

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

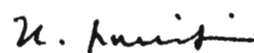
TO THE BOARD OF DIRECTORS THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

We have reviewed the balance sheet of The Ayudhya Insurance Public Company Limited as at September 30, 2009 and the related statements of income for the quarters and nine-month periods ended September 30, 2009 and 2008, and the related statements of changes in shareholders' equity and cash flows for the nine-month periods ended September 30, 2009 and 2008 of the Ayudhya Insurance Public Company Limited. 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

BANGKOK
November 9, 2009

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT SEPTEMBER 30, 2009 AND DECEMBER 31, 2008

Baht : '000

	"Unaudited"	
	As at September 30, 2009	As at December 31, 2008
ASSETS		
INVESTMENT IN SECURITIES (Note 4)		
Bonds	816,235	401,298
Treasury bills	359,952	157,917
Notes	121,256	386,350
Stocks	1,209,131	1,177,738
Debentures	1,163,392	707,777
Other securities		
Unit trusts	1,878,976	1,775,473
Total investment in securities	<u>5,548,942</u>	<u>4,606,553</u>
LOANS (Note 5)	2,630	2,541
CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS (Note 6)	675,276	1,193,376
PREMISES AND EQUIPMENT - NET	46,269	56,142
AMOUNT DEPOSIT ON REINSURANCE TREATIES	3,666	7,537
DUE FROM REINSURERS	26,405	29,003
PREMIUMS DUE AND UNCOLLECTED - NET (Note 7)	154,843	251,737
ACCRUED INCOME ON INVESTMENT	18,562	25,053
OTHER ASSETS		
Deferred tax assets (Note 14)	100,325	106,021
Intangible assets - net	26,489	14,979
Others	60,314	55,513
TOTAL ASSETS	<u><u>6,663,721</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 SEPTEMBER 30, 2009 AND DECEMBER 31, 2008

Baht : '000

	"Unaudited"	
	As at September 30, 2009	As at December 31, 2008
LIABILITIES AND SHAREHOLDERS' EQUITY		
UNEARNED PREMIUM RESERVE (Note 8)	509,470	483,654
LOSS RESERVES AND OUTSTANDING CLAIMS (Note 9)	223,806	182,316
AMOUNT WITHHELD ON REINSURANCE TREATIES	119,751	116,123
DUE TO REINSURERS	138,646	103,982
BANK OVERDRAFTS (Note 10)	-	93
OTHER LIABILITIES		
Premium written received in advance	106,951	91,154
Accrued commissions	33,117	45,963
Accrued withholding tax (Note 19)	13,833	4,852
Deferred tax liabilities (Note 14)	39,343	6,174
Others	61,009	62,763
TOTAL LIABILITIES	<u>1,245,926</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
SURPLUS (DEFICIT) ON REVALUATION OF INVESTMENTS (Note 3.1)	118,027	(30,950)
RETAINED EARNINGS		
Appropriated		
Statutory reserve	50,000	50,000
Other reserves	900,000	900,000
Unappropriated	587,584	570,147
TOTAL SHAREHOLDERS' EQUITY	<u>5,417,795</u>	<u>5,251,381</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>6,663,721</u></u>	<u><u>6,348,455</u></u>

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

FOR THE QUARTERS ENDED SEPTEMBER 30, 2009 AND 2008

"UNAUDITED"

Baht : '000

	2009					2008	
	Fire	Marine		Motor	Miscellaneous	Total	Total
		Hull	Cargo				
Underwriting income							
Premiums written	100,097	12,996	59,312	133,054	166,057	471,516	453,283
<u>Less</u> Premium ceded	30,535	11,809	48,886	8,814	124,568	224,612	234,475
Net premium written	69,562	1,187	10,426	124,240	41,489	246,904	218,808
<u>Less</u> Unearned premium reserve increase (decrease) from previous period	(6,031)	267	(224)	(5,273)	1,236	(10,025)	(13,342)
Earned premium	75,593	920	10,650	129,513	40,253	256,929	232,150
Underwriting expenses							
Losses incurred	12,949	414	3,468	79,580	14,519	110,930	68,341
Loss adjustment expenses	478	19	340	1,387	449	2,673	1,800
Commissions and brokerages	11,621	(1,215)	(6,155)	19,697	(7,570)	16,378	12,881
Other underwriting expenses	15,413	413	3,467	9,887	7,631	36,811	25,350
Total underwriting expenses	40,461	(369)	1,120	110,551	15,029	166,792	108,372
Profit on underwriting	35,132	1,289	9,530	18,962	25,224	90,137	123,778
Net investment income						62,673	69,995
Gain (loss) on investment in securities						40,423	(767)
Reversal of loss on impairment of investment in notes						1,754	-
Other income							
Gain on sale of assets						-	1
Others						674	202
Total other income						674	203

