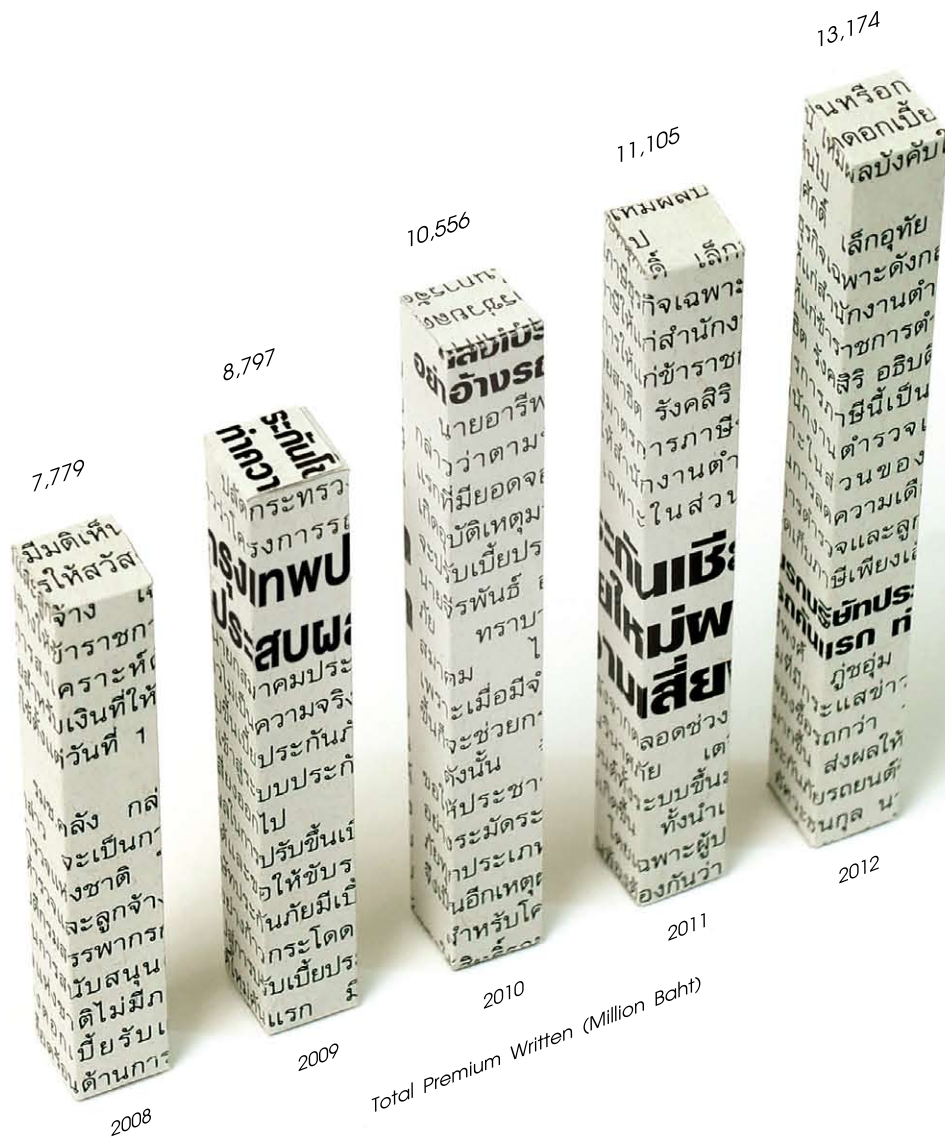




ANNUAL REPORT 2012
BANGKOK INSURANCE PUBLIC COMPANY LIMITED



Vision

Bangkok Insurance aims to be the most preferred
non-life insurer in Thailand

We will sustainably grow our business through:

- Financial Soundness
- Diversified Product Ranges
- Customer Centricity

With due emphasis on:

- Enterprise-Wide Risk Management
- People and Technology Capabilities
- High Standard of Corporate Governance and Social Responsibility

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Your Concern

It happened so fast and things got out of control.
Suddenly, I lost everything.



Our Concern

Because we understand how an emergency can bring about a sudden loss, we are always prepared to provide advice to our customers and take care of them the best we can in every situation to ensure that they feel secure and worry-free.



