(1,564)
Commissions and brokerages from direct insurance	(69,331)	(57,958)
Other underwriting expenses	(18,895)	(13,619)
Net investment income	24,112	41,322
Other income	407	471
Operating expenses	(76,710)	(49,432)
Income taxes	(1,898)	(1,853)
Other	-	(961)
Net cash provided by operating activities (Note 3.3)	<u>158,192</u>	<u>79,293</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
CASH FLOWS PROVIDED BY		
Investment in securities		
Redemption of investment in held-to-maturity securities - treasury bills with maturity over 3 months	100,000	120,000
Restructuring of investment in held-to-maturity securities - notes with maturity over 3 months	26,535	-
Redemption of investment in available-for-sale securities - bonds	-	50,000
Sales of investment in available-for-sale securities - ordinary shares	-	310,609
Sales of investment in available-for-sale securities - debentures	30,122	-
Sales of investment in available-for-sale securities - other securities	125,552	2,203
Redemption of investment in available-for-sale securities - debentures	200,000	-
Sales of general investment - ordinary shares	-	62,413
Capital decrease of general investment - ordinary shares	365	-

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008
"UNAUDITED"

	Baht : '000	
	2009	2008
Loans	315	294
Premises and equipment	82	325
Deposits at financial institutions with maturity over 3 months	550,295	-
Cash provided by investing activities	1,033,266	545,844
CASH FLOWS USED IN		
Investment in securities		
Purchase of investment in held-to-maturity securities - notes with maturity over 3 months	(50,000)	-
Purchase of investment in available-for-sale securities - bonds	(113,355)	(250,962)
Purchase of investment in available-for-sale securities - ordinary shares	(83)	(56,485)
Purchase of investment in available-for-sale securities - other securities	(200,000)	-
Purchase of investment in available-for-sale securities - warrants	-	(113)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral	(1,887)	(26,088)
Premises and equipment	(2,925)	(9,013)
Intangible assets	(3,646)	(419)
Cash used in investing activities	(371,896)	(343,080)
Net cash provided by investing activities	661,370	202,764
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Bank overdrafts	26	(5,266)
Net cash provided by (used in) financing activities	26	(5,266)
Net increase in cash and cash equivalents	819,588	276,791
Cash and cash equivalents as at January 1,	291,735	1,227,022
Cash and cash equivalents as at March 31, (Note 3.2)	1,111,323	1,503,813

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008
“UNAUDITED”

1. GLOBAL ECONOMIC TURMOIL

At present, many countries around the world are facing financial crisis and business crisis, which has impacted the Company’s business. The financial statements reflect management’s current assessment of the possible impact of the economic conditions on the financial position of the Company. The ultimate effect of such uncertainties on the financial position of the Company cannot be presently determined.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

- 2.1 The Company’s interim financial statements for the quarter ended March 31, 2009 and the financial statements for the year 2008 have been prepared in accordance with the regulations of the Stock Exchange of Thailand dated January 22, 2001 regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of listed companies B.E. 2544, and in accordance with the Registrar’s Notification of the Department of Insurance No. 10/2545 regarding the presentation of the financial statements of insurance companies dated March 6, 2002.

The Company prepares its interim financial statements in conformity with the Accounting Standard No. 41 (Revised 2007) “Interim Financial Reporting” and practices generally accepted in Thailand. During the year 2007, Thai Accounting Standard No. 25 (Revised 2007) “Cash Flows Statements” and Thai Accounting Standard No. 35 (Revised 2007) “Presentation of Financial Statements” were revised and announced by the Federation of Accounting Professions and are effective for the financial statements with fiscal periods beginning on or after January 1, 2008. The revised accounting standard has no material impact on the financial statements of the Company. However, the financial statements for the quarters ended March 31, 2009 and 2008 are still presented in accordance with the Registrar’s Notification of the Department of Insurance No. 10/2545 regarding the presentation of the financial statements of insurance companies dated March 6, 2002.

- 2.2 The Company’s balance sheet as at December 31, 2008, presented herein, has been derived from the Company’s financial statements for the year then ended, which have been audited. In addition, the statements of income, changes in shareholders’ equity and cash flows for the quarter ended March 31, 2008, presented herein, have been reviewed.
- 2.3 Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the Company’s financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2008, which have been audited.