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF INCOME (CONTINUED)
FOR THE QUARTERS ENDED SEPTEMBER 30, 2009 AND 2008
"UNAUDITED"

	Baht : '000	
	2009	2008
Operating expenses		
Personnel expenses	47,422	41,928
Premises and equipment expenses	18,159	17,697
Taxes and duties	131	191
Bad debt and doubtful accounts	-	15
Directors' remuneration	2,268	2,268
Other operating expenses		
Travelling expenses	1,540	1,471
Others	4,575	4,064
Total operating expenses	74,095	67,634
PROFIT BEFORE INCOME TAXES	121,566	125,575
INCOME TAXES (Note 14)	20,599	19,511
NET PROFIT	100,967	106,064
BASIC EARNINGS PER SHARE	BAHT	
	0.40	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 INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

"UNAUDITED"

Baht : '000

	2009					2008	
	Fire	Marine		Motor	Miscellaneous	Total	Total
		Hull	Cargo				
Underwriting income							
Premiums written	328,875	38,786	154,246	395,739	439,593	1,357,239	1,265,356
Less Premium ceded	96,160	34,729	124,114	14,780	308,627	578,410	554,891
Net premium written	232,715	4,057	30,132	380,959	130,966	778,829	710,465
Less Unearned premium reserve increase from previous period	358	974	1,491	9,905	13,088	25,816	13,396
Earned premium	232,357	3,083	28,641	371,054	117,878	753,013	697,069
Underwriting expenses							
Losses incurred	30,766	647	7,541	232,581	40,634	312,169	261,786
Loss adjustment expenses	1,009	3	1,228	3,964	1,359	7,563	6,222
Commissions and brokerages	36,011	(4,124)	(15,937)	60,380	(20,764)	55,566	42,007
Other underwriting expenses	33,774	596	9,374	23,439	19,690	86,873	60,636
Total underwriting expenses	101,560	(2,878)	2,206	320,364	40,919	462,171	370,651
Profit on underwriting	130,797	5,961	26,435	50,690	76,959	290,842	326,418
Net investment income						156,353	204,060
Gain on investment in securities						42,631	18,447
Reversal of loss on impairment of investment in notes						2,188	-
Other income							
Gain on sale of assets						67	2,276
Others						1,188	1,092
Total other income						1,255	3,368

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

"UNAUDITED"

	Baht : '000		
	2009	2008	
Operating expenses			
Personnel expenses	136,915	125,109	
Premises and equipment expenses	55,205	52,999	
Taxes and duties	620	817	
Bad debt and doubtful accounts	389	107	
Directors' remuneration	6,734	6,804	
Other operating expenses			
Travelling expenses	5,229	4,635	
Others	12,445	12,873	
Total operating expenses	<u>217,537</u>	<u>203,344</u>	
PROFIT BEFORE INCOME TAXES	275,732	348,949	
INCOME TAXES (Note 14)	<u>45,795</u>	<u>67,597</u>	
NET PROFIT	<u>229,937</u>	<u>281,352</u>	
BASIC EARNINGS PER SHARE	BAHT	0.92	1.13
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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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	Other	Unappropriated	
				reserve	reserves		
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)	-	-	(233,844)	-	-	-	(233,844)
Net profit for the period						281,352	281,352
Dividend paid (Note 15.1)	-	-	-	-	-	(187,500)	(187,500)
Interim dividend (Note 15.2)	-	-	-	-	-	(162,500)	(162,500)
Ending balance as at September 30, 2008	250,000	3,512,184	54,284	50,000	900,000	494,936	5,261,404
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)	-	-	148,977	-	-	-	148,977
Net profit for the period	-	-	-	-	-	229,937	229,937
Dividend paid (Note 15.2)	-	-	-	-	-	(87,500)	(87,500)
Interim dividend (Note 15.3)	-	-	-	-	-	(125,000)	(125,000)
Ending balance as at September 30, 2009	250,000	3,512,184	118,027	50,000	900,000	587,584	5,417,795

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2009 AND 2008
"UNAUDITED"

