

TVI.004/2018
March 15, 2018

Subject : Notice of the Annual General Shareholders' Meeting No.25/2018
Attention : Shareholders of Thaivivat Insurance Public Company Limited

Attachments

1. Minutes of the 24/2017 Annual General Meeting of Shareholders held on April 10, 2017
2. The Company's Statements of Financial Position for the year ended December 31, 2017
3. The 2017 Annual Report together with the Company's Statements of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2017 in CD-Rom
4. Summarized Profile of Directors Nominated
5. Summarized Profile of Auditors Nominated
6. Definition of Independent Directors
7. Explanations on the Method of Granting Proxy, Effecting Registrations, Producing Documentation before Attending the Meeting, Regulations Concerning Meetings of Shareholders, and Voting
8. Profile of The Independent Directors whom are dominated to be a proxy from the shareholders
9. Procedures for Attending Annual Meeting of Shareholders
10. Company Article about General Meeting of Shareholders
11. Map of the Annual General Meeting of Shareholders Venue
12. Proxy Form A and B

The Board of Directors of Thaivivat Insurance Public Company Limited has called for the Ordinary Shareholder Meeting No.25/2018 to be held on April 20, 2018, at 3:00 p.m. at meeting room the 6 floor Thaivivat Insurance Building, 71 Din Daeng Road, Phaya Thai, Bangkok 10400, to consider the following matters:-

Agenda 1 To consider approval of the minutes of the general shareholders Meeting No.24/2017 on April 10, 2017.

Rationale: The Company held the annual general Shareholders meeting No.24/2017 on April 10, 2017, and the minutes of the meeting has been recorded and submitted to the Stock Exchange of Thailand and the Ministry of Commerce within the timeframe prescribed by laws. It was also disclosed in the company's website, details of which are shown in **enclosure 1**.

Opinion of the Board: The Board considered that the Minutes of the Annual General Shareholders' Meeting No. 24/2017 on April 10, 2017 was correctly recorded, and the Board also agreed to submit this report to shareholders for approval of the minutes.

Vote required: Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

Agenda 2 To consider and acknowledge the Company's Performance for the year 2017.

Rationale: The Company's Performance for the year 2017 can be found in the Company's Annual Report and the Board of Directors' Report which was attached to this invitation letter in CD-Rom format (**enclosure 3**) and can be summarized as follows;

(Unit : Million Baht)

	Consolidated Financial statements	Separate financial statements		Change %
	2017	2017	2016	
Underwriting Income	2,737.64	2,737.29	2,705.36	1.18
Underwriting Expenses	(2,378.68)	(2,377.39)	(2,445.83)	-2.80
Profit from Underwriting before	358.96	359.90	259.53	38.67



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Operating expenses				
Operating expenses	(426.21)	(422.91)	(375.91)	12.50
Loss from Underwriting	(67.25)	(63.01)	(116.38)	-45.86
Investment Income	92.73	90.60	121.22	-25.26
Other Income	6.30	6.32	20.55	-69.25
Profit from Operation	31.78	33.91	25.39	33.56
Income Tax Revenue	0.34	0.34	(0.29)	216.23
Net Profit	32.12	34.25	25.10	36.45

Opinion of the Board: The Board considered and agreed that to submit to The General Shareholder's Meeting for the acknowledgement of the Company's results on performance for the year 2017.

Vote required: This agenda is for shareholders' acknowledgment; therefore, voting is not required.

Agenda 3 To consider approval of the audited Balance Sheet and the Profit and Loss Statement for the year ended December 31, 2017.

Rationale: Article 37 of the Articles of Association stipulates the Board of Directors must cause the Balance Sheet and the Profits and Loss Statement to be made at the end of the accounting year of the company, for submission to the annual general meeting of shareholders for approval. The said financial statements are shown in the 2017 as per **enclosure 3**.

Opinion of the Board: The meeting should approve the said Balance Sheet and the Profit and Loss Statement for the year ended December 31, 2017 that have been considered by the Audit Committee and audited by the auditor.

Vote required: Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

Agenda 4 To consider approval of the appropriation of the Company's annual net profit and dividend.

Rationale: The Company has the **policy to maintain and to pay the annual dividend at about 40% of the net profit after tax**. According to The Article of Association No.34, the Company must appropriate an amount of not less than 5 percent of the Annual net profit, minus the cumulative losses of the Company (if any) to a statutory reserve until the reserve is not less than 10 percent of the registered capital of the Company. The Company has already reserved a statutory reserve to 30.3 million Baht so do not be allocated the statutory reserve. The appropriate of profit and comparison of dividend paid in the previous years in details are as follow:

Dividend Payment	AGM 25/2018	AGM 24/2017	AGM 23/2016
Net Profit (Baht)	34,249,425.31	25,097,051	22,323,876
Earnings Per Share (Baht)	0.11	0.08	0.07
Number of Share (share)	303,000,000	303,000,000	303,000,000
Dividend Payment Per Share (Baht)	0.07	0.05	0.05
Total Dividend Payment (Baht)	21,210,000	15,150,000	15,150,000
Dividend Payout Ratio	62%	60%	68%



Opinion of the Board: The Board deems that the shareholders should approve the appropriation of the dividend for the year 2017 from operating year 2017 and retained earnings at the rate of baht 0.07 (seven satang) per share, totaling of 21,210,000 baht or payout ratio at 62% higher than dividend payout policy. The Company had fixed the record date on May 2, 2018 for determining the right of shareholders to receive dividend. The payment would be made on May 18, 2018.

Vote required: Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

Agenda 5 To consider and approve Director's remuneration.

Rationale: The Company has policy to compensate directors at the level closely applicable in the industry and sufficiently to retain directors of required qualifications. The Board considers and deemed it fit to set up the remuneration of directors according to the proposed rate and proposed to the Annual General Meeting of Shareholders to approve the remuneration as follows:

Details of Compensation	2018	2017	2016
1. Director's Bonus (Baht /Board)	3,480,000	3,480,000	3,480,000
Number of Directors (Person)	9	9	9
2. Audit Committee (Baht /Board)	640,000	640,000	640,000
Number of Directors (Person)	3	3	3
3. Nomination and Remuneration Committee	-	-	-
Number of Directors (Person)	4	4	4
4. Investment Committee (Baht /Board)	-	-	-
Number of Directors (Person)	3	3	3
Meeting for attendant (Baht / Meeting / Person)			
1. The Board of Director			
- Chairman Mr. Chalaw Fuangaromya	30,000	20,000	20,000
- Director (There are 8 Directors)	20,000	15,000	15,000
2.The Audit Committee			
- Chairman Mr. Phisit Setthawong	20,000	15,000	15,000
- Committee Mrs.Pilai Piamphongsant Mrs.Pranee Phasipol	20,000	15,000	15,000
3. The Nomination and Remuneration Committee			
- Chairman Mr. Phisit Setthawong	20,000	15,000	-
- Committee Mrs.Pilai Piamphongsant Mr.Thawan Viranont Mrs.Sutepee Asvatanakul	20,000	15,000	-
4. The Investment Committee			
- Chairman Mr. Chalaw Fuangaromya	20,000	15,000	-
- Committee Mrs.Pranee Phasipol Mr.Jiraphant Asvatanakul	20,000	15,000	-

*No other compensation



Opinion of the Board: The Board has considered the matter and agreed that the remuneration of directors as presented should be proposed in the general shareholders meeting for approval.

Vote required: Not less than two-thirds of the total number of votes of the shareholders present at the meeting.

Agenda 6 To elect Directors to replace those retiring by rotation.

Rationale: Article 14 of the Articles of Association stipulates that at every annual general meeting of shareholders, one-third of the total number of the Directors shall vacate their office. In 2018, three Directors are due to retire by rotation at the Annual General Meeting of the Shareholders, two of them are independent directors. The Definition of Company's Independent Director (**Enclosure 5**), which qualifications **are same as** the minimum requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The names of three Directors who will retire by rotation are as follows;

- | | |
|---------------------------|---|
| 1. Mr. Chalaw Fuangaromya | Independent Director, Chairman and
Chairman of Investment Committee |
| 2. Mrs. Pranee Phasipol | Independent Director, Audit Committee and
Investment Committee |
| 3. Mr. Thawan Viranont | Director, Advisor of CEO and The Nomination and
Remuneration Committee |

The Company had invited all shareholders to nominate any qualified person to be elected as Company's Director as well as to propose any meeting agenda through the Company's website from November 27, 2017 to January 31, 2018. However, there was neither proposal of director nominee nor meeting agenda submitted to the Company.

The Board, therefore, proposes to re-elect Mr. Chalaw Fuangaromya, Mrs. Pranee Phasipol and Mr. Thawan Viranont as directors for another term.

The principles and procedures of recruiting directors and curriculum vitae of 3 directors, who retire by rotation are as per **enclosure 4**.

Opinion of the Board: The Board, excluding the director who has conflict of the interest, considered the recommendation of the nominating committee that all 3 Directors are knowledgeable and competent persons who contribute their time to the company. The Board, therefore, propose to re-elect all 3 persons as Directors for another term replacing the Directors who have retired by the rotation rule.

Vote required: Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

Agenda 7 To consider appointing an auditor and set auditing fee.

1. To consider the ratification to increase the 2017 audit fee of 2,000,000 Baht previously approved by the 2017 Annual General Meeting of Shareholders on April 10, 2017, to 2,320,000 Baht by adding 320,000 Baht towards the audit fee for the consolidated financial statements

Rationale: On May 30, 2017 the company has started operations Laovivat Insurance Company Limited which is an insurance company established in Laos whose 70% of its shares is owned by the Company. Therefore, the Company is required to begin adopting the consolidated financial statements for the operating results for 2017 onwards in order to comply with the laws. As a consequence of this accounting change, additional audit fees of 320,000 Baht were incurred during 2017 and therefore



drove up the total annual audit fees for the year to 2,320,000 Baht instead of the original rate of 2,000,000 Baht, which had been approved earlier in the 2017 Annual General Meeting of Shareholders.

Opinion of the Board: The Board of Directors has considered the details of the agenda and agreed to propose that the Meeting approve the ratification of the increase in the annual audit fees for year 2017 as proposed on the grounds of the setup of the subsidiary and the compliance with the statutory requirement relevant to the consolidated financial statements.

Vote required: Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

2. To consider appointing an auditor and set auditing fee for 2018.

Rationale: The Audit Committee considers electing the auditor for 2018 and submits to the Board of Directors' for consideration in order to submit to the shareholders' meeting. The auditor are Miss Somjai Khunnaprasut and/or Miss Ratchada Yongsawasvanich and/or Mrs. Nonglak Pumnoi and/or Mrs. Narissara Chaisuwan of EY Office Limited.

The Audit Committee was of opinion that as EY Office Limited has worldwide network which is acceptable by many countries. Three Auditors together with EY Office Limited have no relationship or entry into any transactions which may create the conflict of interest to the Company. In the meantime, the Selection Committee would like to propose subsidiary companies for the shareholders' acknowledgment. The term of appointment of the Company's auditor has been completed. The shareholders are invited to consider and appoint an External Auditor and also to fix the auditing fee for the year 2018. The EY Office Limited has quoted the auditing fee for the year 2018 in an amount of Baht 2,390,000 or an increase of 3.02 %, as per following details:-

	Unit : Baht			
	2018	2017	Change	%
1. Fee for the annual financial statements ending 31 December	940,000	890,000	50,000	5.62
2. Fee for review of interim financial statements (3 quarters)	510,000	510,000	-	-
3. Fee for review the Risk-Based Capital (RBC) report for (Quarter 2)	160,000	160,000	-	-
4. Fee for review the Risk-Based Capital (RBC) report for (Quarter 4)	370,000	370,000	-	-
5. Fee for review and audit of consolidated financial statements	340,000	320,000	20,000	6.25
6. Fee for the review of other information	70,000	70,000	-	-
Total	2,390,000	2,320,000	70,000	3.02

Opinion of the Board : Based on the audit committee's recommendation, the meeting should appoint the existing auditor as following:

Name	CPA Registration No.	No. of year in audit service to the company
Miss Somjai Khunnaprasut	4499	4
Miss Ratchada Yongsawasvanich	4951	Nil
Mrs. Nonglak Pumnoi	4172	5
Mrs. Narissara Chaisuwan	4812	Nil



from EY Office Limited as the company’s auditor. The 4 proposed auditors as well as EY Office Limited have no relationship or conflict of interest in the company and determine the auditor’s fee at 2,390,000.- Baht.

Vote required: Simple majority of total number of votes of the shareholders present at the meeting and eligible to vote.

Agenda 8 To approve the amendment of Thaivivat Insurance Public Company Limited’s Articles of Association.

Rationale: The Board of Directors deemed it appropriate that the shareholders’ meeting approves the amendment of Thaivivat Insurance Public Company Limited’s Articles of Association as follows:

Existing Provision	Proposed Amendment
<p>Article 27. The Board must arrange the shareholder’s annual generating meeting within 4 months after the company’s accounting period.</p> <p>Any other shareholder’s meeting shall be referenced to as the Extraordinary Shareholder Meeting. The Board can arrange the Extraordinary Shareholder Meeting whenever they see fit or <u>any shareholders holding the aggregate amount of up to one-fifth (1/5) of all issued shares or at least twenty-five (25) shareholders holding the aggregate amount of up to one-tenth (1/10) of all issued shares, may request in writing to the Board of Directors for the holding of an Extraordinary Shareholder Meeting. The request shall clearly specify the reason for summoning the meeting. The Board of Directors shall call a meeting to take place within one (1) month from the date of receipt of the request.</u></p>	<p>Article 27. The Board must arrange the shareholder’s annual generating meeting within 4 months after the company’s accounting period.</p> <p>Any other shareholder’s meeting shall be referenced to as the Extraordinary Shareholder Meeting. The Board can arrange the Extraordinary Shareholder Meeting whenever they see fit or <u>one or more shareholder(s) holding not less than ten (10) percent of the total issued shares may request in writing to the Board of Directors to hold an extraordinary meeting of shareholders at any time but they shall clearly specify reasons for such request in the notice. In such case, the Board of Directors must hold a meeting of shareholders within forty-five days from the date of receipt of the notice.</u></p> <p><u>In the case that the Board of Directors does not hold such meeting within a specified period, the shareholders who have submitted the request or other shareholders holding the aggregate Existing Provision Proposed Amendment number of shares as prescribed in this Article may hold the meeting by themselves within forty-five days from the lapse of the specified period. In this case, it shall be deemed that such shareholder’s meeting is the meeting called by the Board of Directors. The Company shall be responsible for all necessary expenses incurring from the holding of the meeting and reasonable facilitation.</u></p>

	<u>In the case that the quorum of the meeting convened as requested by the shareholders cannot be formed as required by this Articles of Association, the shareholders who requested the meeting shall be jointly responsible for any expenses incurring from the convening of such meeting.</u>
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Opinion of the Board: The Board of Directors deemed it appropriate that the shareholders' meeting approves the amendment of Thaivivat Insurance Public Company Limited's Articles of Association. As well as authorize the Board of Directors or any person designated by the Board of Directors or by the authorized directors, to undertake any acts necessary for the amendment to the Company's Articles of Association, Article 27.

Vote required: Not less than three-fourths of the total number of votes of the shareholders present at the meeting.

Agenda 9 Other business (if any)

The Record date for the right to attend the Annual General Shareholder's Meeting No.25/2018 shall be on March 14, 2018.

Enclosed were documents as per the Appendices. The Company proposed the 2017 Annual Report and Financial Report in the form of CD. However, Shareholders who wish to get the reports in print is requested to contact the Investment Relations, Telephone 02-6950800 Ext. 5938 Fax 02-6950808 or Email: nantawan_aru@thaivivat.co.th

All shareholders are invited to attend the Meeting on the date, and at the time and place specified above. If you wish to appoint another person to attend and vote on your behalf, please complete and sign the Proxy Form and submit it to the secretary to the Board prior to the Meeting.

Yours faithfully,



(Mr. Jiraphant Asvatanakul)
Chief Executive Officer and President



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**The Minutes of the 24 /2017 Annual Ordinary General Meeting of Shareholders
Held on April 10th, 2017
Thaivivat Insurance Public Company Limited**

The Meeting was convened on April 10th, 2017 at Thaivivat Insurance Building, 71 Din Deang Road, Samsen Nai subdistrict, Phaya Thai District Bangkok, Thailand.

There were 34 shareholders holding 79,682,692 shares and 17 proxies holding 159,365,384 shares or a total of 51 persons, holding 239,048,076 shares or 78.89 % of the total units of issued and fully paid shares (303,000,000 shares) attended the meeting in person and by proxy which constituted the quorum as stipulated in Article 29 of the Company's Articles of Association.

The Meeting commenced at 15.06 hours.

Mr. Chalaw Fuangaromya is the Chairman of the meeting.

Secretary informed the meeting the voting procedures that: The Chairman will ask the meeting to cast the vote for each agenda whether shareholders approve, disapprove or abstain. Any shareholder wishing to disapprove or abstain, please raises his/her hand and then marks the vote as disapprove or abstain on the ballot paper distributed at the registration desk and handed to the staff for calculation. The total number of counted disapprove and abstain votes would then be deducted from the total number of votes in the meeting. The Chairman shall announce the result when the vote count has been completed. If there is no shareholder raises his/her hand, it shall be deemed that all shareholders cast their votes in each agenda as approved.

For proxy holder, where the proxy holder must cast the votes in accordance with the shareholders' instruction, the Company shall count and record the votes as specified by the shareholder.

Shareholders having acknowledged the voting procedures.

The Chairman declared the meeting opened and Mr. Jiraphant Asvatanakul, Director, Chief Executive Officer and President introduced Directors and Management Committee Members, who were present in this meeting as follows;

1. Directors, There were 8 of the 9 Directors present in the meeting with the following names;

- | | |
|---------------------------------|--|
| 1) Mr. Chalaw Fuangaromya | Independent Director, Chairman and Chairman of Investment Committee |
| 2) Mr. Phisit Setthawong | Independent Director, Chairman of The Audit Committee, Chairman of The Nomination and Remuneration Committee |
| 3) Mrs. Pranee Phasipol | Independent Director, Audit Committee and Investment Committee |
| 4) Mrs. Supaporn Burapakusolsri | Independent Director |
| 5) Mr. Jiraphant Asvatanakul | CEO and President, Investment Committee |



- | | |
|----------------------------------|--|
| 6) Mr. Thawan Viranont | Director, Advisor of CEO and The Nomination and Remuneration Committee |
| 7) Mrs. Sutepee Asvatanakul | Managing Director, The Nomination and Remuneration Committee |
| 8) Mrs. Sunee Theravithayangkura | Director and Company Secretary |

2. Management Committee Members, There were 9 Management Committee Members present in the meeting with the following names;

- | | |
|-------------------------------------|--|
| 1) Mr. Suraphong Theravithayangkura | Senior Executive Vice President |
| 2) Mr. Krailoes Hanvivadhanakul | Executive Vice President |
| 3) Ms. Janejira Asvatanakul | Executive Vice President |
| 4) Mr. Thepphan Asvatanakul | Executive Vice President |
| 5) Miss Sirintr Nuntavoraset | Advisor of CEO |
| 6) Mr. Pimol Chantaveerakul | Vice President Claims Operations & Coordination Department |
| 7) Mrs. Duangkaew Viriyanusak | Senior Manager, Accounting Department |
| 8) Mrs. Luspan Teumtongchai | Senior Manager, Sale Department |
| 9) Mrs. Duangchuda Preuksapisal | Manager , Sale Department |

3. Representatives from the EY Office Limited, the Company’s external auditors, there were 2 representatives present in the meeting with the following name;

- | | |
|----------------------------|-----------------------|
| 1) Miss Somjai Khunnprasut | Auditor |
| 2) Miss Siwaporn Kerdsin | Manager of Audit Team |

After the introduction the Chairman then preceded the meeting in accordance with the Company’s Article of Association and the specified agenda respectively as follows:

Agenda 1: To certify the Minutes of the 23/2016 Annual Ordinary General

Meeting of Shareholders held on April 8, 2016 The Chairman proposed to the meeting to consider and approved the minutes of the 23/2016 Annual Ordinary General Meeting of Shareholders held on April 8, 2016.

The Chairman inquired whether any shareholder would like to ask or make any amendment. There was neither proposal nor query, the Chairman asked shareholders who wished to disapprove or abstain to raise their hands. There was none; the Chairman therefore concluded the resolution as follows:

RESOLUTION: The meeting unanimously certified the minutes of the 23/2016 Annual Ordinary General Meeting of Shareholders held on April 8, 2016 with the following numbers of votes:

- | | |
|------------------------------|---|
| Approve ...239,048,076 | equal to 100% of all votes of shareholders in attendance and casting votes. |
| Disapprove | -.....votes |
| Abstain | -..... votes |

Agenda 2: To acknowledge the Company’s Annual Report and the Board of Directors’ Report for the Year 2016

Mr. Jiraphant Asvatanakul reported and high-lighted results of 2016 as compared to 2015, the detail as shown in Annual Report, can be summarized as follows:

	Unit: Million Baht		
	2016	2015 (Restated)	Change %
Underwriting Income	2,705.36	2,527.88	7.02
Underwriting and Operating Expenses	(2,821.75)	(2,605.62)	8.29
Loss from Underwriting	(116.38)	(77.74)	49.71
Investment Income	141.77	99.16	42.97
Profit before Income Tax	25.39	21.42	18.51
Income Tax	(0.29)	0.90	132.69
Net Profit	25.10	22.32	12.42

Comparison in 2016 and 2015, the company's underwriting income had increased 177.48 million Baht or 7.02% while the underwriting expenses increased 216.13 million Baht or 8.29% resulting the underwriting loss (116.38) million Baht which increased 38.65 million Baht or 49.71% At the same time, the company investment earnings increased 42.61 million Baht resulting the company's net earnings after tax 25.10 million Baht that increased 12.42%

The company had underwriting income 2,705.36 million Baht that increased 7.02% as compared in 2015 due to the continuous expansion of Thai economy but the company has research and development expenses for insurance innovation including the need of various measurements to maintain market share affecting the capacity to make underwriting profit in 2016.

Besides the underwriting earnings, the company had a main investment earnings with Asset investment allocation comply with the requirement of the Office of Insurance Commission (OIC) announcement which had the investment amount as of yearend 2016 shown in the Financial Statements and recorded as market price 2,709.15 million Baht that increased 194.60 million Baht from 2015, In 2016, the company has the increase of investment earnings and return 42.61 million Baht or 42.97% from 2015 as SET Index increased 19.79%. Other financial statements can be found in the Annual Report 2016 submitted to all shareholders along with the invitation letter in CD-ROM Format.

During the past year, the Company jointly invested in Laovivat Insurance Company Limited ("LVI"), a juristic person recently established in Lao People's Democratic Republic for the purpose of operating a non-life insurance business with registered capital totaling 16,000,000,000 Lao Kip which comprises of common shares totaling 2,000,000 shares at 8,000 Lao Kip per share. The Company purchased common shares from Laovivat Insurance Company Limited totaling 1,400,000 shares, or around 70% of total number of LVI shares, which accounted to 16,000,000,000 Lao Kip in investment capital. The overall structure of shareholders and directors of LVI is as follows:

All three shareholders which included Lao Beverage Company Limited, PP Imports-Exports Company Limited and Legal Consultant and Service Company Limited have strong and stable financial position and are highly reputable and widely accepted companies in Lao People's Democratic Republic. Each possesses keen knowledge and experience in the

insurance industry not to mention operating insurance-related businesses that will help to drive and support quick business growth through nationwide business networks such as a network formed among automobile importers like Lao Ford City Company Limited and Lao Toyota Company Limited, distributor of consumer products, tools and equipment of major brands namely Unilever, Yamaha, Kubota, ToTo, Philips and Hitachi. In addition, these investors also operate a business of sugar plant and biomass power plants which use biogases as raw material. By this, the Company is therefore confident that by joining investment with these three shareholders in Laovivat Insurance Company Limited, which is engaged in the business of non-life insurance, will allow good return on investment and quick business success and expansion.

On October 18, 2016, the Company underwent an assessment procedure to see whether or not anti-corruption policy and preventive measures have been completely established and implemented within the organization according to the requirements of the Private Sector Collective Action Against Corruption (CAC) and had been officially certified as member of the CAC.

Furthermore, the Company was the only company to be presented with Thailand ICT Excellence Awards 2017 in Innovation Projects category for outstanding performance and successful adoption of ICT technology to achieve efficient business development from the Ministry of Digital Economy and Society, reflecting the adaption of insurance business toward the digital age.

The Chairman asked the meeting if there were any queries or comments.

Shareholder Investment capital totaling 16,000,000,000 Lao Kip is equivalent to how much in Thai Baht currency?

Mr. Jiraphant Around 70 million Baht.

Shareholder What do you mean by income from selling of equipments especially since this is an insurance company?

Mr. Jiraphant It means income from selling the Company's cars that can no longer be utilized.

Shareholder In 2014, the Company earned 2,232 million Baht in revenue and Baht 217 million in profits. In 2016, however, it earned 2,482 million Baht in revenue but only 25 million Baht in profits. How is it possible that the Company earned higher profits in 2014 when its total revenue generated in 2014 is lower than that of 2016?

Mr. Jiraphant The Company's profits in 2014 largely derived from investment, investment income and profits from fair value adjustment at the end of the year. However, only slight adjustment of SET Index took place the end of the year 2016, allowing only minimal profits when compared to that of the year 2014. Also, in spite of the increase in insurance premium in 2016, the profits earned continue to remain unchanged. This is due to the fact that the Company together with The Thai General Insurance Association and other 15 insurance companies have recently joined seasonal rice insurance scheme initiated by the government generating large amount of premium. However, this guarantee scheme faces

high degree of risk as it is largely depended on the weather which is a controllable and unpredictable factor. Hence, the Company handled such risk through reinsurance in order to show that the Company has achieved revenue growth but stable profit. In addition, high degree of competition among car insurance businesses in 2016 amidst slight growth in automobile industry has forced the Company to make investment in innovation development in order to deliver new products to the market as part of the Company's differentiation scheme in maintaining its competitive position.

Shareholder What revenue scheme is the Company planning to implement in 2017?

Mr. Jiraphant In 2017, only slight growth in insurance industry can be expected. So, it is likely that the Company's competition scheme will be mainly focusing on creating product differentiation which will require large capital investment. So, it can be said that only slight growth in the Company's revenue can be expected in 2017.

Shareholder When you said 'innovation', what type of innovation are you exactly referring to?

Mr. Jiraphant The Company has adopted the use of software and GPS system in calculating insurance premium based on the degree of risk for car insurance products.

Shareholder What type of insurance offers the highest profit?

Mr. Jiraphant There are actually two types of insurance products including motor insurance and non-motor insurance such as fire insurance, property insurance, marine insurance and personal accident insurance. Normally, non-motor insurance products provide higher marketing returns comparing to car insurance products but lower revenue amount. The proportion of car insurance is equal to 65% of the country's overall insurance premium.

Shareholder What is the proportion of seasonal rice insurance premium?

Mr. Jiraphant The premium for seasonal rice last year was equal to 2,200 million Baht (as at 31 December 2016) of which 8% belongs to the Company.

Shareholder It is mentioned that the financial statement 2015 is a revised version. Which section(s) has been revised?

Mr. Jiraphant The format of the financial statement was changed to be in line with the new accounting standard while all the numbers are the same.

Shareholder The revenue from investment totaling 141 million Baht comes from what types of investment?

Mr. Jiraphant The investment revenue totaling 141 million Baht can be divided into revenue from interest rates and dividend totaling 59 million Baht, profits from investment in capital market totaling 51.7 million Baht, profits from investment capital fair value adjustment totaling 10.5 million Baht and revenue from the selling of property combined with revenue from selling of information to Road Accident Victims Protection Company Limited totaling 20.6 million Baht, all of which adds up to 141 million Baht. All investments followed the recent OIC Notification relating to investment in other businesses.

Right Protection It is recommended that analysis figures should be presented in the next

Volunteer shareholders' meeting to allow easier understanding on the Company's operating results.

Mr. Jiraphant Thank you for your suggestion. We shall take it into consideration.

There was neither comment nor query; the Chairman then concluded the resolution as follows:

RESOLUTION: The meeting acknowledged the Company's Annual Report and the Board of Directors' Report for the year 2016.

Agenda 3: To consider approving the Company's Balance Sheet, the Profit and Loss Statement for the Year Ended December 31, 2016

The Chairman proposed that the meeting to approve the Balance Sheet and the Profit and Loss Statement as at December 31, 2016 The financial statements were disclosed in the Annual Report 2016 submitted to all shareholders along with the invitation letter in CD-Rom Format.

Mr. Jiraphant Asvatanakul informed to the meeting about The Company's financial statements at 31 December 2016 in details are as follow:

Financial position	2016	2015 (Restated)	Change %
Cash and cash equivalents	228.89	326.83	-29.97
Premium receivables	373.44	426.05	-12.35
Accrued investment income	6.81	7.84	-13.14
Reinsurance assets	514.90	418.19	23.13
Reinsurance from receivables contracts	19.11	65.86	-70.98
Investments in securities	2,701.32	2,506.56	7.77
Loans	7.38	7.99	-7.63
Property, buildings and equipment	288.09	277.55	3.79
Others	713.78	553.07	29.06
Total assets	4,853.69	4,589.94	5.75
Due to reinsurers	480.10	358.66	33.86
Loss reserves and outstanding claims	1,000.06	907.61	10.19
Premium reserve	1,576.08	1,574.10	0.13
Others	692.87	654.80	5.81
Total liabilities	3,749.11	3,495.17	7.27
Total equity	1,104.58	1,094.77	0.90

The Company has Capital Adequacy Ratio (CAR) of 375.20% recorded as 31 December 2016, this is higher than the legal rate.

The Chairman asked the meeting if there were any queries or comments about the Company's Balance Sheet, Profit and Loss Statement.

Shareholder What are the causes of a significant rise in the reinsurance expenditures in the past year?

Mr. Jiraphant The rise in reinsurance expenditures is partly due to the increase in the proportion of rice insurance premium comparing to the previous year, resulting in higher numbers of reinsurance.

Shareholder According to profit and loss statement 2015, the Company received tax refund totaling 900,000 Baht while its tax payment for the year 2016 is roughly equal to 300,000 Baht. Why is there such big difference and can it be refunded in any ways?

Mrs. Duangkaew This is called “deferred tax” which is part of generally-accepted accounting standard. It is the difference between accounting principle and tax principle. In other words, it is the difference between income tax deriving from accounting net profit and income tax deriving from taxable net profit. Currently, the Company has to pay taxes from taxable net profit which is recognized as expenditure in the financial statement and uses income tax payable method in accounting records.

Then the Chairman concluded the resolution as follows:

RESOLUTION: The meeting unanimously approved the company’s balance sheet, profit and loss statement for the year ended December 31, 2016 with the following numbers of votes:

Approve ...239,048,076 votes equal to 100% of all votes of shareholders in attendance and casting votes

Disapprove-.....votes

Abstain-..... votes

Agenda 4: To consider the Allocation of Net Profit for Dividend Payment

Mr. Jiraphant Asvatanakul informed to the meeting ,The Company has the **policy to maintain and to pay the annual dividend at about 40% of the net profit after tax.** According to The Article of Association No.34, the Company must appropriate an amount of not less than 5 percent of the Annual net profits , minus the cumulative losses of the Company (if any) to a statutory reserve until the reserve is not less than 10 percent of the registered capital of the Company. The Company has already reserved a statutory reserve to 30.3 million baht. The appropriate of profit and comparison of dividend paid in the last years in details are as follow:

Dividend Payment	AGM 24/2017	AGM 23/2016	AGM 22/2015
Net Profit (Baht)	25,097,051	22,323,876	178,966,871
Earnings Per Share (Baht)	0.08	0.07	1.18
Number of Share (share)	303,000,000	303,000,000	151,500,000
Dividend Payment Per Share (Baht)	0.05	0.05	1.111112
Total Dividend Payment (Baht)	15,150,000	15,150,000	168,333,468
Stock Dividend Payment (Baht)	-	-	151,500,000
Cash Dividend Payment (Baht)	15,150,000	15,150,000	16,833,468
Dividend Payout Ratio	60%	68%	94%

Opinion of the Board: The Board deemed that the shareholders should approve the appropriation of the dividend for the year 2016 from operating year 2016 at the rate of 0.05 (five satang) per share, totaling of 15,150,000 Baht. The Company had fixed the record date on



April 21, 2017 and the closing date of the share register book on April 24, 2017 for determining the right of shareholders to receive dividend in according with the section 225 of the Securities and Exchange Act. The payment would be made on May 9, 2017.

The Chairman asked if there were any queries or comments regarding the allocation of net profit for dividend payment for the Year 2016. There was neither comment nor query; the Chairman then concluded the resolution as follows:

RESOLUTION: The meeting unanimously approved to not allocated the statutory reserve and approved the allocation of net profit and approve to pay the dividend from operating year 2016 and retained earnings as 0.05 (five satang) per share with the following numbers of votes:

Approve ...239,048,076 votes equal to 100% of all votes of shareholders in attendance and casting votes

Disapprove-.....votes

Abstain-..... votes

Agenda 5: To fix the remuneration of the Directors for the year 2017.

Mr. Jiraphant Asvatanakul presented for the Shareholders’ that The Company had policy to compensate directors at the level closely applicable in the industry and sufficiently to retain Directors of required qualifications. The Board considered and deemed it fit to set up the remuneration of Directors according to the proposed rate and proposed to the Annual General Meeting of Shareholders to approve the remuneration as follows:

Details of Compensation	2017	2016	2015
1. Director’s Bonus (Baht /Board)	3,480,000	3,480,000	3,480,000
Number of Directors (Person)	9	9	10
2. Audit Committee (Baht /Board)	640,000	640,000	640,000
Number of Directors (Person)	3	3	3
3. Nomination and Remuneration Committee	-	-	-
Number of Directors (Person)	4	4	4
4. Investment Committee (Baht /Board)	-	-	-
Number of Directors (Person)	3	3	3
Meeting for attendant (Baht / Meeting / Person)			
1. The Board of Director			
- Chairman Mr. Chalaw Fuangaromya	20,000	20,000	20,000
- Director (There are 8 Directors)	15,000	15,000	15,000
2.The Audit Committee			
- Chairman Mr. Phisit Setthawong	15,000	15,000	15,000
- Committee Mrs.Pilai Piamphongsant Mrs.Pranee Phasipol	15,000	15,000	15,000
3. The Nomination and Remuneration Committee			
- Chairman Mr. Phisit Setthawong	15,000	-	-

- Committee Mrs.Pilai Piamphongsant Mr.Thawan Viranont Mrs.Sutepee Asvatanakul	15,000	-	-
4. The Investment Committee			
- Chairman Mr. Chalaw Fuangaromya	15,000	-	-
- Committee Mrs.Pranee Phasipol Mr.Jiraphant Asvatanakul	15,000	-	-

*No other compensation

The Chairman then asked if there were any queries or comments regarding the Directors' remuneration for the year 2017. There was no query; the Chairman then concluded the resolution as follows:

RESOLUTION: The meeting unanimously approved the remuneration of the Directors for the year 2017 an amount not exceeding 4,120,000 Baht per annum with the following numbers of votes:

Approve ...239,048,076 votes equal to 100% of all votes of shareholders in attendance and casting votes

Disapprove-.....votes

Abstain-..... votes

Agenda 6: To elect Directors to replace those retiring by rotation.

Mr. Jiraphant Asvatanakul reported to the meeting that in every Annual General Meeting, one-third or the nearest to one-third of the Directors who served the company longest will be retired by rotation; however, the retired directors are eligible for re-election. This year the 3 directors due to retire by rotation were

1. Mrs. Pilai Piamphongsarn Independent Director, The audit committee and The nomination and remuneration committee
2. Mrs. Supaporn Burapakusolsri Independent Director
3. Mr. Jiraphant Asvatanakul CEO & President and The Investment committee

The Company had invited all shareholders to nominate any qualified person to be elected as Company's Director as well as to propose any meeting agenda through the Company's website from November 21, 2016 to January 31, 2017. However, there was neither proposal of Director nominee nor meeting agenda submitted to the Company.

The Board, therefore, propose to re-elect Mrs. Pilai Piamphongsarn , Mrs. Supaporn Burapakusolsri and Mr. Jiraphant Asvatanakul as Directors for another term. The principles and procedures of recruiting Directors and curriculum vitae of 3 Directors, who retire by rotation are as per **enclosure 4**.

Mr. Jiraphant Asvatanakul stated that the Public Company Act prohibits a director to operate business, be the Director in another juristic person, which has the same status and is competition with the company's activities, unless the meeting has been notified before

resolution is made for appointment. Mr. Jiraphant Asvatanakul informed the detailed of being Directors in other insurance companies as follow:

- Director of Nomination and Remuneration Committee, Thai Reinsurance Public Company Limited.
- Vice President and Chairman of Investment Committee, Road Victims Protection Company Limited

Furthermore Mr.Jiraphant Asvatanakul holding 8,781,128 shares will abstain to vote for himself.