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company’s management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

- 2.4 The interim financial statements for the quarter ended March 31, 2009 have prepared based on the basis, accounting policies and method of computation consistent with those used in the annual financial statements for the year ended December 31, 2008.

3. ADDITIONAL INFORMATION FOR CASH FLOWS

3.1 Non-cash items

As at March 31, 2009 and December 31, 2008, deficit on revaluation of investments was shown net of deferred tax assets as follows:

	As at March 31, 2009	Baht : '000 As at December 2008
Unrealized loss on investment in available-for-sale securities	(92,503)	(65,962)
Unrealized gain on securities for general investment	<u>24,695</u>	<u>24,695</u>
Total unrealized loss	(67,808)	(41,267)
<u>Add (Less) Deferred tax assets</u>	23,126	16,491
Deferred tax liabilities	<u>(6,174)</u>	<u>(6,174)</u>
Deficit on revaluation of investments - net	<u>(50,856)</u>	<u>(30,950)</u>

For the quarters ended March 31, 2009 and 2008, changes in deficit on revaluation of investments - net of deferred tax were as follows:

	2009	Baht : '000 For the quarters ended March 31, 2008
Deficit on revaluation of investments	(26,541)	(113,017)
<u>Add Increase in deferred tax assets</u>	<u>6,635</u>	<u>33,905</u>
Increase in deficit on revaluation of investments - net	<u>(19,906)</u>	<u>(79,112)</u>

3.2 Cash and cash equivalents consist of the following:

	As at March 31, 2009	Baht : '000 2008
Cash and deposits at financial institutions	978,092	604,706
Investment in securities - treasury bills	518,895	1,307,569
Investment in securities - notes	<u>437,791</u>	<u>295,977</u>
	1,934,778	2,208,252
<u>Less Deposits at bank with maturity over 3 months</u>	<u>(309,233)</u>	<u>(314,471)</u>
Deposits at bank used as collateral	(44,000)	(44,000)
Treasury bills with maturity over 3 months	(58,966)	(49,991)
Notes with maturity over 3 months	<u>(411,256)</u>	<u>(295,977)</u>
Cash and cash equivalents	<u>1,111,323</u>	<u>1,503,813</u>

3.3 Net cash flow provided by operating activities

Items to reconcile net profit to net cash flows provided by operating activities for the quarters ended March 31, 2009 and 2008 are as follows:

	Baht : '000	
	For the quarters	
	ended March 31,	
	2009	2008
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net profit	64,546	105,634
Items to reconcile net profit to net cash flows:		
Depreciation	5,103	5,208
Amortization of intangible assets	391	368
Gain on sales of assets	(67)	(316)
Unearned premium reserve increase from previous period	16,643	11,665
Amortization of bonds premium	1,122	963
Amortization of bonds discount	(7)	(497)
Amortization of treasury bills discount	(1,048)	(1,001)
Amortization of notes discount	-	(2,965)
Amortization of debentures discount	(125)	-
Gain on sale of investment in available-for-sale securities - ordinary shares	-	(11,323)
(Gain) loss on sale of investment in available-for-sale securities - other securities	14,986	(1,367)
Gain on sale of investment in available-for-sale securities - debentures	(122)	-
Gain on sale of investment in available-for-sale securities - warrants	-	(15)
Gain on sale of general investment - ordinary shares	-	(210)
Reversal of loss on impairment of investment in notes	(434)	-
Interest received from investment in held-to-maturity securities - notes	(1,017)	-
Deferred tax	<u>(12,992)</u>	<u>3,940</u>
Profit from operations before changes in operating assets and liabilities	86,979	110,084
Operating assets (increase) decrease		
Amount deposit on reinsurance treaties	13	222
Due from reinsurers	(19,113)	(13,172)
Premium due and uncollected	15,161	(28,804)
Accrued income on investment	(25,100)	(19,124)
Other assets	(2,598)	4,234
Operating liabilities increase (decrease)		
Loss reserves and outstanding claims	26,120	3,903
Amount withheld on reinsurance treaties	1,913	3,203
Due to reinsurers	59,331	(10,663)
Premium written received in advance	4,234	(5,329)
Accrued income tax	23,381	20,333
Accrued commissions	(5,916)	4,338
Other liabilities	<u>(6,213)</u>	<u>10,068</u>
Net cash provided by operating activities	<u>158,192</u>	<u>79,293</u>