	Baht : '000	
	2009	2008
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Direct premium received	1,373,302	1,099,785
Cash paid from reinsurance	(178,085)	(181,446)
Losses incurred from direct insurance	(395,505)	(365,435)
Loss adjustment expenses from direct insurance	(7,563)	(6,222)
Commissions and brokerages from direct insurance	(205,449)	(176,895)
Other underwriting expenses	(84,096)	(59,452)
Net investment income	164,200	197,814
Other income	1,188	1,092
Operating expenses	(187,153)	(172,953)
Income taxes	(67,549)	(38,860)
Other	-	(962)
Net cash provided by operating activities (Note 3.3)	413,290	296,466
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	170,000
Redemption of investment in held-to-maturity securities - notes		
with maturity over 3 months	390,000	-
Redemption of investment in available-for-sale securities - notes		
with maturity over 3 months	-	300,000
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	20,000	360,000
Sales of investment in available-for-sale securities - ordinary shares	189,143	399,140
Sales of investment in available-for-sale securities - debentures	30,122	-

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2009 AND 2008
"UNAUDITED"

	Baht : '000	
	2009	2008
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES (CONTINUED)		
Sales of investment in available-for-sale securities - other securities	248,341	38,624
Sales of investment in available-for-sale securities - warrants	-	141
Redemption of investment in available-for-sale securities - debentures	330,000	-
Sales of general investment - ordinary shares	-	62,413
Capital decrease of general investment - ordinary shares	365	-
Loans	1,011	933
Premises and equipment	88	2,364
Deposits at financial institutions with maturity over 3 months	637,202	93,746
Cash provided by investing activities	1,972,807	1,427,361
CASH FLOWS USED IN		
Investment in securities		
Purchase of investment in held-to-maturity securities - notes with maturity over 3 months	(150,000)	-
Purchase of investment in available-for-sale securities - bonds	(475,334)	(250,962)
Purchase of investment in available-for-sale securities - ordinary shares	(34,758)	(106,642)
Purchase of investment in available-for-sale securities - debentures	(800,000)	(96,424)
Purchase of investment in available-for-sale securities - other securities	(274,778)	-
Purchase of investment in available-for-sale securities - warrants	-	(113)
Purchase of general investment - ordinary shares	(11)	-
Loans	(1,100)	(745)
Deposits at financial institutions with maturity over 3 months and deposits used as collateral	(55,810)	(112,658)
Premises and equipment	(5,719)	(19,253)
Intangible assets	(12,735)	(1,642)
Cash used in investing activities	(1,810,245)	(588,439)
Net cash provided by investing activities	162,562	838,922

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2009 AND 2008
"UNAUDITED"

	Baht : '000	
	2009	2008
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Bank overdrafts	(93)	(5,213)
Dividend paid	(212,500)	(350,000)
Net cash used in financing activities	(212,593)	(355,213)
Net increase in cash and cash equivalents	363,259	780,175
Cash and cash equivalents as at January 1,	291,735	1,227,022
Cash and cash equivalents as at September 30, (Note 3.2)	654,994	2,007,197

See notes to the interim financial statements

THE AYUDHYA INSURANCE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 and nine-month period ended September 30, 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 Federation of Accounting Professions issued the Notification of Federation of Accounting Professions No. 12/2552 dated May 15, 2009 regarding the renumbering of Thai Accounting Standards (TASs) to be the same as International Accounting Standard. Therefore, the reference TASs in these interim financial statements have been used the new numbers in accordance with the Notification.

The Company prepares its interim financial statements in conformity with the Accounting Standard No. 34 (Revised 2007) "Interim Financial Reporting" (previously TAS 41) and practices generally accepted in Thailand. During the year 2007, Thai Accounting Standard No. 7 (Revised 2007) "Cash Flows Statements" (previously TAS 25) and Thai Accounting Standard No. 1 (Revised 2007) "Presentation of Financial Statements" (previously TAS 35) 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 and nine-month periods ended September 30, 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 for the quarter and nine-month period ended September 30, 2008 and the related statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 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 and nine-month period ended September 30, 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.
- 2.5 The Federation of Accounting Professions issued the Notification of Federation of Accounting Professions No. 16/2552 dated May 21, 2009 regarding the following accounting standards that were announced in the Royal Gazette, but not yet in effect in 2009:

Thai Accounting Standard	Effective date
Framework (Revised 2007)	January 1, 2011
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
TAS 24 Related Party Disclosures (Revised 2007) (previously TAS 47)	January 1, 2011
TAS 40 Investment Property	January 1, 2011

These accounting standards will supersede previously issued accounting standards when they become effective. The Company's management has assessed the impact of these accounting standards, when they are effective for financial periods beginning on or after the TASs' effective date, and does not expect them to have a material effect on the Company's financial statements.