FINANCIAL HIGHLIGHTS

	2012	2011	Change	2012
For The Year	(Baht'000)	(Baht'000)	%	(USD'000)
Premium Written	13,174,316	11,104,916	18.6	430,089
Income on Underwriting	(1,501,042)	(482,141)	211.3	(49,003)
Operating Expenses	668,436	616,934	8.3	21,822
Contribution and Finance Cost	64,890	50,801	27.7	2,118
Net Underwriting Profit (Loss)	(2,234,368)	(1,149,876)	94.3	(72,943)
Net Investment Income	2,941,573	1,592,522	84.7	96,031
Income before Income Tax	707,205	442,646	59.8	23,088
Income Tax	81,440	390,621	(79.2)	2,659
Net Income	625,765	52,025	1,102.8	20,429
At Year - end				
Unearned Premium Reserve	5,920,355	5,051,044	17.2	193,276
Shareholders' Equity	22,394,513	18,276,217	22.5	731,092
Per Share				
			(Baht)	
Basic Earnings Per Share	8.23	0.68	1,102.8	-
Ordinary Share (Shares)	76.05 Million	76.05 Million	-	-
Dividends	12.00	12.00	-	-
Book Value	294.47	240.32	22.5	-
Market Price (High-Low)	295-220	266-195	-	-
Market Price at Year-end	292	220	32.7	-

USD 1 = Baht 30.6316

GBP 1 = Baht 49.3458

EUR 1 = Baht 40.5563

JPY 100 = Baht 35.4531

MESSAGE FROM THE CHAIRMAN OF THE ADVISORY BOARD

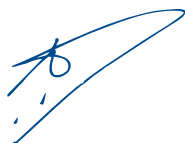


After enduring the great flood in late 2011, the household sector has gradually repaired the damage sustained by their properties and residences. Similarly, the business and industry sectors have accelerated a revival of their enterprises by investing in new equipment and machinery so that business can resume as soon as possible. In this regard, the financial institution has assisted in shoring up financial liquidity through proposing low interest rates and lenient credit. These significant driving forces, coupled with the increasing domestic demand stimulated by such government policies as focusing on increased public income and reduced spending, a minimum wage increase, a salary raise for government officials with a bachelor degree, the rice pledging scheme, and a tax return for those buying their first house or car, have all boosted the Thai economy in 2012 and helped it recover to a satisfactory extent.

The Office of the National Economic and Social Development Board (NESDB) has projected a growth rate of 6.4 percent for the Thai economy in 2012, and anticipates that the Thai economy will grow continuously in 2013 via such supporting factors as the private sector's expanding consumption and investment, including the special reinforcement incurred by the government's spending on constructing infrastructures in order to increase the country's competitiveness potential to counter approaching ASEAN economic growth. Nevertheless, the volatile global economy due to the European countries' chronic public debts and America's fragile economy, trading partners' economic slowdown, as well as natural disasters that may break out at any time, are still important risk factors which the business sector should not overlook.

Bangkok Insurance Public Company Limited has realized possible opportunities and risks and is therefore determined to develop and introduce high quality non-life insurance products covering all types of risks that may have an impact on customers' business transactions, lives and assets. The Company has an efficient policy on underwriting and reinsurance allocation, apart from emphasizing an expansion of services to cover all regions by increasing the Company's branches, including giving priority to the development of personnel potential so that staff possess more knowledge and skills and can provide the best service and retain customers' preference throughout.

On behalf of the Chairman of the Advisory Board of Bangkok Insurance Public Company Limited, I would like to take this opportunity to express my utmost gratitude to all of the Company's benefactors, whether shareholders, customers, or business partners and allies, for their steady confidence and trust in the Company and their endless support for its operations. Finally, I would also like to thank the Company's management and all our employees for their quality work, causing the Company's financial results to be higher than targeted, besides creating steady financial standing and a high reputation within the non-life insurance circle.



(Mr. Chatri Sophonpanich)

MESSAGE FROM THE CHAIRMAN



The Thai economy in 2012 had apparently recovered from a great deluge in late 2011, with an expansion of 18.9 percent in the final quarter of the year, and an entire economic expansion of 6.4 percent in the same year, compared to the previous year which achieved only 0.1 percent growth, resulting in the overall non-life insurance industry's direct premium written growth of 29.3 percent in 2012, the highest growth rate in the past 19 years. Motor premium and miscellaneous premium experienced a high growth rate of 25.5 percent and 38.3 percent, respectively, as a consequence of the government's economy-stimulating policy, particularly the first-car policy, which made the total car sales in the country the highest ever recorded, amounting to 1.43 million cars, or 80.7 percent growth. Furthermore, there was an adjustment of a higher property premium rate due to reinsurance companies' request for an adjustment of flood premium.