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4. INVESTMENT IN SECURITIES

Investment in securities as at March 31, 2009 consists of the following:

	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Baht : '000 Fair Value
Available-for-sale securities				
Equity securities				
Investment in listed securities				
Ordinary shares	382,878	52,707	(55,287)	380,298
Other securities				
Unit trusts	1,953,087	14,153	(129,603)	1,837,637
Debt securities				
Bonds	489,705	15,330	(898)	504,137
Treasury bills	518,895	-	-	518,895
Debentures	476,864	11,094	-	487,958
Total	<u>3,821,429</u>	<u>93,284</u>	<u>(185,788)</u>	<u>3,728,925</u>
Securities for general investment				
Equity securities				
Ordinary shares				742,525
Add Unrealized gain on transfer of investment				<u>24,695</u>
				767,220
Other securities : Unit trust				
Cost			2,700	
Less Allowance for impairment			<u>(2,661)</u>	<u>39</u>
Total				<u>767,259</u>
Held-to-maturity securities				
Debt securities				
Notes	441,007			
Less Allowance for impairment	<u>(3,216)</u>			
Total				
Total value of investment in securities				
				<u>4,933,975</u>

Other information related to held to maturity securities are as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Baht : '000 Fair Value
Held-to-maturity securities				
Debt securities				
Notes	437,791	313	-	438,104
Total	<u>437,791</u>	<u>313</u>	<u>-</u>	<u>438,104</u>

Investment in securities as at December 31, 2008 consists of the following:

	Cost/Amortized Cost	Unrealized Gains	Unrealized Losses	Baht : '000 Fair Value
Available-for-sale securities				
Equity securities				
Investment in listed securities				
Ordinary shares	382,795	71,674	(44,316)	410,153
Other securities				
Unit trusts	1,893,626	12,275	(130,467)	1,775,434
Debt securities				
Bonds	377,464	23,834	-	401,298
Treasury bills	157,917	-	-	157,917
Debentures	706,739	3,356	(2,318)	707,777
Total	<u>3,518,541</u>	<u>111,139</u>	<u>(177,101)</u>	<u>3,452,579</u>
Baht : '000				
Cost/ Book Value				
Securities for general investment				
Equity securities				
Ordinary shares				742,890
Add Unrealized gain on transfer of investment				<u>24,695</u>
				767,585
Other securities : Unit trusts				
Cost			2,700	
Less Allowance for impairment			<u>(2,661)</u>	<u>39</u>
Total				<u>767,624</u>
Baht : '000				
Maturity within				
		1 year	2-5 years	Amortized Cost
Held-to-maturity securities				
Debt securities				
Notes	390,000			
Less Allowance for impairment	<u>(3,650)</u>	<u>386,350</u>	-	<u>386,350</u>
Total		<u>386,350</u>	-	<u>386,350</u>
Total value of investment in securities				<u><u>4,606,553</u></u>

Other information related to held to maturity securities are as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Baht : '000 Fair Value
Held-to-maturity securities				
Debt securities				
Notes	386,350	1,311	-	387,661
Total	<u>386,350</u>	<u>1,311</u>	-	<u>387,661</u>

In 2002, the Company transferred stock of a related company previously included in available-for-sale securities to general investment as such company delisted their shares from the Stock Exchange of Thailand. Fair value of the stock at the transfer date amounted to Baht 154.70 million. Unrealized gain on the transfer of investment amounting to Baht 24.69 million was included in surplus on revaluation of investments under shareholders' equity.

5. LOANS

Loans are loans to employees with personal guarantee in accordance with the welfare policy of employees' loans of the Company, with interest rates of 4.0 % per annum.

6. CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS

	As at March 31, 2009	Baht : '000 As at December 31, 2008
Cash	215	215
Cash at banks - call deposits	106,236	124,477
Cash at banks - time deposits	<u>871,641</u>	<u>1,068,684</u>
Total cash and deposits at financial institutions	<u>978,092</u>	<u>1,193,376</u>

As at March 31, 2009 and December 31, 2008, fixed deposits amounting to Baht 44 million are pledged as collateral for bank overdrafts, loans in the form of promissory notes and deposited as collateral with the Registrar of Baht 20 million, Baht 10 million and Baht 14 million, respectively (see Notes 10 and 11).