3. ADDITIONAL INFORMATION FOR CASH FLOWS

3.1 Non-cash items

As at September 30, 2009 and December 31, 2008, the surplus (deficit) on revaluation of investments were shown net of deferred tax assets as follows:

	As at September 30, 2009	Baht : '000 As at December 31, 2008
Unrealized gain (loss) on investment in available-for-sale securities	132,675	(65,962)
Unrealized gain of general investment	<u>24,695</u>	<u>24,695</u>
Total unrealized gain (loss)	157,370	(41,267)
<u>Add</u> Deferred tax assets	-	16,491
<u>Less</u> Deferred tax liabilities	<u>(39,343)</u>	<u>(6,174)</u>
Surplus (deficit) on revaluation of investments - net	<u>118,027</u>	<u>(30,950)</u>

For the nine-month periods ended September 30, 2009 and 2008, changes in deficit on revaluation of investments - net of deferred tax were as follows:

	For the nine-month periods ended September 30, 2009	Baht : '000 For the nine-month periods ended September 30, 2008
Increase (decrease) of unrealized gain on investment in available-for-sale securities	198,636	(339,232)
Increase (decrease) of deferred tax liabilities	<u>(49,659)</u>	<u>105,388</u>
Increase (decrease) in surplus (deficit) on revaluation of investments - net	<u>148,977</u>	<u>(233,844)</u>

3.2 Cash and cash equivalents consist of the following:

	As at September 30, 2009	Baht : '000 As at September 30, 2008
Cash and deposits at financial institutions	675,276	612,206
Investment in securities - treasury bills	359,952	1,743,285
Investment in securities - notes	<u>121,256</u>	<u>3,000</u>
	1,156,484	2,358,491
<u>Less</u> Deposits at bank with maturity over 3 months	(276,248)	(227,294)
Deposits at bank used as collateral	(44,000)	(124,000)
Treasury bills with maturity over 3 months	(59,986)	-
Notes with maturity over 3 months	<u>(121,256)</u>	<u>-</u>
Cash and cash equivalents	<u>654,994</u>	<u>2,007,197</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 nine-month periods ended September 30, 2009 and 2008 are as follows:

	Baht : '000	
	For the nine-month periods	
	ended September 30,	
	2009	2008
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net profit	229,937	281,352
Items to reconcile net profit to net cash flows:		
Depreciation	15,571	15,456
Amortization of intangible assets	1,225	1,107
Gain on sales of assets	(67)	(2,276)
Unearned premium reserve increase from previous period	25,816	13,396
Amortization of bonds premium	4,822	1,168
Amortization of bonds discount	(20)	(742)
Amortization of treasury bills discount	(2,045)	(1,010)
Amortization of notes discount	-	(7,276)
Amortization of debentures discount	(385)	(189)
Gain on sale of investment in available-for-sale securities - ordinary shares	(53,965)	(12,859)
(Gain) loss on sale of investment in available-for-sale securities - other securities	11,456	(5,350)
Gain on sale of investment in available-for-sale securities - debentures	(122)	-
Gain on sale of investment in available-for-sale securities - warrants	-	(28)
Gain on sale of general investment - ordinary shares	-	(210)
Reversal of loss on impairment of investment in notes	(2,188)	-
Interest received from investment in held-to-maturity securities - notes	(1,017)	-
Deferred tax	(10,795)	22,023
Profit from operations before changes in operating assets and liabilities	<u>218,223</u>	<u>304,562</u>
Operating assets (increase) decrease		
Amount deposit on reinsurance treaties	3,871	(558)
Due from reinsurers	2,598	9,288
Premium due and uncollected	96,894	(67,328)
Accrued income on investment	6,491	1,803
Other assets	(4,747)	(6,486)
Operating liabilities increase (decrease)		
Loss reserves and outstanding claims	41,490	(3,156)
Amount withheld on reinsurance treaties	3,628	11,742
Due to reinsurers	34,664	19,967
Premium written received in advance	15,797	(187)
Accrued commissions	(12,846)	1,026
Accrued withholding tax	8,981	10,571
Other liabilities	(1,754)	15,222
Net cash provided by operating activities	<u>413,290</u>	<u>296,466</u>