The Chairman asked the meeting if there were any queries or comments about re-election three directors to replace those retiring by rotation

Right Protection Volunteer Regarding the re-election of independent Directors whose service term has exceeded 9 years, how can we be sure that each director can still perform his/her duty independently?

Mr. Jiraphant Based on corporate governance principle, no independent Director should hold a service term longer than 9 years as it may affect the Director’s exercise of independent judgment and the inability to maintain the best interests of minor shareholders. In this case, I would like to clarify that Mrs. Pilai Piamphongsarn has already served for a total of 18 years. Throughout her service term, Mrs. Pilai had always performed her duties as a member of the Audit Committee in independent manner and maintained the best interests of minor shareholders. Most importantly, Mrs. Pilai has extensive knowledge in non-life insurance business. Hence, seeking another person of similar qualifications and extensive experience in this business field would be difficult not to mention having in-depth understanding on the Company’s corporate culture. This is why Mrs. Pilai has remained trusted among major shareholders. Nevertheless, it all depends on the voting decision of each shareholder in this agenda.

RESOLUTION: The meeting unanimously approved to re-elect 3 Directors who have retired by the rotation rule with the following numbers of votes:

Mrs. Pilai Piamphongsarn	
Approve ... 239,047,876..... votes	equal to 99.991633% of all votes of shareholders in attendance and casting votes
Disapprove200.....votes	equal to 0.008367% of all votes of shareholders in attendance and casting votes
Abstain-..... votes	
Mrs. Supaporn Burapakusolsri	
Approve ...239,048,076 votes	equal to 100% of all votes of shareholders in attendance and casting votes
Disapprove-.....votes	
Abstain-..... votes	

Mr.Jiraphant Asvatanakul
 Approve230,266,948.. votes equal to 96.33% of all votes of shareholders in attendance and casting votes
 Disapprove-.....votes
 Abstain8,781,128votes equal to 3.67% of all votes of shareholders in attendance and casting votes

Agenda 7: To appoint the auditor and fix the auditing fee.

Mr. Jiraphant Asvatanakul reported this matter to the meeting that The EY Office Limited has been appointed, by the resolution of the 23/2016 Annual Ordinary General Meeting of shareholders, as the Company’s auditor for the year 2016, which the auditors had completed their duty. The Audit Committee considers electing the auditor for 2017 and submits to the Board of Directors’ for consideration in order to submit to the shareholders’ meeting. The auditor are Miss Somjai Khunnaprasut and/or Miss Ratchada Yongsawasvanich and/or Mrs. Nonglak Pumnoi , of EY Office Limited .

The Audit Committee was of opinion that as EY Office Limited has worldwide network which is acceptable by many countries. Three Auditors from EY Office Limited have no relationship or entry into any transactions which may create the conflict of interest to the Company. The term of appointment of the Company’s auditor has been completed. The shareholders are invited to consider and appoint an External Auditor and also to fix the auditing fee for the year 2017. The EY Office Limited has quoted the auditing fee for the year 2017 in an amount of 2,000,000 Baht or an increase of 15.60 %, as per following details:-

	Unit : Baht			
	2017	2016	Change	%
1. Fee for the annual financial statements ending 31 December	890,000	780,000	110,000	14.10
2. Fee for review of interim financial statements (3 quarters)	510,000	450,000	60,000	13.34
3. Fee for review the Risk-Based Capital (RBC) report for (Quarter 2)	160,000	150,000	10,000	6.66
4. Fee for review the Risk-Based Capital (RBC) report for (Quarter 4)	370,000	350,000	20,000	5.71
5. Fee for the review of other information.	70,000	-	-	-
Total	2,000,000	1,730,000	270,000	15.60

Opinion of the Audit Committee: Based on the audit committee’s recommendation, the meeting should appoint the existing auditor as following:-

Name	CPA Registration No.	No. of year in audit service to the company
Miss Somjai Khunnaprasut	4499	3
Miss Ratchada Yongsawasvanich	4951	Nil
Mrs. Nonglak Pumnoi	4172	5

from EY Office Company Limited as the company's auditor. The 3 proposed auditors as well as EY Office Ltd. have no relationship or conflict of interest in the company and determine the auditor's fee at 2,000,000- Baht.

The Chairman asked the meeting if there were any queries or comments about the auditor appointing and fix the auditing fee. There was no query; the Chairman then concluded the resolution as follows:

Shareholder What are the reasons behind the 15% raise in the Auditor's fee of EY Office Limited?

Mrs. Somjai Khunnaprasut The increase in the Auditor's fee is due to changes in accounting standard and the adjustment of various requirements by OIC and SEC such as increasing the number of working hours of the auditor which causes the Auditor's fee to be increased accordingly.

Shareholder Did the Audit Committee allow other audit firms to offer price quotes?

Mrs. Pranee Phasiphol The Audit Committee had considered the Auditor's fee twice at the meeting of the Audit Committee and negotiated the price with EY Office, including allowing other three leading audit firms to offer price quotes for comparison. However, no single audit firm submitted their price offer since business is a specialized business and must face the constant changes in the rules and regulations by the regulator. This year, accounting standard was adjusted by focusing more on insurance risks while additional requirement has been added which is the revision of the annual report by the auditors, have causing the Auditor's fee to increase.

Shareholder What is the additional 70,000 Baht that has been added to the Auditor's fee for?

Mrs. Pranee According to the new accounting standard, the auditor is required to read analytical annual report and therefore causing additional expenditure.

Shareholder Does the Auditor's fee include Laovivat Insurance Company Limited? Will Laovivat Company Limited also hire EY as its auditor and at how much cost?

Mr. Jiraphant The Auditor's fee proposed by EY Office did not include Laovivat Insurance Company Limited. As for the auditor, it shall be selected from among the four leading audit firms to avoid the problem of financial statement certification by the Company's Auditor.

RESOLUTION: The Meeting resolved with unanimous votes that or Miss Somjai Khunnaprasut and/or Miss Ratchada Yongsawasvanich and/or Mrs. Nonglak Pumnoi, of The EY Office Limited be appointed as the Company's auditor for the year 2017, with the audit fee in amount of 2,000,000 Baht with the numbers of voting shares as follows:

Approve ...239,048,076 votes equal to 100% of all votes of shareholders in attendance and casting votes
Disapprove-.....votes
Abstain-..... votes

Agenda 8 To Consider Other Matters

The Chairman queried whether there were any other matters which the shareholders would like to propose for consideration and asked the meeting if there were any queries

Shareholder What reinsurance companies have been hired by the Company?

Mr. Jiraphant The reinsurance companies hired by the Company includes Munich Reinsurance and Swiss Reinsurance. The Company focuses on selecting A-graded companies or above.

Shareholder What is last year's proportion of premiums received from the Company's participation in seasonal rice insurance scheme and how much can be expected this year?

Mr. Jiraphant In 2016, the Company received premium from rice insurance scheme totaling 175 million Baht. As for the year 2017, it is still under the progress carried out by The Thai General Insurance Association and the Ministry of Finance.

Right Protection Volunteer What are the Company's key success factors in 2016 and what are the Company's goals for the year 2017?

Mr. Jiraphant Since insurance business has a well-settled standard for products and insurance coverage, the Company is therefore committed to retain current customer base while creating service differentiation, especially car insurance service. Throughout the past year, the Company has adopted GPS technology to allow accident inspections via mobile application on Smartphone device. With this application, the insured person can report any on-scene accidents using their smartphones allowing the insurance company to automatically and immediately locate the location of the accident and arrive on scene quickly. In addition, the insured person can track the insurance officer from this mobile application for quick service. At the same time, the Company shall be focusing on developing new products that can better satisfy consumer demands. In 2017, product innovation development and service continuity shall remain as our key focus, including point of sales and services expansion to ensure highest consumer benefits.

Since there were no other matters raised the Chairman informed the meeting that the 24th of Shareholders meeting had been held correctly and all agendas had been completed. There was neither further question nor other matter raised for consideration, the Chairman then declared the meeting closed and thanked all shareholders for attending the meeting.

The meeting adjourned at 17.25 hours.

(Mr.Chalaw Fuangaromya)
Chairman of the meeting



บริษัท ไทยวาทประกันภัย จำกัด (มหาชน) สำนักงานใหญ่
THAIWAT INSURANCE PCL

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ประกันภัย
ไทยวาท

Form 56-2

THAIVIVAT INSURANCE PUBLIC CO., LTD.

ANNUAL REPORT 2017

1. General Information

1.1 Company details

Thaivivat Insurance Public Co., Ltd.

Main business : Non-Life Insurance business

Head office location : 71 Thaivivat building Dindaeng Road, Samsen Nai, Phayathai, Bangkok 10400

Company registration : 0107536001427 (Former PCL. 216)

Telephone: 0-2248-0900, 0-2248-0910, 0-2644-6400, 0-2644-6500, 0-2695-0800, 1231

Fax: 0-2248-4575, 0-2248-4975, 0-2695-0808

Claim Hot Line: Tel. 0-2695-0700; Fax. 0-2644-6545

Customer Care: Tel. 0-2695-0777; Fax. 0-2644-6545

Health Claim: Tel. 0-2695-0707; Fax. 0-2644-6545

Company has 303,000,000 common shares that all sold out.

1.2 Investment in subsidiary

Laovivat Insurance Company Limited

Main business : Non-Life Insurance business

Location : 011 Ban Tadkhao unit 01, Sisattanak District, Vientiane, Lao PDR

Company registration : 614147369900

Registered capital 16,000,000 kip

Common stock 2,000,000 shares, par value per share 8,000 kip

Company has 1,400,000 common shares that is 70% of total shares

2. Financial Status and Operation Result

Important Financial Data

Financial Status and Operation Result

Consolidated statements of financial position

(Unit: Thousand Baht)

	Separate financial statement						Consolidated financial statement	
	2015	%	2016	%	2017	%	2560	%
Assets								
Cash and cash equivalents	326,834	7.1%	228,895	4.7%	237,380	4.6%	240,644	4.6%
Premium receivables	426,054	9.3%	373,438	7.7%	483,761	9.3%	483,828	9.3%
Accrued investment income	7,840	0.2%	6,811	0.1%	6,905	0.1%	9,005	0.2%
Reinsurance assets	418,192	9.1%	514,900	10.6%	476,375	9.1%	476,375	9.1%
Reinsurance from receivables contracts	65,857	1.4%	19,113	0.4%	52,071	1.0%	51,584	1.0%
Investment assets								
Investment in securities	2,506,557	54.6%	2,701,322	55.7%	2,984,710	57.3%	3,034,526	58.1%
Loans	7,996	0.2%	7,381	0.2%	5,715	0.1%	5,715	0.1%
Investment in subsidiary	-	0.0%	-	0.0%	67,200	1.3%	-	0.0%
Property, buildings and equipment	277,547	6.0%	288,056	5.9%	284,833	5.5%	292,109	5.6%
Goodwill	-	0.0%	-	0.0%	-	0.0%	18,720	0.4%
Intangible assets - computer software	8,772	0.2%	7,381	0.2%	6,173	0.1%	6,362	0.1%
Deferred tax assets	73,276	1.6%	80,928	1.7%	79,009	1.5%	79,009	1.5%
Other assets	471,017	10.3%	625,463	12.9%	524,068	10.1%	523,785	10.0%
Total assets	4,589,943	100.0%	4,853,688	100%	5,208,200	100.0%	5,221,662	100.0%
Liabilities and equity								
Liabilities	2,481,710	54.1%	2,576,140	53.1%	2,824,323	54.2%	2,825,442	54.1%
Insurance contract liabilities	358,657	7.8%	480,105	9.9%	507,548	9.7%	507,548	9.7%
Income tax payable	-	0.0%	178	0.0%	2,734	0.1%	2,734	0.1%
Employee benefit obligations	77,089	1.7%	75,195	1.5%	87,821	1.7%	87,820	1.7%
Other liabilities	577,716	12.6%	617,492	12.7%	614,815	11.8%	615,365	11.8%
Equity	1,094,772	23.8%	1,104,577	22.7%	1,170,959	22.5%	1,182,753	22.7%
Total liabilities and equity	4,589,943	100.0%	4,853,688	100.0%	5,208,200	100.0%	5,221,662	100.0%

Consolidated statements of comprehensive income

	(Unit: Thousand Baht)							
	Separate financial statement						Consolidated financial statement	
	2015	%	2016	%	2017	%	2560	%
Profit or loss:								
Income								
Gross premium written	3,125,705	119.0%	3,229,683	113.4%	3,545,875	125.1%	3,547,253	125.0%
Less: Premium ceded to reinsurers	(701,753)	-26.7%	(843,532)	-29.6%	(848,001)	-29.9%	(848,001)	-29.9%
Net premium written	2,423,952	92.3%	2,386,151	83.8%	2,697,874	95.2%	2,699,252	95.2%
Add (less): Unearned premium reserves (increase)	(116,478)	-4.4%	75,925	2.7%	(188,893)	-6.7%	(189,922)	-6.7%
Net earned premium	2,307,474	87.8%	2,462,076	86.5%	2,508,981	88.5%	2,509,330	88.5%
Fee and commission income	220,410	8.4%	243,288	8.5%	228,307	8.1%	228,307	8.0%
Investment income	77,154	2.9%	59,021	2.1%	66,131	2.3%	68,263	2.4%
Gain on investments	26,242	1.0%	51,712	1.8%	4,361	0.2%	4,361	0.2%
Gain on fair value adjustment of investments	(17,951)	-0.7%	10,489	0.4%	20,107	0.7%	20,107	0.7%
Other income	13,715	0.5%	20,550	0.7%	6,317	0.2%	6,303	0.2%
Total income	2,627,044	100.0%	2,847,136	100.0%	2,834,204	100.0%	2,836,671	100.0%
Expenses								
Claims and loss adjustment expenses	1,881,772	71.6%	1,987,110	69.8%	2,047,672	72.2%	2,048,394	72.2%
Less: Claim recovered from reinsurers	(366,618)	-14.0%	(327,606)	-11.5%	(485,170)	-17.1%	(485,217)	-17.1%
Commission and brokerage expenses	545,508	20.8%	546,870	19.2%	588,497	20.8%	588,633	20.8%
Other underwriting expenses	211,133	8.0%	239,460	8.4%	226,385	8.0%	226,868	8.0%
Operating expenses	333,823	12.7%	375,911	13.2%	422,912	14.9%	426,211	15.0%
Total expenses	2,605,618	99.2%	2,821,745	99.1%	2,800,296	98.8%	2,804,889	98.9%
Profit before income tax	21,426	0.8%	25,391	0.9%	33,908	1.2%	31,782	1.1%
Income tax revenue (expenses)	899	0.0%	(294)	0.0%	341	0.0%	341	0.0%
Profit for the year	22,325	0.8%	25,097	0.9%	34,249	1.2%	32,123	1.1%
Other comprehensive income:								
Exchange differences on translation of financial statements in foreign currency	-		-		-		(6,240)	
Gain (loss) on changes in value of available- for-sale investments	(18,789)		(8,581)		64,428		64,428	
Actuarial gain (loss)	3,763		8,403		(5,324)		(5,324)	
Income tax effect	3,005		36		(11,821)		(11,821)	
Other comprehensive income for the year - net of income tax (loss)	(12,021)		(142)		47,283		41,043	
Total comprehensive income for the year	10,304		24,955		81,532		73,166	
Basic earnings per share (Baht)	0.07		0.08		0.11		0.11	
Dividend per share (Baht)	0.05		0.05		0.07		0.07	
Shares	303,000,000		303,000,000		303,000,000		303,000,000	

Consolidated statements of cash flows

(Unit: Thousand Baht)

	Separate financial statement			Consolidated financial statement
	2015	2016	2017	2560
Cash flows from (used in) operating activities				
Direct premium written	3,074,914	3,310,865	3,388,520	3,390,462
Cash paid for reinsurance	(184,682)	(148,386)	(252,688)	(252,688)
Interest income	46,123	19,815	27,250	27,281
Dividend income	43,186	40,296	39,602	39,602
Other investment income	4,063	3,074	2,480	2,480
Other income	7,480	16,129	3,703	3,689
Claim incurred on direct insurance	(1,602,361)	(1,710,347)	(1,683,281)	(1,683,500)
Loss adjustment expenses on direct insurance	(27,841)	(29,622)	(31,202)	(31,202)
Commission and brokerage on direct insurance	(532,430)	(561,194)	(569,540)	(569,745)
Other underwriting expenses	(117,012)	(145,082)	(126,146)	(126,146)
Operating expenses	(481,575)	(609,349)	(587,515)	(590,329)
Income tax	(25,785)	(7,289)	(7,129)	(7,090)
Investment in securities	(705,663)	(381,434)	(176,911)	(176,911)
Loans	2,975	1,246	3,636	3,636
Deposits at financial institutions	757,652	150,672	79,135	50,119
Net cash from (used in) operating activities	259,044	(50,606)	109,914	79,658
Cash flows from (used in) investing activities				
Investment in subsidiary	-	-	(67,200)	(22,395)
Purchases of property, buildings and equipment	(59,938)	(32,258)	(19,263)	(27,348)
Disposals of equipment	863	75	184	184
Net cash used in investing activities	(59,075)	(32,183)	(86,279)	(49,559)
Cash flows from (used in) financial activities				
Dividend paid	(16,833)	(15,150)	(15,150)	(15,150)
Net cash used in financial activities	(16,833)	(15,150)	(15,150)	(15,150)
Decrease in translation adjustments	-	-	-	(3,200)
Net increase (decrease) in cash and cash equivalents	183,136	(97,939)	8,485	11,749
Cash and cash equivalents at beginning of year	143,698	326,834	228,895	228,895
Cash and cash equivalents at end of year	326,834	228,895	237,380	240,644

Financial ratios

	Separate financial statement			Consolidated
	2015	2016	2017	financial statement 2560
(1) Liquidity ratio				
1.1 Liquidity ratio	0.57	0.51	0.50	0.50
1.2 Premium receivable turnover ratio	44.09	44.56	43.52	49.10
(2) Profitability ratio				
2.1 Retention ratio	77.57	73.89	76.08	76.09
2.2 Loss ratio	59.94	61.34	57.08	57.10
2.3 Gross profit margin ratio	(3.08)	(4.30)	(2.30)	(2.46)
2.4 Gross profit to total income ratio	(2.96)	(4.09)	(2.22)	(2.37)
2.5 Underwriting expense ratio	43.14	42.96	45.22	45.36
2.6 Return on investment ratio	3.01	4.13	2.75	3.03
2.7 Net premium written ratio	2.21	2.17	2.37	2.36
2.8 Net profit margin ratio	0.85	0.88	1.21	1.13
2.9 Return on equity ratio	2.03	2.28	3.01	2.81
(3) Efficiency Ratio				
3.1 Return on assets ratio	0.50	0.53	0.68	0.64
3.2 Assets turnover ratio	0.59	0.60	0.56	0.56
(4) Financial Ratio				
4.1 Debt to equity ratio	3.19	3.39	3.45	3.41
4.2 Policy Liability to Capital Fund	1.82	1.85	1.96	1.94
4.3 Unearned premium reserve to equity ratio	1.15	1.07	1.17	1.16
4.4 Unearned premium to assets ratio	29.37	26.44	27.79	27.73
4.5 Dividend payout ratio	67.86	60.37	61.93	61.93
(5) Net earnings per share	0.07	0.08	0.11	0.11
(6) Dividend per share	0.05	0.05	0.07	0.07
(7) Book value per share	3.61	3.65	3.86	3.90

2. Analysis and Explanation of Management Department

Performance

Comparison in 2017 and 2016, the company's underwriting income had increased Baht 31.93 million or 1.18% and investment income decreased Baht 30.62 million or 25.26% due to Thai money market by The stock exchange of Thailand (SET) while the underwriting expenses and operating expenses decreased Baht 21.45 million or 0.76% resulting in net profit increased from prior year.

Underwriting revenue and expense

The company had underwriting income Baht 2,737.29 million that increased 1.18% as compared in 2016 however it had underwriting expenses and operating expense Baht 2,800.30 million, decreased 0.76% from 2016. So in 2017 the company had underwriting loss Baht 63.01 million which decreased 45.86% from 2016 due to the continuous expansion of Thai economy. So the company develops new innovation tool to make more interesting product or service to gain more underwriting income, maintain market share and reduce underwriting and operating expenses resulting in underwriting profit.

For consolidated financial statement, the company and subsidiary company had underwriting income Baht 2,737.64 million and underwriting expenses and operating expense Baht 2,804.89 million. So in 2017 the company had underwriting loss Baht 67.25 million.

Investment income

Besides the underwriting income, the company had a main investment income with investment ratio as the Office of Insurance Commission (OIC) announcement which had the investment amount as of year end 2017 shown in the Financial Statements and recorded as market price Baht 2,990.42 million that increased Baht 281.27 million from 2016. In 2017, the company has decreasing investment income and profit Baht 30.62 million or 25.26% from 2016 due to the current Thai money market.

For consolidated financial statement, the company and subsidiary company had the investment amount as of year end 2017 shown in the Financial Statements and recorded as market price Baht 3,040.24 million.

Investment assets as at 31 December 2017

	Separate financial statement				Consolidate financial statement	
	2015		2016		2017	
	Amount (Million Baht)	Portion %	Amount (Million Baht)	Portion %	Amount (Million Baht)	Portion %
Types of investment						
Deposits at financial institutions	186	6.8%	106	3.6%	156	5.1%
Bond and state enterprise	290	10.7%	347	11.4%	347	11.4%
Debenture	294	10.9%	584	19.1%	584	19.2%
Commoc stock	371	13.7%	409	13.4%	409	13.5%
Unit trust	1,560	57.6%	1,538	50.3%	1,538	50.6%
Investment in subsidiary	-	0.0%	67	2.2%	-	0.0%
Other	7	0.3%	6	0.2%	6	0.2%
Total investment	2,708	100.0%	3,057	100.0%	3,040	100.0%

Financial Status

The company had total assets Baht 5,208.20million increased 7.30% from 2016;cash and cash equivalents Baht 237.38million or 4.56% of total assets; investment assets included deposits at financial institution, debt instrument, equity instrument, bond,investment in subsidiary and other investmentsBaht 3,057.62 million or 58.71%, reinsurance assets and premium receivables Baht 1,012.21 millionor 19.44%, property, buildings andequipment and other assets Baht 900.99 million or 17.30%

For liabilities, the company had total liabilities Baht 4,037.24 million, increasing 7.69% from 2016. The main item is insurance contract liabilitiesincluded loss reserves, outstanding claim and premium reserves Baht 2,824.32 million, increasing9.63% from 2016.Furthermore, the company had the reinsurance liabilities and other liabilities Baht 1,212.92 million, increasing3.41% compared with 2016.

The company had total equity Baht 1,170.96 million increased 6.01% from 2016. The company had net profit Baht 34.25million and other comprehensive income in gain (loss) on changes in values of available-for-sale investments and actuarial gain (loss) 47.28 million baht.

For consolidated financial statement, the company and subsidiary company had total assets Baht 5,221.66 million; cash and cash equivalents Baht 240.64 million or 4.61%; investment assets included deposits at financial institution, debt instrument, equity instrument, bond, investment in subsidiary and other investments Baht 3,040.24 million or 58.22%, reinsurance assets and premium receivables Baht 1,011.79 million or 19.38%, property, buildings and equipment and other assets Baht 928.99 million or 17.79%

For liabilities, the company and subsidiary company had total liabilities Baht 4,038.91 million. The main item is insurance contract liabilities included loss reserves, outstanding claim and premium reserves Baht 2,825.44 million. Furthermore, the company had the reinsurance liabilities and other liabilities Baht 1,213.47 million.

The company had total equity Baht 1,182.75 million. The company had net profit Baht 32.12 million and other comprehensive income in exchange differences on translation of financial statements in foreign currency (loss), gain (loss) on changes in values of available-for-sale investments and actuarial gain (loss) 41.04 million baht. However it consisted non – controlling interests of the subsidiary Baht 18.08 million.

In 2017, the company had direct premium written Baht 3,545.01million with growth rate 9.78% which was same as total non-life insurance businessand in 2017 the company had market share of voluntary motor insurance in the 10th ranking.

Direct insurance premium comparative table

(Unit: Million Baht)

	2017		2016		2015	
	Non life insurance	Thaivivat Insurance Plc.	Non life insurance	Thaivivat Insurance Plc.	Non life insurance	Thaivivat Insurance Plc.
1 Total Direct premium written	218,434	3,546	211,813	3,229	209,197	3,125
Growth rate	3%	10%	1%	3%	2%	3%
2 Fire	9,850	163	10,233	169	10,484	176
Growth rate	-4%	-4%	-2%	-4%	-5%	0%
3 Marine	5,356	13	5,268	17	5,338	16
Growth rate	2%	-26%	-1%	6%	1%	14%
4 Motor	126,118	2,612	122,188	2,337	120,405	2,367
Growth rate	3%	12%	1%	-1%	2%	4%
5 Miscellaneous	77,110	758	74,124	706	72,970	566
Growth rate	4%	7%	2%	25%	3%	-2%

Economic condition

In 2017, the Thai economy grew by 3.9%, improved from the previous year's growth of 3.2%. The main driver was foreign economic growth. Export growth accelerated 9.9%, the highest in six years in all major export markets, and spread to almost all product categories according to the accelerated economy expansion of major trading partners and developed countries. Thai currency (Baht) strengthened by 10% against the beginning of the year, but average Thai Baht appreciation is less than 4% same as the region, it did not affect exports. Crude oil prices increased from 41.4 to 52.8 dollars per barrel in a year after the OPEC and its allies led by Russia agreed to cut production resulting export prices of crude oil increased especially petroleum products, petrochemical products and rubber products. Exports of major agricultural products increased due to favorable weather conditions, rainfall and irrigation water while tourism revenue continued to expand. The number of international tourists reached 35.3 million people, increased of 8.7% from 32.5 million people in 2016, which increased in almost all nationalities.

The overall economy continued to expand but the positive impact of economic growth on employment and household incomes had not been strong. The prices of agricultural commodities declined as an increase of higher output. The high level of household debt resulting relatively low inflationary pressures on domestic demand. The overall financial condition remains at a relaxed level and contributes to economic growth reflecting on the cost of fundraising in credit and debt markets of the corporate sector remains low, financial stability was good. The expansion of private consumption is supported by the income base improvement in the economy including inflation and interest rates were still low.

Private investment has shown signs of recovery in 2017. Investors are interested in applying for BOI investment in Map Ta Phut Industrial Estate in target industry 250,000 million baht especially in the automotive, electrical and logistics.

The investors were still waiting for clarity of the East Economic Development Act which was under consideration of agenda 2 and 3 of the National Legislative Assembly (NIA) members.

Expenditure on public utilities and public investment also expanded though some projects are delayed due to performance constraints, disbursements and heavy rains on construction. Most state-owned enterprises invested in the plan, but there are some projects postponed the investment.

The State Welfare project for little income people with little income Baht 30,000 – 100,000 with cooperation of the Ministry of Finance, the Department of Central Bank, State Bank, Ministry of Commerce. Many provinces provide basic assistance to reduce ng household expenses with 11.4 million qualified people.

Total new car sales increased by 13.3% from 0.76 million units in 2016to 0.87 million units in 2017, resulting in the Thai car market grew the first time in four years with an improvement of consumer confidence, buying power recovery, the camping car and new variety of cars with promotional activities to stimulate the market. As the motorcycle market continued to grow with sales 1.81 million units, an increase of 4.2%.

The Monetary Policy Committee (FOMC) of the Federal Reserve raised interest rates for Monetary Policy Normalization three times in 2017 to 1.25% - 1.50% as expected, due to strong job market, unemployment rate below 4.5% showing confidence in economic expansion. The Monetary Policy Committee (MPC) maintains a policy interest rate of 1.5% per annum to support the economy to grow robustly and to maintain price stability according to the monetary policy of other countries such as the European Union and Japan also pursued a relaxed monetary policy. The European Central Bank (ECB) has extended its buy-in period for QE which originally scheduled to end December 2017, to be the fourth quarter 2018 to oversee economic recovery. The effectiveness of easing Thailand's monetary policy towards the real economy may be limited. This is partly because commercial banks are cautious in lending due to concerns over poor credit quality, high debt burden on households with more liquidity of commercial banks.

For price stability, average inflation rate was 0.6% up from 0.2% in 2016 as a rise in domestic oil prices while external stability, Thailand's current account registered a record USD 4.86 billion up from last year USD 4.82 billion. The International reserves were about 3.5 times higher than short-term foreign debt, exchange rates were also conducive to exports.

The stock market

In 2017, was a special year for investment. Foreign exchange markets in both developed and emerging markets rose sharply as the New High was due to the global economic recovery. The liquidity was a lot, low interest rate and inflation. TheUS tax reform legislation were supported the global equity year end, the government has issued stimulus packages and

continued to push for capital investment projects. They were tax deduction for tourism in 55 secondary provinces, measures to help people with low purchasing power including state welfare fund phase 2 for those who earn less than Baht 30,000 per year, signing contract for the construction of the 5 ways dual train project. Approval of the construction of the first high-speed rail in Thailand from Central to Pang Asoke. The SET Index rose 13.7% from 2016 to close at 1,753.71 index points, reflecting both earnings improvement of listed companies and economy expectation that was one of the global equity markets with good return. The forward P/E ratio was 17.46 times with a dividend yield of 2.8% Foreign investors net sold Baht 26,000 million.

Trends

The World Bank forecasts that the global economy will grow by 3.1%, with a wide range of regions. The developed world economy is expected to grow better with consumption and a stronger labor market including the US tax reform system at the end of December 2017 that will help stimulate the US economy in the next phase. The improvement in commodity prices and fiscal position, especially in India, Russia, Brazil and Middle East are likely to accelerate from the last year including the expansion of Eurozone economy, Japan and China with slowdown trend. As a result, the overall economy and trade volume in the world expand same as last year.

However, the global economy may face the risk of adopting a trade policy. "America Must Come First" by President Donald Trump and the political strained situation both in the Korean peninsula and in the Middle East. In addition, if the United Kingdom fails to reach a compromise agreement with the European Union (Brexit) in a smooth process that may be serious risks to the European economy recovery in 2018. Negotiations on the Brexit have no clear plan which will be a negative factor for European investment decisions. In the past, the Brexit process had a slowdown effect in the UK economy.

Continuous expansion of major economies and a more resilient recovery of the global economy is likely to push up key commodity prices and inflation in key countries. Crude oil prices in the world market are likely to rise after OPEC and non-OPEC reach a renewal of crude oil production until the end of 2018 resulting main economic countries adjust their monetary policy more normal. Federal Reserve has a trend to raise the policy rate three times in 2018 to 2.0% - 2.25% together with the implementation of balance sheet reduction measures. The European Central Bank is likely to keep its policy rate unchanged for at least the first three quarters along with the implementation of asset acquisition plan. Other developing countries have a shift sign in monetary policy as inflation rate and interest rates rise in the United States. Although the Bank of Japan is likely to maintain its policy rate and keep asset acquisition at the same level as last year.

The Bank of Thailand expects Thai economy to grow by 3.9% in 2018 driven by the export and tourism sectors which get benefit from the global economic expansion. Exports of Thai products in 2018 are likely to expand at a slower pace of 4%, due to both the volume and prices accelerating to the previous period. Private consumption expands gradually by many supporting factors such as higher farm income than last year due to production increase, labor income in manufacturing sector for export and tourism sector improvement especially for high – income groups. The debt burden of first car is running out, the government is preparing a mid – year 2018 expense budget Baht 150,000 million to strengthen the local economy and agricultural reforms such as phase 2 of individual assistance measures, promotion of agricultural insurance, district development fund, agricultural infrastructure increase such as silos, barns, communal barns and reduction of rubber plantation

area. In 2018, the federal investment limit increases from last year by allocation to good agencies, good disbursement as well as investment in many state-owned enterprises has been postponed from 2017. However, there are risks from the Government Procurement and Management Act in 2017 which may lead to delay in some agencies that have never used the new system such as local government organizations in the early stages. The government has a policy to drive five major projects under the East-East Economic Corridor in the form of Public Private Partnership (PPP). It helps increase investor confidence both in Thailand and abroad with total investment of more than Baht 600,000 million. All TORs will be completed by the third quarter 2018, they are U-Tapao Airport and Eastern Aircraft Town; U-Tapao Airport Maintenance Center; high-speed rail linking 3 airports; Laem Chabang Port Phase 3 and Map Ta Phut Industrial Port Phase 3

Small and Medium Enterprise Development Bank of Thailand prepares to issue the credit package Bht.70,000 million for SMEs that face financial problem to access difficult capital. They can apply for a loan without any collateral.

Inflation is likely to increase slowly by oil price factor. But the weather is very favorable to the market, fresh food prices are likely to remain low and structural factors are changing as technology advances and higher price competition. Inflation estimation in 2018 is 1.1% and unemployment rate remains low.

Non-life insurance business is expected to grow by 3% in 2018. The rice insurance program has been trusted by over 1.5 million farmers. The insurance covers over 26 million rai to bring the insurance system into the risk management. For motor insurance, new car market continues to grow due to small car engine not more than 1,500 cc, 1.1 million cars purchased during the first five – year car project were out of business from mid – 2017 resulting some consumers decide to change new car under the economic growth together with low interest rate. Toyota Motor Thailand Co.,Ltd. expects the car market in 2018 to grow continuously with the total sales volume 900,000 units increasing 3.4% from last year. The customers confidence and each camp has started to launch new cars that help to stimulate the local car market. Coupe market will expand more than commercial vehicles that are pressured by low agricultural prices.

The rate of property insurance risk is likely to decrease from last year due to the reinsurance company has reduced its premium on natural risks with no serious natural disasters.

3. Revenue structure

The company is a non-life insurance business to have the main revenue from insurance premium. When the company receives insurance premium, a part of it is taken to do the reinsurance and another part is kept for our own risk. For the part of our own premium after expenses deduction, the company makes investment to earn income according to the non-life Insurance Act and Office of Insurance Commission announcement about other business investment of non-life insurance company.

Past 3 years of company's income

(Unit: Million Baht)

	Separate Financial Statement						Consolidated Financial Statement	
	2015	%	2016	%	2017	%	2017	%
Underwriting income	2,527.88	96.2	2,705.36	95.0	2,737.29	95.0	2,737.64	96.5
Investment income	85.44	3.3	121.22	4.3	90.60	3.2	92.73	3.3
Other income	13.72	0.5	20.56	0.7	6.32	0.2	6.30	0.2
Total income	2,627.04	100.0	2,847.14	100.0	2,834.21	100.0	2,836.67	100.0

Business operation of each product line

(1) Product or service characteristics

There are 4 main services of company as follows:

Motor insurance

Compulsory insurance

Voluntary insurance is divided into 5 types such as class 1, class 2, class 3, class 4, and class 5 with different coverage.

Fire insurance is making contract to receive disaster risk that the company agrees to pay compensation to the insured in case of the insured property is damaged from fire or lightning or gas explosion of household consumption and has coverage extension to water damage, explosion, riot, strike, hail, flood, earthquake, windstorm, and aircraft etc.

Marine and transportation insurance is making contract to receive disaster risk that the company agrees to pay compensation to the insured in case of the insured property is damaged from transportation.

Miscellaneous insurance includes several kinds of insurance such as personal accident insurance, travel accident insurance, health insurance, compensation indemnity insurance, critical illness insurance, contractor all risks insurance, burglary insurance, health insurance, global travel insurance etc.

(2) Marketing and competitive situation

Policy, important product characteristic and service

Competitive strategy to have rapid and convenient services as well as to create impression to

the insured, advertise, use modern communication technology and provide staff training all time.

Advantage

To operate the longest motor insurance business of all insurance companies in present which makes the company have experience for giving service to the insured and related person as well as to have the database of complete underwriting

To have a long term relationship with customer base

To have a company culture to understand customer and related person requirements which makes impression to the customer and related person in our services

- The company has a good customer base with risk distribution and a large amount of company fund that makes the company be able to handle risk in high level

Disadvantage

All company insurances are come from direct market, not from the captive business

Target customers

For the industrial risk, most insurance is an insurance with the insurance company to have relationship in form of investment. Therefore, from the company structure, we have a target to do business with small or medium customer groups which they have high independent to select the insurance company. It is an outstanding in our service and product development that are suitable for consumer needs and enable to have influence on customer decision making.

Competitive situation

In 2017, total non-life insurance premiums are 221,000 million Baht, growing 4.3% from 2016.

Due to the first car project in 2011-2012 which is being expired and prohibited from trading under the project conditions from the end of 2016 resulting the demand for new cars in 2017-2019 that leads to fierce competition for market share expansion including premium competition or high commission to encourage agents and brokers to sell more insurance and maintain old policy coverage ratio not less than 70% of motor and property insurances which has been accepted by leading reinsurers. The company emphasizes innovation leadership, digital strategy adaptation and taking technology to develop new products for both corporate and retail customers. We sell through various distribution channels to reach the most

targeted customers such as agents, brokers, banks (Banc assurance), financial institutions, telemarketing, convenience stores, online channel and claim services improvement via Smartphone applications.