7. PREMIUMS DUE AND UNCOLLECTED - NET

Premiums due and uncollected - net consist of the following:

	As at March 31, 2009	Baht : '000 As at December 31, 2008
Not over 60 days	145,268	171,315
Over 60 days up to 90 days	43,700	54,744
More than 90 days	<u>52,638</u>	<u>30,708</u>
Total premiums due and uncollected	241,606	256,767
<u>Less</u> Allowance for doubtful accounts	<u>(5,030)</u>	<u>(5,030)</u>
Total premiums due and uncollected - net	<u>236,576</u>	<u>251,737</u>

The balances as at March 31, 2009 and December 31, 2008 of premiums due and uncollected are classified by aging as follows:

	As at March 31, 2009	Baht : '000 As at December 31, 2008
Not over 3 months	188,968	226,059
Over 3 months up to 6 months	48,304	24,081
Over 6 months up to 12 months	3,257	4,459
More than 12 months	1,077	2,168
Total	<u>241,606</u>	<u>256,767</u>

8. UNEARNED PREMIUM RESERVES

Unearned premium reserves presented in the balance sheets as at March 31, 2009 and December 31, 2008 did not include additional unearned premium reserve of ceded premium to foreign reinsurers of Baht 42.58 million and Baht 51.19 million, respectively. Such unearned premium reserve was required to be recorded in the financial report to be submitted particularly to the Office of Insurance Commission under its relevant regulations.

9. LOSS RESERVES AND OUTSTANDING CLAIMS

As at March 31, 2009 and December 31, 2008, the loss reserves and outstanding claims account included outstanding claims and accrued interest of Baht 76.95 million and Baht 76.19 million, respectively, caused by a loss claim incurred by an insured company on September 24, 1997. On September 30, 2003, the courts passed a verdict that the Company had to pay the claim of Baht 41.29 million including 7.5% per annum of interest from the date of litigation until such claim is paid. The Company recorded such claim and accrued interest since 2003. However, in 2004 the Company has submitted an appeal to the court. On November 27, 2008, the appeal court had the dismissal for this case. However, the insured company submitted the case to the supreme court in December 2008. Currently, such case is still under consideration of the supreme court.

10. BANK OVERDRAFTS

As at March 31, 2009 and December 31, 2008, the Company had credit lines for bank overdrafts and loans in the form of promissory notes of Baht 20 million and Baht 10 million, respectively, which were guaranteed by the fixed deposit of Baht 30 million. The interest rate was the fixed deposit rate plus 2 % (see Note 6).

11. DEPOSITS WITH THE REGISTRAR

As at March 31, 2009 and December 31, 2008, fixed deposits amounting to Baht 14 million were deposited with the Registrar in accordance with the Insurance Act (see Note 6).

12. LONG-TERM LEASES AND SERVICE AGREEMENTS

Long-term leases and service agreements consist of the following:

Type of lease	Remaining periods		Baht : '000
	Within 1 year	More than 1 year But not over 5 years	Rental payments for the remaining periods
March 31, 2009			
Building	4,371	5,936	10,307
Service	4,371	5,936	10,307
Equipment	5,828	7,914	13,742
Total	<u>14,570</u>	<u>19,786</u>	<u>34,356</u>
December 31, 2008			
Building	4,371	7,029	11,400
Service	4,371	7,029	11,400
Equipment	5,828	9,371	15,199
Total	<u>14,570</u>	<u>23,429</u>	<u>37,999</u>

13. INCOME TAX EXPENSE

For the quarters ended March 31, 2009 and 2008, income tax expense consisted of the following:

	Baht : '000	
	For the quarters ended March 31, 2009	2008
Income tax expense - current tax	25,280	22,186
Add (Less) Tax effect from deferred income tax		
Unearned premium reserve	(6,430)	(3,499)
Loss reserve - net	(6,654)	(248)
Incurred but not reported claims	(95)	128
Allowance for impairment of investment in notes	108	-
Allowance for impairment of general investment	-	7,589
Others	79	(30)
Income tax expense	<u>12,288</u>	<u>26,126</u>

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Company has used a tax rate of 25% for the corporate income tax and deferred income tax calculations for the quarter ended March 31, 2009 to conform to such tax rate change.