4. INVESTMENT IN SECURITIES

Investment in securities as at September 30, 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	282,335	172,978	(15,167)	440,146
Other securities				
Unit trusts	1,908,607	16,921	(46,591)	1,878,937
Debt securities				
Bonds	827,996	5,006	(16,767)	816,235
Treasury bills	359,925	27	-	359,952
Debentures	1,147,124	16,268	-	1,163,392
Total	<u>4,525,987</u>	<u>211,200</u>	<u>(78,525)</u>	<u>4,658,662</u>
				Baht : '000 Cost/ Book Value
Securities for general investment				
Equity securities				
Ordinary shares				744,290
Add Unrealized gain on transfer of investment				24,695
				<u>768,985</u>
Other securities : Unit trust				
Cost			2,700	
Less Allowance for impairment			(2,661)	39
Total				<u>769,024</u>
				Baht : '000 Amortized Cost
Held-to-maturity securities				
Debt securities				
Notes		121,256	-	121,256
Total		<u>121,256</u>	<u>-</u>	<u>121,256</u>
Total value of investment in securities				<u>5,548,942</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	121,256	-	-	121,256
Total	<u>121,256</u>	<u>-</u>	<u>-</u>	<u>121,256</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>
Securities for general investment				
Equity securities				
Ordinary shares				742,890
<u>Add</u> Unrealized gain on transfer of investment				<u>24,695</u>
				767,585
Other securities : Unit trusts				
Cost			2,700	
<u>Less</u> Allowance for impairment			<u>(2,661)</u>	<u>39</u>
Total				<u>767,624</u>
Held-to-maturity securities				
Debt securities				
Notes	390,000			
<u>Less</u> Allowance for impairment	<u>(3,650)</u>	<u>386,350</u>	<u>-</u>	<u>386,350</u>
Total		<u>386,350</u>	<u>-</u>	<u>386,350</u>
Total value of investment in securities				<u>4,606,553</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	<u>386,350</u>	<u>1,311</u>	<u>-</u>	<u>387,661</u>
Total	<u>386,350</u>	<u>1,311</u>	<u>-</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.

As at September 30, 2009, certain bonds, treasury bills and debentures are deposited with a related bank as the Company's backup assets (see Note 12).

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 2.75 - 4.00 % per annum.

6. CASH AND DEPOSITS AT FINANCIAL INSTITUTIONS

	As at September 30, 2009	Baht : '000 As at December 31, 2008
Cash	215	215
Cash at banks - call deposits	208,493	124,477
Cash at banks - time deposits	466,568	1,068,684
Total cash and deposits at financial institutions	<u>675,276</u>	<u>1,193,376</u>

As at September 30, 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 September 30, 2009	Baht : '000 As at December 31, 2008
Not over 60 days	109,299	171,315
Over 60 days up to 90 days	17,582	54,744
More than 90 days	32,992	30,708
Total premiums due and uncollected	159,873	256,767
<u>Less</u> Allowance for doubtful accounts	<u>(5,030)</u>	<u>(5,030)</u>
Total premiums due and uncollected - net	<u>154,843</u>	<u>251,737</u>

The balances as at September 30, 2009 and December 31, 2008 of premiums due and uncollected are classified by aging as follows:

	As at September 30, 2009	Baht : '000 As at December 31, 2008
Not over 3 months	126,881	226,059
Over 3 months up to 6 months	14,734	24,081
Over 6 months up to 12 months	17,878	4,459
More than 12 months	380	2,168
Total	<u>159,873</u>	<u>256,767</u>

8. UNEARNED PREMIUM RESERVES

Unearned premium reserves presented in the balance sheets as at September 30, 2009 and December 31, 2008 did not include additional unearned premium reserve of ceded premium to foreign reinsurers of Baht 83.34 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 September 30, 2009 and December 31, 2008, the loss reserves and outstanding claims account included outstanding claims and accrued interest of Baht 78.51 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 September 30, 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 September 30, 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. BACKUP ASSETS

The Company has deposited certain investments with a related bank used for the Company's backup assets according to the Notification of the Office of Insurance Commission regarding "Asset allocation for liabilities and commitment of insurance contract and asset deposition at financial institution B.E. 2551" which indicates the Company to start having the backup assets from April 1, 2009, onward (see Note 4). The backup assets are as follows:

	As at September 30, 2009	Baht : '000 As at December 31, 2008
Bonds	465,224	-
Treasury bills	59,986	-
Debentures	<u>360,070</u>	-
	<u>885,280</u>	<u>-</u>

13. LONG-TERM LEASES AND SERVICE AGREEMENTS

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

Type of lease	Remaining periods		Baht : '000 Rental payments for the remaining periods
	Within 1 year	More than 1 year But not over 5 years	
September 30, 2009			
Building	4,371	3,750	8,121
Service	4,371	3,750	8,121
Equipment	<u>5,828</u>	<u>5,001</u>	<u>10,829</u>
Total	<u>14,570</u>	<u>12,501</u>	<u>27,071</u>
December 31, 2008			
Building	4,371	7,029	11,400
Service	4,371	7,029	11,400
Equipment	<u>5,828</u>	<u>9,371</u>	<u>15,199</u>
Total	<u>14,570</u>	<u>23,429</u>	<u>37,999</u>

14. INCOME TAX EXPENSE

For the quarters and nine-month periods ended September 30, 2009 and 2008, income tax expense consisted of the following:

	For the quarters		Baht : '000	
	ended September 30, 2009	2008	For the nine-month periods ended September 30, 2009	2008
Income tax expense - current tax	14,655	9,610	56,590	45,574
<u>Add (Less) Tax effect from deferred income tax</u>				
Effect of change in the applicable tax rate used in tax calculation from 30% to 25% for the portion of net income up to Baht 300 million	-	-	-	15,444
Unearned premium reserve	4,933	3,335	(3,788)	(3,349)
Loss reserve - net	369	6,313	(9,490)	1,337
Incurred but not reported claims	(176)	(30)	(427)	50
Allowance for impairment of notes	804	-	912	-
Allowance for impairment of general investment	-	-	-	6,324
Others	14	283	1,998	2,217
Income tax expense	<u>20,599</u>	<u>19,511</u>	<u>45,795</u>	<u>67,597</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 quarters and nine-month periods ended September 30, 2009 and 2008 to conform to such tax rate change.

As at September 30, 2009 and December 31, 2008, deferred tax assets and liabilities resulting from temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base were as follows:

	Baht : '000	
	As at September 30, 2009	As at December 31, 2008
Deferred tax assets resulting from :		
Allowance for doubtful accounts of premium due and uncollected	1,258	1,258
Unearned premium reserve	39,257	35,469
Loss reserve - net	51,254	41,764
Incurred but not reported claims	6,469	6,042
Unrealized loss on the change in value of investment		
- available-for-sale securities	-	16,491
Allowance for impairment of notes	-	912
Allowance for impairment of general investment	665	665
Others	1,422	3,420
Total deferred tax assets	<u>100,325</u>	<u>106,021</u>
Deferred tax liabilities resulting from :		
Unrealized gain on the change in value of investment		
- available-for-sale securities	33,169	-
Unrealized gain on transfer of investment - general investment	6,174	6,174
Total deferred tax liabilities	<u>39,343</u>	<u>6,174</u>

15. DIVIDENDS

- 15.1 On April 22, 2008, the ordinary shareholders' meeting passed a resolution to pay an annual dividend for the year 2007 of Baht 1.40 per share. The Company had paid an interim dividend for the operation result from January 1, to June 30, 2007 at Baht 0.65 per share, which was paid on September 14, 2007. The remaining portion of the annual dividend of Baht 0.75 per share, which was paid from the second half of year 2007 operation result for 250 million shares, totaling Baht 187.5 million, was paid on April 28, 2008.
- 15.2 On April 21, 2009, the ordinary shareholders' meeting passed a resolution to pay an annual dividend for the year 2008 of Baht 1.00 per share. The Company had paid an interim dividend for the operation result from January 1, to June 30, 2008 at Baht 0.65 per share, which was paid on September 12, 2008. The remaining portion of the annual dividend of Baht 0.35 per share, which was paid from the second half of year 2008 operation result for 250 million shares, totaling Baht 87.5 million, was paid on April 28, 2009.
- 15.3 On August 21, 2009, the board of directors' meeting passed a resolution to pay an interim dividend for the operation result from January 1, to June 30, 2009 for 250 million shares at Baht 0.50 per share, totaling Baht 125 million. Such dividend was paid on September 18, 2009.

16. 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:

16.1 Investments

As at September 30, 2009

Companies	Type of Business	Relationship	Paid-up share capital	Share holding %	Baht : '000	
					Investments	Dividend
Investments - ordinary shares						
Bank of Ayudhya Plc.	Finance	Some common shareholders and directors	60,741,437	0.01	5,394	85
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	47,514
Siam City Cement Plc.	Manufacturing	Some common shareholders and directors	2,375,000	0.36	199,750	15,562
Thai Reinsurance Plc.	Reinsurance	Some common shareholders and directors	1,187,355	1.77	107,115	7,561
Ayudhya Allianz C.P. Life Plc.	Life Insurance	Some common shareholders and directors	2,950,000	5.82	217,144	-
					<u>1,078,707</u>	<u>70,722</u>

			Baht : '000
Companies	Type of Business	Relationship	Investments
Investments - debentures			
Bank of Ayudhya Plc.	Finance	Some common shareholders and directors	260,139
Siam City Cement Plc.	Manufacturing	Some common shareholders and directors	103,322
			<u>363,461</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			440,934	16,277
- AYF Medium Term Fixed Income Fund			139,266	-
- AYF Cash Plus Fund			64,733	-
- AYF Dividend Stock Fund			19,138	1,000
- KRUNGSRI Korean Government Bond 6M2 Fund			30,068	-
			<u>694,139</u>	<u>17,277</u>
PrimaVest Asset Management Co., Ltd.				
	Fund Management	Some common shareholders		
- PrimaVest Flexible Fund			90,229	-
- PrimaVest Equity Dividend Fund			5,955	429
- Krungsri - PrimaVest Equity Fund			9,993	-
- Krungsri - PrimaVest Money Fund			152,610	-
- PrimaVest - Allianz GI Oriental Income Fund			28,440	-
- PrimaVest - Allianz GI Global High Payout Fund			15,191	-
			<u>302,418</u>	<u>429</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
Investments - debentures			
Bank of Ayudhya Plc.	Finance	Some common shareholders and directors	251,300