Direct Insurance Premium Table of The Non-Life Insurance System classified by Class of Business

No.	Class of Business		Year	Direct Premium (Unit : Million Baht)			
				2014	2015	2016	2017
			Sub Class				
1	Motor	1.1	Voluntary	102,515	104,111	105,508	110,160
		1.2	Compulsory	15,388	16,294	16,679	15,958
			Total	117,903	120,405	122,187	126,118
2	Fire	2	Fire	11,058	10,484	10,233	9,850
3	Misc.	3	Misc.	70,991	72,970	74,124	77,110
4	Marine	4	Marine	5,293	5,338	5,267	5,356
5	Grand Total			203,077	205,247	211,813	218,434

(3) Products or services

A. Sources of fund

Non-life insurance business has the major income from insurance premium. Insurance policy is the company product which is made through 3 types as follows:

Selling through Insurance Agent in Non-Life Insurance Act section 4 “Non-Life

Insurance Agent means a person who is delegated by company to convince people to do the insurance policy”.

Selling through Insurance Broker in Non-Life Insurance Act section 4 “Non-Life

Insurance Broker means a person who advises or manages a person to do the insurance policy by expecting to get commission”.

Direct selling by the company employees.

B. The ability to maintain the ratio of each business class

The company has maintained the fund of operating non-life insurance not less than Baht 30 million by considering the ratio of fund sufficiency. It calculates the company fund divided by the maintained fund not less than 140%. As of December 31, 2017, the company has the fund as accounting Bah 1,170,959,239.23 t and there was a level a level of capital adequacy as CAR Ratio 334.96%

C. Liquidity

Liquidity management for insurance premium of the company to the suitable loss ratio, in the year 2017 the loss ratio is 62.28% increasing 5.13% from 2016.

4. Risk factors

Risk factors of non-life insurance business can be classified as follows:

1. Strategic Risk

It is the overall policy on the business portfolio level, product type, industry, geographic area including the operation plan which increase the company risk such as focusing on quantity growth or market share more than the profit value, increasing on sales volume with competitive insurance premium to take high and low risk insurance, selling high risk product with low profit to keep customers and business alliances, including risk factors that effect company not to achieve the business target.

The company has set up strategies by taking into account of major risks that might affect company performance such as risk from economic fluctuation and regulation changes. In addition, company has periodically reviewed, analyzed and adjusted strategies to match with the current situation.

The company has managed people risk by arranging training program for the staffs periodically and setting up recruitment plan that is in line with company expansion plan. In addition, internal control process is implemented to ensure the transparent operation.

2. Operational Risk

It is the risk that occurs in the working area and operation which caused from

- People Risk such as lack of knowledge, skill, experience and responsibility; carelessness; insufficient staffs that cause human error, fraud of staff including fraud claim from customer or partner such as garage, hospital, etc.

Process Risk such as deficient working system, weak internal operation process, structure organization of inter-control unit, responsibility division in approved person and paid, specification of approval limit. To mitigate the process risk, the company has reviewed its operating process and working manual continuously in order to make the operating process become more effective.

- Technology Risk such as inefficient computer system; incorrect, delay and pirated data.
The company invests in up to date hardware and software, sets to have security process, limits to information access for only authorized or approved person.

3. Liquidity Risk

It is the risk that occurs from unable to provide enough cash flow for the credit payment and obligation.

To assess the financial status before appointment to be an agent and broker.

To collect the motor insurance premium as the Cash Before Cover Principle.

To create the tracking system for the overdue premium collection from an agent and broker.

4. Insurance Risk

It is the financial loss risk of underwriting and liability risk that results from selection and approval of the underwriting risk, ratio between retention and risk transfer including look after the claim management process of company to be concise, systematic, accurate as the actual damage occurred.

The company has the risk management systematically by starting underwriting, coverage, premium rate suitable to the risk.

The company provides risk transfer to the reinsurance company that has stable status both domestic and international.

- The company has the correct and fast indemnity payment system according to the coverage, manages to have a low level of loss ratio in each type of insurance.

5. Market Risk

It is the fluctuation of investing asset returns which result from the fluctuation of interest rate, equity value, foreign fund etc.

- To build the stable investment return in the long term higher than the inflation rate.

The investment policy of company in asset allocation is the investment mix for diversification by giving the weight of investment of criteria as the Office of Insurance Commission that focuses on safety and careful investment. The company divides investment to different asset classes by considering the investor situation to accept risk on and risk off including decision to choose the asset diversification into low risk such as government bond, debenture, equity of the high stability company to have regular income and profit, not much fluctuation, liquidity and high dividend that help create a high level returns.

- The ways of investment management, to adjust investment plan to be consistent and timely in the worldwide equity market situation that has more connection. The upside inflation and interest trend in market fluctuation increase returns more than the market. To make more active management, adjust investment portfolio to the tactical asset allocation between asset and security selection in order to support changing of financial economy trend not more than 1 year or to have the event risk and adjust to the dynamic asset allocation 1-3 year in order to cope with the economic cycle change such as in the economic recovery period and no inflation problem that increase portfolio in equity investment.

6. Credit Risk

It is the risk of counter parties especially their deteriorate financial status, default risk such as reinsurer, broker, debtor, guarantor. If the customer is unable to fulfill an agreement, it affects the company revenue and operation. We use the Credit Rating to select reinsurers and have an investment as the Office of Insurance Commission's rules. The company has an audit system and constantly monitors to follow up the counter parties in order to minimize credit risk.

5. Shareholders

Major shareholders 10 lists (Data as of 16 MARCH 2017)

Shareholders	Amount	Ratio (%)
1. Tungjaimun Co., Ltd.	69,570,840	22.96
2. M.A. International Co., Ltd.	68,384,280	22.57
3. Ms. Jiraporn Buranasombat	18,239,400	6.02
4. BARCLAY BANK PLC, SINGAPORE	15,096,000	4.98
5. Janephan Property Co., Ltd.	15,082,648	4.98
6. Ms. Janejira Asvatanakul	12,600,000	4.16
7. Mr. Thepphan Asvatanakul	12,600,000	4.16
8. Ms. Rojana Theravithayangkura	9,450,000	3.12
9. Mr. Jiraphant Asvatanakul	8,781,128	2.90
10. Mr. Jiraphat Asvatanakul	5,954,400	1.97

(1) Dividend Payment Policy

Company has the policy to pay the dividend not less than 40% of profit after business tax.

Management Structure

names of Board of Directors and Executive Board

1. Mr. Chalaw Fuangaromya Independent Director, Chairman and Chairman of the Investment Committee *
2. Dr. Phisit Setthawong Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee *
3. Mrs. Pilai Piamphongsarn Independent Director, Audit Committee and The Nomination and Remuneration Committee *
4. Mrs. Pranee Phasipol Independent Director, Audit Committee and Investment Committee *

- | | | |
|----|-------------------------------|---|
| 5. | Mrs. Supaporn Burapakusolsri | Independent Director * |
| 6. | Mr. Jiraphant Asvatanakul | Director and Investment Committee |
| 7. | Mr. Thawan Viranont | Director and Nomination and Remuneration
Committee |
| 8. | Mrs. Sutepee Asvatanakul | Director and Nomination and Remuneration
Committee |
| 9. | Mrs. Sunee Theravithayangkura | Director and Company Secretary |

* Company has defined the Independent Director equal to the minimum regulation of Securities and Exchange Commission and Securities Exchange of Thailand. Independent Director will hold the share not exceed 1% of all voting right share of company Not be an Executive Board member, employee, staff, consultant. No blood relationship or spouse of Executives. No business relationship. Having independent to work on duty.

The Company has set up a policy which prohibits the Company's directors, advisors, management, staffs or staffs having gained the knowledge of the Company's operating results either directly or indirectly, including relevant parties from selling-buying the Company's shares during the 60-day period prior to the disclosure of the Company's financial statements to the general public. Under such policy, the directors, advisors, management and staffs from managerial level or above who buy or sell the Company's shares must notify the Legal Department by the following day after which such buying-selling takes place to be further reported to the SEC or directly report to the SEC within three days following the acquisition or distribution of such shares. In addition, all securities holding of the Board of Directors, the management and the Auditors must always be reported to the Board of Directors' Meeting.

No members of the Board of Directors or Top Management of the Company had been a staff or partner of an audit firm to which an external auditor of the Company belongs during the past two years.

The Board of Directors Qualifications

The Board of Directors of the Company consists of directors with knowledge, experience and abilities that will be beneficial to the Company and can fully devote his or her time and efforts to perform his or her duties as a director of the Company. The following are basic qualifications of the Board of Directors of the Company:

- No. 1 There are not at least 7 members from the Board of Directors and more than half of total member need to have residence in the Kingdom of Thailand.
- No. 2 Let share holder meeting elect directors as the following rules and methods.
- (1) One share holder has the vote equal to 1 share per 1 vote
 - (2) Each share holder must use all the vote having as (1) to elect 1 person or several persons to be Directors but the vote cannot be separate or distribute to each one.
 - (3) The person that gain the highest vote on descending order will be the one who was elected to be Directors equal to the amount of Director that should to have or should be elected at that time. In case of the second runner up has equal vote to the highest vote person has more than the Director amount that should have or should be elected at that time, Let the Chairman votes for the final decision.
- No. 3 In every annual Ordinary Meeting, 1/3 of the Directors need to be resigned. If the Directors number cannot be divided into 3 parts, the resigning member will try to be the closet to 1/3. Director that must be resigned in first year and second year after company registration has to draw lots which one will resign. For later years onward let the longest in charge Directors be the one to resign.
- No. 4 Besides from term-wise vacate, Director will vacate when
- (1) Decease
 - (2) Resign
 - (3) Disqualify or forbidding characteristic of the law
 - (4) Share holder meeting votes to vacate
 - (5) Convicted by the court to vacate
- No. 5 Any Director will resign from the position, need to submit the resignation to the company. The resignation effective by counting from the date that resignation reached the company.
- No. 6 In case of the there is a vacant Director position by other reasons, except from leaving by term, Board of Director elect a person which qualified by regulation of the law to become Director instead of the next Board of Directors meeting except the term of that Director left less than 2 months. The person who replaces that vacant position will be in the position just equal to the rest of term of that vacant position. The resolution of Board of Directors according to the first paragraph must combine with the vote not less than 3/4 of the rest of Directors.

- No. 7 Shareholders meeting may make a resolution for any of the Director to leave from the position before end of term with the vote not less than 3/4 of the share holders number which come to the meeting and has the voting right and has the total stock count not less than a half of all share holder stock number by the share holders come to the meeting and has the voting right.
- No. 8 Director can be or cannot be the share holders.
- No. 9 Let the Board of Directors elect the one person to become Chairman. In case of by the agreement of Board of Directors, they can elect one or many Vice Chairman. The Vice Chairman will have the responsibility according to the delegation of Chairman.
- No. 10 In the Board of Director meeting, the member should be more than half of all member. In case of Chairman cannot participate in the meeting or unable to be on duty, if there is Vice Chairman let the Vice Chairman become the Chairman. If there is no Vice Chairman or exist but cannot on duty, let the Directors those come to the meeting elect one to be Chairman in the meeting. The final decision of the meeting is on majority vote. One Director will have one vote except the one who has the conflict of interest will have no right to vote in that agenda. If the vote is equal let the Chairman in the meeting vote as a final decision.
- No. 11 For the Board of Director meeting call, let the Chairman or the designated Director submit the letter of meeting appointment not at least 7 days before the meeting date except in urgent case for the sake of the company. The meeting call will be in other ways and the date can be set earlier.
- No. 12 Directors need to practice on their duty according to the law, purposes, and regulation of the company including the share holders meeting regulation.
- No. 13 It is prohibit to Directors for operate business, be a partner, or be a share holder in other juristic persons with the same state and is a competitor with business of company excepted that was informed to the share holder meeting before a promoted resolution.
- No. 14 Directors must inform company without delay if there is a conflict of interest in the contract with the company or being share holder or hold debenture in more or less manner in the company or group of company.
- No. 15 Let the Board of Directors must set up a meeting once in every 3 months

Scope of powers, duties and responsibilities of the Board of Directors and Executive Committee

1. To consider and set up Corporate Governance Policy to be implemented by the management, including reviewing the evaluation results of such implementation to determine proper action plan for improvements and report in the Company's Annual Report.
2. To consider the appropriateness, give recommendations and approve the Company's visions, strategies and operational targets proposed by the management, including monitoring and evaluating operational success.
3. To ensure that the Company has proper risk management system, internal control system and audit system.
4. To ensure that the Company has effective nomination process and succession plan for director and top management positions. The Board of Directors shall appoint Chief Executive Officer as the Head of Top Management to be responsible for running the Company's business operations under the guidance of the Board of Directors.
5. To determine the Company's Code of Ethics and Code of Conduct for directors and staffs and ensure that these practices have been communicated among all relevant parties.
6. To consider the suitability of the appointment of Sub-Committees and related scope of powers, duties and responsibilities.
7. To appropriately authorize powers to Chief Executive Officer in order to resume normal business operations as quickly as possible.
8. To prepare a report which describes the responsibilities of the Board of Directors in preparing financial reports for the Company's Annual Report.
9. To consider and evaluate the performance of the Board of Directors and Chief Executive Director, including ensuring an effective Top Management performance evaluation process.
10. To perform any other tasks required by laws, regulations and the resolutions of the Shareholders' Meeting.

Committee Meeting in 2017 has 6 meetings

- | | | |
|----------------------------------|---|----------------------|
| 1. Mr. Chalaw Fuangaromya | Independent Director, Chairman and Chairman of the Investment Committee * | (Attendance 6 times) |
| 2. Dr. Phisit Setthawong | Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee * | (Attendance 6 times) |
| 3. Mrs. Pilai Piamphongsarn | Independent Director, Audit Committee and The Nomination and Remuneration Committee * | (Attendance 4 times) |
| 4. Mrs. Pranee Phasipol | Independent Director, Audit Committee and Investment Committee * | (Attendance 4 times) |
| 5. Mrs. Supaporn Burapakusolsri | Independent Director * | (Attendance 6 times) |
| 6. Mr. Jiraphant Asvatanakul | Director and Investment Committee | (Attendance 6 times) |
| 7. Mr. Thawan Viranont | Director and Nomination and Remuneration Committee | (Attendance 6 times) |
| 8. Mrs. Sutepee Asvatanakul | Director and Nomination and Remuneration Committee | (Attendance 6 times) |
| 9. Mrs. Sunee Theravithayangkura | Director and Company Secretary | (Attendance 4 times) |

Sub-Committees

1. The Audit Committee

The Audit Committee consists of three members and should hold meetings at least once every quarter.

Members of the Audit Committee are as follow:

- | | | |
|----|------------------------------|--------------------------|
| 1. | Dr. Phisit Setthawong | Audit Committee Chairman |
| 2. | Ms. Pilai Piamphongsarn | Audit Committee |
| 3. | Ms. Pranee Phasipol | Audit Committee |
| 4. | Mr. Krailoes Hanvivadhanakul | Secretary |

Authority, duty, and responsibility of Audit Committee

Audit committee has duty as delegated from Company Board of Director as following

- 1) Check up company to have the correct financial report and sufficient.
- 2) Check up company to have Internal Control System and Internal Audit System that proper and effective and consider independence of Internal Audit Unit
- 3) To review the Company's risk management system in accordance with the defined risk management framework to ensure system effectiveness which will enable the Company to achieve the determined objective both in terms of performance efficiency and effectiveness.
- 4) Check up the company to perform duty according to the law about Securities and Securities Exchange Market
- 5) Consider to promote a person that has independence for doing accounting audit duty of the company and propose the compensation of that person including participate in audit meeting without management party at least once a year.
- 6) Consider transactions that related or may conflict of interest, to be in law and regulation of Securities Exchange of Thailand in order to be confident that the transactions are reasonable and profit optimistic to the company.
- 7) To review corporate compliance with Anti-Corruption Policy and report to the Board of Directors.
- 8) Provide auditing report and Audit Committee activities by publish in the company annual report
- 9) The report need to be sign off by the Audit Committee Chairman and at least combined with the
 - (A) Comment about correction and completion to be a reliable of company financial report.
 - (B) Comment about the efficiency of Internal Control System
 - (C) Comment about obey the law of Securities and Securities Exchange Market, SET regulations or the law related to the company business.
 - (D) Comment about the proper of Accounting Auditor.
 - (E) Comment about transaction that may have conflict of interest.
 - (F) Counting of audit committee meeting and each audit committee participation.
 - (G) Comment or overall observation that audit committee was received from perform according to the Charter.

- (H) Other transaction consider that share holder and general investor should be acknowledge under the scope of duty and responsibility delegated from the Board of Directors.

Board of Directors establish Internal Audit unit being a unit inside company by having Director of Audit Department (Khun Krailoes Hanvivadhanakul) become the responsible person.

Education

MBA, University of Chicago, USA

Master of Economic, Thammasat University

Bachelor of Economic, Thammasat University

Work Experience during the Past 5 Years

2013-2017 Executive Vice President, Thaivivat Insurance Public Company Limited

The Audit Committee is responsible for the appointment, transfer and dismissal of the Director of Internal Audit Unit in accordance with the Charter of the Audit Committee.

Audit committee meeting has 6 meetings, all three directors attend all meetings.

2. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of two Independent Directors and two Executive Directors, each of whom shall hold an office term three years. Nomination and Remuneration Committee has a meeting at least once a year. Members of the Nomination and Remuneration Committee are as follow:

- | | |
|-----------------------------|--|
| 1. Mr. Phisit Setthawong | Independent Director and Nomination and Remuneration
Committee Chairman |
| 2. Mrs. Pilai Piumpongsarn | Independent Director and Member |
| 3. Mr. Thawan Viranont | Member |
| 4. Mrs. Sutepee Asvatanakul | Member |

Scope of powers, duties and responsibilities of Nomination and Remuneration Committee

To ensure that the operations of the Nomination and Remuneration Committee are carried out in compliance with good corporate governance principles, the Board of Directors therefore determined the scope of powers, duties and responsibilities of the Nomination and Remuneration Committee as follow:

1 Nomination

1.1 To determine appropriate nomination procedure for director position that is line with the Company's business nature such as nominating current directors to continue in office, allowing the shareholders to make nominations, seeking assistance from external firm, considering persons from IOD Chartered Director or asking each director to nominate suitable person, etc.

1.2 To consider the nomination list and select those who meet the defined qualification criteria.

1.3 To carefully inspect those who have been nominated to ensure they possess the qualifications required by law and regulations of government offices.

1.4 To contact persons possessing the required qualifications to ensure they are willing to become a director of the Company if appointed by the shareholders.

1.5 To propose nomination list to the Board of Directors for consideration and record in the Notice of Shareholders' Meeting to further be appointed by the shareholders.

1.6 Nomination and Remuneration Committee may be assigned to consider the nomination of Top Management, particularly President Position.

2 Remuneration

2.1 To review the suitability of current remuneration criteria.

2.2 To consider remuneration data of other companies within the same industry.

2.3 To determine appropriate criteria to ensure that expected results and fairness can be achieved and to ensure that the persons contributed to the Company's success have been rewarded.

2.4 To consider every type of remuneration payment by taking into account the amount and percentage of remuneration payment of each type to ensure they are appropriate. Key principles to consider when determining payment of each type of remuneration include:

2.4.1 Retainer Fee such as monthly allowance, annual allowance, etc. should consider these three factors including: (1) practices applied by companies within the same industry; (2) operating results and business size of the Company; and (3) responsibilities, knowledge, abilities and experience of Director or President required by the Company.

2.4.2 The determined incentive should be in line with the values which the Company has created for the shareholders such as profits of the Company or dividend paid to the shareholders.

2.4.3 Attendance Fee should be appropriately determined in order to attract responsible directors to regularly attend the meetings.

2.5 To ensure that all remuneration payments are in compliance with the criteria set out by government offices or relevant recommendations.

Nomination and remuneration committee meeting in 2017 has one meeting, all four directors attend all meetings.

3. Investment Committee

Investment Committee consists of two Independent Directors and one Executive Director, each of whom shall have an office term of three years. Members of Investment Committee are as follow:

1. Mr. Chalaw Fuangaromya Independent Director, Chairman of the Board and Chairman of Investment Committee
2. Mrs. Pranee Phasipol Independent Director, Member of the Audit Committee and Investment Committee
3. Mr. Jiraphant Asvatanakul President and Member of Investment Committee

Scope of powers, duties and responsibilities of Investment Committee

1. To determine Investment Policy to be proposed to the Board of Directors for approval.
2. To consider and approve the Company's investment plan which should be in line with the defined Investment Policy and overall Risk Management Policy.
3. To oversee the Company's investments to ensure they are in accordance with the defined Investment Policy, overall Risk Management Policy, including relevant practices, regulations and legal requirements.
4. To ensure corporate governance and transparency within the organization, including preventing potential conflict of interest in relation to the Company's investment transactions.
5. To ensure the adequacy of work system, personnel and information relevant to the Company's investments.
6. To manage investment capital in accordance with the Investment Policy approved by the Board of Directors.
7. To report investment outcomes to the Board of Directors on regular basis.

Investment committee meeting in 2017 has two meetings, all three directors attend all meetings.

4. Risk Management Committee

Risk Management Committee consists of not less than five members who are directors and executives of the Company and shall hold an officer term of three years. Risk Management Committee must hold meetings at least once every quarter.

Scope of powers, duties and responsibilities of Risk Management Committee

1. To determine Risk Management Policy to be proposed to the Board of Directors for approval. Such policy should cover major risks including strategic risk, insurance risk, liquidity risk, operational risk, market risk, credit risk, compliance risk and any other risks which may impact the business operations of the Company.
2. To evaluate the adequacy of the defined risk management strategy, including the efficiency and effectiveness of the Company's risk management practice.
3. To report on risk management performance to the Audit Committee at least once every quarter, with the exception of significant risks which must be reported to the Board of Directors.
4. To determine Business Continuity Management Policy and prepare Business Continuity Plan.

Risk management committee meeting in 2017 has 6 meetings

1. Mr. Jiraphant Asvatanakul	Chairman	(Attendance 5 times)
2. Mr. Praphid Dhiraprayudti	Vice Chairman	(Attendance 5 times)
3. Mr. Krailoes Hanvivadhanakul	Vice Chairman	(Attendance 5 times)
4. Ms. Rutchanee Wongkijpatana	Director	(Attendance 4 times)
5. Ms. Luspan Teumtongchai	Director	(Attendance 5 times)
6. Mr. Kanokchat Tarvonranan	Director	(Attendance 6 times)
7. Ms. Nantawan Arunpiriyakul	Director	(Attendance 5 times)
8. Mr. Thanawut Boonput	Director and Secretary	(Attendance 6 times)
9. Ms. Dutsadee Wannakhlam	Director and Assistant Secretary	(Attendance 6 times)

Board of Directors establish Internal Audit unit being a unit inside company by having Director of Audit Department (Khun Sirin Nantaworaseth) become the responsible person

Attachment 1 Detail of Committee, Executives, Control Authority and Company Secretary

The disclosure of biographical

Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Chalaw Fuangaromya	Age 80 years
Independent Director	Date appointed April 5, 2012
Chairman	April 8, 2015
Chairman of the Investment Committee	May 12, 2016

Education / Training

- B.A. Political Science, Phillips University, USA
- M.A. Political Science, Southern Illinois University, USA
- M.A. Social Science, Birmingham University, UK
- Diploma, National Defence College, The National Defence Course Class 27
- Director Certification Program (DCP) Course (Class 18 and Corporate Governance, IOD

Training Course in 2017 - None

Company Shareholding (%)

None

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31, 2017

2014-2012	Chairman of the audit Committee, Thai re Life Assurance PCL , Insurance
2015-2012	Chairman of the audit Committee, Thaivivat Insurance PCL. , Insurance
2012-2008	Chairman, Professional Waste Technology ((1999PCL, Professional Services

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company - None

Special Activity

- Committee, The Thai Tapioca Development Institute

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Pilai Piampongsarn Age 81 years
Indepent Director Date appointed June 2, 1999
The Audit Committee February 23, 2009
The Nomination and Remuneration Committee August 11, 2016

Education / Training

- B.A. Commerce and Accountancy, Chulalongkorn Universit.
- Certified Public Accountant (CPA) Thailand
- Certified Internal Auditor (CIA) with honors from The Institute of Internal Auditor
- Director Certification Program (DCP), Thai institute of Directors (IOD)

Training Course in 2017 - None

Company Shareholding (%)

None

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31, 2017

2004-2013 The audit committee, Metrostar Property PCL, Real Estate
1999-Present The audit committee, Crown Seal PCL., Packaging
1996-Present Chairman, Audit and Management Consultant Co., Ltd , Accounting Office

Other positions in Company or any organization in the past year.

Listed Company

The audit committee, Crown Seal PCL., Packaging

Limited Company

Chairman, Audit and Management Consultant Co., Ltd, Accounting Office (Main Job)

Special Activity - None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Phisit Setthawong Age 73 years
Independent Director Date appointed October 28, 2005
The Audit Committee April 5, 2012 - April 8,2015
Chairman of the Audit Committee April 8, 2015
Chairman of the Nomination and Remuneration Committee August 11, 2016

Education / Training

B.A. Commerce and Accountancy (with honors), Chulalongkorn University
M.A. Economics, Michigan State University, U.S.A.
Ph.D. Economics, Michigan State University, U.S.A.
Director Accreditation Program (DAP) Thai Institute of Directors (IOD)

Training Course in 2017

- None

Company Shareholding (%)

None

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31, 2017

2012-Present Chairman of The audit committee, Thaivivat Insurance PCL. , Insurance

Other positions in Company or any organization in the past year.

Listed Company - None

Limited company - None

Special Activity - None

The disclosure of biographical

Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Pranee Phasipol	Age 68 years
Independent Director	Date appointed April 8, 2015
The Audit Committee	April 8, 2015
The Investment Committee	May 12, 2016

Education / Training

- B.A., Major: Accounting (Second Class Honors), Thammasat University
- M.A. Accounting, Thammasat University
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
- Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State
- Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy, UTCC
- Certificate of Civil Service Executive Development Program,
- Course 1, Batch 30, Office of the Civil Service Commission
- Certificate of Change Management, Ripa International, UK
- Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
- Certified Public Accountant
- Director Certification Program 10/2001, Thai Institute of Directors (IOD)
- Advance Audit Committee Programs
- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

Training Course in 2016 None

Company Shareholding (%)

None

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31,2017

2014-Present The audit committee, The Nominating and Cooperate Governance Committee, Dusit Thani PCL. , Tourism & Leisure

2012Present Independent Director , Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd. , Energy

Present - Member of Foreign Business Commission, Ministry of Commerce

Present - The audit committee The Support Arts and Crafts International Center of Thailand

Present - Member of Life Insurance Fund Commission, Life Insurance Fund

Present - Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

Present - Qualified Person in Finance and Account, Office of the Civil Service Commission

Other positions in Company or any organization in the past year.

Listed Company

The audit committee, Dusit Thani PCL. , Tourism & Leisure

Limited Company

Independent Director , Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd. , Energy

Special Activity

Member of Foreign Business Commission, Ministry of Commerce

The audit committee The Support Arts and Crafts International Center of Thailand

Member of Life Insurance Fund Commission, Life Insurance Fund

Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

Qualified Person in Finance and Account, Office of the Civil Service Commission

The disclosure of biographical

Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Supaporn Burapakusolsri Age 64 years
Independent Director Date appointed November 14,2016

Education / Training

- BA. Accounting (Honors), Thammasat University
- MA. Accounting, Thammasat University
- Certified Public Accountant (CPA), Thailand Registration No. 2800
- Public Economy Management for Senior Executive, Class 7, King Prajadhipok's Institute
- Director Certification Program (DCP) DCP172/2013, IOD
- Director Accreditation Program (DAP) DAP87/2011, IOD
- Role of the Compensation Committee Program (RCC) 13/2011 , IOD
- Royal Thai Air Force Air War College (RTAF.AWC.) Class 35,Royal Thai Air Force
- Chief Financial Officer Certification Program Class 4, Federation of Accounting Professions
- Thailand Insurance Leadership Program Class 2 - OIC Advance Insurance Institute
- Strategic Airport Development Program, Germany
- Airport Mangement Commercial Program, Singapore
- Advance Audit Committee (AACP23/2016) , IOD

Training Course in 2016

Newly issued of standards financial reporting and tax implications.
Audit Committee Guide for Compliance and. Ethical Culture Oversight
Business in the Age of Uncertainty
National Research Alliance Dialogue on Corporate Governance 2017

Company Shareholding (%)

None

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31, 2016

2017 - Present Independent Director, Chairman of The Audit committee, S N Service Solution Company Limited, Food Drink and Service

2015 – Present Independent Director, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee, Chewathai Public Company Limited, Real Estate

2015 – 2015 Independent Director, Chairman of the Audit Committee , Chewathai Company Limited , Real Estate

2008 – 2013 Senior Executive Vice President, Planning and Finance Chief Financial Officer (CFO) Airport of Thailand Public Company Limited , Transportation & Logistics

2008 – 2012 Director Suvarnabhumi Airport Hotel Company Limited , Hotel

Other positions in Company or any organization in the past year.

Listed Company

Independent Director, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee, Chewathai Public Company Limited, Real Estate

Limited Company

Independent Director, Chairman of The Audit committee, S N Service Solution Company Limited, Food Drink and Service

Managing Director, Coperate Service Company Limited, Accounting and auditing

Director, WSKP Intertrade Company Limited, Marketing Consultant

Director, WSKP International Company Limited, Business Consultant

Special Activity

- None

The disclosure of biographical

Director, Executive, Authority, control and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Jiraphant Asvatanakul	Age	58 years
Director	Date Appointed	May 12, 1986
The Investment Committee		May 12, 2016

Education / Training

- B.A. Economics, Thammasart University
- Master in Professional Accounting, University of Texas at Austin, U.S.A.
- Diploma, National Defence College, The National Defence Course Class 56
- Thailand Insurance Leadership Program Class 1 - OIC Advance Insurance Institute
- Top Executive Program in Commerce and Trade, Batch 8, Commerce Academy, UTCC
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)
- Top Executives Program Class 22, Capital Market Academy

Training Course in 2017 None

Company Shareholding (%)

8,781,128 shares 2.89%

Family Relationship to Management

- Mrs. Sutepee Asvatanakul's spouse
- Brother in Law of Mrs. Sunee Theravithayangkura

(Working Experience for the Past 5 Years) Information as December 31, 2017

1983- Present	CEO and President Thaivivat Insurance PCL. , Insurance
2015-2014	Director, The Re Life Assurance PCL. , Insurance
2015-Present	Director, Policy Protection Fund
2016- Present	Independent Director , Member of the audit committee, Member of the nomination and Remuneration Committee , Vichitbhan Palmoil PCL., Agribusiness

(Working Experience for the Past 5 Years) Information as December 31, 2017

1992-Present	Director ,Member of the nomination and Remuneration Committee, Thai Reinsurance PCL. , Insurance
2000-Present	Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd. , Insurance
2010-Present	Director, T.I.I. Co., Ltd. (Thailand - Insurance Institute)
2017-Present	Director, Thai General Insurance Association
2007-Present	President, Thai General Insurance Association
2013-Present	Director, The Federation of Insurance Company in Thailand
2017-Present	Secretary General, Thai Chamber of Commerce and Board of Trade of Thailand

Other positions in Company or any organization in the past year.

Listed Company

- Director, Member of the Nomination and Remuneration Committee, Thai Reinsurance PCL. , Insurance
- Independent Director , Member of the audit committee, Member of of the nomination and Remuneration Committee , Vichitbhan Palmoil PCL., Agribusiness

Limited Company

- Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd. , Insurance
- Director T.I.I. Co., Ltd. (Thailand - Insurance Institute) , Education

Special Activity

- President, Thai General Insurance Association
- Director, The Federation of Thai Insurance Organizations
- Director, The Thai Chamber of Commerce and Board of Trade of Thailand
- Director, Policy Protection Fund
- Director, Honorable Committee UTCC Council
- Director, The Thai Chamber of Commerce Foundation
- Director, Police Major General, Sararin Foundation

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Thawan Viranont Age 69 years

Director Date Appointed April 29, 1993

The Nomination and Remuneration Committee August 11, 2016

Education / Training

- B.A. Law, Thammasart University

- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

Training Course in 2017

None

Company Shareholding (%)

18,000 shares 0.01%

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31, 2017

2015- Present Advisor of CEO Thaivivat Insurance PCL. , Insurance

1999-2014 Executive Vice President Thaivivat Insurance PCL. , Insurance

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Sutepee Asvatanakul	Age 57 years
Director	Date appointed June 18, 1986
The Nomination and Remuneration Committee	August 11, 2016

Education / Training

- B.A. Liberal Arts, Thammasart University
- Master of Business Administration, Tarlenton State University (U.S.A)
- Thailand Insurance Leadership Program Class 2 - OIC Advance Insurance Institute
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

Training Course in 2017 - None

Company Shareholding (%)

4,725,384 shares 1.56%

Family Relationship to Management

- Mr. Jiraphant Asvatanakul's spouse
- Sister of Mrs. Sunee Theravithayangkura

(Working Experience for the Past 5 Years) Information as December 31, 2017

-2004-Present Managing Director, Thaivivat Insurance PCL., Insurance

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Sunee Theravithayangkura Age 66 years

Director Date appointed June 18, 1986

Company Secretary August 20,2008

Education / Training

- B.A. Law, Thammasart University

- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

Training Course in 2017

None

Company Shareholding (%)

18,000 shares 0.01%

Family Relationship to Management

- Sister of Mrs. Sutepee Asvatanakul

- Sister in Law Mr. Jiraphant Asvatanakul

Other positions in Company or any organization in the past year.

Listed Company - None

Limited Company - None

Special Activity - None

The Corporate Secretary has the following Responsibilities:

1.Preparing and keeping documents below.

a) Registration of The Committee.

b) Notice and Minutes of Board Meeting and Annual Report of the Company

c) Notice and Minutes of Shareholders Meeting

2.Keeping the report of the interests of directors, executives, under Section 89/14 the report to chairman and Chairman of the Audit Committee within seven days from the date of receiving the report.

3.Other actions According to the notification of the Capital Market Commission.

Attachment 2 Detail of Committee of Subsidiary Companies

**The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary**

Name / Age / Position / Date appointed

Mr. Vipheth Sihachakr Age 51 years

Chairman

Education / Training

Master Degree, Union of Soviet Socialist Republics (U.S.S.R.)

Training Course in 2017

None

Company Shareholding (%)

-

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31, 2017

2017- Present President Laovivat Insurance

Personal Business

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Thawan Viranont **Age 69 years**
Vice President

Education / Training

- B.A. Law, Thammasart University
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

Training Course in 2016

None

Company Shareholding (%)

-

Family Relationship to Management

None

(Working Experience for the Past 5 Years) Information as December 31, 2017

2017-Present Vice President Laovivat Insurance
2015- Present Advisor of CEO Thaivivat Insurance PCL. , Insurance
1999-2014 Executive Vice President Thaivivat Insurance PCL. , Insurance

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Pasatxay Philaphandeth **Age 53 years**

Vice President

Training Course in 2016

None

Company Shareholding (%)

-

Family Relationship to Management

None

(Working Experience for the Past 5Years) Information as December 31, 2017

2017- Present President Laovivat Insurance

Other positions in Company or any organization in the past year.

Listed Company

- **None**

Limited Company

- **None**

Special Activity

- **None**

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Pongsapoj Piamcharoen **Age 53 years**

Director

Training Course in 2016

None

Company Shareholding (%)

-

Family Relationship to Management

None

(Working Experience for the Past 5Years) Information as December 31, 2017

2017- Present President Laovivat Insurance

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

The disclosure of biographical

Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Natamon Charoenwannawong Age 62 years

Director

Training Course in 2016

None

Company Shareholding (%)

-

Family Relationship to Management

None

(Working Experience for the Past 5Years) Information as December 31, 2017

2017- Present President Laovivat Insurance

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

Company Secretary

To promote Company Secretary depends on consideration of Board of Directors in finding proper person responsible for this position. In Board of Directors meeting No. 3/2008 on 13 August 2008, we agreed to promote Ms. Sunee Theerawithayangkul to be in Company Secretary position and effected since 14 August 2008 onward until now.

Mrs. Sunee Theravithayangkura Age 65, % Holding = 0.006%

Director Appointed from 18 June 1986 – Present

Company Secretary Appointed from 14 August 2008 – Present

Family relationship between director and executive – Sister of Ms. Sutepee Asvatanakul

Sister-in-law of Mr. Jiraphant Asvatanakul

Education / Trainings

Bachelor of Law, Thammasat University

Diploma in Director Accreditation Program (DAP) (IOD)

Work Experience during the Past 5 Years

2012-2016 Director and Company Secretary, Director of Benefits Department (Thaivivat Insurance Pcl.)

The Board of Directors has determined the roles and responsibilities of Company Secretary as follow:

1. To prepare and keep the following documents:
 - 1.1. Directors' Registration
 - 1.2. Notices and minutes of the Board of Directors' Meeting and the Company's Annual Reports
 - 1.3. Notices and minutes of the Shareholders' Meetings
2. To keep all the records of stake holdings reported by the directors or executives, including sending a copy to the Chairman of the Board and Chairman of the Audit Committee within the period of seven days counting from the date on which such report has been received.
3. To perform any other tasks required by SEC.