The applicable tax rate for the quarter ended March 31, 2008 was 30%.

As at March 31, 2009 and December 31, 2008, deferred tax assets and liabilities which resulted from the temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base were as follows:

	As at March 31, 2009	Baht : '000 As at December 31, 2008
Deferred tax assets resulted from :		
Allowance for doubtful accounts of premium due and uncollected	1,258	1,258
Unearned premium reserve	41,899	35,469
Loss reserve - net	48,418	41,764
Incurred but not reported claims	6,137	6,042
Unrealized loss on the change in value of investment - available-for-sale securities	23,126	16,491
Allowance for impairment of investment in notes	804	912
Allowance for impairment of general investment	665	665
Others	3,341	3,420
Total deferred tax assets	<u>125,648</u>	<u>106,021</u>
Deferred tax liabilities resulted from :		
Unrealized gain on transfer of general investment	<u>6,174</u>	<u>6,174</u>
Total deferred tax liabilities	<u>6,174</u>	<u>6,174</u>

14. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, revenues and expenses arose from transactions with related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The Company's management believes that the Company has no significant influence over the related parties. The accompanying financial statements reflect the effects of these transactions determined on the basis of commitments and conditions as in the normal course of business. Transactions with the related parties are mainly as follows:

14.1 Investments

As at March 31, 2009

Companies	Type of Business	Relationship	Baht : '000			
			Paid-up share capital	Share holding %	Investments	Dividend
Investments - ordinary shares						
Bank of Ayudhya Plc.	Finance	Some common shareholders and directors	60,741,437	0.01	2,457	-
Ayudhya Securities Plc.	Finance	Some common shareholders and directors	600,000	0.43	3,167	-
Sunrise Equity Co., Ltd.	Consulting	Some common shareholders	9,970,000	5.48	546,137	-
Siam City Cement Plc.	Manufacturing	Some common shareholders and directors	2,375,000	0.73	216,487	7,762
Thai Reinsurance Plc.	Reinsurance	Some common shareholders and directors	1,187,355	1.77	87,372	3,781
Ayudhya Allianz C.P. Life Plc.	Life Insurance	Some common shareholders and directors	2,950,000	5.82	217,144	-
					<u>1,072,764</u>	<u>11,543</u>

			Baht : '000	
Companies	Type of Business	Relationship	Investments	Dividend
Investments - unit trusts				
Unit trusts managed by				
Ayudhya Fund Management Co., Ltd.	Fund Management	Some common shareholders		
- AYF Medium Term Fixed Income Dividend Fund			441,876	16,277
- AYF Medium Term Fixed Income Fund			139,517	-
- AYF Cash Plus Fund			214,264	-
- AYF Dividend Stock Fund			14,609	-
			<u>810,266</u>	<u>16,277</u>
PrimaVest Asset Management Co., Ltd.	Fund Management	Some common shareholders and directors		
- PrimaVest Flexible Fund			61,205	-
- PrimaVest Equity Dividend Fund			4,342	-
- Krungsri - PrimaVest Equity Fund			6,734	-
- Krungsri - PrimaVest Money Fund			151,855	-
- PrimaVest - AllianzGI Oriental Income Fund			21,169	-
- PrimaVest - AllianzGI Global High Payout Fund			12,041	-
			<u>257,346</u>	<u>-</u>

As at December 31, 2008

						Baht : '000	
Companies	Type of Business	Relationship	Paid-up Share Capital	Share holding %	Investments	Dividend	
Investments - ordinary shares							
Bank of Ayudhya Plc.	Finance	Some common shareholders and directors	60,741,438	0.01	2,612	42	
Ayudhya Securities Plc.	Finance	Some common shareholders and directors	600,000	0.43	3,167	-	
Sunrise Equity Co., Ltd.	Consulting	Some common shareholders	9,970,000	5.48	546,137	57,344	
Siam City Cement Plc.	Manufacturing	Some common shareholders and directors	2,375,000	0.73	229,425	24,980	
Thai Reinsurance Plc.	Reinsurance	Some common shareholders and directors	1,187,355	1.77	102,495	7,981	
Ayudhya Allianz C.P. Life Plc.	Life Insurance	Some common shareholders and directors	2,950,000	5.82	217,144	8,753	
					<u>1,100,980</u>	<u>99,100</u>	