Companies	Type of Business	Relationship	Baht : '000	
			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>

16.2 Significant balances and transactions are as follows:

	Relationship	Baht : '000	
		September 30, 2009	December 31, 2008
Bank deposits			
Bank of Ayudhya Plc.	Some common shareholders and directors	144,006	358,885
Premium due and uncollected			
Ayudhya Auto Lease Plc.	Some common shareholders	-	19
Ayudhya Securities Plc.	Some common shareholders and directors	-	15
Bank of Ayudhya Plc.	Some common shareholders and directors	741	238
Ayudhya Fund Management Co., Ltd.	Some common shareholders	-	18
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders and directors	48	126
BBTV Equity Co., Ltd.	Some common shareholders	-	521
Siam City Cement Plc.	Some common shareholders and directors	1,411	639
Great Luck Equity Co., Ltd.	Some common shareholders	26	-
Ayudhya Allianz C.P. Life Plc.	Some common shareholders and directors	-	279
Media of Medias Plc.	Some common shareholders and directors	57	181
Ayudhya Asset Management Co., Ltd.	Some common shareholders	1,228	437
Siam Realty and Services Co., Ltd.	Some common shareholders	462	73
Krungsriayudhya Card Co., Ltd.	Some common shareholders	-	(110)
		<u>3,973</u>	<u>2,436</u>
Accrued interest income			
Bank of Ayudhya Plc.	Some common shareholders and directors	1,701	3,598
Siam City Cement Plc.	Some common shareholders and directors	1,319	-
		<u>3,020</u>	<u>3,598</u>
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	20,802	12,989
Bank overdrafts			
Bank of Ayudhya Plc.	Some common shareholders and directors	-	93
Financial lease liabilities			
Ayudhya Capital Auto Lease Plc.	Some common shareholders	4,514	5,381

		Baht : '000	
Relationship		Balances as at	
		September 30, 2009	December 31, 2008
Accrued interest of financial lease			
Ayudhya Capital Auto Lease Plc.	Some common shareholders	18	22
Accrued expense - management fee			
Ayudhya Securities Plc.	Some common shareholders and directors	31	22
Accrued expense - custodian fee			
Bank of Ayudhya Plc.	Some common shareholders and directors	13	1
Accrued expense - commissions and brokerages			
Bank of Ayudhya Plc.	Some common shareholders and directors	11,438	9,340
Accrued expense - other underwriting expenses			
Bank of Ayudhya Plc.	Some common shareholders and directors	5,366	3,443
Accrued operating expenses			
Siam City Cement Plc.	Some common shareholders and directors	-	24

		Baht : '000			
Relationship		For the quarters ended September 30,		For the nine-month periods ended September 30,	
		2009	2008	2009	2008
Premium written					
Ayudhya Development Leasing Co., Ltd.	Some common shareholders	-	34	75	114
Ayudhya Auto Lease Plc.	Some common shareholders	-	(25)	6	(44)
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	6,052	4,690	27,967	25,363
Ayudhya Fund Management Co., Ltd.	Some common shareholders	37	18	1,314	1,357
Bangkok Broadcasting & T.V. Co., Ltd.	Some common shareholders and directors	1,885	1,756	5,488	4,697
Super Assets Co., Ltd.	Some common shareholders	52	55	54	55
BBTV Equity Co., Ltd.	Some common shareholders	-	-	21	25
Siam City Cement Plc.	Some common shareholders and directors	59,743	68,062	71,553	75,532
CKS Holding Co., Ltd.	Some common shareholders	34	44	34	44
Great Luck Equity Co., Ltd.	Some common shareholders	24	25	71	67
Thai Reinsurance Plc.	Some common shareholders and directors	5,407	6,098	15,914	17,924
PrimaVest Asset Management Co., Ltd.	Some common shareholders	251	791	264	804
Ayudhya Allianz C.P. Life Plc.	Some common shareholders and directors	(15)	9	506	512
Hyla (Thailand) Co., Ltd.	Some common shareholders and directors	-	2	(2)	3
Media of medias Plc.	Some common shareholders and directors	53	63	310	331
Ayudhya Asset Management Co., Ltd.	Some common shareholders	1,594	1,827	3,542	3,643
Siam Realty and Services Co., Ltd.	Some common shareholders	556	575	922	988
Ayudhya Factoring Co., Ltd.	Some common shareholders and directors	-	-	4	4
Ayudhya Capital Auto Lease Plc.	Some common shareholders	-	5	54	5
Krungsriayudhya Card Co., Ltd.	Some common shareholders	-	-	2,983	2,721
		<u>75,673</u>	<u>84,029</u>	<u>131,194</u>	<u>134,194</u>
Premium ceded					
Thai Reinsurance Plc.	Some common shareholders and directors	49,356	45,521	140,230	132,681