Head of Corporate Compliance Operation

Ms. Nanthawan Arunpiriyakul Position Benefits Department Manager

Education

Bachelor of Law, Thammasat University

Master of Business Administration, Ramkhamhaeng University

Work Experience during the Past 5 Years

2012-2016 Benefits Department Manager, Thaivivat Insurance Public Company Limited

Scope of powers, duties and responsibilities

1. To ensure compliance with the laws

1.1 To be the central point for collecting the laws, rules and regulations of external agencies regulating non-life insurance business such as OIC, SEC and AMLO.

1.2 To be the central point in overseeing and ensuring legal compliance of every internal unit within the organization and informing them of any updated or newly issued laws, rules, regulations, orders and notifications, including preparing a summary of newly issued laws, rules and regulations.

1.3 To prepare Basic Legal Compliance Handbook in a form of database to provide updated information on important laws, rules and regulations for operational benefits and to be used a reference while carrying out the operations of various internal units within the organization.

1.4 To monitor and ensure that all internal operations are in compliance with relevant laws, rules and regulations.

1.5 To give advice, suggestion and opinions in relation to various laws, rules, regulations, policies or notifications pertaining to non-life insurance business.

1.6 To perform specific duties which included being the central point in ensuring compliance with laws in relation to anti-money laundering and combating the financing of terrorism (AML/CFT).

1.7 To support risk management operations concerning legal compliance by providing information and data gathered from monitoring legal compliance of internal units, including giving opinions and suggestions on the Company's internal control in relation to legal compliance in order to conduct analysis and prepare relevant risk management plan.

2. To coordinate with both external and internal agencies

2.1 To make coordination in obtaining permit from external agencies in order to carrying out certain operations of the Company or to consult on legal matters to ensure clear understanding before being implemented by internal units of the organization.

External agencies to which Corporate Compliance Office must contact and coordinate with include:

- (1) Office of Insurance Commission (OIC)
- (2) Anti-Money Laundering Office (AMLO)
- (3) The Securities and Exchange Commission (SEC)
- (4) Other governmental agencies which the Audit Committee deemed appropriate

2.2. To coordinate, on behalf of the Company, with the Office of Insurance Commission (OIC) or other regulators required by law.

2.3. To coordinate, on behalf of the Company, with the Office of Anti-Money Laundering and Combating the Financing of Terrorism (AMLO) or other governmental agencies concerning AML/CFT matters.

2.4. To coordinate with the internal units in preparing reports required by external agencies or by laws.

2.5 To provide legal knowledge and prepare information on non-life insurance laws or any other interesting laws or laws concerning key transactions of the Company in order to provide trainings to organizational staffs.

Directors and Executives Compensation

Board of Directors consider and permit Directors and Executives Compensation before propose to approve from share holders meeting by compensation criteria is in the level as paid in the business. Suitable for duty and responsibility including having evaluation of performance every year and take the receiving results as a factor to consider the compensation in number.

- . Company Directors receive compensation in term of attendance fee and bonus in the year 2016 are as following

Name	Position	Meeting Attendance	Attendance fee	Bonus	Total
Mr. Chalaw Fuangaromya	Independent Director, Chairman and Chairman of the Investment Committee	6/6	280,000	455,000	735,000
Dr. Phisit Setthawong	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee	6/6	195,000	545,000	740,000
Ms. Pilai Piamphongsarn	Independent Director, Audit Committee and The Nomination and Remuneration Committee	4/6	195,000	380,000	575,000
Ms. Pranee Phasipol	Independent Director, Audit Committee and Investment Committee	4/6	210,000	390,000	600,000
Mrs. Supaporn Burapakusolsri	Independent Director	6/6	180,000	210,000	390,000
Mr. Jiraphant Asvatanakul	Director and Investment Committee	6/6	-	230,000	230,000
Ms. Sutepee Asvatanakul	Director and The Nomination and Remuneration Committee	6/6	-	220,000	220,000
Mr. Thawan Wiranont	Director and The Nomination and Remuneration Committee	6/6	-	220,000	220,000
Ms. Sunee Theerawittayakul	Director Company Secretary	4/6	-	210,000	210,000
Total			1,060,000	2,860,000	3,920,000

*No other compensation

- A. Company Executive from Department Manager level onward of the company total 26 persons received compensation in term of 2017 salary and bonus 64,260,000 Baht

Human Resources

In 2017, we have all employee as 559 persons, compensation in the form of salary and bonus 257,258,967 Baht including provident fund 11,057,022 Baht.

The Share holding of Directors and Top Managements in 2017				
Name	Position	January	July	December
Mr. Chalaw Fuangaromya	Independent Director, Chairman and Chairman of the Investment Committee	-	-	-
Dr. Phisit Setthawong	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee	-	-	-
Mrs. Pilai Piamphongsant	Independent Director, Audit Committee and The Nomination and Remuneration Committee	-	-	-
Mrs. Pranee Phasipol	Independent Director, Audit Committee and Investment Committee	-	-	-
Mrs. Supaporn Burapakusolsri	Independent Director			
Mr. Jiraphant Asvatanakul	Director and Investment Committee	8,781,128	8,781,128	8,781,128
Mr. Thawan Viranont	Director and The Nomination and Remuneration Committee	18,000	18,000	18,000
Mrs. Sutepee Asvatanakul	Director and The Nomination and Remuneration Committee	4,752,384	4,725,384	4,725,384
Mrs. Sune Theravithayangkura	Director and Company Secretary	18,000	18,000	18,000
Ms. Sirintr Nuntavoraset	Advisor of CEO	107,640	107,640	107,640
Mr. Suraphong Theravithayangkura	Senior Executive Vice President	476,040	476,040	476,040
Mr. Praphid Dhiraprayudti	Senior Executive Vice President	50,264	50,264	50,264
Mr. Krailoes Hanvivadhanakul	Executive Vice President	-	-	-
Mr. Lucius Antoine Julien Maria Heijstee	Executive Vice President	-	-	-
Mr. Thepphen Asvatanakul	Executive Vice President	12,600,000	12,600,000	12,600,000
Ms. Janjira Asvatanakul	Executive Vice President	12,600,000	12,600,000	12,600,000
Mr. Pimol Chantaveerakul	Vice President	-	-	-
Mr. Somkrit Suracheevakit	Vice President	-	-	-

6. Corporate Governance

6.1 The Board of Directors of Thaivivat Insurance Public Company Limited recognizes the importance of fostering good corporate governance as it helps to ensure efficient, transparent and verifiable management system within the organization which will in turn help to build stronger credibility and confidence among the shareholders, investors, stakeholders and relevant parties. At the same time, it is an essential tool in building corporate stability. Hence, corporate governance principles and related practice have therefore been established as per the following details:

1. Rights of Shareholders

The Company prioritizes and respects the rights of the shareholders by promoting equitable rights among all major and minor in accordance with the laws. This shall include the rights to buy-sell or transfer shares, profit sharing, have sufficient access to the Company's business information, be notified of the Shareholders' Meeting, including the rights to attend meetings to cast a vote, the rights to ask questions at the meeting or submit questions in advance of the meeting, the rights to appoint or remove directors, the rights to determine remuneration for the Board of Directors and the rights to appoint an Auditor and determine Auditor's Fee as well as other matters that may affect the Company such as dividend allocation and capital increase or decrease, all of which must be in compliance with legal requirements.

The Company supports the rights of shareholders by encouraging and promoting every group of shareholders as well as institutional shareholders to attend the Shareholders' Meeting, including ensuring the disclosure of related information, date, time, place and agenda of the meeting as well as providing explanations accompanying each meeting agenda or meeting resolution stated in the notice of General Shareholders' Meeting and Extra General Shareholders' Meeting or any enclosed documents thereof.

The Company also gives the shareholders the opportunity to submit in questions prior to the day of the meeting. All questions must be written clearly and must be notified to the shareholders through meeting notice.

The Company prepares Proxy Form B for the shareholders to be able to determine the direction of voting, including allowing at least one Independent Director to be an alternative proxy holder of the shareholders. At each Shareholders' Meeting, each item must be voted separately in case there are more than one items on the agenda such as an agenda to consider and approve the appointment of directors.

The Company also requires the use of ballots for important agenda such as connected transaction or transaction relating to acquisition or disposition of assets to ensure transparency and verifiability in case of later disputes.

During the meeting, the Chairman should manage the time appropriately and encourage all shareholders to express their opinions and raise questions relevant to the Company's business.

The Company prepares meeting minutes and discloses meeting resolution to the general public regarding the number of votes for each agenda at every General Shareholders' Meeting and Extra General Shareholders' Meeting via SEC website and the Company's website on the following day.

In 2017, the Company held General Shareholders' Meeting on April 10, 2017. The meeting was attended by eight directors.

The Company assigned Thailand Securities Depository Company Limited, the registrar of the Company's shares, to deliver meeting notices to the shareholders fourteen days in advance of the day of the meeting. The Chairman equally allowed all shareholders attended the meeting the right to inspect the business operations of the Company, including the right to ask questions and express opinions, all of which had been recorded in the prepared meeting minutes.

2. Equitable Treatment among Shareholders

By realizing great importance of shareholders, the Company has therefore continuously supported equitable treatment among all shareholders, whether they are major or minor shareholders, foreign shareholders or institutional investors, by upholding the following practices:

The Company allows minor shareholders to make nominations for director position, including proposing additional agenda prior to the day of the Shareholders' Meeting within appropriate timeframe.

The Company allows those shareholders who are unable to attend the meeting to grant the power of attorney to his or her representative so that they can attend the meeting and cast a vote on their behalf.

The Company requires its directors and executives to disclose information in relation to their stakeholding and that of relevant parties so that the Board of Directors may consider those business transactions with potential conflict of interest and make decision to ensure the overall benefits of the Company. Those directors and executives having stakeholding in any transaction relevant to the Company should not participate in the decision-making process of such transaction.

The Company formulated Insider Trading Policy in order to prevent the use of internal information that may affect buying-selling of securities of the Company. This policy aims to prevent directors or executives from improperly using internal information to achieve personal interests or interests of others. No directors, advisors, executives or staffs having gain advance knowledge of the Company's operating results either directly or indirectly, including relevant parties are allowed to buy or sell the Company's shares during

the 60-day period prior to the disclosure of the Company's financial statements to the general public. Throughout the past year, the Company's directors and executives have strictly complies with such policy and no buying-selling of shares had been observed during such period. Moreover, executives or departments that have authorized access to internal information are prohibited from disclosing such information to external parties or irrelevant persons as per the details disclosed in Insider Trading Section.

3. Roles of Stakeholders

The Company places great importance on the rights of both internal and external stakeholders and shall avoid every action that may violate the rights of stakeholders. The Company shall continuously ensure equality among all parties and has therefore determined the roles of the stakeholders as follow:

Customers The Company recognizes the importance of good service quality as it is an essential key to building customer satisfaction and reliability in providing the Company's services. At the same time, the Company focuses on developing high quality products capable of satisfying customer demands to ensure highest customer satisfaction.

4. Information reveal and transparency

The Board of Directors is the one who responsible for Financial Statement of company. Financial Statement will be made up according to the Accounting Standard certified by overall in Thailand. By using Accounting Policy that suitable and practice in a regular way and carefully use discretion and good estimation in the making. Including enough information reveal in the remark combined to the Financial Statement.

The Board of Directors provide the company to have Internal Control for making sure that accounting information keeping is correct and complete together with establish the Audit Committee which includes member that not an Executives to be the person responsible for financial report and Internal Control System by represent the report of Audit Committee in the Annual Report.

Company has defined a clear policy of committee compensation. The compensation will be at the same level in the industry and high enough to retain the member that has the qualification as required which was approved from the share holder meeting. In the part of compensation to the Executives will follow the principle and policy that defined by Board of Directors which related to the company performance outcome and performance of each Executives. Financial compensation was identified in the page 3-10 but not reveal the compensation of the member that is the Executives in the part of being received from become other company committee because it is not the company information.

Board of Directors are aware of company's information that affect to the decision of investor and stakeholder of company. Then, we focus and practice with the Executives about information reveal that complete and reliable.

5. Responsibility of Board of Directors

There are 9 members of Board of Directors combined with 4 members that is executive, 1 members that is non-executive and 5 independent members. In the part of Chairman is independent member. No any relationship with the management part and the same person with President. For duty separation to define the policy of control and routine management, the company just only has the Executives committee and Audit committee which has assigned member and responsibility in detail at page 19-29

Committee has set up the meeting every 2 months by clearly define the agenda in advance and has the routine operation result follow up session. Company Secretary Department has organized meeting invitation letter with meeting agenda and documents before the meeting for 7 days to have the committee study the information before go to the meeting. The meeting will take about 2 hours and was noted down in writing and keep the past minute of meeting that was accepted from the committee.

Company foresees the important of Internal Control System both in the management level and operation level. Then, we have defined the duty, operation authority of management and operation in the form of writing. There is the control of company asset usage to create benefits and duty separation of operation, controller, and including evaluation to create a cross check mechanism between each other in an explicit way. Company has the Internal Audit department responsible for audit the main working operation and financial activity of company that it was perform in the way that was defined. Abide by the law and regulation that related to the company (Compliance Control). Committee was assigned the Internal Audit to report directly the audit result to the Audit Committee and receive evaluation result from the Audit Committee for having independent to the Internal Audit and enable to fully perform the audit responsibilities.

Trade Partners The Company is committed to perform its business with fairness and ensure equitable treatment among all trade partners as well as strict compliance with the terms and conditions set forth by the trades and agreements in which the Company is engaged. The Company shall also emphasize on selecting appropriate trade partners that possess a keen sense of morality, professionalism and good reputation.

Shareholders The Company is committed to achieve good operating results to ensure good profits and satisfaction among the shareholders.

Employees The Company recognizes its employees as the most valuable resource and has therefore continuously carried out personnel development to ensure that its employees are ready to move forward together with the Company. In addition, suitable remuneration and staff welfare policies equivalent to similar businesses had been established.

Competitors The Company shall compete in a manner which demonstrates a keen sense of morality and shall not violate or obtain any trade secrets of its competitors by unlawful methods. The Company shall strictly uphold fair competition and shall not attempt to seek any trade secrets of its competitors by inappropriate means or discrediting its competitors.

Creditors The Company shall pay all debts within the specified timeframe, strictly comply with agreement terms and conditions and ensure equitable and fair treatment among all creditors, particularly in terms of guarantee terms and conditions and capital management. In the event of failure to comply with the established terms and conditions and resulted in defaults, the Company shall immediately notify relevant creditor in advance without concealing any facts in order to jointly seek fair and reasonable solutions, including ensuring appropriate capital management structure in order to maintain reliability among creditors.

Debtors The Company shall strictly comply with the agreement terms and conditions. In the event any debtor fails to comply with the agreement terms and conditions and resulted in defaults, the Company shall conduct negotiation in order to seek fair and reasonable solutions.

Society and Environment The Company recognizes the importance of corporate social responsibility and is therefore committed to continuously support and participate in social and community development activities.

Human Rights By realizing the importance of human rights, the Company therefore set up human rights-related policy which provides equal rights and freedom among every employee in performing his/her duties, including career growth in accordance with the Company's regulation. The Company shall also share some knowledge and understanding on basic human rights to be applied in intellectual property-related works. The Company shall strictly comply with intellectual property laws. It also established a policy which prohibits the

support of any operations that may result in the violation of any type of intellectual property rights. Meanwhile, every employee shall be responsible for securing the confidentiality of all information in relation to the Company's intellectual property whether it be insurance products, computer system, operation manual or any other items developed by the employees during operation as assigned by the Company and must not use any intellectual property of others without the owner's consent.

Anti-Corruption The Company has determined anti-corruption policy and related practice, all of which has been approved by the Board of Directors and disseminated among the employees, trade partners and general public to be strictly followed.

Performance Evaluation of the Board of Directors and Sub-committees

In 2017, the Board of Directors evaluated the performance of the Board of Directors. It was divided into 6 topics: Structure and Qualification of the Board; Roles, duties and responsibilities of the Board; the Board Meeting; Director action; Relationship with Management and the self-development of directors and executive development. The evaluation allows each director independently to rate each topic, add scores of each topic of each director and divided by the number of directors. The average score was 3.65 points from total of 4 points or 91.25 percent. The Board had also evaluated the sub-committees performance which are divided into 3 topics: Structure and Qualifications of the Sub-committee; the Sub-committee; roles, duties and responsibilities of sub-committees.

It was the same Board evaluation, the result was as follows:

- the average score of Audit Committee was 3.62 points from total of 4 points, or 90.5%.
- the average score of Nomination and Remuneration Committee was 3.49 points from total of 4 points, or 87.25%
- the average score of Investment Committee was 3.95 points from total of 4 points, or 98.75%.

Performance Evaluation of President

Board of Directors evaluated the President which was divided into 10 topics: Performance Measurement, Strategic Specification, Practice and follow up strategy, Planning and Financial Performance, the Board Relationship, External Relationship, Management and staff relationship, inheritance, Product and Service Knowledge and private features. The evaluation method allowed each director to rate each topic

independently, took each rating of total directors, added and divided by the number of directors. The results of all topics are average 3.95 points from 4 points or 96.25 percent. CEO Development of topic 2, the directors had the opinion that CEO key strength should maintain the leadership and vision. The CEO should develop more to accelerate the planned work and follow up the results closer next year.

6.2 Nomination and Appointment of Directors and Executive

The Board of Directors assigned Nomination and Remuneration Committee to be responsible for seeking suitable persons to become the Company's directors, including considering the nomination list and selecting those having met the defined qualification criteria, checking whether the nominated candidates have the qualifications required by law and the regulations of government offices, proposing the nomination list to be considered by the Board of Directors and included in the shareholders' meeting notice to be further considered and appointed by the shareholders. The Nomination and Remuneration Committee may be assigned to consider the nomination of Top Management Position, particularly President Position.

6.2.1 Director and Independent Director Qualifications

1. Director Qualifications

The Company's Board of Directors consists of members who are directors with keen sense of knowledge, experience and abilities that are beneficial to the Company, regardless of his or her gender, and must have clear understanding regarding the duties and responsibilities of directors as well as the Company's business nature and can fully devote his or her time and efforts to being a director of the Company.

2. Independent Director Qualifications

Apart from completely meeting the required qualifications as directors of the Company, Independent Directors shall also possess the following characteristics:

1) 1. Holding not more than 1.0% of the total voting shares of the Company, its subsidiary, associated company, major shareholder or controlling person, with the number of shares held by related parties being counted.

2) 2. Being a director who is not or has never been an executive director, employee, staff member, salaried advisor or controlling person of the Company, its subsidiary, associated company, same-level subsidiary, major shareholder or controlling person, unless such characteristics have lapsed for at least two years before being appointed. These prohibited characteristics shall exclude cases in which Independent Director had been a civil servant or an advisor of a government office who was a major shareholder or controlling person of the Company.

3) Being a director who has no relationship whether by blood or by legal registration under the status of a father, mother, spouse, sibling, and child, including the spouse of the child of other executives, major shareholders, controlling persons or persons who are being nominated for appointment as executive or controlling person of the Company or its subsidiary.

4) 4. Being a director who does not have or has never had a business relationship with the Company, its parent company, subsidiary, associated company, , major shareholder or controlling person in a manner that may hinder the exercise of his or her independent judgment, and not being a person who is or has been a significant shareholder or controlling person or a person with business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless such characteristics have lapsed for at least two years before being appointed. The prescribed business relationship shall also include normal trading transactions for the purpose of business operations, rental or lease of immovable property, transaction related to assets or services, or granting or receiving financial assistance by receiving or giving loans, guarantee, using assets as debt collateral, including other similar acts that result in the Company or the party thereof being liable to pay the other party by the rate of 3% or more of net tangible asset or Bt 20 million or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected transaction calculation specified in the Capital Market Supervisory Board Notification Re: Criteria on Undertaking Connected Transactions, mutatis mutandis, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

5) 5. Being a director who is not or has never been an external auditor of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and must not be a significant shareholder, controlling person or partner of an audit firm to which an external auditor of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person belongs, unless such characteristics has lapsed for at least two years before being appointed.

6) 6. Being a director who is not or has never been a provider of any professional service including legal advisory service or financial advisory service with the service fee thereof exceeding Bt 2.0 million per year from the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and must not be a significant shareholder, controlling person or partner of the provider of such professional service, unless such characteristics have lapsed for at least two years before being appointed.

7) Being a director who is not appointed as representative of a director, major shareholder or a shareholder holding relationship with a major shareholder of the Company.

8) Not undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary, nor being a significant partner of a partnership or an executive director, employee, staff member, salaried advisor with over 1.0% of the total voting shares of another company undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary.

9) Not having any other characteristics that may hinder the exercise of his or her independent judgment about the Company's business operations.

3. Audit Committee Qualifications

Members of the Audit Committee must have the following characteristics:

- 1) Completely met all independent director qualifications
- 2) Must not be a director who had been assigned by the Board of Directors to make decisions concerning the business operations of the Company, its parent company, subsidiary, associated company, same-level subsidiary or juristic person with potential conflict of interest.
- 3) Must not be a director of the parent company, subsidiary or same-level subsidiary that is a registered company.
- 4) At least one member of the Audit Committee must have adequate knowledge and experience to ascertain the integrity of the Company's financial statements.

6.2.2 Director and Independent Director Nomination Process

In appointing directors who resigned by rotation, the Nomination and Remuneration Committee shall propose the nomination list which consists of persons having met the required qualifications to the Board of Directors for consideration before presenting to the shareholders' meeting for appointment. The Company also set up requirements for the appointment of director position which are stipulated in the Articles of Association of the Company as disclosed under Management Structure Section.

Rights of Minor Shareholders Concerning the Appointment of Directors

To ensure the protection of rights and equitable treatment among minor shareholders, the Company therefore allows the shareholders to nominate persons who possessed the required knowledge and abilities as well as meeting the defined qualifications to be considered for appointment as director in advance and shall

notify all shareholders via the communication channel provided by SET and the Company's website www.thaivivat.co.th. Nomination Criteria and related forms are also disclosed on the Company's website.

6.2.3 Executive Nomination Process

The Board of Directors assigned the Nomination and Remuneration Committee to conduct the nomination procedure and consider the succession plan for director and top management positions to ensure effectiveness and the Executive Committee shall be responsible for the appointment of President and Chief Executive Officer positions to be responsible for running the Company's business operations under the supervision of the Board of Directors.

In respect to the appointment of top management of each department following the defined organizational structure, the President and Chief Executive Officer shall be responsible for the selection and appointment of such position.

6.3 Insider Trading

The Company established Insider Trading Policy in order to prevent the use of internal information that may affect buying-selling of securities of the Company as follow:

1. No directors, advisors, executives or staffs of the Company are allowed to use any internal information for the benefits of buying-selling securities as it shall be treated as violation of the law and against the defined conflict of interest principle as well as unfair treatment to other shareholders. Any disclosure of internal information to third parties or irrelevant persons is also strictly prohibited.

2. All directors, advisors, executives and staffs of the Company must strictly comply with the laws, rules and regulations concerning insider trading, including laws in relation to securities and stock exchange and other related requirements.

3. No directors, advisors, executives or staffs having gain advance knowledge of the Company's operating results either directly or indirectly, including relevant parties are allowed to buy or sell the Company's shares during the 60-day period prior to the disclosure of the Company's financial statements to the general public.

4. All directors, advisors, executives and staffs from manager level or above who buy or sell shares of the Company must notify Legal Department regarding such buying or selling within the following day in order to be further reported to the SEC or directly report to the SEC within 3-day period starting from the date

of acquisition or disposition of such shares. The securities holding of each member of the Board including the executives and the Auditor of the Company must always be reported at each Board of Directors' Meeting.

Throughout the year 2016, the Company had strictly followed the defined regulation.

6.4 Account Auditor compensation

Ernst & Young Office Co., Ltd. is the well known company and accepted in international level that agreed from The Securities and Exchange Commission and take part in giving advisory to the Office of Insurance Commission in starting to use Risk Based Capital (RBC) including the accounting audit experience to other disaster insurance company. Even more, there is no relationship and/or conflict of interest between auditor and the company/executives/major share holders. In fiscal year of 2016, the

Accounting has the compensation of account auditor totally as 2,320,000.- Baht with the following detail:

1. Annual audit fee	890,000.- Baht
2. Three quarters accounting review	510,000.- Baht
3. RBC transaction audit second quarter	160,000.- Baht
4. Annual RBC report review fee	370,000.- Baht
5. Review and consolidated financial statement audit	320,000.- Baht
6. Other review	70,000.- Baht

Compliance with good corporate governance policy

The company has complied with policies and guidelines specified in good corporate governance policy which details are published on the company website www.thaivivat.co.th

7. Social Responsibility

Thaivivat Insurance Public Company Limited prepared this Corporate Social Responsibility Report for the year 2017 to reflect its policy, strategy, thinking process and its business operation in the capacity as a finance institution which contributed to the development of Thai society in terms of financial stability for Thai people and Thai business through insurance business transaction of the Company as well as the disclosure of its operating results to interested parties, not only in the financial aspect, but also in the aspect of social and environmental issues. The Company had the policy of running its business under the ethical principles and good business governance, taking into account the social and environmental responsibility at the distant and immediate level. It therefore plunged into the CSR-in-process and the CSR-after-process continually.

Guidance for Reporting

This Report covered the operation in 2017. The information was compiled from its previous operations, particularly, centering on its operation at the head office, the principal office, to lay down the policy, strategies and the operations as a whole of the Company. Moreover, mentions were of the guidelines for development of the company and its personnel to be ready for the responsibility according to the mission assigned as well as the data in relation to its internal operations along the CSR line concerned.

Thaivivat Insurance PCL was aware of its limitation and its readiness to declare the information in the Report. However, this report applied the guideline on preparing a report based on the corporate social responsibility of Stock Exchange of Thailand as a reference framework for consistency with the standard of a listed public company in the Stock Exchange of Thailand in which the Company was listed since 1991.

Criteria for Reporting Content Selection

The Company had considered matters in relation to Corporate Social Responsibility (CSR) based on the nature of the Company's business which is being the number one provider of non-life insurance service that is most widely trusted by the customers and determined corporate vision of offering stable security for Thai society. The Company's corporate missions are as follow:

- Development of the organization to strong financial standing and management based on good corporate governance.
- Development of the products to be more cost-effective enabling the reduction of risks and alleviation of loss of the public appropriately.
- Development of service to good standard, thus fairly enhancing the customer satisfaction and trading partners.

All of which are the keys to steering corporate performance in relation to economic, social and environmental aspects in the direction that will help to ensure the mutual interests of the stakeholders at every level.

Since 2015, the Company began to create mutual values in addition to the existing corporate vision and missions in order to instill common operational practice from theoretical to operational level to ensure consistency and concrete implementation of the defined corporate vision and missions. The Company also tried to promote personnel engagement to create a sense of unity within the organization. This includes:

Trusted Upholding professionalism to build customer trust	.1Conduct business with fairness .2Promote anti-corruptions .3Disclosure of information and reports
Progressive Continuously develop products and services to address every consumer demand	.4Responsibility toward consumer .5Develop products and services that will help to uplift the quality of life and society
Innovative Using latest innovation to deliver service excellence	
Togetherness Demonstrate compassion and care for others as if they were part of the family	.6Personnel Benefits .7Carry out community and social development .8Conduct environmental management

In order to categorize the level of importance of each CSR aspect, the Company had also taken into account the opinions of the stakeholders.

Important for interested persons	Very important	Social and community development Respect for human right	Responsible to consumers (production and service) Operate business with fairness Anti-fraud Disclosure of information and report
	Important	Use of resources (management of environment)	Care for personnel (fair treatment of labor) Corporate good governance Risk management
	Important		Very important
Important to Thaivivat Insurance			

Engagement with the Stakeholders

Stakeholder	Expectation	Practice	Contact Channel
Customer	-Well-defined products that are able to provide the required protection and are highly understandable	-Sales promotion -Excellent sale and after-sale service quality -Provide protection as per the given insurance policy	-Satisfaction Survey -Provide channel (s) for comments/suggestions - Head Office and Branches

Stakeholder	Expectation	Practice	Contact Channel
	<ul style="list-style-type: none"> -Excellent sale and after-sale service quality -Fair compensation -A highly stable insurance company capable of paying compensation when an incident occur 	<ul style="list-style-type: none"> -Develop high quality products that can serve customer demands -Deliver fair, accurate and quick compensation payment -Manage insurance related risk in accordance with regulation of Office of Insurance Commission (OIC) 	<ul style="list-style-type: none"> -Customer Relations Tel.0777 695 02 -Claim Hotline Tel. 0700 695 02 - Website: thaivivat.co.th - Facebook: www.facebook.com/thaivivat
Trade Partner	<ul style="list-style-type: none"> -Follow the trade agreement -Increase the quantity/value of products and services 	<ul style="list-style-type: none"> - Conduct business with fairness - Equitable and fair treatment among all trade partners - Strict compliance with trading terms and conditions including the established agreement - Select appropriate trade partner that demonstrates ethics, professionalism and good reputation -Establish clear procurement procedure 	<ul style="list-style-type: none"> - Policy and Code of Business Ethics - Site visit and evaluation -Website: thaivivat.co.th
Personnel	<ul style="list-style-type: none"> -Fair compensation -Follow Code of Ethics in relation to labor -Ensure safety of life and properties -Offer opportunity for knowledge development and professional career path -Balance between work and life 	<ul style="list-style-type: none"> -Support skills and knowledge training -Has a policy on providing appropriate staff compensation and welfare and equivalent to that of other businesses of similar nature -Career stability and good career path -Pleasant and safe working environment -Activities for building corporate bond 	<ul style="list-style-type: none"> -Communicate with personnel regarding staff welfare -Satisfaction Survey -Meetings by function -Complaints Handling Unit, HR Department -Directly raise complaint to the Management -E-mail: hrdept@thaivivat.co.th
Shareholder	<ul style="list-style-type: none"> - Business growth -Good corporate governance -Rights and equality of shareholders -Anti-corruption -Access to accurate information 	<ul style="list-style-type: none"> -Long-term and continuous returns -Conduct business based on the principles of good governance and corporate governance -Disclose reports as per defined schedule and the regulation of SET 	<ul style="list-style-type: none"> -Annual Report -Shareholders' Meeting -Contact Investor Relations Tel. 1231ext. 5938 -E-mail: nantawan_aru@thaivivat.co.th -Website: thaivivat.co.th/th/investor_contact.php

Stakeholder	Expectation	Practice	Contact Channel
Competitor	<ul style="list-style-type: none"> -Compete in business with a sense of morality 	<ul style="list-style-type: none"> -Compete with morality -Must not seek trade secrets of competitors through unacceptable means -Must not damage the reputation of competitors through discredits 	<ul style="list-style-type: none"> -Website:thaivivat.co.th
Creditor	<ul style="list-style-type: none"> -Prompt debt payment -Compliance with the defined terms and conditions 	<ul style="list-style-type: none"> -Strictly follow debt payment deadline and the agreement terms and conditions -Comply with the terms and conditions in relation to guarantee and capital management -In case of failure in following the agreed terms and conditions which resulted in defaults, the Company shall immediately notify the creditor in advance and shall completely disclose all information to jointly seek proper solution -Ensure appropriate capital management structure existed to maintain creditor confidence 	<ul style="list-style-type: none"> -Contact Finance Department Tel.1231 -Website: thaivivat.co.th
Debtor	<ul style="list-style-type: none"> -Compliance with relevant requirements and conditions -Interest rates are in accordance to the law 	<ul style="list-style-type: none"> -Strict follow the agreement terms and conditions -In case debtor fails to follow the agreed terms and conditions which resulted in default, the Company will negotiate with that debtor in order to seek fair and reasonable solution 	<ul style="list-style-type: none"> -Contact Finance Department Tel.1231 -Website: thaivivat.co.th
Society and Environment	<ul style="list-style-type: none"> -Conduct business with responsibility -Carry out community development -Legal compliance -Cooperate in government projects 	<ul style="list-style-type: none"> -Recognize and demonstrate accountability toward the economic, social and environmental impacts resulting from the Company's business operations -Conduct business based on the principle of good corporate governance and under the supervision of government agencies -Support, assist and participate in various social and community development activities 	<ul style="list-style-type: none"> -Contact the Company Tel. 1231 -Website: thaivivat.co.th -Contact the Company's Secretary Office

GOOD CORPORATE GOVERNANCE AND FAIR BUSINESS OPERATION

Policies and Guidelines

In the aspect of corporate governance for business transparency, verifiability, the company followed the principles of good corporate governance. For this purpose, the company set up a supervisory unit to ensure that various operations went properly according to various regulations and the provisions of the law of the Office of Insurance Commission (OIC) and other supervisory organizations concerned, namely, the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC) and the Anti-Money Laundering Office (AMLO).

Thaivivat Insurance PCL took into account equality, fairness, avoidance of taking unfair advantage and the honesty in running the insurance business through protection of the interest in collaboration with persons involved who would be treated fairly in the course doing business by strict compliance with the law and rules jointly formulated; espousing business ethics in doing business, not demanding for, not receiving and distributing any interest in bad faith in trading with the trading partners according to the principles of good governance.

As of December 18, 2017, Thaivivat Insurance Public Company Limited received the Thai Chamber of Commerce Business Ethics Standard Test Award 2017 (TCC BEST Award). The award presentation ceremony held to honor companies with excellent policies and practices on good corporate governance, transparency, and corporate social responsibility.

Corporate Governance Related Agencies

The Compliance Department was established under control of the Benefits Department as a center of compilation and tracing data and information of relevant external regulations. The regulations are translated and/ or summarized for benefits of company's departments and personnel to comply with those relevant regulations.

Moreover, an internal audit unit was set up as an independent organization, to report directly to the Audit Committee and the Company's Board of Directors, to have the duty to audit, review internal activities, operations within the company; to provide counseling, propose opinions and advice on remedying, improving the operation properly and efficiently. As regards the report on good governance, it was already reported in the Form of Items of Annual Data 2017 (Form 56-1) on the heading of "Management." And on website www.thaiviat.co.th

ANTI-CORRUPTION

Thaivivat Insurance PCL was aware of problem of corruption which affected the Company's ability for competition and sustainable development to the extent it increased the cost of business operation, resulting in lowered operating efficiency, thus failing to create maximum benefits for consumer. The company therefore attached importance to anti-corruption of all forms, not only in the light of violating the law, but it was contravening the good moral virtues and ethics; it was therefore unacceptable behavior.

By recognizing the importance of preventing corruption and supporting anti-corruption operation in wider scale, the Company therefore developed Anti-Corruption Policy and Code of Conduct for Anti-Corruption and has continuously carried out transparency and operational performance review and audit on yearly basis, including ensuring that the Company's operational performance in all aspects are in compliance with the determined operational standard. The Company's Anti-Corruption Policy shall be reviewed on two-year basis as deemed appropriate or whenever significant changes are required.

Based on recent audit results, Thaivivat Insurance Public Company Limited had fulfilled the requirements of Private Sector Collective Action Coalition Against Corruption Council by having fully developed and adopted Anti-Corruption Policy and Code of Conduct for Anti-Corruption throughout the organization, allowing the Company to become an official member of Collective Action against Corruption on October 18, 2017. Since Private Sector Collective Action against Corruption is under the support of the Thai Government and Office of the National Anti-Corruption Commission (NACC), the Company therefore worked closely with the government sector as well as civil society and mass media sector in setting transparency and anti-corruption standard within the business industry, including taking part in developing the country.

The Company also regularly communicates its Anti-Corruption Policy and Code of Conduct for Anti-Corruption among its personnel via various channels, provides in-house personnel capacity development training programs and even communicates with its trade partners and external agencies through notices which require their cooperation in avoiding acceptance of gifts of every kind. The Company also determined Whistle Blowing Policy which provides several channels for whistle blowing or complaints as follow:

Letter Nantawan Arunpiriyakul, Compliance Section
Thaivivat Insurance PCL
71 Din Daeng Road, Samsen Nai Sub-district, Phaya Thai District,
Bangkok 10400

E-letter Nantawan_aru@thaivivat.co.th

Telephone 0 2695 0800

In respect to whistle blower protection scheme, the details are provided in the Company's Anti-Corruption Policy which is accessible through the Company's website.

Disclosure of Information and Reports

The company was aware of the data of the company that it had effect on the decision-making of investors and interested parties of the Company, it therefore emphasized the disclosure of correct, complete, reliable key information about the company to the public; both of the financial information and non-financial information according to the requirements of the SET and as per the Notification of the Office of Insurance Commission (OIC) Re: Criteria, Method and Conditions in Relation to Disclosure of Statements of Financial Position and Operating Results of Non-Life Insurance Company B.E. (2008) 2551 which requires accurate, complete and on-time disclosure of relevant information to ensure equitable information access among all shareholders. Apart from disclosure of information within the organization and among relevant organizations, the general public as well as the stakeholders can also access the Company's information via the Company's website.