				Baht : '000	
Companies	Type of Business	Relationship	Investments	Dividend	
Investments - unit trusts					
Unit trusts managed by					
Ayudhya Fund Management Co., Ltd.	Fund Management	Some common shareholders			
- AYF Medium Term Fixed Income Dividend Fund			454,757	12,318	
- AYF Medium Term Fixed Income Fund			138,552	-	
- AYF Cash Management Fund			213,477	-	
- AYF Dividend Stock Fund			14,028	800	
			<u>820,814</u>	<u>13,118</u>	
PrimaVest Asset Management Co., Ltd.	Fund Management	Some common shareholders and directors			
- PrimaVest Flexible Fund			61,918	4,000	
- PrimaVest Equity Dividend Fund			4,398	1,181	
- Krungsri - PrimaVest Equity Fund			6,852	1,500	
- Krungsri - PrimaVest Money Fund			49,832	-	
- PrimaVest - AllianzGI Oriental Income Fund			21,068	-	
- PrimaVest - AllianzGI Global High Payout Fund			13,297	-	
			<u>157,365</u>	<u>6,681</u>	

14.2 Significant balances and transactions are as follows:

	Relationship	Baht : '000	
		March 31, 2009	December 31, 2008
Bank deposits			
Bank of Ayudhya Plc.	Some common shareholders and directors	176,241	358,885
Premium due and uncollected			
Ayudhya Development Leasing Co., Ltd.	Some common shareholders and directors	37	-
Ayudhya Auto Lease Plc.	Some common shareholders and directors	-	19
Ayudhya Securities Plc.	Some common shareholders and directors	-	15
Bank of Ayudhya Plc.	Some common shareholders and directors	5,540	238
Ayudhya Fund Management Co., Ltd.	Some common shareholders	1,271	18
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders and directors	309	126
BBTV Equity Co., Ltd.	Some common shareholders	-	521
Siam City Cement Plc.	Some common shareholders and directors	12,122	639
PrimaVest Asset Management Co.,Ltd.	Some common shareholders and directors	14	-
Ayudhya Allianz C.P. Life Plc.	Some common shareholders and directors	567	279
Media of Medias Plc.	Some common shareholders and directors	-	181
Ayudhya Asset Management Co., Ltd.	Some common shareholders	724	437
Siam Realty and Services Co., Ltd.	Some common shareholders	78	73
Krungsriayudhya Card Co.,Ltd.	Some common shareholders	3,179	(110)
Ayudhya Capital Auto Lease Plc.	Some common shareholders	52	-
		<u>23,893</u>	<u>2,436</u>
Accrued interest income			
Bank of Ayudhya Plc.	Some common shareholders and directors	3,596	3,598
Rental and facilities deposits			
BBTV Equity Co., Ltd.	Some common shareholders	4,574	4,574
Siam City Cement Plc.	Some common shareholders and directors	36	30
		<u>4,610</u>	<u>4,604</u>
Due to reinsurers			
Thai Reinsurance Plc.	Some common shareholders and directors	29,153	12,989
Bank overdrafts			
Bank of Ayudhya Plc.	Some common shareholders and directors	119	93
Financial lease liabilities			
Ayudhya Capital Auto Lease Plc.	Some common shareholders	5,095	5,381
Accrued interest of financial lease			
Ayudhya Capital Auto Lease Plc.	Some common shareholders	21	22
Accrued expense - management fee			
Ayudhya Securities Plc.	Some common shareholders and directors	21	22
Accrued expense - custodian fee			
Bank of Ayudhya Plc.	Some common shareholders and directors	1	1
Accrued expense - commissions and brokerages			
Bank of Ayudhya Plc.	Some common shareholders and directors	10,117	9,340
Accrued expense - other underwriting expenses			
Bank of Ayudhya Plc.	Some common shareholders and directors	3,726	3,443
Accrued operating expenses			
Siam City Cement Plc.	Some common shareholders and directors	-	24