The Company's total written premium for 2012 attained a satisfactory growth rate, standing at Baht 13,174.3 million, a rise of 18.6 percent. Nevertheless, in 2012, the Company still had claims expenses incurred by the great flood in 2011, resulting in a loss of Baht 2,234.4 million from its underwriting. However, when combined with earnings of Baht 2,941.6 million from investment, the Company's earnings before tax were Baht 707.2 million, while its net income was Baht 625.8 million, an increase of 1,102.8 percent, or earnings per share of Baht 8.23, compared to Baht 0.68 in the previous year. The Company's Board of Directors has approved a final dividend payment of Baht 3.75 per share for the year 2012. However, during the past three quarters, the Company has already made three interim dividend payments of Baht 2.75 per share. Therefore, in 2012, the total dividend payment was Baht 12 per share, equivalent to that of 2011.

Nonetheless, though the Company was tremendously impacted by the great flood in 2011, it still possesses robust financial standing, with the Capital Adequacy Ratio (CAR), as at the end of September 2012, of over 295.0 percent, which is higher than the minimum criterion defined by law at 125.0 percent. In fact, the Standard and Poor's (S&P) Institution has ranked the Company's financial reliability with the score of A-/Negative/-- (as at October 22, 2012), a rise from 2011, with the score of A-/Watch Negative/-- following the Institution's consideration of the flood impact and finding that it has had little effect on the Company's financial standing,

reflecting its competitiveness and robust financial status, as well as readiness to counter a crisis. Furthermore, the Company was awarded "The Most Outstanding Non-Life Insurance Company" because it had been presented with "The Outstanding Non-Life Insurance Company of the Year" for 3 consecutive years. Likewise, it was also awarded "The Top Corporate Governance Report Awards" for the second year in a row.

Regarding social activities, the Company has steadily given importance to them, as well as constantly and sustainably implementing them. In 2012, the Company's public-minded staff or BKL Care Club took part in activities helping people suffering various disasters both in Bangkok and the countryside, including cooperating with Bumrungrad Hospital and Bangkok Life Assurance Public Company Limited in carrying out such activities for public interest as the rehabilitation of historical sites and the preservation and revival of nature under the "Bhappy3" project.

On behalf of the Chairman of the Board of Directors, I would like to extend my sincere thanks to our customers, partners, shareholders and business allies for their steady confidence and trust in the Company, as well as their endless support to it, enabling it to well survive crises once again. I would also like to sincerely thank all the Company's management and employees for their concerted efforts and cooperation, and for performing to the best of their ability, which enabled the Company to finish making a claims payment to nearly 10,000 personal customers within early 2012. I am also confident that whatever the severity of the crisis may be, all the Company's management and employees will collectively dedicate their physical and mental efforts in successfully taking the Company through impediments and challenges.



(Mr. Chai Sophonpanich)

Your Concern

In my everyday life, I'm always rushing around the streets. Risks resulting from unexpected events can happen at any time.



Our Concern

For us, convenient and speedy service is key. That's why modern technology is used to help us cater to our customers' varied lifestyles.



THE THAI NON-LIFE INSURANCE INDUSTRY IN 2012 AND OUTLOOK FOR 2013

Marketing and Competition Marketing Strategies

In 2012, most insurance companies concentrated mainly on the expansion of motor insurance due to the government's policy on a tax return for those buying their first car, particularly a small car with an engine of not more than 1,500 c.c. This was coupled with the revival of car production factories damaged by the great flood in late 2011, which resumed the production of cars again in response to pile-up purchasing orders made since 2011, resulting in the high growth of total motor sales in 2012 of 1.43 million cars, the highest growth ever recorded. Furthermore, owners of old cars who did not buy voluntary motor insurance began to give more importance to buy motor insurance since they realized the flood risk. Similarly, a number of insurance companies had also issued the Third Party Liability Fire and Thief and Third Party Liability Motor Insurance including flood coverage as an alternative for consumers. Based on the aforementioned factors, it was estimated that the total direct premium written for motor insurance amounted to not less than Baht 100,000 million in 2012, a growth rate of about 20.0 percent.

Bangkok Insurance Public Company Limited has constantly expanded its motor insurance market through a significant channel of sale via dealers, finance institutions, agents and brokers. In addition, the Company also gives priority to the continuous expansion of personal line business through such distribution channels as Telemarketing, counters of Bangkok Bank branch offices, service points of BKI Care Stations located in leading department stores, and the Internet. Likewise, the Company has improved and developed both its distribution channels and insurance policies so that they are more appropriate for each group of customers, for instance, the Internet channel, which has begun to sell policies in Uber Mall (www.ubermall.in.th), an online department store with 200,000 members which mainly focuses on a new generation of customers aged between 25 and 35 years. In 2012, the Company's micro office was raised to a full-scale office, while 3 more offices were expanded upcountry in order to be able to extend the customer base in the province and enhance the efficiency of providing a claims service to customers. Besides, the Company has also improved its work procedures in order that they are briefer and more compact, with a hope that customers will receive more convenient and rapid services in both the underwriting and provision of a claims service, apart from supporting the Company's business partners in using a modern work system to connect with the Company's work system, which is aimed at a more convenient and faster service for customers.