The information made available on Company's website (www.thaivivat.co.th) include:

- The Articles of Association
- Corporate Governance Handbook and Principles
- Code of Business Ethics
- Important Financial Information and Financial Statements (yearly and quarterly)
- Annual Registration Statement (Form (1-56
- Annual Report
- CSR Report
- Shareholders' Meeting Notices and Minutes

- Anti-Corruption Policy
- Code of Conduct for Anti-Corruption
- Notice for Non-Acceptance of Gifts
- Laundering Prevention and Suppression Policy
-

RESPONSIBILITY TO CONSUMERS

Thaivivat Insurance PCL is determined to create satisfaction in the product and assurance in service to the insured with responsibility to the insured that the insured receives good, quality service at suitable price in accordance with the supervisory criteria of the Office of the Insurance Commission (OIC). That is, the format and the text in the insurance policy must be consistent with the rate of insurance premium and have the clear meaning as well as the definition being used must correct according to technical principle as to preclude the problem of legal interpretation in the event of complaint in relation to premium. Furthermore, the rate of premium being applied is suitable and at the rate approved by the registrar.

In addition, there has been various developments, improvements on the format of the insurance as to suit the changing need of Thai society as well as continual development and improvement on service in tandem with the changing technology as to create convenience, speed in providing service to the insured as well as maintaining relationship and sustainability with the customers seriously and consistently.

The Company's Indemnity Capability Upon Claiming

The stability of an insurance company is highly crucial to maintaining the credibility of its insurance products. As a type of financial institution, insurance companies can directly affect the insurer as well as the overall economy of the country, particularly in terms of its indemnity capability. Bearing this in mind, Thaivivat Insurance Public Company Limited realizes the importance of maintaining the financial position required by laws and the regulations of relevant regulators such as OIC. In 2017as of Quarter3 , the Company's capital adequacy ratio (CAR) reached over 300%, marking its high level of indemnity capability.

Service in compensation

The company has formulated a policy in relation to the payment of compensation to ensure speedy, timely service in this aspect and capable of helping the people substantially by considering to pay the

compensation within 14 days. This is for speedy response to the need of the insured in timely manner in strict compliance with the terms and conditions of the agreement made with the customer as to preclude a lawsuit that might be damaging to the company.

The company has introduced innovation and new technologies to be adapted to the insurance service work with application of e-claim system to the service in full management of compensation to enhance the efficiency, facilitating the speed for the customer who met with the accident, thus increasing the potential of providing service of the peril survey staff, enabling them to print out a repair order at the point of accident throughout 24 hours. Moreover, the company has opened 27 branches to provide service in compensation countrywide including the repair notice service for the insured of motor car insurance in the motor car service center which joins the project for the convenience of the insured to claim for indemnity and to provide advice and assistance to the insured.

Thaivivat Application

In 2017, Thaivivat Insurance Public Company Limited had introduced its brand-new insurance service function to support the 'Pay-Per-Use Motor Insurance' with the 'TBeacon' technology connected to the Thaivivat application on smart phone. TBeacon provides automatic start and stop insurance function in addition to several services on customers' smart phones including car accident hotline and insurance premium payment. When reporting a car accident, a customer would not be required to dial any phone number as the location of the accident, the nearest hospital, and the service center could intelligently be tracked by the application of GPS. The Thaivivat application can be installed on the IOS and Android mobile platforms.

The Development of the Pay-Per-Use Motor Insurance

On March 30, 2017, Thaivivat Insurance Public Company Limited was honored with the 'Thailand ICT Excellence Award 2017' in the Innovation Project category by the Ministry of Digital Economy and Society in the Thailand ICT Management Forum & Thailand ICT Excellence Awards 2017 held under the theme 'Leading Digital Transformation: From Idea to Action'. This honorable award could guarantee the company's splendid achievement of product innovation. Admittedly, the Pay-Per-Use Motor Insurance was developed to highly satisfy all customers, where insurance premiums could be calculated from the actual driving time and distance. This was considered one for the most innovative insurance products in the current market.

Development of Diverse Purchase and Premium Payment Channels

In respect to service improvement, the Company has added additional channels for customer to conveniently access its insurance products and constantly improves the quality of existing insurance services. The Company offers diverse purchase channels to ensure highest convenience for customers. This includes insurance agents and brokers, counter service at department stores and convenient stores nationwide as well as the Company's website thaivivat.co.th. Certified by the Department of Business Development, the Company guarantees completely safety in terms of online purchase and payment. Through this system, the insurer is given a wide range of options for payment namely credit card, bank counters and mobile payment.

Other services

- **The customer relations center**

To make the customers convenient as the one stop service, we provide proficient staffs who will give you an advice, help you to understand, solve problems initially and follow up to take care the customer's problems to be fixed properly and efficiently.

Moreover, Customer Relations is a department that stores the data of customers' satisfaction towards the service, the data of problems will be based to improve company's service and operation.

Customer Relations can be reached at telephone number 02-695-0777 and 1231 in office hours (Monday - Friday at 8.00-18.00 hrs.) website www.thaivivat.co.th and facebook www.facebook.com/thaivivat.

- **Claim Service Center.**

To provide the service promptly in assisting the customers all over the country, especially for car and health insurance, the company provides a center to receive accident notifying and to investigate car accidents for 24 hours every day with the real-time tracking system of staffs through satellite that use GPS (Global Positioning System). The staffs at the Claim Service Center will report the accidents to investigating staffs who are the nearest to accident spots to service sharply and make the customers feel secured. In addition, the customers who registered and installed Thaivivat mobile Application on mobile phone can notify by pressing the button "Emergency Notification" without putting phone number and route explanation because the accident spots will be sent to the company immediately.

Claim Service Center can be reached at 02-695-0700 and 1231 24 hours every day.

- **Roadside assistance service.**

The service is for the customers whose car is broken on the way that might be caused by broken engine or equipments that make the car cannot be driven. Staffs are provided to give a technical advice to assist solving the circumstances. There are also onsite Technicians to initially assist at the spot of accident and provide car towing service to an automobile repair center. The service is for 24 hours. Please contact Claim Service Center.

Products and Services

for Community and Social Development

The community and social development is a key composition of sustainable business development. Currently business development and investment at Asian regional level call for business to take into account increased social responsibility. It is imperative that importance be attached to the community and social development in the light of an advantage and composition of the sustainability in doing business.

By realizing the importance of insurance and insurance service accessibility, the Company therefore introduces micro-insurance program as alternative choice for consumers and focuses on minimizing damages from road accidents in line with its motor insurance program which is the Company's core product. These had been carried out under "Excellent Service Program" which took place during the 2017 New Year and Songkran Festival as per the following details:

Micro-insurance

Thaivivat Insurance PCL had carried out the work for community and social development in accordance with the policy of the Office Insurance Commission (OIC) in the Insurance Development Plan No 3 (2017-2020). In particular, on the part of enhancing confidence, the awareness of the importance of insurance and the access to the insurance system by the people at all level. Since suitable insurance plays a role in the stability of the quality of life of the people which is the participation in important development of Thai society.

The company has provided service in insurance in various, distinct formats taking into account the needs of the people which are changing in tandem with social and economic situation. The company also

envisions the importance of access to the insurance system by the public at all levels. The company therefore has a policy to promote micro-insurance with simplified coverage, economic premium rate. All level of the public can access micro-insurance easily thanks to comprehensive distribution channels. Key micro-insurance products of Thaivivat for 2017 are the following:

1. **Cancer Micro-insurance**

to cover cancer in collaboration with the counter service under the All Insurance Project, which emphasizes public access to sale of micro-insurance by selling via the counter service with over 6,000 branches in Thailand cancer Micro-insurance program consists of: 1. “Jai Pum Micro-Insurance for Cancer” covering all types of cancers except skin cancer at premium rate of 711 Baht per year and total insurance amount of 70,000 Baht and 2. “Jai Pum Plus Micro-Insurance for Cancer” covering all types of cancer except malignant melanoma and skin cancer.

2. **Rice Insurance for the 2017 harvest year**

Thaivivat is among the 16 insurance companies that joined the Rice Insurance Project with the government with to help build income stability among rice farmers in targeted areas nationwide totaling 30 million Rai by reducing costs and risks in relation to yields. This is done by dividing the insured rice fields into 5 zones based on risk level. The average damage criteria from 2005 – 2012 was studied in order to determine the appropriate premium rate for each risk level. Under such program, rice farmers will be entitled to seven types of natural disasters coverage including flooding or heavy rain, drought, delayed rainy season, storm or typhoon, cold weather or frosts, hailstorm and fire at premium rate of 1,111 baht per Rai, including weeds and epidemics at premium rate of 555 Baht per Rai. The Company also offers In-season Rice Field Insurance Program is available at the Bank of Agriculture and Agricultural Cooperatives so that rice farmers nationwide can have access to insurance service.

3. **“200” micro-insurance**

Thaivivat Insurance PCL is an insurance company participating in the “Insurance coverage 200 policy” project in collaboration with the Office Insurance Commission (OIC). The insurance coverage 200 is a personal accident micro-insurance to provide coverage to the insured in the event of death, loss of limbs, eyesight, and complete disability due to accident. The coverage is 1 year with premium of mere 200 Baht

for the insured aged 20 – 60 years having the objective to provide opportunity to the people at all level to by insurance policy at affordable price.

“Excellent Service” Program during New Year and Songkran Festival

Both public and private sectors recognizes the significance of road accidents, particularly when Thailand is ranked among the top countries having the highest rate of road accidents in the world. This brings not only losses of life and property but also prevents the country from becoming fully developed. In response, numerous campaigns and projects has been continuously carried out to minimize the number of road accidents as well as losses of life due to road accidents. Among this, car insurance plays a vital role in non-life insurance industry. For this reason, the Company therefore initiated a campaign called “Excellent Service during New Year and Songkran Festival 2017” by working together with Department of Highways and Expressway Authority of Thailand in order to facilitate both the citizens and government officials were assigned on duty to assure road safety during the special holidays, including providing car insurance service during New Year and Songkran season during which the number of commuters traveling on public roads it’s at the highest not to mention highest risk of road accidents.

Thaivivat Insurance Public Company Limited had launched its ‘Excellent Services during the Festive Seasons 2017’ project with the following practices.

1. Deployed teams of accident inspection and operations officers to be stationed at security checkpoints in various provinces across the country, with the maximization of workforces at major highways, heavy traffic areas, and significant tourist attractions, as part of the goal to be prepared for possible accidents and untoward cases.

2. Increased the number of operations and customer service officers to cope efficiently with accidents and untoward cases that might occur during festive seasons like the New Year and Songkran celebrations.

Personnel Benefits

Personnel are valuable resource who must be cared for and their ability upgraded for readiness to perform the duty efficiently. The Company therefore attaches importance to the development of staff at all levels as to enhance the knowledge, ability, skill, creating good attitudes by attaching the importance to

developing the body of knowledge by means of both internal training within the company and with various external organizations. Moreover, the company has yet introduced a policy in determining fair remuneration with assessment of work performance at least twice a year and to follow up on salary rate movement as to formulate correct, suitable salary in terms of incentive and welfare benefits.

Apart from proper refreshment leave, Thaivivat Insurance also put a concern on health care and life quality of the staff as well as their family. Various incentives and welfare benefits which the company accords to its personnel are to ensure that all of thaivivat's staff is happy at work which will lead to effective work performance

Members of staff and personnel of the Thaivivat Insurance PCL when having satisfactorily passed the probation would be placed in employment as a regular employee and all regular employees would receive remuneration and are entitled to various fringe benefits from the Company as follows:

Welfare for Better Quality of Life

- **Staff Provident Fund**

The company also introduced a policy for every member of the staff to have savings for use after they leave the employment of the Company by means of establishing the Staff Provident Fund for employee who having worked for 3 years consecutively to be eligible for membership. A member of the Staff Provident Fund contributes 5 percent of the staff's monthly salary to the Fund on a monthly basis and the Company contributes at the rate of 7.5 percent of the staff's monthly salary on a monthly basis. This Staff Provident Fund is managed by the Fund Management Company as the Fund manager.

- **Loan welfare**

Personnel of the Company having completed at least 1 year of work as a staff of the Company shall be entitled to apply for loans with the Company either for residential, medical or educational purposes.

- **Financial Aids for Personnel and Family Members**

The Company shall provide financial aids in two circumstances: marriage of the personnel and funeral of personnel's father or mother.

- **Medical treatment**

Besides taking out social security insurance for every member of staff to accommodate the entitlement to medical treatment in accordance with the labor law, the Company has arranged for the availability of a nurse team from Chula Hospital to provide first-aid care and diagnosis for referral in the case of serious illness as

welfare for members of the staff on every working day at the company's principal office at which most of the employees of Thai Viva Insurance PCL are working.

- **Accident insurance**

Accident insurance is taken out for the welfare of the employee. The company has taken out personal accident insurance coverage for members of the staff in the event of deadly accident as to alleviate the burden of the staff's family.

- **Health Insurance**

To ensure personnel convenience, the Company provides health insurance to all personnel covering additional medical expenses apart from the ones provided by social security

Employees' benefits and Development

Thaivivat Insurance Public Company Limited provides training to develop the proficiency of staffs constantly to improve insurance knowledge and other required skills for insurance operation and services. In 2017, organizational restructuring had been carried out by clearly separating Personnel Development Department from HR Department to ensure better personnel development efficiency.

Each year the Company begins by providing knowledge training to newcomers. In 2017, Thaivivat Insurance Public Company Limited had introduced its career orientation program titled 'Get to Know Insurance Business' to provide new employees with sufficient knowledge on insurance and other related business matters, at Thaire Services Company Limited on Ratchadapisek Road.

- Class 1, July 19, 2017, participated by 18 new employees.
- Class 2, December 6, 2017, participated by 15 new employees.

After completing the career orientation program, Thaivivat Insurance also held further training programs to maximize employees' knowledge and expertise on their responsible daily operations. In 2017, remarkable training programs could be described as follows:

- 'Efficient Teamwork' – hosted by Mr. Kanokchat Thavoranand, Motor Claims Manager. Held on the 6th floor of Thaivivat Insurance Headquarters, the training program, designed to encourage all employees to cooperate and reduce conflicts in working as a team, was divided into six major classes explained below:

Class 1, October 29, 2017, participated by 35 employees.

Class 2, November 11, 2017, participated by 27 employees.

Class 3, November 18, 2017, participated by 34 employees.

Class 4, November 25, 2017, participated by 46 employees.

Class 5, December 9, 2017, participated by 28 employees.

Class 6, December 16, 2017, participated by 31 employees.

- ‘Setting Priority of Routine Tasks’ – hosted by Mr. Somkrit Suracheevakrit, Sales Director. The training program, participated by 45 supervisors, was held on November 4, 2017 on the 6th floor of Thaivivat Insurance Headquarters, aiming to generate greater understanding towards effective management, considered a key role in managing team.
- ‘Power Vision: Design and Development’ – hosted by Ms. Ratchanee Wongkitpattana, Senior Manager. Organized on November 18, 2017 on the 6th floor of Thaivivat Insurance Headquarters, the training program aimed to stimulate the IT program design and development, joined by 17 employees.
- ‘Coordination with Efficiency and Happiness’ – hosted by Ms. Pimol Chantaveeworakul, Operations Director. The training program, held on November 22, 2017 on the 6th floor of Thaivivat Insurance Headquarters, was designed to increase work efficiency and professionalism, while being happy with responsible tasks, participated by 54 employees.

Aside from the internal training programs, Thaivivat Insurance also provided its employees with further training sessions organized by external organizations. More specifically, employees were required to complete an approximate training period of eight hours per year.

Employment Opportunity for the Disabled

At Thaivivat Insurance, we accept people with physical disabilities to join our team by offering employment in appropriate positions based on their physical capability. The Company also formulated remuneration standard and provides equal opportunity to progressive career path.

Career Opportunity for the Disables

At present, Thaivivat Insurance Public Company Limited has recruited six disables with outstanding skills and abilities to work in certain departments.

Blindness	-	1 employee
Hearing Problem	-	4 employees
Movement Difficulty	-	1 employee

Employee Relations Activity

Thaivivat Insurance Public Company Limited has organized its employee relations activity on a yearly basis, aiming to foster concrete relationship among employees from different departments in the organization. Additionally, employees have been encouraged to recognize the importance of exercise, while creating bonding and teamwork in the workplace.

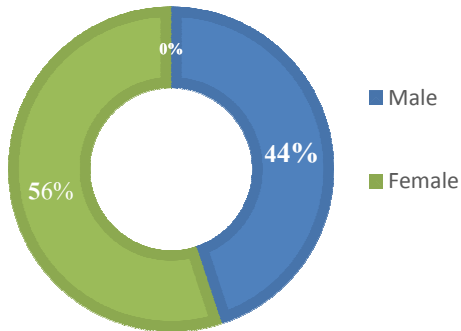
Occupational Safety

Thaivivat Insurance Public Company Limited is strictly committed to providing its employees with occupational safety, as part of the intention to promote a better quality of life and wellbeing among employees at all levels. To achieve the next level of occupational safety development, it is greatly necessary for the company to determine security policies in order to be ready for any unexpected circumstance.

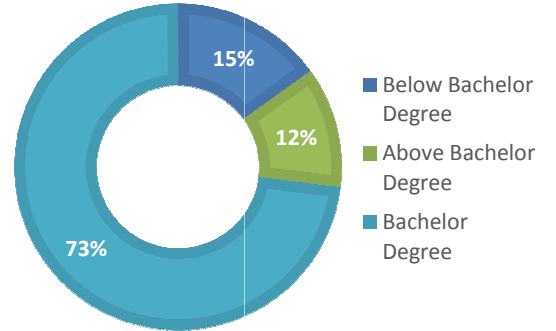
- The company conducts a fire prevention training and a fire evacuation drill on a yearly basis, where fire extinguishers and other related devices will be inspected and maintained in good conditions at all times, prompting employees to cope efficiently with a real situation that may take place. In 2017, the company organized its fire prevention training on December 9, supported by a team of fire specialists from Suthisan Fire Station, while the fire evacuation drill was conducted on December 11. Both drills were held at Thaivivat Insurance Headquarters.
- In the same year, the company had also issued policies and principles on operations and management for all employees to pursue, with regard to the effectiveness of occupational safety.
- For those in necessity of using a car or a motorbike, the company had ordered them to strictly pursue the driving safety rules and other technical requirements. In 2017, there were two accident cases occurred, where two people were minimally injured from the accidents and already recovered from the injuries.

An overview of the personnel of Thaivivat Insurance PCL

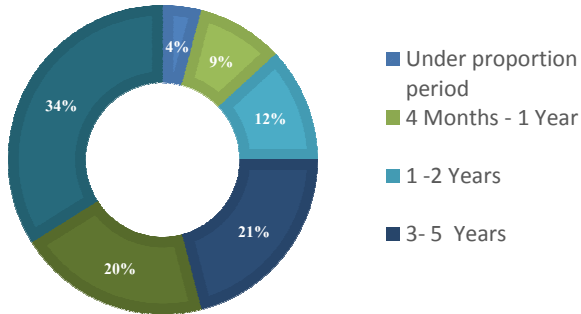
PERSONNEL PROPORTION BY GENDER



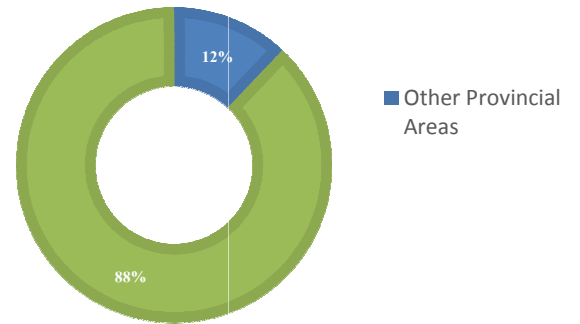
PERSONNEL PROPORTION BY EDUCATION



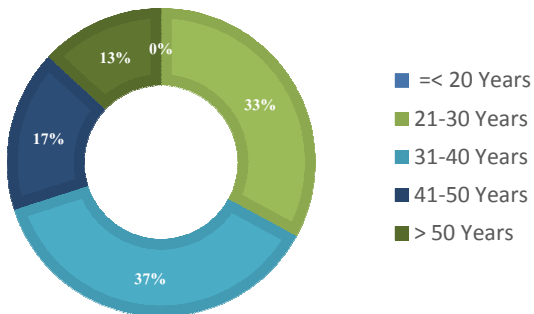
PERSONNEL PROPORTION BY EMPLOYMENT PERIOD



PERSONNEL PROPORTION BY PROVINCE



PERSONNEL PROPORTION BY AGE



The Company is aware of the importance of community and social development by respecting and upholding the basic principles human rights both in business process and community and social development activities. Apart from business process such as human resource management which is also the key to achieving business growth and sustainability, the Company also has a policy on ensuring fair and equal treatment among every group of personnel and stakeholders regardless of their color, race, gender, ethnicity, nationality, financial status and physical disability, including respecting and accepting differences in terms of view, society, environment, law and culture (For more details, see section “Personnel Benefits”). In 2017, the Company had carried out several community and social development activities through donations and charity as per the following details

Educational Promotion Activity

The Company has continuously supported equal opportunity as per the basic principle of human rights among all social groups, especially the rights to basic education. This is because building competent human resource completed with required knowledge and skills and a keen sense of integrity is vital to driving national security and development. In 2017, the Company had provided educational supports as follow:

During November 25-26, 2017, Thaivivat Insurance Public Company Limited held its charity rally to mark the 250th anniversary of the Thonburi Kingdom discovered by King Taksin the Great. This knowledge-based activity aimed to raise funds for Wat Intharam School’s construction of a sound lab room.

Contributions to Community and Society Development Activities

● Community and Society

Thaivivat Insurance Public Company Limited offered financial donations to certain community and society development projects and made positive contributions to local agencies.

- Organized its Big Cleaning Day as part of Thailand’s merit-making activities in dedication to His Majesty the late King Bhumibol Adulyadej. This voluntary activity was held on September 16, 2017 at Wat Phai Ton in Bangkok’s Phayathai district. Aside from the cleaning activity, the company also donated drinking water and presented sandalwood

flowers to those present at the venues of His Majesty the late King Bhumibol Adulyadej's Royal Cremation.

- Held a marigold flower plantation activity in remembrance of His Majesty the late King Bhumibol Adulyadej on October 5, 2017.

- **Sports, Religion, and Culture**

Thaivivat Insurance Public Company Limited presented its financial donations to certain projects related to the development of sports, religion, and culture.

- Conducted a Kathin ceremony at Wat Khao Sala Atun Thana Jaro in Surin province.
- Held a Krathin ceremony at Wat Klang Warawan in Samut Prakan province.
- Co-hosted a religious ceremony dedicated to His Majesty the late King Bhumibol Adulyadej on September 6, 2017.
- Held an afternoon praying activity on every Buddhist holy day and Friday during 12:30 – 13:00 hrs.

Environmental Management

The company is determined to conserve society and the environment by means of doing its business under the code of ethics and good corporate governance in tandem with care and attention given to society and the environment that leads to sustainable development in spite of the fact that Thaivivat PCL is not in the industrial sector that necessitates the use of natural resources in the production comprehensively; but it cannot be denied that the company has used the natural resource in the aspect of energy and various resources to drive the business. The company therefore attaches importance to create the awareness of using energy and the company's personnel resource economically and cost-effectively as well as the awareness of the commitment to care for the environment and the personnel of the company.

Energy Conservation Project (Utilization of LED Light Bulbs)

In 2017, Thaivivat Insurance Public Company Limited had determined to utilize LED light bulbs in all areas to support the energy conservation project launched by the Department of Alternative Energy Development and Efficiency, the Ministry of Energy. The energy conservation project also aimed to

encourage investors and business entrepreneurs to reduce energy consumption, save energy cost, and increase competitiveness, leading to substantial minimization of energy imports for Thailand as a whole.

The utilization of LED light bulbs at Thaivivat Insurance Headquarters, a high-rise building of 11 storeys with 2,557 light bulbs in total, was completed in May 2017, which helped save the electricity cost of up to 860,801.41 Baht. This energy-focused project had been expected to hugely reduce the company's overall operating cost in the long run.

11. Internal Control and Risk Management

The company has provided internal control and risk management system effectively. The Board of Directors and management have duty and responsibility to provide and maintain systems of internal control and risk management. The management proceeds to evaluate an adequacy of internal control system and assigns the Audit Committee to carry out duty and responsibility for adequacy review of the internal control system based on the adequacy evaluation of internal control system in the Securities and Exchange Commission that covers as follows :

Control Environment

1. The company has a value commitment of integrity and morality.
2. The Board of Directors are independent from management, work oversight and develop an internal control proceeding.
3. Management provides the report structure, determines power and responsibility to reach the company objective under the Board of Directors oversight.
4. The company shows commitment to motivate, develop and maintain competent personnel.
5. The company assign personnel to have duty and responsibility in the internal control in order to achieve the company objective.

Risk Assessment

6. The company has a clear objective in order to identify and evaluate the risks that relate to achieve the company objective.
7. The company identifies and analyzes all risks that might affect objective throughout the organization.
8. The company considers opportunity to have fraud in risk assessment to the company objective.
9. The company can identify and evaluate changes that affect the internal control system.

Control Activities

10. The company has control measures to reduce risk to an acceptable level.
11. The company selects and develops the control activities with technology systems to help support company objectives.
12. The company provides control activities through a policy which defines expectations and procedures to practice information and communication systems.
13. The company has related and quality data to support the internal control that can be carried out as specified.
14. The company communicates internal data including objectives and responsibilities in the internal control that can be proceeded.
15. The company communicates with external agencies about issues that may affect internal control.

Monitoring activities

16. The company monitors and evaluates the internal control to ensure that it has still been proceeded completely.
17. The company evaluates and communicates the defect of internal control in time to the responsible persons including senior management and the Board of Directors.

The Executive Committee has evaluated the company's internal control and has an opinion that the company has the suitable and appropriate internal control system and risk management to operate effectively.

The Audit Committee Opinion

The Audit Committee has evaluated the adequacy of the company's internal control system based on the Securities and Exchange Commission, and has the opinion that the company has the suitable and appropriate internal control system and risk management to operate effectively.

In the year 2016, the Audit Committee has performed the duties as delegated by the company's Board of Directors and has the Internal Audit working unit operated as the scope, duty, and responsibility defined in the Internal Audit Operation Manual of the company.

8. Related Transactions

None

9. Financial Statements

As attachment

Thaivivat Insurance Public Company Limited
and its subsidiary
Report and consolidated financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Thavivat Insurance Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thavivat Insurance Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thavivat Insurance Public Company Limited for the same period

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thavivat Insurance Public Company Limited and its subsidiary and of Thavivat Insurance Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Insurance premiums recognition

In 2017, the Group had revenue from insurance premium amounting to Baht 3,547 million, which were derived from retail insured and had a large number of policies. The insurance premiums are collected from variety customers and insurance premiums amount rely on the processing of information technology system. I therefore focused the recognition of insurance premiums with respect to the amount and appropriate timing.

I have assessed and tested the internal controls of information technology system and its internal controls with respect to underwriting, insurance premiums calculation and revenue recognition of insurance premiums by making enquiry of responsible executives, gaining an understanding and selecting representative samples to test the operation of the designed controls with respond to the amount and timing of revenue recognition in financial statements. In addition, I selected representative samples of insurance policies and related supporting documents to assess whether revenue recognition was consistent with conditions specified in the insurance policies and whether it was in compliance with the Group's policy. I reviewed the insurance policies and endorsement transactions occurring during the accounting period, before and after period-end, which were recognised as revenues of the Group. Moreover, I performed analytical procedures to compare insurance premiums recognised throughout the period and examined on sampling basis for accounting entries related to insurance premiums made through journal vouchers.

Insurance contract liabilities - claim reserves and outstanding claims

Insurance contract liabilities - claim reserves and outstanding claims account is highly significant to the financial statements. As at 31 December 2017, the Company and its subsidiary had claim reserves and outstanding claims amounted to Baht 1,168 million (representing 29 percent of total liabilities). Claim reserves and outstanding claims included both claims incurred and reported and claims incurred but not reported, which were calculated by the Company's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves so I addressed the adequacy of claim reserves and outstanding claims as a key audit matter. In addition, such claim reserves and outstanding claims are directly relevant to the claim reserves and outstanding claims refundable from reinsurers which were also calculated by the Company's management using actuarial techniques. As at 31 December 2017, the Company and its subsidiary had claim reserves and outstanding claims refundable from reinsurers amounting to Baht 187 million.

I assessed and tested the internal controls relevant to claims, loss adjustments, estimation of claim reserves and outstanding claims and reinsurance, by making enquiry of responsible executives regarding the criteria and assumptions used in the estimates made by the actuary. I selected, on a sampling basis, data used by the actuary in calculating claim reserves, performed random test on major claims file, and performed analytical procedures on the frequency of claims and average loss per claim. In addition, I reviewed the actuarial report to assess whether it was consistent with the reserve recognised in the accounts, assessed the assumptions and methods used in the calculation, and compared the assumptions to those used in the prior year. Moreover, I reviewed the estimates of claim reserves and outstanding claims refundable from reinsurers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

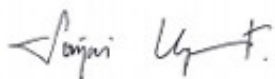
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 27 February 2018

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	31 December 2017	31 December 2016
		31 December 2017	31 December 2017	31 December 2016
Assets				
Cash and cash equivalents	6	240,644,140	237,379,687	228,894,842
Premium receivables	7	483,827,953	483,761,041	373,438,176
Accrued investment income		9,005,242	6,905,382	6,811,253
Reinsurance assets	8	476,374,747	476,374,747	514,900,410
Reinsurance from receivables contracts	9	51,583,665	52,070,930	19,112,519
Investment assets				
Investments in securities	10	3,034,526,290	2,984,710,290	2,701,321,914
Loans	11	5,714,562	5,714,562	7,380,528
Investment in subsidiary	12	-	67,200,000	-
Property, buildings and equipment	13	292,108,672	284,832,877	288,055,820
Goodwill	12	18,720,000	-	-
Intangible assets - computer software	14	6,361,779	6,172,919	7,381,302
Deferred tax assets	15	79,009,259	79,009,259	80,927,799
Other assets	16	523,785,290	524,067,481	625,462,585
Total assets		5,221,661,599	5,208,199,175	4,853,687,148

The accompanying notes are an integral part of the financial statements.

Thaivivat Insurance Public Company Limited and its subsidiary
Statements of financial position (Continued)
As at 31 December 2017

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	31 December 2017	31 December 2016
		31 December 2017	31 December 2017	31 December 2016
Liabilities and equity				
Liabilities				
Insurance contract liabilities	17	2,825,442,132	2,824,322,807	2,576,140,340
Amount due to reinsurers	18	507,547,684	507,547,684	480,104,794
Income tax payable		2,733,885	2,733,885	178,364
Employee benefit obligations	19	87,820,420	87,820,420	75,194,822
Other liabilities	20	615,364,431	614,815,140	617,492,072
Total liabilities		4,038,908,552	4,037,239,936	3,749,110,392
Equity				
Share capital				
Registered				
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000
Issued and paid-up				
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000
Premium on share capital		163,800,007	163,800,007	163,800,007
Retained earnings				
Appropriated - statutory reserve	21	30,300,000	30,300,000	30,300,000
Unappropriated		528,219,520	529,707,855	514,867,659
Other components of equity				
Surplus on changes in value of available-for-sale investments	10.3	144,151,377	144,151,377	92,609,090
Exchange differences on translation of financial statements in foreign currency		(4,800,000)	-	-
Equity attributable to shareholders of the Company		1,164,670,904	1,170,959,239	1,104,576,756
Non-controlling interests of the subsidiary		18,082,143	-	-
Total equity		1,182,753,047	1,170,959,239	1,104,576,756
Total liabilities and equity		5,221,661,599	5,208,199,175	4,853,687,148

The accompanying notes are an integral part of the financial statements.





Directors



Thaivivat Insurance Public Company Limited and its subsidiary

Statements of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	2017	2016
		2017	2017	2016
Profit or loss:				
Income				
Gross premium written		3,547,253,747	3,545,875,526	3,229,683,365
Less: Premium ceded to reinsurers		(848,001,403)	(848,001,403)	(843,531,608)
Net premium written		2,699,252,344	2,697,874,123	2,386,151,757
Add (less): Unearned premium reserves (increase)				
decrease from prior year		(189,922,199)	(188,893,176)	75,924,536
Net earned premium		2,509,330,145	2,508,980,947	2,462,076,293
Fee and commission income		228,307,473	228,307,473	243,288,457
Investment income		68,262,209	66,130,535	59,020,862
Gain on investments		4,360,844	4,360,844	51,711,660
Gain on fair value adjustment of investments		20,107,379	20,107,379	10,488,732
Other income		6,303,235	6,316,880	20,550,308
Total income		2,836,671,285	2,834,204,058	2,847,136,312
Expenses				
Claims and loss adjustment expenses		2,048,394,503	2,047,672,062	1,987,110,058
Less: Claim recovered from reinsurers		(485,216,633)	(485,169,821)	(327,605,666)
Commission and brokerage expenses		588,633,081	588,497,580	546,869,893
Other underwriting expenses		226,867,777	226,384,957	239,459,816
Operating expenses	22	426,211,019	422,911,550	375,911,189
Total expenses		2,804,889,747	2,800,296,328	2,821,745,290
Profit before income tax		31,781,538	33,907,730	25,391,022
Income tax revenue (expenses)	15	341,695	341,695	(293,972)
Profit for the year		32,123,233	34,249,425	25,097,050

The accompanying notes are an integral part of the financial statements.

Thaivivat Insurance Public Company Limited and its subsidiary
Statements of comprehensive income (continued)
For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	2017	2016
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of financial statements in foreign currency (loss)		(6,240,000)	-	-
Gain (loss) on changes in value of available-for-sale investments		64,427,859	64,427,859	(8,580,481)
Less: Income tax effect	15.2	(12,885,572)	(12,885,572)	1,716,096
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (loss)		45,302,287	51,542,287	(6,864,385)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Actuarial gain (loss)		(5,324,087)	(5,324,087)	8,402,621
Less: Income tax effect	15.2	1,064,818	1,064,818	(1,680,524)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (loss)		(4,259,269)	(4,259,269)	6,722,097
Other comprehensive income for the year - net of income tax (loss)		41,043,018	47,283,018	(142,288)
Total comprehensive income for the year		73,166,251	81,532,443	24,954,762
Profit for the year attributable to:				
Equity holders of the Company		32,761,090	34,249,425	25,097,050
Non-controlling interests of the subsidiary (loss)		(637,857)		
		32,123,233		
Total comprehensive income for the year attributable to:				
Equity holders of the Company		75,244,108	81,532,443	24,954,762
Non-controlling interests of the subsidiary (loss)		(2,077,857)		
		73,166,251		
Earnings per share	25			
Basic earnings per share				
Profit attributable to equity holders of the Company		0.11	0.11	0.08

The accompanying notes are an integral part of the financial statements.

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of cash flows

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Cash flows from (used in) operating activities			
Direct premium written	3,390,462,437	3,388,519,558	3,310,865,363
Cash paid for reinsurance	(252,687,654)	(252,687,654)	(148,386,420)
Interest income	27,281,495	27,249,681	19,815,393
Dividend income	39,602,225	39,602,225	40,295,722
Other investment income	2,480,160	2,480,160	3,073,690
Other income	3,688,975	3,702,620	16,128,948
Claim incurred on direct insurance	(1,683,499,735)	(1,683,280,989)	(1,710,347,426)
Loss adjustment expenses on direct insurance	(31,201,735)	(31,201,734)	(29,621,573)
Commission and brokerage on direct insurance	(569,745,381)	(569,539,995)	(561,194,217)
Other underwriting expenses	(126,146,305)	(126,146,305)	(145,081,874)
Operating expenses	(590,329,638)	(587,514,509)	(609,349,485)
Income tax	(7,089,902)	(7,129,268)	(7,288,650)
Investments in securities	(176,911,318)	(176,911,318)	(381,434,145)
Loans	3,636,177	3,636,177	1,245,658
Deposits at financial institutions	50,118,792	79,134,792	150,672,286
Net cash from (used in) operating activities	79,658,593	109,913,441	(50,606,730)
Cash flows from (used in) investing activities			
Investments in subsidiary	(22,394,540)	(67,200,000)	-
Purchases of property, buildings and equipment	(27,348,420)	(19,262,651)	(32,258,425)
Disposals of equipment	184,015	184,015	75,504
Net cash used in investing activities	(49,558,945)	(86,278,636)	(32,182,921)
Cash flows from (used in) financial activities			
Dividend paid	(15,149,960)	(15,149,960)	(15,149,990)
Net cash used in financial activities	(15,149,960)	(15,149,960)	(15,149,990)
Decrease in translation adjustments	(3,200,390)	-	-
Net increase (decrease) in cash and cash equivalents	11,749,298	8,484,845	(97,939,641)
Cash and cash equivalents at beginning of year	228,894,842	228,894,842	326,834,483
Cash and cash equivalents at end of year	240,644,140	237,379,687	228,894,842
	-	-	-

The accompanying notes are an integral part of the financial statements.