		Baht : '000	
		For the quarters ended March 31,	
Relationship		2009	2008
Premium written			
Ayudhya Development Leasing Co., Ltd.	Some common shareholders and directors	75	80
Ayudhya Auto Lease Plc.	Some common shareholders	6	(26)
Ayudhya Capital Lease Co., Ltd.	Some common shareholders	-	49
Ayudhya Securities Plc.	Some common shareholders and directors	114	-
Bank of Ayudhya Plc.	Some common shareholders and directors	21,550	10,439
Ayudhya Fund Management Co., Ltd.	Some common shareholders	1,277	1,311
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders and directors	792	34
BBTV Equity Co., Ltd.	Some common shareholders	21	25
Siam City Cement Plc.	Some common shareholders and directors	11,263	6,640
Thai Reinsurance Plc.	Some common shareholders and directors	6,033	5,136
PrimaVest Asset Management Co., Ltd.	Some common shareholders and directors	13	13
Ayudhya Allianz C.P. Life Plc.	Some common shareholders and directors	530	515
Hyla (Thailand) Co., Ltd.	Some common shareholders and directors	(2)	-
Media of Medias Plc.	Some common shareholders and directors	232	250
Ayudhya Asset Management Co., Ltd.	Some common shareholders	994	842
Siam Realty and Services Co., Ltd.	Some common shareholders	205	206
Krungsriayudhya Card Co.,Ltd.	Some common shareholders	2,983	2,721
Ayudhya Capital Auto Lease Plc.	Some common shareholders	49	-
		<u>46,135</u>	<u>28,235</u>
Premium ceded			
Thai Reinsurance Plc.	Some common shareholders and directors	49,031	47,552

The Company used the same pricing policy and conditions for the above premiums as it has done for other customers and other insurance companies.

		Baht : '000	
		For the quarters ended March 31,	
Relationship		2009	2008
Commissions and brokerages			
Bank of Ayudhya Plc.	Some common shareholders and directors	21,201	21,500
Other underwriting expenses			
Bank of Ayudhya Plc.	Some common shareholders and directors	8,033	7,787

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.

		Relationship	Baht : '000	
			For the quarters ended March 31,	
			2009	2008
Interest income				
	Ayudhya Development Leasing Co., Ltd.	Some common shareholders and directors	-	2,965
	Bank of Ayudhya Plc.	Some common shareholders and directors	5,688	1,465
			<u>5,688</u>	<u>4,430</u>
Interest expense				
	Bank of Ayudhya Plc.	Some common shareholders and directors	-	2

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

		Relationship	Baht : '000	
			For the quarters ended March 31,	
			2009	2008
Commission paid				
	Ayudhya Securities Plc.	Some common shareholders and directors	-	895
Management Fee				
	Ayudhya Securities Plc.	Some common shareholders and directors	63	111
Custodian Fee				
	Bank of Ayudhya Plc.	Some common shareholders and directors	4	7

Commission, management fee and custodian fee were paid at the same rates and conditions as the related party charged other customers.

Relationship		Rate of rental and service expenses per month		Baht : '000		
				For the quarters ended March 31,		
		2009	2008	2009	2008	
Rental and service expenses						
	BBTV Equity Co., Ltd.	Some common shareholders	1,214	1,004	3,642	3,012
	Siam City Cement Plc.	Some common shareholders and directors	12	10	36	30

The Company had office rental, equipment rental and service agreements with related companies for a term of 3 years. The rental rates and conditions were the same as the related parties offered to other companies.

15. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company does not speculate or engage in the trading of any derivative financial instruments.

15.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy to protect against credit risk by having securities valuations strictly appraised by specialists and limiting lines of loans so as not to exceed the securities value, which is in accordance with the Department of Insurance regulation related to investment for other business of non-life companies.

In the case of recognized financial assets in the balance sheet, the carrying amount of the assets recorded in the balance sheet represents the Company's maximum exposure to credit risk.

15.2 Interest rate risk

Interest rate risk refers to the risk changes in interest rates will affect the interest income from investments. The Company's investments include both short-term and long-term investments that have floating and fixed rates. The Company manages the risk by considering the risk of investments together with the return on such investments.