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

		Baht : '000			
Relationship		For the quarters		For the nine-month periods	
		ended September 30,		ended September 30,	
		2009	2008	2009	2008
Commissions and brokerages					
Bank of Ayudhya Plc.	Some common shareholders and directors	25,328	20,387	68,519	61,120
Other underwriting expenses					
Bank of Ayudhya Plc.	Some common shareholders and directors	13,205	7,512	33,004	22,594

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.

		Baht : '000			
Relationship		For the quarters		For the nine-month periods	
		ended September 30,		ended September 30,	
		2009	2008	2009	2008
Interest income					
Ayudhya Development Leasing Co., Ltd.	Some common shareholders	-	1,013	-	6,943
Bank of Ayudhya Plc.	Some common shareholders and directors	3,209	1,980	12,461	5,405
Siam City Cement Plc.	Some common shareholders and directors	1,134	-	1,319	-
		<u>4,343</u>	<u>2,993</u>	<u>13,780</u>	<u>12,348</u>
Interest expense					
Bank of Ayudhya Plc.	Some common shareholders and directors	-	1	-	3

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.

		Baht : '000			
Relationship		For the quarters		For the nine-month periods	
		ended September 30,		ended September 30,	
		2009	2008	2009	2008
Commission expense					
Ayudhya Securities Plc.	Some common shareholders and directors	350	17	573	1,132
Management fee					
Ayudhya Securities Plc.	Some common shareholders and directors	89	94	228	318
Custodian fee					
Bank of Ayudhya Plc.	Some common shareholders and directors	39	6	82	19

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

	Relationship	Baht : '000					
		Average rate of rental and service expenses per month		For the quarters ended September 30,		For the nine-month periods ended September 30,	
		2009	2008	2009	2008	2009	2008
Rental and service expenses							
BBTV Equity Co., Ltd.	Some common shareholders	1,214	1,123	3,643	3,370	10,928	9,394
Siam City Cement Plc.	Some common shareholders and directors	12	10	36	30	108	90

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.

17. DISCLOSURE OF FINANCIAL INSTRUMENTS

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

17.1 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.

17.2 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 September 30, 2009 and December 31, 2008, significant financial assets classified by type of interest rate are as follows:

	Baht : '000			
	Balance as at			
	September 30, 2009		December 31, 2008	
	Variable interest rate	Fixed interest rate	Variable interest rate	Fixed interest rate
Investment in securities-net				
Bonds	-	816,235	-	401,298
Treasury bills	-	359,952	-	157,917
Notes	-	121,256	-	386,350
Debentures	-	1,163,392	-	707,777
Cash and deposits at financial institutions	325,984	343,670	241,571	948,311
Total	<u>325,984</u>	<u>2,804,505</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 September 30, 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	45,986	770,249	816,235	2.92
Treasury bills	359,952	-	359,952	1.50
Notes	121,256	-	121,256	1.46
Debentures	-	1,163,392	1,163,392	4.30
Cash and deposits at financial institutions	343,670	-	343,670	1.23
Total	<u>870,864</u>	<u>1,933,641</u>	<u>2,804,505</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>	

17.3 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 September 30, 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:

	September 30, 2009		December 31, 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	Financial assets:			
Cash and deposits at financial institutions	675,276	675,217	1,193,376	1,194,242
Stocks	1,209,131	1,287,545	1,177,738	1,816,061
Other securities - unit trusts	1,878,976	1,878,957	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.

18. COMMITMENT

As at September 30, 2009 and December 31, 2008, the Company had a capital commitment to pay computer program development expenses in the amount of approximately Baht 14.48 million and Baht 6.89 million, respectively.

19. RECLASSIFICATION

A reclassification has been made to the balance sheet as at December 31, 2008 to conform to the presentation of the balance sheet as at September 30, 2009 by separately presented accrued withholding tax as at December 31, 2008 of Baht 4.85 million which was previously included in other liabilities - others.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the Company's authorized executive directors on November 9, 2009.