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of changes in equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements									
Equity attributable to equity holders of the Company									
	Retained earnings				Other components of equity		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total equity
	Issued and paid-up share capital	Premium on share capital	Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency			
Balance as at 1 January 2017	303,000,000	163,800,007	30,300,000	514,867,659	92,609,090	-	1,104,576,756	-	1,104,576,756
Profit for the year	-	-	-	32,761,090	-	-	32,761,090	(637,857)	32,123,233
Other comprehensive income for the year (loss)	-	-	-	(4,259,269)	51,542,287	(4,800,000)	42,483,018	(1,440,000)	41,043,018
Total comprehensive income for the year (loss)	-	-	-	28,501,821	51,542,287	(4,800,000)	75,244,108	(2,077,857)	73,166,251
Increase in non-controlling interest from investment in the subsidiary	-	-	-	-	-	-	-	20,160,000	20,160,000
Dividend paid during the year (Note 26)	-	-	-	(15,149,960)	-	-	(15,149,960)	-	(15,149,960)
Balance as at 31 December 2017	303,000,000	163,800,007	30,300,000	528,219,520	144,151,377	(4,800,000)	1,164,670,904	18,082,143	1,182,753,047
	-	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Thaivivat Insurance Public Company Limited and its subsidiary

Statements of changes in equity

For the year ended 31 December 2017

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity - surplus on changes in value of available-for-sale investments	Total equity
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2016	303,000,000	163,800,007	30,300,000	498,198,502	99,473,475	1,094,771,984
Profit for the year	-	-	-	25,097,050	-	25,097,050
Other comprehensive income for the year (loss)	-	-	-	6,722,097	(6,864,385)	(142,288)
Total comprehensive income for the year (loss)	-	-	-	31,819,147	(6,864,385)	24,954,762
Dividend paid during the year (Note 26)	-	-	-	(15,149,990)	-	(15,149,990)
Balance as at 31 December 2016	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>514,867,659</u>	<u>92,609,090</u>	<u>1,104,576,756</u>
Balance as at 1 January 2017	303,000,000	163,800,007	30,300,000	514,867,659	92,609,090	1,104,576,756
Profit for the year	-	-	-	34,249,425	-	34,249,425
Other comprehensive income for the year (loss)	-	-	-	(4,259,269)	51,542,287	47,283,018
Total comprehensive income for the year (loss)	-	-	-	29,990,156	51,542,287	81,532,443
Dividend paid during the year (Note 26)	-	-	-	(15,149,960)	-	(15,149,960)
Balance as at 31 December 2017	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>529,707,855</u>	<u>144,151,377</u>	<u>1,170,959,239</u>
	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Thaivivat Insurance Public Company Limited and its subsidiary

Notes to financial statements

For the year ended 31 December 2017

1. General information

Thaivivat Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in non-life insurance. The registered office of the Company is at 71 Thaivivat Insurance Building, Dindaeng Road, Samsen Nai, Phayathai, Bangkok.

2. Basis for preparation of the financial statements

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies B.E. 2559 dated 4 March 2016

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

2.2 Basis for consolidation financial statements

- a) The consolidated financial statements include the financial statements of Thaivivat Insurance Public Company Limited (“the Company”) and the following subsidiary (“the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			Percent	Percent
Laovivat Insurance Co., Ltd.	Non-life insurance	Lao PDR	70.0	-

On 29 June 2016, the Company has entered into a share purchase agreement with shareholders of Laovivat Insurance Company Limited (“LVI”), a company incorporated and domiciled in Lao People’s Democratic Republic (“Lao PDR”), to purchase 1.4 million ordinary shares at a net price of LAK 16,000 million from the former shareholders, representing 70% of its registered capital. The investment has been approved by the OIC.

On 19 January 2017, the Company made payment of LAK 4,800 million and recorded as advance payment for share subscription. On 31 May 2017, the Company made payment to purchase 1.4 million ordinary shares of subsidiary amounting to Baht 67.2 million, accounted for 70% of shareholding. The subsidiary was therefore fully consolidated, being the date on 31 May 2017 which the Company obtained control.

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in equity.
- e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Basis for preparation of separate financial statements

The separate financial statements present investments in subsidiary under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted the revised (revised 2016) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which became effective for fiscal year beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary's financial statements. The Financial Reporting Standards that has key changes in principle and directly relates to the Company and its subsidiary are as follows:

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

The management has decided to use accounting policy for investments in subsidiary under cost method in the separate financial statements.

3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the Company and its subsidiary's financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

(a) Premium income

Premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders and adjusted with unearned premium reserve.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related premium are recorded as unearned items, and recognised as income over the coverage period each year.

Reinsurance premium income is recognised as income when the reinsurer places the reinsurance application or the statement of accounts with the Company.

(b) Commission and brokerage fees income

Commission and brokerage fees from ceded premium are recognised when the insurance risk is transferred to another insurer.

Commission and brokerage fees from ceded premium with coverage periods longer than 1 year are recorded as unearned items and recognised as income over the coverage period each year.

(c) Investment income

Interest and dividend income

Interest income is recognised on an accrual basis based on the effective interest rate. Dividend is recognised when the right to receive the dividend is established.

Interest income on loan

Interest income on loan is recognised as income on an accrual basis, based on the amount of principal outstanding.

(d) Gain (loss) on investments

Gain (loss) on investments is recognised as income or expense on the transaction date.

4.2 Expenses recognition

(a) Ceded premium

Ceded premium is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepaid expenses and recognised as expenses over the coverage period each year.

(b) Claim and loss adjustment expenses

Claim and loss adjustment expense consist of claim and loss adjustment expenses of direct insurance and reinsurance of both reported claim and not reported claim, and include the amounts of claim, related expenses, and loss adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claims recovery from reinsurer is recognised when claim and loss adjustment expenses are recorded as the condition in the relevant reinsurance contract.

Claim and loss adjustment expenses of direct insurance are recognised upon the receipt of the claim advice from the insured, based on the claim notified by the insured and estimates made by the management. The maximum value of claim estimated is not however, to exceed the sum-insured under the relevant policy.

Claim and loss adjustment expenses of reinsurance are recognised when the reinsurer places the loss advice with the Company.

(c) Commission and brokerage expenses

Commission and brokerage are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepaid items and recognised as expenses over the coverage period each year.

(d) Other underwriting expenses

Other underwriting expenses are other insurance expenses for both direct and indirect expenses, including contributions, which are recognised as expenses on accrual basis.

(e) Operating expenses

Operating expenses are operating expenses, not related to underwriting and claim, which are recognised as expenses on accrual basis.

4.3 Product classification

The Company and its subsidiary classified the insurance contracts and outward reinsurance contracts based on the nature of the insurance contract. Insurance contracts are those contracts where the insurer has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. To determine whether a significant insurance risk has been accepted, the insurer compares the benefits payable after an insured event occur with the benefits payable if the insured event did not occur. If the criteria are not met, the Company and its subsidiary classify the insurance contract as an investment contract. Investment contracts have the legal form of insurance contracts and transfer financial risk to the insurer, but not significant insurance risk. Financial risks are specified as interest rate risk, exchange rate risk, or price risk.

The Company and its subsidiary classify contracts based on assessment of the insurance risk at an inception of contract, on a contract-by-contract basis. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at an inception date, it can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Premium receivables and allowance for doubtful accounts

Premium receivable from direct insurance is stated at its net realisable value. The Company and its subsidiary set up an allowance for doubtful account based on estimated loss that may incur in collection of the premium receivable, on the basis of collection experience, analysis of debtor aging and a review of current status of the premium receivable as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expenses during the year.

4.6 Reinsurance assets

Reinsurance assets consist of insurance reserve refundable from reinsurers which is estimated based on the related reinsurance contract of loss reserves and outstanding claim in accordance with the law regarding insurance reserve calculation and unearned premium reserves.

The Company set up an allowance for doubtful accounts, of reinsurance assets when had indicator for impairment, based on losses that may be incurred due to uncollectible, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting periods.

Increase (decrease) in allowance for doubtful accounts is recorded as expenses during the year.

4.7 Reinsurance receivables and amount due to reinsurers

- (a) Reinsurance receivables are stated at the outstanding balance of amount due from reinsurers and amounts deposit on reinsurance.

Amounts due from reinsurers consist of inward premium receivable, accrued fee and commission income, claim and various other items receivable from reinsurers, less allowance for doubtful accounts. The Company set up an allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

- (b) Due to reinsurers consist of outstanding balance of amount due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums, and other items payable to reinsurers, excluding loss reserve from reinsurance.

The Company presents net of reinsurance to the same entity (reinsurance receivables or amounts due to reinsurers) when the following criteria for offsetting are met.

- (1) The Company has a legal right to offset amounts presented in the statements of financial position, and
- (2) The Company intends to receive or pay the net amount recognised in the statements of financial position, or to realise the asset at the same time as it pays the liability.

4.8 Investments

(a) Investment securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income and will be recorded in profit or loss when the securities are sold.

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities, which the Company and its subsidiary classify as other investments, are stated at cost net of allowance for impairment (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year of the Stock Exchange of Thailand. The fair value of debt instrument is determined based on yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiary reclassify investments from one type to another, such investment will be readjusted to its fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of equity, depending on the type of investments that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as part of profit or loss in the statement of comprehensive income.

(b) Investment in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method net of allowance for impairment (if any). Loss on impairment is recognised as expense in the statement of income.

4.9 Loans and allowance for doubtful accounts

Loans are stated at net realisable value. Allowance for doubtful accounts is provided for the estimated loss that may be incurred in collection of loans based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral.

Increase (decrease) in allowance for doubtful accounts is recorded as expenses in profit or loss.

4.10 Property, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Furniture and equipment, motor vehicles	-	3 and 5 years

Depreciation is included in determining income.

No depreciation is provided on land.

An item of property, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.11 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives which are computer software are 10 years.

4.12 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired.

Goodwill is carried at cost less any accumulated impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment review in respect of the property, buildings and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss as part of the statement of comprehensive income.

In the assessment of asset impairment if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Company and its subsidiary estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased in carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Insurance contract liabilities

Insurance contract liabilities consist of claim reserve and outstanding claims and premium reserves.

(a) Claim reserves and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the management. The maximum value of claims estimate is however, not to exceed the sum-insured under the relevant policy.

Claim reserves are calculated by using an actuarial method based on a best estimate of claims which are expected to be paid in respect of losses that occurred before or as at the end of the reporting date, covering both reported and not reported loss, and including loss adjustment expense, after deducting salvage values and other recoverable value. The different between the calculated claim reserves and the claim already recognised are recorded as incurred but not yet reported claims (IBNR).

(b) Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risk reserve.

(1) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Daily average basis by the period of coverage under policy

(2) Unexpired risk reserve

Unexpired risk reserve is the reserve for the claims that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are expected be incurred during the remaining period of coverage, based on historical claims data.

As at the end of reporting period, the Company and its subsidiary compare the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is therefore presented in the financial statements.

4.14 Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by an independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

4.15 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Long-term lease

Leases of premises or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other payables, while the interest element is charged to statements of income over the lease period. The premises or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases of assets which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in statements of income on a straight-line basis over the lease term.

4.17 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and loss on exchange are included in the statement of income.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and its carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting period, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiary record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.19 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary.

They also include individuals or parties which directly or indirectly own a voting interest in the Company and its subsidiary that gives them significant influence over the Company and its subsidiary, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiary's operations.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities. In case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiary determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Allowance for doubtful accounts on loan receivables/ premium receivables/ amounts due from reinsurers and claim receivable from litigants

In determining an allowance for doubtful accounts on loan receivables/ premium receivables/ amounts due from reinsurers and claim receivable from litigants, the management needs to make judgement and estimates based upon, among other things, past collection history, aging of outstanding debts and the prevailing economic condition.

5.3 Impairment of investments in securities

The Company and its subsidiary treat investments in securities as impaired when management considers that such investments has an indication of impairments. The determination of indication of investments requires judgement of the management.

5.4 Property, buildings and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual value of the buildings and equipment, and to review estimate useful lives and residual value when there are any changes.

In addition, the management is required to review property, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.6 Loss reserves and outstanding claims

At the end of each reporting period, the Company and its subsidiary have to estimate loss reserves and outstanding claims taking into account two factors. These are claims incurred and reported, and the claims incurred but not yet reported (IBNR). The ultimate loss of outstanding claims is established using a range of standard actuarial claims projection techniques. The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred loss, average costs per claim and claim numbers, etc. Nevertheless, the estimation requires the management's judgements reflecting the best estimate available at that time, such estimates are forecasts of future outcomes, and actual results could differ.

5.7 Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims expected to be paid over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgement, with reference to historical data and the best estimates available at that time.

5.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.9 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess the results of the litigation and believes that loss incurred will not exceed the recorded amounts as at the end of reporting period.

5.10 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Cash on hand	889,444	883,465	7,160,496
Deposits at banks with no fixed maturity date	236,347,640	233,089,166	218,435,457
Deposits at banks and certificate of deposit with fixed maturity date	3,407,056	3,407,056	3,298,889
Cash and cash equivalents	240,644,140	237,379,687	228,894,842

As at 31 December 2017, saving deposits and fixed deposits carried interest between 0.25% and 1.00% per annum (Separate financial statements: 0.25% and 0.75% per annum) (2016: between 0.25% and 0.75% per annum).

7. Premium receivables

The balances as at 31 December 2017 and 2016 of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Not yet due	365,115,966	365,110,684	313,609,226
Not over 30 days	26,238,767	26,179,021	32,536,083
Over 30 days to 60 days	10,198,385	10,196,501	11,116,255
Over 60 days to 90 days	4,358,689	4,358,689	5,116,527
Over 90 days	81,272,927	81,272,927	14,169,291
Total premium receivables	487,184,734	487,117,822	376,547,382
Less: Allowance for doubtful accounts	(3,356,781)	(3,356,781)	(3,109,206)
Total premium receivables, net	483,827,953	483,761,041	373,438,176

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company takes legal actions with such agents and brokers on a case by case basis.

8. Reinsurance assets

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Insurance reserves refundable from reinsurers			
Claim reserves and outstanding claims	187,269,811	187,269,811	116,933,537
Unearned premium reserves	289,104,936	289,104,936	397,966,873
Reinsurance assets	<u>476,374,747</u>	<u>476,374,747</u>	<u>514,900,410</u>

9. Receivables from reinsurance contracts

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Amounts due from reinsurers	<u>51,583,665</u>	<u>52,070,930</u>	<u>19,112,519</u>
Receivables from reinsurance contracts	<u>51,583,665</u>	<u>52,070,930</u>	<u>19,112,519</u>

As at 31 December 2017 and 2016, the balances of amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Not yet due	23,370,044	23,857,309	10,246,384
Not over 1 year	27,873,657	27,873,657	8,526,171
Over 1 year to 2 years	339,964	339,964	339,964
Total amounts due from reinsurers	<u>51,583,665</u>	<u>52,070,930</u>	<u>19,112,519</u>

10. Investments in securities

10.1 Classified by type of investments

As at 31 December 2017 and 2016, carrying amount of investments in securities are classified as follows:

(Unit: Baht)

	Consolidated financial statements	
	2017	
	Cost/ Amortised cost	Fair value
Trading investments		
Equity securities	274,723,621	277,621,774
Warrants	-	567,230
Total	274,723,621	278,189,004
Add: Unrealised gain	3,465,383	-
Trading investments, net	278,189,004	278,189,004
Available-for-sale investments		
Government and state enterprise securities	90,023,019	91,757,455
Private debt securities	485,102,103	492,564,411
Equity securities	50,506,668	127,527,671
Unit trusts	1,443,836,555	1,537,808,029
Total	2,069,468,345	2,249,657,566
Add: Unrealised gain	180,189,221	-
Less: Allowance for impairment	(176,283)	(176,283)
Available-for-sale investments, net	2,249,481,283	2,249,481,283
Held-to-maturity investments		
Government and state enterprise securities	347,238,505	
Private debt securities	841,000	
Deposits at financial institutions which amounts maturing in over 3 months	155,896,848	
Total	503,976,353	
Less: Allowance for impairment	(841,000)	
Held-to-maturity investments, net	503,135,353	
Other investments		
Equity securities	3,720,650	
Other investments, net	3,720,650	
Total investments in securities	3,034,526,290	

(Unit: Baht)

	Separate financial statements			
	2017		2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	274,723,621	277,621,774	271,693,053	254,070,659
Warrants	-	567,230	-	980,398
Total	274,723,621	278,189,004	271,693,053	255,051,057
Less: Unrealised gain (loss)	3,465,383	-	(16,641,996)	-
Trading investments, net	278,189,004	278,189,004	255,051,057	255,051,057
Available-for-sale investments				
Government and state enterprise securities	90,023,019	91,757,455	10,000,000	10,394,582
Private debt securities	485,102,103	492,564,411	280,141,486	284,315,549
Equity securities	50,506,668	127,527,671	40,056,668	112,529,198
Unit trusts	1,443,836,555	1,537,808,029	1,521,399,310	1,560,119,497
Total	2,069,468,345	2,249,657,566	1,851,597,464	1,967,358,826
Add: Unrealised gain	180,189,221	-	115,761,362	-
Less: Allowance for impairment	(176,283)	(176,283)	(176,283)	(176,283)
Available-for-sale investments, net	2,249,481,283	2,249,481,283	1,967,182,543	1,967,182,543
Held-to-maturity investments				
Government and state enterprise securities	347,238,505		289,905,071	
Private debt securities	841,000		841,000	
Deposits at financial institutions				
which amounts maturing in over				
3 months	106,080,848		185,462,593	
Total	454,160,353		475,367,664	
Less: Allowance for impairment	(841,000)		(841,000)	
Held-to-maturity investments, net	453,319,353		475,367,664	
Other investments				
Equity securities	3,720,650		3,720,650	
Other investments, net	3,720,650		3,720,650	
Total investments in securities	2,984,710,290		2,701,321,914	

10.2 Classified by remaining period of debt securities

Investment in debt securities as at 31 December 2017 and 2016 have period to maturity as follow:

(Unit: Baht)

	Consolidated financial statements				
	2017				
	Period to maturity				Total
	Overdue	Within 1 year	1 - 5 years	Over 5 years	
<u>Available-for-sale investments</u>					
Government and state enterprise securities					
State enterprise bonds	-	-	90,023,019	-	90,023,019
Private debt securities					
Debentures	93,940	215,008,163	180,000,000	90,000,000	485,102,103
Total	93,940	215,008,163	270,023,019	90,000,000	575,125,122
Add : Unrealised gain	-	719,059	4,654,306	3,823,379	9,196,744
Total available-for-sale investments	93,940	215,727,222	274,677,325	93,823,379	584,321,866
<u>Held-to-maturity investments</u>					
Government and state enterprise securities					
Thai government bonds	-	88,102,194	96,174,343	142,961,968	327,238,505
State enterprise saving lotteries	-	-	20,000,000	-	20,000,000
Total	-	88,102,194	116,174,343	142,961,968	347,238,505
Private debt securities					
Debentures	841,000	-	-	-	841,000
Less: Allowance for impairment	(841,000)	-	-	-	(841,000)
Total	-	-	-	-	-
Deposit at financial institutions which amounts maturing in over 3 months					
Deposit at banks	-	112,546,228	43,350,620	-	155,896,848
Total	-	112,546,228	43,350,620	-	155,896,848
Total held-to-maturity investments	-	200,648,422	159,524,963	142,961,968	503,135,353

(Unit: Baht)

Separate financial statements				
2017				
Period to maturity				
Overdue	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities				
State enterprise bonds	-	-	90,023,019	90,023,019
Private debt securities				
Debentures	93,940	215,008,163	180,000,000	90,000,000
Total	93,940	215,008,163	270,023,019	90,000,000
Add : Unrealised gain	-	719,059	4,654,306	3,823,379
Total available-for-sale investments	93,940	215,727,222	274,677,325	93,823,379
Held-to-maturity investments				
Government and state enterprise securities				
Thai government bonds	-	88,102,194	96,174,343	142,961,968
State enterprise saving lotteries	-	-	20,000,000	20,000,000
Total	-	88,102,194	116,174,343	142,961,968
Private debt securities				
Debentures	841,000	-	-	-
Less: Allowance for impairment	(841,000)	-	-	-
Total	-	-	-	-
Deposit at financial institutions which amounts maturing in over 3 months				
Deposit at banks	-	105,994,228	86,620	-
Total	-	105,994,228	86,620	-
Total held-to-maturity investments	-	194,096,422	116,260,963	142,961,968

(Unit: Baht)

	Separate financial statements				
	2016				
	Period to maturity				Total
	Overdue	Within 1 year	1 - 5 years	Over 5 years	
<u>Available-for-sale investments</u>					
Government and state enterprise securities					
State enterprise bonds	-	-	10,000,000	-	10,000,000
Private debt securities					
Debentures	93,940	50,000,000	210,047,546	20,000,000	280,141,486
Total	93,940	50,000,000	220,047,546	20,000,000	290,141,486
Add : Unrealised gain	-	58,792	2,793,343	1,716,510	4,568,645
Total available-for-sale investments	93,940	50,058,792	222,840,889	21,716,510	294,710,131
<u>Held-to-maturity investments</u>					
Government and state enterprise securities					
Thai government bonds	-	160,346,227	94,558,844	15,000,000	269,905,071
State enterprise saving lotteries	-	-	20,000,000	-	20,000,000
Total	-	160,346,227	114,558,844	15,000,000	289,905,071
Private debt securities					
Debentures	841,000	-	-	-	841,000
Less: Allowance for impairment	(841,000)	-	-	-	(841,000)
Total	-	-	-	-	-
Deposit at financial institutions which amounts maturing in over 3 months					
Deposit at banks	-	185,462,593	-	-	185,462,593
Total	-	185,462,593	-	-	185,462,593
Total held-to-maturity investments	-	345,808,820	114,558,844	15,000,000	475,367,664

10.3 Other components of equity - surplus on changes in value of available-for-sale investments

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the year ended	For the year ended 31 December	
	31 December	2017	2016
Balance - beginning of the year	115,761,362	115,761,362	99,473,475
Changes during the year			
Gain on revaluation during the year	76,274,071	76,274,071	53,864,900
Gain on sales recognised in profit or loss during the year	(11,846,212)	(11,846,212)	(37,577,013)
Balance - end of the year	180,189,221	180,189,221	115,761,362
Less: Income tax	(36,037,844)	(36,037,844)	(23,152,272)
Balance - end of the year, net of income tax	144,151,377	144,151,377	92,609,090

10.4 Investments subject to restriction

As at 31 December 2017 and 2016, the Company had pledged the following assets as collateral.

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Government debt securities which pledged for			
Bail bond in cases where insured drivers have been charged with criminal offense	504,570	504,570	510,651
Guarantee electricity use	1,029,529	1,029,529	1,049,446
Deposit at bank which pledged for			
Bail bond in cases where insured drivers have been charged with criminal offense	3,172,932	3,172,932	5,853,382
Bank overdraft	3,000,000	3,000,000	3,000,000
Letter of bank guarantee	5,000,000	5,000,000	5,000,000
Total	12,707,031	12,707,031	15,413,479

Furthermore, the Company and its subsidiary placed part of its investments in securities with the Registrar as described in Note 28 to the financial statements.

11. Loans

As at 31 December 2017 and 2016, loans and accrued interest are provided to employees in accordance with employee's benefits plan. The balances are aged by principal and interest receivables as follows:

(Unit: Baht)

Consolidated and separate financial statements							
2017							
Outstanding period	Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	3,549,261	-	2,165,301	-	5,714,562	-	5,714,562
Overdue							
Over 12 months	600,873	152,939	-	-	600,873	152,939	753,812
Total	4,150,134	152,939	2,165,301	-	6,315,435	152,939	6,468,374
Less: Allowance for doubtful accounts	(600,873)	(152,939)	-	-	(600,873)	(152,939)	(753,812)
Loans, net	3,549,261	-	2,165,301	-	5,714,562	-	5,714,562

(Unit: Baht)

Separate financial statements							
2016							
Outstanding period	Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	4,796,596	-	2,583,932	-	7,380,528	-	7,380,528
Overdue							
Over 12 months	2,571,084	1,015,446	-	-	2,571,084	1,015,446	3,586,530
Total	7,367,680	1,015,446	2,583,932	-	9,951,612	1,015,446	10,967,058
Less: Allowance for doubtful accounts	(2,571,084)	(1,015,446)	-	-	(2,571,084)	(1,015,446)	(3,586,530)
Loans, net	4,796,596	-	2,583,932	-	7,380,528	-	7,380,528

The assets used as collateral for mortgage loans are mainly land and construction thereon. The mortgage value of these assets according to mortgage agreements have been used in assessing the loan loss allowance.

The Company has set the criteria for loans granted to employees, which include term of repayment and applicable interest rate. The Company charges interest on such loan at the rate of 5.5% per annum, 8.5% per annum on the first consecutive loan and an additional 2.0% per annum on further consecutive loans. The Company has determined the credit limit of each project as follows:

Project	Collateral	Credit line
General loan	Personal guarantees	- Not exceeding 4 times monthly salary, with a limit of Baht 50,000
Housing loan	Land and/or construction thereon	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 70% of the appraisal value of the land - Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the land and construction thereon
Housing maintenance loan	Personal guarantees and/or securities	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the housing

12. Investment in subsidiary

12.1 Detail of investment in subsidiary as presented in separate financial statements is as follow:

Company's name	Paid up capital		Shareholding percentage		Cost	
	2017	2016	2017	2016	2017	2016
	Baht	Baht	%	%	Baht	Baht
Laovivat Insurance Co., Ltd.	67,200,000	-	70.0	-	67,200,000	-

On 31 May 2017, the Company acquired ordinary shares of Laovivat Insurance Co., Ltd., total 1.4 million ordinary shares for total amounting to Baht 67.2 million, accounted for 70 percent of its registered capital which was considered as investment in subsidiary. That company is principally engaged in non-life insurance.

Fair values of the assets acquired and the liabilities assumed on the acquisition date of Laovivat Insurance Co., Ltd. are presented below.

	(Unit: Baht)
Assets - Cash and cash equivalents	67,200,000
Liabilities	<u>-</u>
Net assets value	<u>67,200,000</u>
Cost of business combination	67,200,000
Value of net assets acquired by the Company	<u>47,520,000</u>
Cost of business acquisition higher than net assets value - Goodwill	<u>19,680,000</u>
Reconcile net cash	
Cash paid for acquisition of the subsidiary	67,200,000
Less: Cash and cash equivalents of the subsidiary	<u>(44,805,460)</u>
Net cash paid for acquisition of the subsidiary	<u>22,394,540</u>

12.2 Summarised financial information about subsidiary that based on amounts before inter-company elimination

(a) Summarised information about financial position as at 31 December 2017

	(Unit: Baht)
Assets	64,564,278
Liabilities	<u>4,290,469</u>
Net book value	<u>60,273,809</u>

(b) Summarised information about comprehensive income for the year ended 31 December 2017

	(Unit: Baht)
Revenue	<u>2,594,341</u>
Loss for the year	(2,126,192)
Other comprehensive income	<u>-</u>
Total comprehensive income (loss)	<u>(2,126,192)</u>

(c) Summarised information about cash flow for the year ended 31 December 2017

	(Unit: Baht)
Cash flow from operating activities	(30,254,848)
Cash flow from investing activities	(8,085,769)
Cash flow from financing activities	<u>-</u>
Net decrease in cash and cash equivalents	<u>(38,340,617)</u>

13. Property, buildings and equipment

(Unit: Baht)

	Consolidated financial statements					Total
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	
Cost						
As at 1 January 2016	185,377,780	197,525,786	94,896,454	106,749,078	79,671,140	664,220,238
Additions	6,265,500	4,534,500	7,102,230	5,641,195	8,715,000	32,258,425
Disposals	-	-	(5,979,612)	(9,381,073)	(10,055,000)	(25,415,685)
As at 31 December 2016	191,643,280	202,060,286	96,019,072	103,009,200	78,331,140	671,062,978
Additions	2,384,000	3,116,000	10,438,555	9,019,072	2,491,409	27,449,036
Adjustment/reclassification	-	-	518,822	(619,439)	-	(100,617)
Disposals	-	-	(62,994,892)	(30,443,283)	(594,000)	(94,032,175)
As at 31 December 2017	194,027,280	205,176,286	43,981,557	80,965,550	80,228,549	604,379,222
Accumulated depreciation						
As at 1 January 2016	-	148,256,560	86,766,043	94,019,580	57,630,694	386,672,877
Depreciation for the year	-	3,429,666	2,998,322	6,445,688	8,800,786	21,674,462
Accumulated depreciation on disposals	-	-	(5,918,969)	(9,366,217)	(10,054,995)	(25,340,181)
As at 31 December 2016	-	151,686,226	83,845,396	91,099,051	56,376,485	383,007,158
Depreciation for the year	-	3,327,194	5,221,607	6,728,996	7,833,755	23,111,552
Accumulated depreciation on adjustment/reclassification	-	-	518,798	(525,794)	-	(6,996)
Accumulated depreciation on disposals	-	-	(62,994,723)	(30,252,442)	(593,999)	(93,841,164)
As at 31 December 2017	-	155,013,420	26,591,078	67,049,811	63,616,241	312,270,550
Net book value						
As at 31 December 2016	191,643,280	50,374,060	12,173,676	11,910,149	21,954,655	288,055,820
As at 31 December 2017	194,027,280	50,162,866	17,390,479	13,915,739	16,612,308	292,108,672
Depreciation for the year						
2016						21,674,462
2017						23,111,552

(Unit: Baht)

	Separate financial statements					Total
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	
Cost						
As at 1 January 2016	185,377,780	197,525,786	94,896,454	106,749,078	79,671,140	664,220,238
Additions	6,265,500	4,534,500	7,102,230	5,641,195	8,715,000	32,258,425
Disposals	-	-	(5,979,612)	(9,381,073)	(10,055,000)	(25,415,685)
As at 31 December 2016	191,643,280	202,060,286	96,019,072	103,009,200	78,331,140	671,062,978
Additions	2,384,000	3,116,000	5,622,594	6,892,674	1,348,000	19,363,268
Adjustment/reclassification	-	-	518,822	(619,439)	-	(100,617)
Disposals	-	-	(62,994,892)	(30,443,283)	(594,000)	(94,032,175)
As at 31 December 2017	194,027,280	205,176,286	39,165,596	78,839,152	79,085,140	596,293,454
Accumulated depreciation						
As at 1 January 2016	-	148,256,560	86,766,043	94,019,580	57,630,694	386,672,877
Depreciation for the year	-	3,429,666	2,998,322	6,445,688	8,800,786	21,674,462
Accumulated depreciation on disposals	-	-	(5,918,969)	(9,366,217)	(10,054,995)	(25,340,181)
As at 31 December 2016	-	151,686,226	83,845,396	91,099,051	56,376,485	383,007,158
Depreciation for the year	-	3,327,194	4,579,622	6,599,000	7,795,763	22,301,579
Accumulated depreciation on adjustment/reclassification	-	-	518,798	(525,794)	-	(6,996)
Accumulated depreciation on disposals	-	-	(62,994,723)	(30,252,442)	(593,999)	(93,841,164)
As at 31 December 2017	-	155,013,420	25,949,093	66,919,815	63,578,249	311,460,577
Net book value						
As at 31 December 2016	191,643,280	50,374,060	12,173,676	11,910,149	21,954,655	288,055,820
As at 31 December 2017	194,027,280	50,162,866	13,216,503	11,919,337	15,506,891	284,832,877
Depreciation for the year						
2016						21,674,462
2017						22,301,579

As at 31 December 2017, certain equipment items of the Company have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 277.9 million (2016: Baht 290.2 million).

14. Intangible asset - computer software

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	<u>Computer software</u>	<u>Computer software</u>
Cost		
As at 1 January 2016	44,204,043	44,204,043
Additions	340,001	340,001
As at 31 December 2016	44,544,044	44,544,044
Additions	1,044,157	846,100
As at 31 December 2017	45,588,201	45,390,144
Accumulated amortisation		
As at 1 January 2016	35,431,703	35,431,703
Amortisation for the year	1,731,039	1,731,039
As at 31 December 2016	37,162,742	37,162,742
Amortisation for the year	2,063,680	2,054,483
As at 31 December 2017	39,226,422	39,217,225
Net book value		
As at 31 December 2016	7,381,302	7,381,302
As at 31 December 2017	6,361,779	6,172,919
Amortisation for the year		
2016	1,731,039	1,731,039
2017	2,063,680	2,054,483
Remaining useful life as at 31 December 2017	5 - 10 years	5 - 10 years

As at 31 December 2017, certain computer software items of the Company have been fully amortisation but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 32.7 million (2016: Baht 27.3 million).

15. Deferred tax assets/Income tax expenses

15.1 Deferred tax assets

As at 31 December 2017 and 2016, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	Consolidated		Change in deferred tax	
	and separate	Separate	assets/ liabilities that are	
	financial	financial	recognised in profit or loss	
statements	statements	for the years ended		
2017	2016	2017	2016	
Deferred tax assets				
Allowance for doubtful accounts	7,212,358	7,318,937	(106,579)	(3,382,703)
Unearned premium reserves	57,571,667	44,730,820	12,840,847	(12,160,912)
Provision for claim incurred but not yet reported and outstanding claims	33,392,071	33,691,739	(299,668)	23,984,412
Loss on changes in value of trading securities	-	3,328,400	(3,328,400)	(2,097,746)
Post employee benefit obligations	17,564,084	15,038,964	1,460,302	1,301,677
Total	<u>115,740,180</u>	<u>104,108,860</u>		
Deferred tax liabilities				
Gain on changes in value of Trading securities	693,077	-	(693,077)	-
Available-for-sale securities	36,037,844	23,152,272		
Gain on exchange rate	-	28,789	28,789	(28,789)
Total	<u>36,730,921</u>	<u>23,181,061</u>		
Deferred tax assets, net	<u>79,009,259</u>	<u>80,927,799</u>		
Total change			<u>9,902,214</u>	<u>7,615,939</u>

15.2 Income tax expenses

The income tax expenses for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated		Separate financial statements	
	financial statements			
	For the year ended		For the years ended 31 December	
	31 December		31 December	
	2017	2017	2016	
Current income tax:				
Corporate income tax charge				
in accordance with Revenue Code	9,560,519	9,560,519	7,909,911	
Deferred tax:				
Relating to origination and reversal of				
temporary differences	(9,902,214)	(9,902,214)	(7,615,939)	
Income tax expenses (revenues) reported				
 in the statements of comprehensive				
 income	<u>(341,695)</u>	<u>(341,695)</u>	<u>293,972</u>	

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated		Separate financial statements	
	financial statements			
	For the year ended		For the years ended 31 December	
	31 December		31 December	
	2017	2017	2016	
Deferred tax relating to:				
Changes in value of available-for-sale				
investments	(12,885,572)	(12,885,572)	1,716,096	
Changes in actuarial gain loss	1,064,818	1,064,818	(1,680,524)	
	<u>(11,820,754)</u>	<u>(11,820,754)</u>	<u>35,752</u>	

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the year ended	For the years ended 31 December	
	31 December	2017	2016
Accounting profit before income tax expenses	31,781,538	33,907,730	25,391,022
Applicable corporate income tax rate	20%, 24%	20%	20%
Income tax at the applicable tax rate	6,271,260	6,781,546	5,078,204
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(6,612,955)	(7,123,241)	(4,784,232)
Income tax expenses (revenues) reported in the statements of comprehensive income	(341,695)	(341,695)	293,972

16. Other assets

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Claim receivables from litigants, net	213,944,329	213,944,329	200,624,755
Advance payment of ceded premium	130,140,655	130,140,655	144,163,026
Deposits on rice field insurance scheme	72,835,390	72,835,390	129,694,643
Prepaid commission expenses	45,269,123	45,269,123	54,318,385
Receivable from sale of investments	7,198,913	7,198,913	49,517,705
Cash equivalents which subject to restrictions	8,270,000	8,270,000	8,023,048
Others	46,126,880	46,409,071	39,121,023
Total other assets	523,785,290	524,067,481	625,462,585

As at 31 December 2017, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 8.2 million (2016: Baht 8.0 million) as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence.

17. Insurance contract liabilities

(Unit: Baht)

Consolidated financial Statements			
2017			
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,107,998,324	182,138,692	925,859,632
- Provision for claim incurred but not reported	60,301,867	5,131,119	55,170,748
Premium reserves			
- Unearned premium reserves	1,657,141,941	289,104,936	1,368,037,005
Total	2,825,442,132	476,374,747	2,349,067,385

(Unit: Baht)

Separate financial Statements			
2017			
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,107,946,241	182,138,692	925,807,549
- Provision for claim incurred but not reported	60,263,649	5,131,119	55,132,530
Premium reserves			
- Unearned premium reserves	1,656,112,917	289,104,936	1,367,007,981
Total	2,824,322,807	476,374,747	2,347,948,060

(Unit: Baht)

	Separate financial Statements		
	2016		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	945,474,658	107,936,976	837,537,682
- Provision for claim incurred but not reported	54,584,002	8,996,561	45,587,441
Premium reserves			
- Unearned premium reserves	1,576,081,680	397,966,873	1,178,114,807
Total	2,576,140,340	514,900,410	2,061,239,930

During the years 2017 and 2016, the management of the Company entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, insurance contract liabilities disclosures have been made on both a gross and net basis in order to provide a comprehensive set of disclosures.