As at March 31, 2009 and December 31, 2008, significant financial assets classified by type of interest rate are as follows:

	Baht : '000			
	Balance as at			
	March 31, 2009		December 31, 2008	
	Variable interest rate	Fixed interest rate	Variable interest rate	Fixed interest rate
Investment in securities-net				
Bonds	-	504,137	-	401,298
Treasury bills	-	518,895	-	157,917
Notes	-	437,791	-	386,350
Debentures	-	487,958	-	707,777
Cash and deposits at financial institutions	224,821	750,118	241,571	948,311
Total	<u>224,821</u>	<u>2,698,899</u>	<u>241,571</u>	<u>2,601,653</u>

The financial instruments carrying interest at fixed rates are classified below on the basis of the length of time from the balance sheet date to the date specified for the fixing of a new rate, or to the maturity date (whichever is sooner) as follows:

As at March 31, 2009

	Period specified for fixing new interest rate			Baht : '000
	Within 1 year	Over 1 year	Total	Average interest rate
				%
Investment in securities - net				
Bonds	20,152	483,985	504,137	3.17
Treasury bills	518,895	-	518,895	1.34
Notes	428,229	9,562	437,791	3.40
Debentures	130,000	357,958	487,958	4.74
Cash and deposits at financial institutions	750,118	-	750,118	2.10
Total	<u>1,847,394</u>	<u>851,505</u>	<u>2,698,899</u>	

As at December 31, 2008

	Period specified for fixing new interest rate			Baht : '000
	Within 1 year	Over 1 year	Total	Average interest rate
				%
Investment in securities - net				
Bonds	20,236	381,062	401,298	3.65
Treasury bills	157,917	-	157,917	3.33
Notes	386,350	-	386,350	3.92
Debentures	330,017	377,760	707,777	4.49
Cash and deposits at financial institutions	948,311	-	948,311	3.54
Total	<u>1,842,831</u>	<u>758,822</u>	<u>2,601,653</u>	

15.3 Estimated Fair Value of Financial Instruments

The fair values have been estimated by the Company using available market information and appropriate valuation methodologies.

As at March 31, 2009 and December 31, 2008, the carrying amounts of financial assets and financial liabilities, which were different from the estimated fair value, were as follows:

	March 31, 2009		December 31, 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Cash and deposits at financial institutions	978,092	978,092	1,193,376	1,194,242
Stocks	1,147,518	1,785,516	1,177,738	1,816,061
Other securities - unit trusts	1,837,676	1,837,659	1,775,473	1,775,457

The following methods and assumptions were used by the Company in estimating fair value of financial instruments as disclosed herein:

Financial assets - The fair value of financial assets for which their remaining terms to maturity are within 90 days are based on carrying value. Financial assets with remaining terms to maturity greater than 90 days are estimated by using a discounted cash flow analysis based on current interest rates for the remaining years to maturity, except for the fair values of stocks and other securities classified as available-for-sale securities, which are based on the bidding prices at the Stock Exchange of Thailand on the last business day of the period. For non-listed securities, the fair values are estimated based on either net asset value or carrying value.

Financial liabilities - The fair values of financial liabilities for which their remaining terms to maturity are within 90 days are based on carrying value. Financial liabilities with remaining terms to maturity greater than 90 days are estimated by using a discounted cash flow analysis based on current interest rates for the remaining years to maturity.

16. COMMITMENT

As at March 31, 2009 and 2008, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 3.45 million and Baht 6.89 million, respectively.

17. SUBSEQUENT EVENTS

On April 21, 2009, the Ordinary Shareholders Meeting passed a resolution to pay an annual dividend for the year 2008 on 250 million shares, at Baht 1.00 per share amounting to Baht 250 million. The Company had previously paid an interim dividend, which was appropriated from the operating results for January 1 to June 30, 2008 of Baht 0.65 per share on September 12, 2008. The remaining portion of the annual dividend of 250 million shares, at Baht 0.35 per share, was appropriated from the second half of the 2008 operating results, totalling of Baht 87.5 million has been paid on April 28, 2009.

18. RECLASSIFICATION

A certain reclassification has been made to the balance sheet as at December 31, 2008 to conform to the presentation of the balance sheet as at March 31, 2009 by separately presenting accrued income tax as at December 31, 2008 of Baht 22.80 million which was previously included in other liabilities - others.

19. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the Company's authorized executive directors on May 11, 2009.