17.1 Claim reserves and outstanding claims

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	For the years ended 31 December	
	For the year ended 31 December	2017	2016
Balance - beginning of the year	1,000,058,660	1,000,058,660	907,610,011
Claim incurred and loss adjustment expenses for the year	2,030,296,600	2,030,025,768	1,998,972,004
Changes in claim reserves and outstanding claims of prior year	33,275,633	33,275,633	(17,698,990)
Changes in claim reserves and assumptions	5,717,863	5,679,646	29,482,462
Claim and loss adjustment expenses paid during the year	(1,901,048,565)	(1,900,829,817)	(1,918,306,827)
Balance - end of the year	1,168,300,191	1,168,209,890	1,000,058,660

As at 31 December 2017, the Company has claim reserves and outstanding claims under reinsurance contracts of Baht 0.3 million (2016: Baht 0.6 million).

17.2 Unearned premium reserves

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the year ended	For the years ended 31 December	
	31 December	2017	2016
Balance - beginning of the year	1,576,081,680	1,576,081,680	1,574,100,477
Premium written for the year	3,547,253,747	3,545,875,526	3,229,683,365
Premium earned for the current year	(3,466,193,486)	(3,465,844,289)	(3,227,702,162)
Balance - end of the year	1,657,141,941	1,656,112,917	1,576,081,680

17.3 Claims development table

(a) Gross claims table

(Unit: Million Baht)

Consolidated financial Statements									
31 December 2017									
Reporting year / Accident year	Prior until	2011	2012	2013	2014	2015	2016	2017	Total
Claim provision:									
- as at accident year		1,341	1,309	1,662	1,773	1,684	1,820	1,969	
- Next one year		1,420	1,172	1,484	1,653	1,645	1,775		
- Next two years		992	1,150	1,556	1,599	1,630			
- Next three years		980	1,154	1,531	1,589				
- Next four years		984	1,173	1,529					
- Next five years		1,017	1,174						
- Next six years		1,021							
Ultimate claim reserves		1,021	1,174	1,529	1,589	1,630	1,775	1,969	10,687
Cumulative payment to date		978	1,154	1,510	1,584	1,625	1,693	1,169	9,713
Net		43	20	19	5	5	82	800	974
Adjusted claim incurred but not reported									147
Unallocated loss adjustment expenses									47
Total claim reserves and outstanding claims before reinsurance									1,168

(Unit: Million Baht)

Separate financial Statements

31 December 2017

Reporting year / Accident year	Prior until							Total
	2011	2012	2013	2014	2015	2016	2017	
Claim provision:								
- as at accident year	1,341	1,309	1,662	1,773	1,684	1,820	1,969	
- Next one year	1,420	1,172	1,484	1,653	1,645	1,775		
- Next two years	992	1,150	1,556	1,599	1,630			
- Next three years	980	1,154	1,531	1,589				
- Next four years	984	1,173	1,529					
- Next five years	1,017	1,174						
- Next six years	1,021							
Ultimate claim reserves	1,021	1,174	1,529	1,589	1,630	1,775	1,969	10,687
Cumulative payment to date	978	1,154	1,510	1,584	1,625	1,693	1,169	9,713
Net	43	20	19	5	5	82	800	974
Adjusted claim incurred but not reported								147
Unallocated loss adjustment expenses								47
Total claim reserves and outstanding claims before reinsurance								<u>1,168</u>

(b) Net claims table

(Unit: Million Baht)

Consolidated financial Statements

31 December 2017

Reporting year / Accident year	Prior until							Total
	2011	2012	2013	2014	2015	2016	2017	
Claim provision:								
- as at accident year	1,017	1,080	1,317	1,403	1,346	1,494	1,511	
- Next one year	1,036	993	1,173	1,321	1,314	1,465		
- Next two years	937	967	1,239	1,287	1,316			
- Next three years	925	972	1,213	1,279				
- Next four years	930	991	1,212					
- Next five years	963	992						
- Next six years	967							
Ultimate claim reserves	967	992	1,212	1,279	1,316	1,465	1,511	8,742
Cumulative payment to date	926	973	1,193	1,275	1,312	1,398	872	7,949
Net	41	19	19	4	4	67	639	793
Adjusted claim incurred but not reported								141
Unallocated loss adjustment expenses								47
Total claim reserves and outstanding claims before reinsurance								<u>981</u>

Separate financial Statements

31 December 2017

Reporting year / Accident year	Prior until							Total
	2011	2012	2013	2014	2015	2016	2017	
Claim provision:								
- as at accident year	1,017	1,080	1,317	1,403	1,346	1,494	1,511	
- Next one year	1,036	993	1,173	1,321	1,314	1,465		
- Next two years	937	967	1,239	1,287	1,316			
- Next three years	925	972	1,213	1,279				
- Next four years	930	991	1,212					
- Next five years	963	992						
- Next six years	967							
Ultimate claim reserves	967	992	1,212	1,279	1,316	1,465	1,511	8,742
Cumulative payment to date	926	973	1,193	1,275	1,312	1,398	872	7,949
Net	41	19	19	4	4	67	639	793
Adjusted claim incurred but not reported								141
Unallocated loss adjustment expenses								47
Total claim reserves and outstanding claims before reinsurance								981

17.4 Methodology and assumptions

The methodology and assumptions adopted by the Company and its subsidiary for the gross and net valuations of insurance liabilities (claim reserves and outstanding claims) as at 31 December 2017 are presented as follows:

(a) Estimation method for best estimate of claims liabilities

Direct and Inward Facultative Business

There are three main actuarial methods applied in determining the best estimate of claims liabilities as follows.

- (i) Chain Ladder method (CL) based on both claims paid and claims incurred
- (ii) Bornhuetter-Ferguson method (BF) based on both claims paid and claims incurred
- (iii) Expected Loss Ratio method (ELR)

The Company mostly relies on the Chain Ladder method on claims incurred to derive the best estimate of claims liabilities. The BF and ELR methods are also used where appropriate. The subsidiary mostly relies on the ELR method.

Net claims data provided is net of salvage and subrogation and proportional reinsurance, but gross of non-proportional reinsurance. Hence, to determine the best estimate of net direct and facultative business, the Group deducted the XOL recovery outstanding case reserves as provided by the Group from ultimate net claims projection.

Inward Treaty Business

The Group employed a simple approach in estimating the IBNR reserves for inward treaty. This approach assumes that the IBNR requirements for the inward treaty business would be similar in proportion (as a percentage of outstanding case reserves) to the direct and inward facultative business.

(b) Estimation of relevant expenses

There are 4 types of expenses relevant to determining insurance contract liabilities, as follows:

2.1 Allocated Loss Adjustment Expenses - ALAE

Since the ALAE are not included in claims paid triangles, a separate ALAE valuation is made, using the proportion of loss adjustment expenses to claims paid to determine an ALAE rate in triangles and ultimate claims projection.

2.2 Unallocated Loss Adjustment Expenses - ULAE

In determining the allowance for future ULAE (which is equivalent to Claims Handling Expenses), the Group derived assumptions from an estimate made using the Kittel method, with ULAE ratio computed separately for motor and non-motor classes.

The Group noted that for the purposes of this valuation, the gross outstanding liabilities exclude outstanding liabilities arising from the severe floods. For premium liabilities, the ULAE ratio was applied to the gross URR to obtain the Claims Handling Expenses for premium liabilities.

2.3 Maintenance Expenses

A percentage of historical maintenance expenses to historical gross earned premiums each year was applied onto the gross UPR to obtain the maintenance expense reserves for the premium liabilities at the end of the year.

2.4 Reinsurance Cost

Allowance for future costs of reinsurance is estimated based on the ratio of excess of loss reinsurance XOL premiums divided by net written premiums then applied to the net UPR.

18. Amount due to reinsurers

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Outward premium payable	383,781,937	383,781,937	376,343,664
Amounts withheld on reinsurances	123,765,747	123,765,747	103,761,130
Total amounts due to reinsurers	507,547,684	507,547,684	480,104,794

19. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, for the years ended 31 December 2017 and 2016 was as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	For the year ended	For the years ended 31 December	
	31 December	2017	2016
Provision for employee benefits at beginning of year	75,194,822	75,194,822	77,089,053
Current service cost	4,925,887	4,925,887	5,527,129
Interest cost	2,556,624	2,556,624	2,389,761
Actuarial loss (gain) arising from			
Demographic assumptions changes	2,013,263	2,013,263	(309,261)
Financial assumptions changes	2,911,132	2,911,132	(6,066,901)
Experience adjustments	399,692	399,692	(2,026,459)
Benefits paid during the year	(181,000)	(181,000)	(1,408,500)
Provision for employee benefits at end of year	87,820,420	87,820,420	75,194,822

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2017 and 2016 were as follows:

(Unit: Baht)

	Consolidated financial statements		
	Separate financial statements		
	2017	2017	2016
Claims and loss adjustment expenses	3,215,132	3,215,132	3,458,921
Other underwriting expenses	2,006,719	2,006,719	2,118,564
Operating expenses	2,260,660	2,260,660	2,339,405
Total expenses recognised in profit or loss	<u>7,482,511</u>	<u>7,482,511</u>	<u>7,916,890</u>

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 14.1 years and the Company expects to pay Baht 0.2 million of long-term employee benefits during the next year (2016: 14.1 years and Baht 0.2 million respectively).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		
	Separate financial statements		
	2017	2017	2016
	% per annum	% per annum	% per annum
Discount rate	3.0	3.0	3.4
Salary increase rate	5.1	5.1	5.0
Staff turnover rate (depending on age)	0.0 - 12.0	0.0 - 12.0	0.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements	
	2017	
	Rate increase 0.5% per annum	Rate decrease 0.5% per annum
Discount rate	Liabilities decrease 3.8	Liabilities increase 4.1
Salary increase rate	Liabilities increase 4.2	Liabilities decrease 3.9
Staff turnover rate	Liabilities decrease 0.8	Liabilities increase 0.9

(Unit: Million Baht)

	Separate financial statements			
	2017		2016	
	Rate increase 0.5% per annum	Rate decrease 0.5% per annum	Rate increase 0.5% per annum	Rate decrease 0.5% per annum
	Liabilities	Liabilities	Liabilities	Liabilities
Discount rate	decrease 3.8	increase 4.1	decrease 3.3	increase 3.6
Salary increase rate	increase 4.2	decrease 3.9	increase 3.7	decrease 3.4
Staff turnover rate	decrease 0.8	increase 0.9	decrease 0.7	increase 0.7

20. Other liabilities

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Premium received in advance	240,284,247	240,284,247	286,207,495
Accrued commissions	92,285,778	92,228,550	82,497,015
Accrued operating expenses	60,561,966	60,098,856	52,788,086
Payables on purchase of investments	3,127,233	3,127,233	11,322,460
Commission received in advance	60,177,350	60,177,350	65,891,436
Other payable	57,331,941	55,669,675	36,888,846
Others	101,595,916	103,229,229	81,896,734
Total other liabilities	615,364,431	614,815,140	617,492,072

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

22. Operating expenses

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Personal expenses which are not expenses for underwriting and claims	89,675,100	88,707,724	84,537,226
Property and equipment expenses which are not expenses for underwriting	82,818,753	81,448,284	76,030,450
Taxes and duties	1,683,166	1,655,525	1,494,373
Bad debts and doubtful accounts (reverse)	(2,715,242)	(2,715,242)	(4,393,483)
Support services expenses	161,091,170	161,091,170	136,809,469
Advertising and promotion expenses	60,721,763	60,606,570	49,492,654
Other operating expenses	32,936,309	32,117,519	31,940,500
Total operating expenses	<u>426,211,019</u>	<u>422,911,550</u>	<u>375,911,189</u>

23. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2017	2017	2016
Net claims and loss adjustment expenses	1,427,369,651	1,427,141,798	1,534,843,927
Commissions and brokerage expenses	588,633,082	588,497,580	546,869,893
Personnel expenses	318,838,154	317,004,186	298,321,802
Other underwriting expenses	128,118,938	128,118,938	145,130,705
Other service expenses	161,091,170	161,091,170	136,809,469
Premises and equipment expenses	82,818,753	81,448,284	76,030,450
Advertise and promotion expenses	60,721,763	60,606,570	49,492,654
Other operating expenses	32,936,309	32,117,519	31,940,500
Other expenses	4,361,927	4,270,283	2,305,890
Total expenses	<u>2,804,889,747</u>	<u>2,800,296,328</u>	<u>2,821,745,290</u>

24. Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by the employees on a monthly basis at rate of 5% of the employees' basic salaries, and by the Company on a monthly basis at rate of 7.5% of the employees' basic salaries. The fund is managed by a fund manager which has been approved by the Ministry of Finance. The contributions for the year 2017 amounting to approximately Baht 12.2 million (2016: Baht 11.4 million) were recognised as expenses.

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Group (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

26. Dividend paid

Dividend declared during the year 2017 and 2016 consists of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 8 April 2017	15.15	0.05
Final dividends for 2015	Annual General Meeting of the shareholders on 8 April 2016	15.15	0.05

27. Related party transactions

During the years, the Company had significant business transactions (related by way of common directions and shareholding) with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate financial statements		Pricing policies
	financial statements		For the years ended		
	For the year ended		31 December		
	31 December		2017	2016	
<u>Transactions with subsidiary</u>					
Laovivat Insurance Co., Ltd.					
(eliminated from the consolidated financial statements)					
Reinsurance premium written	-	632	-	-	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	-	127	-	-	As stated in the agreement upon normal commercial terms
Claim expenses	-	17	-	-	As actually incurred
<u>Transactions with related parties</u>					
Thai Reinsurance Plc.					
Premium ceded	137,686	137,686	160,741	-	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	25,919	25,919	65,130	-	As stated in the agreement upon normal commercial terms
Claims refunded	88,724	88,724	23,878	-	As actually incurred, in proportions per agreement
Reinsurance premium written	28	28	42	-	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	17	17	11	-	As stated in the agreement upon normal commercial terms
Claim expenses	330	330	177	-	As actually incurred
Dividend income	367	367	367	-	As declared
Road Accident Victims Protection Co., Ltd.					
Contribution expenses	10,454	10,454	10,330	-	12.25% of premium written received from insurers under the Public Protection of Traffic Injury Act B.E. 2535
Other income	6,003	6,003	7,478	-	As stated in the agreement upon normal commercial terms

(Unit: Thousand Baht)

	Consolidated		Pricing policies	
	financial statements	Separate financial statement		
	For the years ended	For the years ended		
	31 December	31 December		
	2017	2017	2016	
Transactions with related parties (Continued)				
T.I.I. Co., Ltd.				
Dividend income	20	20	20	As declared
J&A Jewelry Co., Ltd.				
Premium written	82	82	85	Normal commercial terms for underwriting
Paiboonwattana Co., Ltd				
Other income	55	55	55	As stated in the agreement upon normal commercial terms

As at 31 December 2017 and 2016, the Company had the following significant balances of assets and liabilities with its related parties:

(Unit: Baht)

	Consolidated		
	financial	Separate financial statements	
	statements	2017	2016
	2017	2017	2016
Transactions with subsidiary			
Laovivat Insurance Co., Ltd.			
Receivables from reinsurance contracts	-	487,265	-
Advances payment	-	1,678,568	-
Transactions with related parties			
Thai Reinsurance Plc.			
Receivables from reinsurance contracts	21,350,852	21,350,852	9,793,193
Investments in equity securities	6,459,054	6,459,054	7,632,605
Amount due to reinsurers	100,860,278	100,860,278	82,466,736
Road Accident Victims Protection Co., Ltd.			
Investments in equity securities	3,518,150	3,518,150	3,518,150
Other liabilities	2,733,161	2,733,161	2,432,167
T.I.I. Co., Ltd.			
Investments in equity securities	202,500	202,500	202,500
Vichitbhan Palmoil Plc.			
Investments in equity securities	79,000	79,000	147,000

Directors and management's remuneration

During the years ended 31 December 2017 and 2016, the Company had employee benefit expenses to their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		
	Separate financial statements		
	2017	2017	2016
Short-term employee benefits	83,766,616	83,766,616	75,581,931
Post-employment benefits	6,829,428	6,829,428	5,574,372
Total	90,596,044	90,596,044	81,156,303

28. Assets pledged and assets reserved with the Registrar

As at 31 December 2017 and 2016, the following assets have been pledged and reserved with the Registrar in accordance with the Non-life Insurance Act.

(Unit: Million Baht)

	Consolidated financial statements					
	2017		2017		2016	
	Amortised cost	Fair value	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged						
Fixed deposit	20.8	20.8	-	-	-	-
Government bonds	15.1	15.1	15.1	15.1	15.1	16.1
Total	35.9	35.9	15.1	15.1	15.1	16.1
Assets reserved						
Government bonds	128.0	130.6	128.0	130.6	150.3	150.4
Certificate of deposits	50.0	50.0	50.0	50.0	80.0	80.0
State enterprise debt securities	80.0	81.4	80.0	81.4	-	-
Private debt securities	50.0	54.5	50.0	54.5	50.0	53.5
Total	308.0	316.5	308.0	316.5	280.3	283.9
Total	343.9	352.4	323.1	331.6	295.4	300.0

29. Contribution to the General Insurance Fund

(Unit: Baht)

	For the years ended 31 December	
	2017	2016
Accumulated contribution at the beginning of the year	48,221,955	40,148,883
Contribution during the year	8,862,533	8,073,072
Accumulated contribution at the end of the year	57,084,488	48,221,955

30. Commitments and contingent liabilities

30.1 Operating lease commitments

The Company and its subsidiary have entered into several lease agreements of office building space. The terms of the agreements are 3 years. As at 31 December 2017 and 2016, future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

(Unit: Million Baht)

	Consolidated	Separate financial statements	
	financial statements	2017	2016
Payable:			
Within 1 year	1.2	0.7	0.8
Over 1 year and not over 5 years	3.1	1.3	2.0

30.2 Bank guarantees

As at 31 December 2017, there were outstanding bank guarantees of Baht 1.3 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business (2016: Baht 0.4 million).

30.3 Litigation

As at 31 December 2017, the Company has been sued as insurer for damages totaling approximately Baht 55.6 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 17.8 million, with the recoverable portion from reinsurers amounting to Baht 1.0 million. The Company's management believes that such reserve is adequate (2016: Baht 54.5 million, Baht 18.5 million and Baht 2.8 million, respectively).

31. Segment information

The Company is principally engaged in the provision of all types of non-life insurance products and for the purpose of underwriting and operation management, the Company has divided into business units that correspond to the types of insurance product offered i.e. Fire, Marine and transportation, Motor and Miscellaneous. The operating segment information presented below is consistent with the internal reports that the Company's Chief Operating Decision Maker (who is granted authority by the Board of Directors) regularly receives and reviews for use in making decisions about the allocation of resources to the segment and assess its performance. The Chairman of the Executive Board has been identified as Chief Operating Decision Maker, with decisions passing through the Board of Directors.

Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The subsidiary company is principally engaged in non-life insurance. However, since the subsidiary just started the operation during 2017, the segment information is therefore presented in the combined basis.

Segment revenue and profit information of the Company and its subsidiary for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Baht)

Consolidate financial statements								
For the year end 31 December 2017								
Total of the Company								
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiary	Elimination	Total
Underwriting income								
Premium written	162,705,354	12,560,689	2,611,759,773	758,849,710	3,545,875,526	2,009,791	(631,570)	3,547,253,747
Less: Premium ceded	(112,825,402)	(4,390,936)	(281,314,622)	(449,470,443)	(848,001,403)	(631,570)	631,570	(848,001,403)
Net premium written	49,879,952	8,169,753	2,330,445,151	309,379,267	2,697,874,123	1,378,221	-	2,699,252,344
Add (Less): Unearned premium reserves (increase) decrease from prior year	959,763	1,167,520	(218,573,355)	27,552,896	(188,893,176)	(1,029,023)	-	(189,922,199)
Earned premium	50,839,715	9,337,273	2,111,871,796	336,932,163	2,508,980,947	349,198	-	2,509,330,145
Fee and commission income	56,619,397	667,423	102,288,711	68,731,942	228,307,473	127,114	(127,114)	228,307,473
Total underwriting income	<u>107,459,112</u>	<u>10,004,696</u>	<u>2,214,160,507</u>	<u>405,664,105</u>	<u>2,737,288,420</u>	<u>476,312</u>	<u>(127,114)</u>	<u>2,737,637,618</u>
Underwriting expenses								
Claims and loss adjustment expenses	5,526,815	901,218	1,376,009,679	180,064,529	1,562,502,241	675,629	-	1,563,177,870
Commission and brokerage expenses	36,662,896	1,547,996	462,144,825	88,141,863	588,497,580	262,615	(127,114)	588,633,081
Other underwriting expenses	5,369,731	539,133	182,374,474	38,101,619	226,384,957	482,820	-	226,867,777
Total underwriting expenses before operating expenses	<u>47,559,442</u>	<u>2,988,347</u>	<u>2,020,528,978</u>	<u>306,308,011</u>	<u>2,377,384,778</u>	<u>1,421,064</u>	<u>(127,114)</u>	<u>2,378,678,728</u>
Profit from underwriting before operating expenses	<u>59,899,670</u>	<u>7,016,349</u>	<u>193,631,529</u>	<u>99,356,094</u>	359,903,642	(944,752)	-	358,958,890
Operating expenses					(422,911,550)	(3,299,469)	-	(426,211,019)
Loss from underwriting					(63,007,908)	(4,244,221)	-	(67,252,129)
Investment income					66,130,535	2,131,674	-	68,262,209
Gain on investments					4,360,844	-	-	4,360,844
Gain on fair value adjustment of investments					20,107,379	-	-	20,107,379
Other income (expense)					6,316,880	(13,645)	-	6,303,235
Profit before income tax expenses					33,907,730	(2,126,192)	-	31,781,538
Income tax revenue					341,695	-	-	341,695
Profit (loss) for the year					<u>34,249,425</u>	<u>(2,126,192)</u>	-	<u>32,123,233</u>

(Unit: Baht)

Separate financial statements					
For the year ended 31 December 2016					
	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	169,128,506	17,541,751	2,336,668,803	706,344,305	3,229,683,365
Less: Premium ceded to reinsurers	(124,331,886)	(6,861,677)	(327,245,302)	(385,092,743)	(843,531,608)
Net premium written	44,796,620	10,680,074	2,009,423,501	321,251,562	2,386,151,757
Add (less): Unearned premium reserves (increase) decrease from prior year	2,653,004	654,924	90,095,698	(17,479,090)	75,924,536
Net earned premium	47,449,624	11,334,998	2,099,519,199	303,772,472	2,462,076,293
Fee and commission income	58,941,322	816,039	111,081,326	72,449,770	243,288,457
Total underwriting income	106,390,946	12,151,037	2,210,600,525	376,222,242	2,705,364,750
Underwriting expenses					
Claims and loss adjustment expenses	5,508,254	6,338,104	1,500,017,970	147,640,064	1,659,504,392
Commission and brokerage expenses	38,778,114	1,639,930	413,602,945	92,848,904	546,869,893
Other underwriting expenses	6,061,527	958,494	193,601,516	38,838,279	239,459,816
Total underwriting expenses	50,347,895	8936,528	2,107,222,431	279,327,247	2,445,834,101
Profit from underwriting before operating expenses	56,043,051	3,214,509	103,378,094	96,894,995	259,530,649
Operating expenses					(375,911,189)
Loss from underwriting					(116,380,540)
Investment income					59,020,862
Gain on investments					51,711,660
Gain on fair value adjustment of investments					10,488,732
Other income					20,550,308
Profit before income tax expenses					25,391,022
Income tax expenses					(293,972)
Profit for the year					25,097,050

Segment assets and liabilities as at 31 December 2017 and 2016 are as follows:

(Unit: Baht)

Consolidated financial statements									
Total of the Company									
	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total	Total of subsidiary	Eliminations	Total
Assets									
As at 31 December 2017	185,103,157	2,295,578	719,158,421	444,894,610	3,856,747,409	5,208,199,175	64,564,278	(51,101,854)	5,221,661,599
Liabilities									
As at 31 December 2017	308,072,686	6,064,717	2,518,134,711	794,072,500	410,895,322	4,037,239,936	4,290,469	(2,621,853)	4,038,908,552

(Unit: Baht)

Separate financial statements						
	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total
Assets						
As at 31 December 2016	213,157,101	2,636,008	659,399,356	413,729,990	3,564,764,693	4,853,687,148
Liabilities						
As at 31 December 2016	345,131,532	8,693,610	2,240,548,494	816,994,503	337,742,253	3,749,110,392

Geographic information

The Company is operated its business in Thailand. The subsidiary is operated in Lao People's Democratic Republic. The Company presents its subsidiary's information separately, as a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customer

For the years ended 31 December 2017 and 2016, the Company has premium written from three major brokers in amounting of Baht 1,643.6 million and Baht 1,570.3 million, respectively.

32. Non-life insurance company's risks and risk management policy

32.1 Insurance risk

Insurance risk refers to the risk resulting from fluctuations in the frequency, the severity and the timing of damage deviations from assumptions that are used to determine premium rates, calculation of reserves and underwriting.

The Company risk management policy is to selectively accept loss risk business with good insurance loss records, and not to retain limit per risk in excess of the OIC regulation.

In cases where its risk capacity is limited, the Company has arranged the transfer of risk to reinsurance companies which have stable financial positions, and capacity and expertise in both treaty reinsurance and facultative reinsurance, in order to reassure customers.

In addition, the Company has the following policies.

- The guidelines for sums insured, coverage and terms of insurance that are appropriate to the level of risk.
- The provision of reinsurance support as needed, in case of the Company cannot accept the full sum insured due to the requirements of the OIC, allowed to retain risk not excess of 10 percent of the Company's capital.
- Selects highly rated reinsurers with a credit rating of at least A, according to the creditor ratings of S&P and A.M. Best.
- Assigned responsible persons for each stage, from reviewing the accuracy of the underwriting to authorisation to approve underwriting based on the sum insured.

As at 31 December 2017 and 2016 concentration of insurance contract liabilities segregated by insurance type are shown below.

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	2017			2016		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
The Company						
Fire	83.7	56.8	26.9	87.1	59.3	27.8
Marine and transportation	2.0	0.6	1.4	3.2	0.6	2.6
Motor	1,351.2	141.8	1,209.4	1,151.8	160.9	990.9
Personal accident	17.0	5.1	11.9	14.8	4.3	10.5
Miscellaneous	202.2	84.8	117.4	319.2	172.9	146.3
Total of the Company	1,656.1	289.1	1,367.0	1,576.1	398.0	1,178.1
Total of subsidiary	1.0	-	1.0	-	-	-
Total	1,657.1	289.1	1,368.0	1,576.1	398.0	1,178.1

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	2017			2016		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
The Company						
Fire	19.0	5.4	13.6	14.3	9.2	5.1
Marine and transportation	2.6	0.3	2.3	4.2	0.3	3.9
Motor	951.1	65.5	885.6	867.4	65.3	802.1
Personal accident	13.0	4.6	8.4	15.8	5.2	10.6
Miscellaneous	182.5	111.5	71.0	98.4	36.9	61.5
Total of the Company	1,168.3	187.3	981.0	1,000.1	116.9	883.2
Total of subsidiary	0.1	-	0.1	-	-	-
Total	1,168.3	187.3	981.0	1,000.1	116.9	883.2

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation of claim liabilities, which will impact the claims liabilities both before and after reinsurance. The risk may occur because the frequency or severity of losses, or loss adjustment expenses are not in line with expectations.

As at 31 December 2017, the impact on the best estimate of insurance liabilities of the changes in key variables assumptions is shown in the following table.

(Unit: Million Baht)					
Consolidated financial statements					
2017					
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
Ultimate loss ratio in latest accident year	+5%	111	83	(83)	(66)
Ultimate loss ratio in latest accident year	-5%	(111)	(83)	83	66
ALAE ratio	+10%	1	1	(1)	(1)
ALAE ratio	-10%	(1)	(1)	1	1
ULAE ratio	+10%	5	5	(5)	(4)
ULAE ratio	-10%	(5)	(5)	5	4
(Unit: Million Baht)					
Separate financial statements					
2017					
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
Ultimate loss ratio in latest accident year	+5%	111	83	(83)	(66)
Ultimate loss ratio in latest accident year	-5%	(111)	(83)	83	66
ALAE ratio	+10%	1	1	(1)	(1)
ALAE ratio	-10%	(1)	(1)	1	1
ULAE ratio	+10%	5	5	(5)	(4)
ULAE ratio	-10%	(5)	(5)	5	4
(Unit: Million Baht)					
Separate financial statements					
2016					
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
Ultimate loss ratio in latest accident year	+5%	101	94	(94)	(75)
Ultimate loss ratio in latest accident year	-5%	(101)	(82)	82	66
ALAE ratio	+10%	1	1	(1)	(1)
ALAE ratio	-10%	(1)	(1)	1	1
ULAE ratio	+10%	4	4	(4)	(3)
ULAE ratio	-10%	(4)	(4)	4	3

32.2 Risk management policy

32.2.1 Credit risk

Credit risk is the risk of default by counter party that inability to comply with the terms of a financial instruments such as premium receivables, reinsurers or debtors. If a customer is unable to fulfill an agreement, it affects the Group's revenue and operations. The Group manage the risk by uses credit rating at lease "A" as the basis for selecting reinsurers and makes loans to staff in accordance with the Office of Insurance Commissions rules. The Group also has an audit system and constantly monitors counterparties in order to mitigate credit risk.

32.2.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company and its subsidiary's financial position.

a. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rate.

The Company manages interest rate risk through an emphasis on stable long term investments offering long-term returns exceeding inflation, and analysis of the type of investment to match cash flows.

As at 31 December 2017 and 2016, significant assets and liabilities classified by type of interest rate are summarised in the table below, with those assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Baht)

Consolidated financial statements

2017

	Fixed interest rates				Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Remaining periods to repricing dates or maturity dates			Over 5 years				
	Overdue	Within 1 year	1 - 5 years					
Assets								
Cash and cash equivalents	-	3.4	-	-	236.3	0.9	240.6	0.50 - 2.50
Investments in securities								
Government and state enterprise securities	-	88.1	207.9	143.0	-	-	439.0	1.49 - 5.00
Private debt securities	-	215.8	182.8	93.8	-	-	492.4	1.89 - 5.35
Deposits at financial institutions	-	112.5	43.4	-	-	-	155.9	1.50 - 6.50
Equity securities	-	-	-	-	-	1,947.2	1,947.2	-
Loans	-	-	2.3	3.4	-	-	5.7	5.50 - 12.50
Insurance contract assets/liabilities								
Premium receivables	-	-	-	-	-	483.8	483.8	-
Reinsurance assets								
- claim reserves	-	-	-	-	-	187.3	187.3	-
Receivables from reinsurance contracts	-	-	-	-	-	51.6	51.6	-
Claim receivables from litigants	-	-	-	-	-	213.9	213.9	-
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	-	1,168.3	1,168.3	-
Amount due to reinsurers	-	-	-	-	-	507.5	507.5	-

(Unit: Baht)

Separate financial statements

2017

	Fixed interest rates				Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Remaining periods to repricing dates or maturity dates			Over 5 years				
	Overdue	Within 1 year	1 - 5 years					
Assets								
Cash and cash equivalents	-	3.4	-	-	233.1	0.9	237.4	0.50 - 2.50
Investments in securities								
Government and state enterprise securities	-	88.1	207.9	143.0	-	-	439.0	1.49 - 5.00
Private debt securities	-	215.8	182.8	93.8	-	-	492.4	1.89 - 5.35
Deposits at financial institutions	-	106.0	0.1	-	-	-	106.1	1.50 - 6.50
Equity securities	-	-	-	-	-	1,947.2	1,947.2	-
Loans	-	-	2.3	3.4	-	-	5.7	5.50 - 12.50
Insurance contract assets/liabilities								
Premium receivables	-	-	-	-	-	483.8	483.8	-
Reinsurance assets								
- claim reserves	-	-	-	-	-	187.3	187.3	-
Receivables from reinsurance contracts	-	-	-	-	-	52.1	52.1	-
Claim receivables from litigants	-	-	-	-	-	213.9	213.9	-
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	-	1,168.2	1,168.2	-
Amount due to reinsurers	-	-	-	-	-	507.5	507.5	-

(Unit: Baht)

Separate financial statements								
2016								
Fixed interest rates				Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)	
Remaining periods to repricing dates or maturity dates								
Overdue	Within 1 year	1 - 5 years	Over 5 years					
Assets								
Cash and cash equivalents								
	-	3.3	-	-	218.4	7.2	228.9	0.50 - 3.20
Investments in securities								
Government and state enterprise securities								
	-	160.3	125.0	15.0	-	-	300.3	1.42 - 5.00
Private debt securities								
	0.1	50.1	212.4	21.7	-	-	284.3	1.89 - 5.35
Deposits at financial institutions								
	-	185.4	-	-	-	-	185.4	1.70 - 3.25
Equity securities								
	-	-	-	-	-	1,931.3	1,931.3	-
Loans								
	-	0.1	3.4	3.9	-	-	7.4	5.50 - 12.50
Insurance contract assets/liabilities								
Premium receivables								
	-	-	-	-	-	373.4	373.4	-
Reinsurance assets								
- claim reserves								
	-	-	-	-	-	116.9	116.9	-
Receivables from reinsurance contracts								
	-	-	-	-	-	19.1	19.1	-
Claim receivables from litigants								
	-	-	-	-	-	200.6	200.6	-
Insurance contract liabilities - claim reserves and outstanding claims								
	-	-	-	-	-	1,000.1	1,000.1	-
Amount due to reinsurers								
	-	-	-	-	-	480.1	480.1	-

b. Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from deposit at banks in foreign currencies. The Company does not utilise forward foreign currency contracts to mitigate its exposure to foreign currency risk since it has determined that such risk has no significant effect to the financial statements.

As at 31 December 2017 and 2016, the balances of financial assets denominated in foreign currencies are summarised bellows.

Foreign currency	Financial assets		Average exchange rate	
	2017	2016	2017	2016
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	-	0.05	-	35.66
LAK	-	70.26	-	0.004

c. Equity position risk

Equity position risk is the risk that change in the market prices of equity securities will result in fluctuations in revenues and in the value of financial assets.

As at 31 December 2017 and 2016, the Company has risk from its investments in securities of which the price will change with reference to market conditions.

The Company manages equity risk arising from fluctuations in market prices through a diversification of asset allocations in order to disperse risk, with investments weighted in accordance with the guidelines of the OIC, with an emphasis on conservative, safe investments. The Company has a framework that divides investments based on asset class and the Company elects to invest in securities of blue chip companies with stable revenues and earnings, not high fluctuate, high liquidity and that pay high dividends, which helps to generate higher returns.

32.2.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss.

The Company manages its liquidity risk through monitoring of whether the level of the Fund Solvency Ratio and cash level comply with the requirements by the Board of Directors on a monthly basis, and monitoring of the daily liquidity position by the Responsible Division. Moreover, the Company executes prudent financial decisions in the following areas:

- Financial evaluation for agent and broker selection process
- Cash Before Cover when selling motor insurance
- Establishment of a monitoring system for late premium payments by agents and brokers

Counting from the financial position date, the periods to maturity of financial assets and liabilities held as at 31 December 2017 and 2016 are as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	2017				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Assets</u>					
Cash and cash equivalents	3.4	-	-	237.2	240.6
Investments in securities					
Government and state enterprise securities	88.1	207.9	143.0	-	439.0
Private debt securities	215.8	182.8	93.8	-	492.4
Deposits at financial institutions	112.5	43.4	-	-	155.9
Equity securities	-	-	-	1,947.2	1,947.2
Loans	-	2.3	3.4	-	5.7
<u>Insurance contract assets/liabilities</u>					
Premium receivables	483.8	-	-	-	483.8
Reinsurance assets - claim reserves	139.0	48.3	-	-	187.3
Receivables from reinsurance contracts	51.6	-	-	-	51.6
Claim receivables from litigants	213.9	-	-	-	213.9
Insurance contract liabilities - claim reserves					
and outstanding claims	804.3	364.0	-	-	1,168.3
Amount due to reinsurers	507.5	-	-	-	507.5

(Unit: Million Baht)

	Separate financial statements				
	2017				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Assets</u>					
Cash and cash equivalents	3.4	-	-	234.0	237.4
Investments in securities					
Government and state enterprise securities	88.1	207.9	143.0	-	439.0
Private debt securities	215.8	182.8	93.8	-	492.4
Deposits at financial institutions	106.0	0.1	-	-	106.1
Equity securities	-	-	-	1,947.2	1,947.2
Loans	-	2.3	3.4	-	5.7
<u>Insurance contract assets/liabilities</u>					
Premium receivables	483.8	-	-	-	483.8
Reinsurance assets - claim reserves	139.0	48.3	-	-	187.3
Receivables from reinsurance contracts	52.1	-	-	-	52.1
Claim receivables from litigants	213.9	-	-	-	213.9
Insurance contract liabilities - claim reserves					
and outstanding claims	804.2	364.0	-	-	1,168.2
Amount due to reinsurers	507.5	-	-	-	507.5

(Unit: Million Baht)

	Separate financial statements				
	2016				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Assets</u>					
Cash and cash equivalents	3.3	-	-	225.6	228.9
Investments in securities					
Government and state enterprise securities	160.3	125.0	15.0	-	300.3
Private debt securities	50.1	212.5	21.7	-	284.3
Deposits at financial institutions	185.4	-	-	-	185.4
Equity securities	-	-	-	1,931.3	1,931.3
Loans	-	3.4	4.0	-	7.4
<u>Insurance contract assets/liabilities</u>					
Premium receivables	373.4	-	-	-	373.4
Reinsurance assets - claim reserves	84.2	32.7	-	-	116.9
Receivables from reinsurance contracts	19.1	-	-	-	19.1
Claim receivables from litigants	200.6	-	-	-	200.6
Insurance contract liabilities - claim reserves and outstanding claims	700.2	299.9	-	-	1,000.1
Amount due to reinsurers	480.1	-	-	-	480.1

32.3 Fair value measurement for financial instruments

As at 31 December 2017 and 2016, the Company had the following financial assets and liabilities that were measured at fair value, and had financial assets and liabilities that were measured at cost but has to disclose fair value, using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	2017				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Trading investments					
Equity securities	277.6	277.6	-	-	277.6
Warrants	0.6	0.6	-	-	0.6
Available-for-sale investments					
Government and state enterprise securities					
Private debt securities	492.4	-	492.4	-	492.4
Equity securities	127.5	127.5	-	-	127.5
Unit trusts	1,537.8	142.4	1,395.4	-	1,537.8
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	240.6	240.6	-	-	240.6
Held to maturity investments					
Government and state enterprise securities					
Deposits at banks with maturity period over 3 months	155.9	155.9	-	-	155.9
Other investments	3.7	-	-	237.9	237.9
Loans	5.7	-	-	5.7	5.7

(Unit: Million Baht)

	Separate financial statements				
	2017				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Trading investments					
Equity securities	277.6	277.6	-	-	277.6
Warrants	0.6	0.6	-	-	0.6
Available-for-sale investments					
Government and state enterprise securities					
	91.8	-	91.8	-	91.8
Private debt securities	492.4	-	492.4	-	492.4
Equity securities	127.5	127.5	-	-	127.5
Unit trusts	1,537.8	142.4	1,395.4	-	1,537.8
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	237.4	237.4	-	-	237.4
Held to maturity investments					
Government and state enterprise securities					
	347.2	-	351.7	-	351.7
Deposits at banks with maturity period over 3 months					
	106.1	106.1	-	-	106.1
Other investments	3.7	-	-	237.9	237.9
Loans	5.7	-	-	5.7	5.7

(Unit: Million Baht)

	Separate financial statements				
	2016				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Trading investments					
Equity securities	254.1	254.1	-	-	254.1
Warrants	1.0	1.0	-	-	1.0
Available-for-sale investments					
Government and state enterprise securities					
Government and state enterprise securities	10.4	-	10.4	-	10.4
Private debt securities	284.3	-	284.3	-	284.3
Equity securities	112.4	112.4	-	-	112.4
Unit trusts	1,560.1	140.9	1,419.2	-	1,560.1
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	228.9	228.9	-	-	228.9
Held to maturity investments					
Government and state enterprise securities					
Government and state enterprise securities	289.9	-	289.9	-	289.9
Deposits at banks with maturity period over 3 months					
Deposits at banks with maturity period over 3 months	185.4	185.4	-	-	185.4
Other investments	3.7	-	-	228.6	228.6
Loans	7.4	-	-	7.4	7.4

The fair value hierarchy of financial assets as at 31 December 2017 and 2016 presents according to Note 4.20 to the financial statements.

The methods used for fair value measurement depends upon the characteristics of the financial instruments. The Company and its subsidiary establish the fair value of its financial instruments by adopting the following methods:

- (a) Financial assets maturing in the short-term, which consist of cash and cash equivalents and deposit at financial institutions, their fair value is estimated based on the book value presented in the statements of financial position.
- (b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.

- (c) For equity securities, their fair value is generally derived from quoted market prices. For investments in non-marketable equity securities, fair value is determined using valuation technique i.e. discounted future cash flow or book value.
- (d) The fair value of fixed rate loans is determined by discounting the expected future cash flows by using the current market interest rate.

33. Capital management

The primary objectives of the Company's capital management are to maintain its ability to continue its business as a going concern, to provide a return to its shareholders and other related parties, maintain a balanced financial structure, and to maintain risk-based capital in accordance with Declaration of the OIC.

34. Events after the reporting period

On 27 February 2018, a meeting of the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for approval dividends in respect of the operating results for the year 2017, at Baht 0.07 per share, or a total of Baht 21.21 million. Payment is scheduled to be made on 18 May 2018.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2018.

**Biographies of the proposed Director
(Supporting document for consideration of agenda 6)**



Mr. Chalaw Fuangaromya

Address 6/106 Moo13 Lat Phrao, Bangkok 10230
Date of Birth June 10, 1937
Age 81 Years
Nationality Thai
Present Position Independent Director, Chairman and Chairman of Investment Committee

Education background / Training course

B.A. Political Science, Phillips University, USA
M.A. Political Science, Southern Illinois University, USA
M.A. Social Science Birmingham University, UK
The National Defense College (Class 27)
Director Certification Program (DCP) Course (Class 18) and Corporate Governance, Thai institute of Directors

Work Experience

Director-General, Department of Commercial Registration
Director-General, Department of Export Promotion
Director-General, Department of Business Economics
Director, Office of Insurance Commission
Deputy Permanent Secretary, Ministry of Commerce
Committee of monitoring and evaluation, Office of National Broadcasting and Telecommunications Commission
Committee, The Thai Tapioca Development Institute
Independent director and chairman of the audit committee, Standard Chartered Bank (Thai) PCL
Chairman, Professional Waste Technology (1999) PCL.
Independent director and the audit committee, Thai Re Life PCL.
Chairman of The audit committee, Thaivivat Insurance PCL.



Director position of Thaivivat Insurance Public Co., Ltd.

Director Position

Independent Director (as the company's definition of independent director)
(appointment – renewal, April 5, 2012– present)

Chairman of Audit committee
(appointment – renewal, April 5, 2012– April 8, 2015)

Chairman
(appointment – renewal, April 8, 2015– Present)

Chairman of Investment committee
(appointment – renewal, May 12, 2016– present)

Executive position None

Number of year being as director 5 years

Share holding in the company None

Legal matters in dispute No contentious case in past 5 years

Other current position None

- Being the directors / executives in other businesses which may generate conflict of interest with the Company. **No**

- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company **No**

- Having the relationship in the following nature to the Company or the Subsidiary Company or Juristic person which may have a conflict in current year or in the past 2 years **No**

(1) Being the director who participates in the management of works, employees and staff or being a consultant who receives monthly salary. **No**

(2) Being service provider for professional matter (such as auditors or legal advisor) **No**

(3) Having business relationship (such as buying/selling raw materials/goods/service, borrowing/lending) **No**

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment – renewal, April 5, 2012)

	Presented	Held
2014	6	6
2015	6	6
2016	6	6

Meeting attendance for Investment committee (appointment – renewal, May 12, 2016)

	Presented	Held
2016	1	1
2017	2	2



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ไทยวิวัฒน์

**Biographies of the proposed Director
(Supporting document for consideration of agenda 6)**



Mrs. Pranee Phasipol

Address 44 Tiwanon Road,Tha-sai, Muang Nontaburi ,Nontaburi 11000
Date of Birth October 13, 1949
Age 68 Years
Nationality Thai
Present Position Independent Director,The Audit Committee and The Investment Committee

Education background / Training course

B.A., Major: Accounting (Second Class Honors), Thammasat University
 M.A. Accounting, Thammasat University
 Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
 Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State
 Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy , UTCC
 Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission
 Certificate of Change Management, Ripa International, UK
 Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
 Certified Public Accountant
 Director Certification Program 10/2001, Thai Institute of Directors
 Advance Audit Committee Programs

Work Experience

2000 Deputy Director General, Department of Insurance, Ministry of Commerce
 2004 Deputy Director General, Department of Business Development, Ministry of Commerce
 2006 Commercial Advisor, Ministry of Commerce
 2007 - 2010 Chief of Inspector General, Ministry of Commerce
 Present Member of Foreign Business Commission, Ministry of Commerce
 Present Audit Committee, The Support Arts and Crafts International Center of Thailand
 Present Member of Life Insurance Fund Commission, Life Insurance Fund
 Present Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
 Present Qualified Person in Finance and Account, Office of the Civil Service Commission



Present Independent Director, Audit Committee, Compensation Committee and Governance and Nomination Committee, Dusit Thani PCL. Independent Director , Chairman of The audit committee and Present Chairman of the Nomination and Compensation Committee, SCI Electric PCL. ,

Director position of Thaivivat Insurance Public Co., Ltd.

Director Position

Independent Director (as the company’s definition of independent director)
(appointment – renewal, April 8, 2015– present)

The Audit committee
(appointment – renewal, April 8, 2015– present)

The Investment committee
(appointment – renewal, May 12, 2016– present)

Executive position - None

Share holding in the company - None

Legal matters in dispute No contentious case in past 5 years

Other current position

- Independent Director, Audit Committee, Compensation Committee and Governance and Nomination Committee, Dusit Thani PCL. , Tourism & Leisure
- Independent Director , Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric PCL. , Energy
- Member of Foreign Business Commission, Ministry of Commerce
- The audit committee The Support Arts and Crafts International Center of Thailand
- Member of Life Insurance Fund Commission, Life Insurance Fund
- Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Qualified Person in Finance and Account, Office of the Civil Service Commission

Share holding in the company none

Legal matters in dispute No contentious case in past 5 years

- Being the directors / executives in other businesses which may generate conflict of interest with the Company. **No**

- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company **No**

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment April 8, 2015 – Present)

	Presented	Held
2015	4	4
2016	5	6
2017	4	6

Meeting attendance for Audit committee (appointment – renewal, April 8,2015 – Present)

	Presented	Held
2015	3	3
2016	5	5
2017	6	6

Meeting attendance for Investment committee (appointment – renewal, May 12, 2016)

	Presented	Held
2016	1	1
2017	2	2

**Biographies of the proposed Director
(Supporting document for consideration of agenda 6)**



Mr. Thawan Viranont

Address 123 Ramkhamhang 30/1 Hau-mak Bangkok Bangkok 10240

Date of Birth March 13,1948

Age 70

Nationality Thai

Present Position Director, Advisor of CEO and Nomination and Remuneration committee

Education background / Training course
B.A. Law, Thammasart University
Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

Work Experience
Senior Executive Vice President, Legal Department, Thaivivat Insurance Public Co., Ltd.

Other current position None

Director position of Thaivivat Insurance Public Co., Ltd.

Director Position Director (appointment – renewal, April 29,1987 – Present)
The Nomination and Remuneration committee (appointment – renewal, August 11,2016 – Present)

Executive position Advisor of CEO

Number of year being as director 31 years

Share holding in the company 18000 share , 0.0006 % of total shares with voting rights

Legal matters in dispute No contentious case in past 5 years

- Being the directors / executives in other businesses which may generate conflict of interest with the Company **No**

- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company **No**



Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment – renewal, April 29, 1987 - Present)

	Presented	Held
2015	6	6
2016	6	6
2017	6	6

Meeting attendance for Nomination and Remuneration committee (appointment August 11, 2016)

	Presented	Held
2016	1	1
2017	1	1

Biographies of the proposed Auditor
(Supporting document for consideration of agenda 7)

Name: Ms. Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

Age: 47 years

Education: Master of Accounting, Thammasat University

Position in the Audit Firm: Partner

Auditing Experience:

- Ratchthani Leasing Public Company Limited
- The Thai Insurance Public Company Limited
- Thanachart Insurance Public Company Limited
- Thanachart Securities Public Company Limited
- Thanachart Fund Management Company Limited
- LH Financial Group Public Company Limited
- Land and Houses Bank Public Company Limited
- Muang Thai Insurance Public Company Limited
- Thaivivat Insurance Public Company Limited
- The Navakij Insurance Public Company Limited
- Syn Mun Kong Insurance Public Company Limited
- Muangthai Leasing Public Company Limited
- S 11 Group Public Company Limited
- TISCO Bank Public Company Limited
- TISCO Financial Group Public Company Limited



Share holding in the company None

- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company No

- Having the relationship in the following nature to the Company or the Subsidiary Company or Juristic person which may have a conflict in current year or in the past 2 years No

- Being the director who participates in the management of works, employees and staff or being a consultant who receives monthly salary No

- Having business relationship (such as buying/selling raw materials/goods/service, borrowing/lending) No



Biographies of the proposed Auditor
(Supporting document for consideration of agenda 7)

Name: Mrs. Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

Age: 49 years

Education: Bachelor's degree in Accounting, Chulalongkorn University

Position in the Audit Firm: Partner

Auditing Experience:

- Nam Seng Insurance Public Company Limited
- LMG Insurance Public Company Limited
- Bangkok Life Assurance Public Company Limited
- MBK Public Company Limited



Share holding in the company None

- Being the close relative to the executive or the major shareholders of the Company or the

Subsidiary Company No

- Having the relationship in the following nature to the Company or the Subsidiary Company or

Juristic person which may have a conflict in current year or in the past 2 years No

-Being the director who participates in the management of works, employees and staff or being a

consultant who receives monthly salary No

-Having business relationship (such as buying/selling raw materials/goods/service,borrowing/lending) No



Biographies of the proposed Auditor
(Supporting document for consideration of agenda 7)

Name: Ms. Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

Age: 47 years

Education: Master of Business Administration, Assumption University
Master of Science in Finance, Thammasat University

Position in the Audit Firm: Partner

Auditing Experience:

- LH Financial Group Public Company Limited
- Land and Houses Securities Public Company Limited
- Land and Houses Bank Public Company Limited
- United Overseas Bank (Thai) Public Company Limited
- Bangkok Insurance Public Company Limited
- Thai Reinsurance Public Company Limited
- Indara Insurance Public Company Limited
- Nam Seng Insurance Public Company Limited



Share holding in the company None

- Being the close relative to the executive or the major shareholders of the Company or the
Subsidiary Company No

- Having the relationship in the following nature to the Company or the Subsidiary Company or
Juristic person which may have a conflict in current year or in the past 2 years No

-Being the director who participates in the management of works, employees and staff or being a
consultant who receives monthly salary No

-Having business relationship (such as buying/selling raw
materials/goods/service,borrowing/lending) No



Biographies of the proposed Auditor
(Supporting document for consideration of agenda 7)

Name: Ms. Narissara Chaisuwan
Certified Public Accountant (Thailand) No. 4812

Age: 46 years

Education: Master Degree in Business Administration,
Thammasat University

Position in the Audit Firm: Partner

Auditing Experience:

- Bangkok Health Insurance Plc.
- MBK Life Assurance Plc.
- Road Accident Victims Protection Co., Ltd.
- Sampo Insurance (Thailand) Plc.
- The Deves Insurance Plc.
- Tune Insurance Plc.



Share holding in the company None

- Being the close relative to the executive or the major shareholders of the Company or the
Subsidiary Company No

- Having the relationship in the following nature to the Company or the Subsidiary Company or
Juristic person which may have a conflict in current year or in the past 2 years No

-Being the director who participates in the management of works, employees and staff or being a
consultant who receives monthly salary No

-Having business relationship (such as buying/selling raw
materials/goods/service, borrowing/lending) No

Definition of Independent Director

Thaivivat Insurance Public Company Limited has specify the qualification of “Independent Director” **same as** the minimum requirement rules as per the Notification of Capital Market Supervisory Board Tor Jor. 4/2009 which are as under:

1. Holding share not more than 1 percent of total voting rights of the company, its parent company, subsidiary, associated company, major shareholder or controlling person of the company, which shall be inclusive of the shares held by any related persons.
2. Never or used to be an executive director, an employee, a staff member, a salary-based consultant, or a controlling person of the company, its parent company, subsidiary, associated company, subsidiary company in the same level, major shareholder or controlling person of the company, unless the foregoing status has ended for more than 2 years. This is not applied to the independent director who used to be a government officer or consultant of the government organization which hold the company’s shares as majority or a controlling person of the company.
3. Do not have any blood relation or any register by laws in term of father, mother, spouse, sibling and children, including the spouse of a child of the executive management, major shareholder, controlling person or the person who might be appointed to be management or the controlling person of the company or its subsidiary
4. Never or used to have business relationship with the company, its parent company, subsidiary, associated company, major shareholders or the controlling person of the company which may disrupt his or her independent discretion and never or used to be a substantial shareholder or a controlling person of any person who has business relationship with the company, its parent company, subsidiary, associated company, major shareholder or controlling person of the company, unless the foregoing relationship has ended for more than 2 years.
The aforementioned of the business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing asset as collateral, including any other similar actions, which result in the company or counterparty being liable to indebtedness payable to the other party in amount of 3 percent or more of the net tangible assets of the company or 20 million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transaction under the Notification of the Capital Market Supervisory Board concerning regulations in respect of an entering into connected transaction *mutatis*. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which such a business relationship with the person commences.
5. Never or used to be an auditor of the company, its parent company, subsidiary, associated company, major shareholder or controlling person and not being a substantial shareholder, controlling person or partner of an audit office which employ auditor of the company, its parent company, subsidiary, associated company, major shareholder or the controlling person of the company are belong to, unless the foregoing relationship has ended for more than 2 years.
6. Never or used to be any professional adviser, including a legal advisory and financial advisory who receives an annual service fee exceeding 2 million baht from the company, its parent company, subsidiary, associated company, major shareholder or controlling person of the company, and also not being a substantial shareholder, controlling person or partner of such professional adviser, unless the forgoing relationship has ended for more than 2 years.
7. Do not be the director who has been appointed as a representative of the company, major shareholder or the shareholder related to the company’s major shareholder.
8. Do not undertaking any business the nature of which is the same as that of the company and its subsidiaries and which, in any material respect, is competitive with business of the company and its subsidiaries or not being a substantial partner in the partnership or a director who is participate in the management, an employee, a staff member, a salary-based consultant or holding shares more than 1 percent of total voting rights of a company undertaking any business the nature of which is the same as that of the company and its subsidiaries and which, in any material respect, is competitive with business of the company and its subsidiaries.
9. Do not have any characteristics that cannot make the independent opinion regarding the company’s operation.



Documents and evidence required for registration of the shareholders meeting attendance:

Proxy and Voting Procedures in the Shareholders Meeting
and Shareholders Meeting Attendance Procedure

1. Proxy Procedure

The company has sent a proxy form as prescribed by the Department of Business Development, Ministry of Commerce, to any shareholder who is unable to attend the ordinary meeting of shareholders no. 25/2018 in person may appoint a proxy in accordance with the follows manners:

- 1) The shareholder may appoint any person according to its intention or appoint any independent directors of the company as a proxy by specifying name and details of the person to whom the shareholder wishes to grant a proxy. The shareholder can appoint only one proxy holder to attend the meeting;
- 2) A 20 Baht duty stamp shall be affixed, crossed out and dated the date of execution of such proxy for validly and legally binding effect;
- 3) submit a proxy form to the company's office within the 15 of April 2018 or at least thirty minutes before the commencement of the meeting so as to allow the company officers to verify such documents before the meeting starts. In any case, regardless of the number of the company's shares held by any shareholder, the shareholder shall not execute a proxy more than one copy or grant a proxy to several proxy holders.

2. Registration prior to the meeting

The company will start the registration of attendance no less than 1 hour prior to the commencement of the meeting or from 14.00 hours, at head office of THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED, located at 71, Dindaeng Road, Samsennai Sub-district, Phayathai District, Bangkok as shown in the map of the meeting venue enclosed.

3. Presentation of documents prior to the meeting

The meeting attendees shall present the following documents (as the case may be) prior to the meeting:

3.1 In case of individual

3.1.1 If the shareholder attends the meeting in person, the shareholder shall present a valid documents issued by governmental agencies, such as identification card, civil servant identification card, driving license or passport, and if there is any change of name-surname , document relating thereto shall be presented.

3.1.2 If the proxy holder attends the meeting, the following documents shall be presented:

- (1) any of proxy forms as enclosed with the notice of meeting signed by the proxy grantor and proxy holder;
- (2) copies of official documents of the shareholders issued by governmental agencies as specified in clause 3.1.1 with "certified true copy" by such shareholders;



(3) official documents of the proxy holders issued by the governmental agencies as specified in clause 3.1.1

3.2 In case of Juristic person

3.2.1 If the shareholders representative (director) attends the meeting in person,

(1) official documents of the shareholders representative issued by governmental agencies as specified in clause 3.1.1 for individual;

(2) copies of company registration certificate of the shareholders and certified true copies by the juristic person representative (director) and specified a statement indicating that such juristic person representative attending the meeting has been authorized to act on behalf on such shareholders in the capacity of juristic person;

3.2.2 If a proxy attends the meeting,

(1) any proxy forms as enclosed with the notice of meeting signed by juristic person representative (director) acting as proxy grantor and proxy holder;

(2) copies of company registration certificate of the shareholders and certified true copies by the juristic person representative (director) and specified a statement indicating that such juristic person representative who signed the proxy has been authorized to act on behalf of such shareholders in the capacity of juristic person;

(3) certified true copies of official documents of the juristic person representative (director) acting as a proxy grantor as specified in clause 3.1.1;

(4) official documents of the proxy holder issued by governmental agencies as specified in clause 3.1.1 for individual;

3.3 In case of the shareholder is a non-Thai nationality or a juristic person registered under foreign laws

The same set of documents as specified in previous section shall be prepared and presented. Any original documents which are not made in English shall be translated into English and certified correct translation by the shareholder or the juristic person representative as additional attachment.

4. Voting

4.1 Voting Rules

(1) Each shareholder is entitled to votes equal to the number of shares held. One share is equal to one vote. A vote shall be made as “approve”, “disapprove” or “abstain”. Partial vote is prohibited.

(2) In case of casting a vote by proxy, a proxy holder shall cast a vote in accordance with the intention of the shareholder as specified in the proxy only. If the proxy grantor has not specified its intention regarding a vote in the proxy, or it is specified unclearly, the proxy holder is entitled to determine and cast a vote on behalf of the proxy grantor.

(3) A resolution of the meeting shall comprise the following votes:

a) In normal case, a majority of vote shall be a resolution of the meeting.

b) In other cases where laws or Articles of Association of the company specify otherwise, it shall proceed with such provision. The chairman or any person designated by chairman shall inform shareholders in the meeting before casting a vote for each agenda.



(4) In case of equality of vote, the chairman of the meeting shall have a casting vote.

(5) Any shareholder who has special interest in any matter shall have no right to vote on such matter and the chairman of the meeting may request such shareholder to leave the meeting temporary.

(6) A secret vote shall be made if requested by at least 5 shareholders and the meeting has granted a resolution to do so. In this regard, the chairman of the meeting shall determine a procedure for secret vote and inform the meetings thereof before casting a secret vote.

4.2 Voting procedure for each agenda

The chairman or any person designated by chairman shall propose the shareholders to cast a vote for each agenda by show of hands, by asking the meeting that whether shareholder disapproves or abstains in accordance with the following voting procedures:

(1) In case where shareholder attends the meeting in person

If any shareholder disapproves or abstains from voting, such shareholder shall show his hands and mark “disapprove” or “abstain” in voting confirmation ballots as distributed to shareholders at meeting attendance registration process and sign his name, and the company officers shall collect such voting confirmation ballots for further counting purpose.

For any shareholder who does not show his hands in the meeting, it shall be deemed that such shareholder votes “approve” as proposed by the board of director.

(2) In case where a proxy holder attends the meeting

A) A vote for each agenda marked by the shareholder in the proxy form which has been submitted by the proxy holder to the company officer at meeting attendance registration process shall be counted in considering of meeting resolution. A proxy hold is not required to cast a vote in voting ballot.

B) If the shareholder does not specify his intention to vote in the proxy form or his intention is specified unclearly, the proxy holder is entitled to determine and cast a vote on his behalf by following the manners as specified in clause 4.2 (1).

4.3 Vote count and announcement of vote result

At each agenda of the meeting, a vote shall be counted by deducting a vote for disapproval and abstain from voting from total shares of shareholders/proxy holders attending the meeting and having a right to vote, and a vote result for each agenda shall be announced to the meeting regarding the number of votes for approval, disapproval or abstain from voting.



The Independent directors whom are dominated to be a proxy from the shareholders



Mr. Phisit Setthawong

Address 31 Inthamara 24 Din Daeng, Bangkok 10400
Date of Birth March 18, 1945
Age 72 Years
Nationality Thai
Present Position Independent Director , Chairman of the Audit Committee and Chairman of Nomination and Remuneration Committee

Education background / Training course

B.A. Commerce and Accountancy (with honors), Chulalongkorn University
 M.A. and Ph.D. Economics, Michigan State University, U.S.A.
 Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

Work Experience

Deputy Permanent Secretary, Ministry of Commerce
 Director-General, Department of Internal Trade
 Consultant, Innovation Center Co., Ltd.
 Consultant to Director, The Agricultural Futures Exchange of Thailand

Director position of Thaivivat Insurance Public Co., Ltd.

Director Position

Independent Director (as the company's definition of independent director)
 (appointment – renewal, October 28, 2005 – present)

Chairman of Audit committee

(appointment – renewal, April 5, 2012– present)

Chairman of Nomination and Remuneration Committee

(appointment – renewal, August 11, 2016– present)

Executive position None

Number of year being as director 11 years 5 months

Share holding in the company None

Legal matters in dispute No contentious case in past 5 years



Other current position None

- Being the directors / executives in other businesses which may generate conflict of interest with the Company **No**

- Being the close relative to the executive or the major shareholders of the Company

No

or the Subsidiary Company

- Having the relationship in the following nature to the Company or the Subsidiary

No

Company or Juristic person which may have a conflict in current year or in the past 2 years

(1) Being the director who participates in the management of works, employees and

No

staff or being a consultant who receives monthly salary

(2) Being service provider for professional matter (such as auditors or legal advisor)

No

(3) Having business relationship (such as buying/selling raw materials/goods/service,

No

borrowing/lending)

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment – renewal, October 28, 2005)

	Presented	Held
2015	6	6
2016	6	6
2017	6	6

Meeting attendance for Audit committee (appointment – renewal, April 5, 2012)

	Presented	Held
2015	4	4
2016	5	5
2017	6	6

Meeting attendance for Nomination and Remuneration committee (appointment August 11, 2016)

	Presented	Held
2016	1	1
2017	1	1

Being Stakeholders in the proposed agenda for the meeting on 25/2018

This Independent director whom are dominated to be a proxy from the shareholders have no interest in the proposed agenda of the meeting in any way except Agenda 5 To consider and determine the Pensions of director committee.



The Independent directors whom are dominated to be a proxy from the shareholders



Mrs. Pilai Piumpongsarn

Address 77 Charan Sanitwong 63 Road, Bang bamru, Bang Phlat, Bangkok 10700
Date of Birth April 2, 1936
Age 82 years
Nationality Thai
Present Position Independent Director, Audit Committee, Nomination and Remuneration Committee

Education background / Training course

B.A. Commerce and Accountancy, Chulalongkorn University
 Certified Public Accountant (CPA) Thailand (CPA. No 2336)
 Certified Internal Auditor (CIA) with honors from The Institute of Internal Auditor, (CIA No.30861)

Work Experience

Assistant Governor of Finance and Accounting, Electricity Generating Authority of Thailand
 Director in charge of associated companies under The Electricity Generating PCL.
 Audit Committee, Metro Star Property Public Co., Ltd.
 Chairman of Audit Committee, Crown Seal Public Co., Ltd.
 Chairman, Audit and Management Consultant Co., Ltd

Position of Thaivivat Insurance Public Co., Ltd.

Director Position

Independent Director (as the company's definition of independent director)
 (appointment – renewal, June 2, 1999– present)

Audit committee

(appointment – renewal, February 23, 2009– present)

Nomination and Remuneration Committee

(appointment , August 11, 2016– present)

Executive position none

Number of year being as director 18 years

Share holding in the company none

Legal matters in dispute No contentious case in past 5 years

Other current position

Chairman of Audit Committee, Crown Seal Public Co., Ltd.

Chairman, Audit and Management Consultant Co., Ltd

Number of TVI share held None

- Being the directors / executives in other businesses which may generate conflict of interest with the Company. **No**

- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company **No**

- Having the relationship in the following nature to the Company or the Subsidiary Company or Juristic person which may have a conflict in current year or in the past 2 years

(1) Being the director who participates in the management of works, employees and staff or being a consultant who receives monthly salary. **No**

(2) Being service provider for professional matter (such as auditors or legal advisor) **No**

(3) Having business relationship (such as buying/selling raw materials/goods/service, borrowing/lending) **No**

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment – renewal, June 2,1999)

	Presented	Held
2015	4	6
2016	5	6
2017	5	6

Meeting attendance for Audit committee (appointment – renewal, February 23,2009)

	Presented	Held
2015	4	4
2016	5	5
2017	6	6

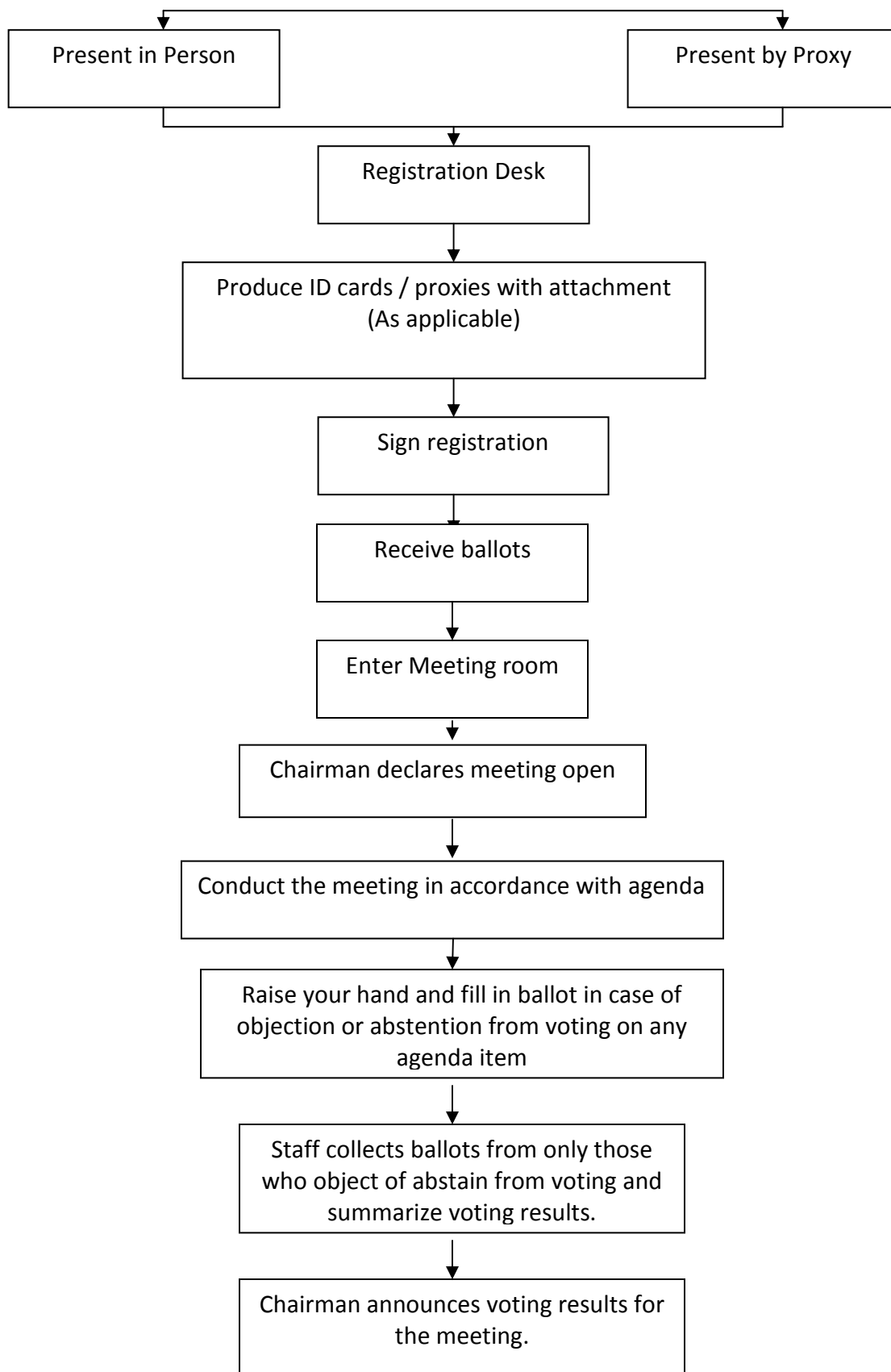
Meeting attendance for Nomination and Remuneration committee (appointment August 11, 2016)

	Presented	Held
2016	1	1
2017	1	1

Being Stakeholders in the proposed agenda for the meeting on 25/2018

This Independent director whom are dominated to be a proxy from the shareholders have no interest in the proposed agenda of the meeting in any way except Agenda 5 To consider and determine the Pensions of director committee.

Procedures for Attending Annual Meeting of Shareholders



Chapter 5 General Meeting of Shareholders

Article 27. The Board of Director shall arrange for an annual ordinary meeting of shareholders within 4 months from the last day of the fiscal year of the company.

Meetings other than that mentioned above shall be called extraordinary meetings. The Board of Director may call an extraordinary meeting of shareholders whenever the Board deems appropriate, or the shareholders holding not less than one-fifth of the total number of shares sold or shareholders of not less than 25 in number whose shares are in total not less than one-tenth of the total number of shares sold, may submit a written request signed by them to ask the Board of Directors to call an extraordinary meeting of shares at any time, provided that they shall clearly state their reasons in such written request.

Article 28. In calling a general meeting of shareholders, the Board of Directors shall send notices of the meeting specifying the place, date, time and agenda of the meeting, as well as the subject matters to be submitted to the meeting with reasonable details, and clearly stating which one will be for information, for approval or for consideration, as the case may be, together with the justification of the Board of Director on such matters, and shall send notices to the shareholder and the registrar for their information not less than 7 days before the date of meeting. Furthermore, publication of notices calling a meeting shall also be made in a newspaper for a period of 3 consecutive days, which shall end not less than 3 days before the date of meeting.

Article 29. At a general meeting of shareholders, there shall be shareholders and proxies (if any) present at the meeting in a number of not less than 25 persons or not less than half of the hotel number of shareholders and such shareholders shall holder shares totaling not less than one-third of the total number of shares sold, in order to constitute a quorum.

In the event that after 1 hour from the time fixed for any general meeting of shareholders, the number of shareholders present is still inadequate to form a quorum, and if such general meeting of shareholders was requested by the shareholders, such meeting shall be cancelled. If such meeting of shareholders was not called by the shareholders' request, the meeting shall be called again, and, in this case, notices calling the meeting shall be sent to shareholders not less than 7 days before the meeting. In the second meeting, a quorum is not required.

Article 30. The chairman of the Board shall be the chairman of the general meetings of shareholders. If the chairman is absent or is unable to discharge his duties, and if a vice-chairman is present, he shall act as chairman. If there is no vice-chairman or if the vice-



chairman is not able to discharge his duties, the shareholders shall elect one among themselves to be chairman of that general meeting.

In casting a vote, the shareholders shall have votes equal to the number of shares held by them and one share is entitled to one vote.

Voting shall be mad openly, unless at least five shareholders request a secret vote and the meeting resolves accordingly. The method for the secret vote shall be stipulated by the chairman of the meeting.

Article 31. A resolution of the meeting of shareholders shall be made by the following votes:

(1) in an ordinary event, the majority vote of the shareholders who attend the meeting and cast their votes. In case of an equality of votes, the chairman of the meeting shall have an additional vote as a vesting vote;

(2) in the following cases, a vote of note less than three-fourths of the total number of votes of shareholders who attend the meeting and have the right to vote:

(a) the sale or transfer of the whole or essential part of the business of the company to other persons;

(b) the purchase or acceptance of transfer of the business of other companies or private companies by the company;

(c) an executing, amending or terminating of contracts with respect to the granting of a hire of the whole or essential part of the business of the company, the entrustment of the management of the business of the company to any other person or the amalgamation of the business with other persons with the purpose of profit and loss sharing;

Article 32. The annual ordinary general meeting of shareholders shall consider the following matters:

(1) consideration of the report of the Board of Directors concerning the company's operating performance during the preceding year;

(2) consideration and approval of the balance sheet;

(3) consideration of the profit allocation;

(4) election of the directors in place of those directors retiring by rotation;

(5) appointment of an auditors and determination of remuneration;

(6) other matters.