Competition in 2012

In 2012, a total direct premium written for the non-life insurance industry achieved a growth rate of 29.3 percent, especially miscellaneous insurance, which attained a growth rate of 38.3 percent due to a significant increase in the property premium rate in the wake of the great flood in 2011, coupled with the general public's greater realization of the importance of buying an insurance policy covering natural disaster risks. Meanwhile, motor insurance premium expanded by 25.5 percent owing to the government's first-car policy, as well as people's pile-up need to buy cars since the flooding incident in the fourth quarter of the previous year. Additionally, the great flood in 2011 resulted in a tremendous rise in property premium since the reinsurance companies had requested for an adjustment of flood premium and asked for stricter underwriting conditions.

The overall competition among non-life insurance companies in 2012 was not much different from 2011. Companies continued to expand their work through the same channels, for example, agents, brokers and financial institutions, while focusing on branch expansion, both full-scale branches and service centers in department stores, to gain access to as many personal customers as possible. These companies concentrated on extending their work on motor insurance because of a high growth of total motor sales, as well as a high and constant growth rate of personal accident insurance and health insurance. Nonetheless, marketing innovations and new technologies prevalent in the year before, for instance, a sale of policies via mobile phone or a debit card including health insurance that can be used in hospitals across the country, were rarely introduced into the market this year since insurance companies all have a burden of dedicating their efforts and resources to behind-schedule claims payment services following the great flood in late 2011.

Bangkok Insurance Public Company Limited continues to implement a policy based on the conservative principle for the expansion of its work, through an accumulated risk analysis in each area to find out how many cases of the underwriting there are, including the financial amount of total accumulated risks, of which, when the maximum amount defined is reached, the Company will avoid the underwriting in that area. Moreover, the Company has obviously separated the risk zone for each class of risk, such as flood area and earthquake area, so that it will be able to define appropriate premium rates. Similarly, the Company has also limited the coverage amount for some classes of risks in order to avoid bearing too much burden of claims, for instance, covering on 10 percent of the coverage amount of flood risks, compared to an earlier full amount.

In addition, the Company has steadily improved and developed its services, particularly the claims service, by increasing channels for reporting motor claims via an application on iPhone and Android mobile phones, in compliance with the behavior of consumers turning more and more to use smart phones.

In 2012, the Company's total direct premium written achieved 22.8 percent growth, higher than the target growth defined at 16.0 percent, due mainly to a continuous extension of its personal customer base from the previous year, leading to a high and constant growth rate of motor premium, personal accident premium and health premium, coupled with a significant rise in assets premium on account of the impact of flood risks.

The Company's Direct Premium Growth Rate Compared to the Market over the Past 3 Years

		(Baht : Million)	
	2012 (Preliminary) (Before Improvement)	2011	2010
Bangkok Insurance Public Company Limited			
Premium written	12,432.9	10,123.3	9,633.8
Growth Rate (%)	22.8	5.1	23.0
Non-Life Insurance Market			
Premium written	179,459.0	138,760.0	125,086.6
Growth Rate (%)	29.3	10.9	13.7

The Company's Market Share over the Past 3 Years

						(%)
Types of Insurance	Order	2012 (Jan - Nov) (Preliminary) (Before Improvement)	Order	2011	Order	2010
Fire	2	12.6	1	12.7	1	12.7
Marine	6	6.4	3	8.0	3	7.9
Motor	4	4.9	3	5.2	3	5.2
Miscellaneous	2	9.5	2	10.0	2	11.5
Total	3	6.9	3	7.2	3	7.7

Note: Data in 2012 is OIC's preliminary data as at February 28, 2013

Industry Outlook and Competition in 2013

The Thai economy in 2013 has a trend of constant growth. It has been projected that the principal driving forces are domestic consumption and investment, stemming from the private sector's rather high expansion of both consumption and investment, the government sector's spending in various projects in accordance with its long-term water management plan, investment in infrastructure, as well as such other economy-stimulating measures as the first-car policy, which caused a significant increase in a total reservation of new vehicles in 2012, most of which are still under production and scheduled for submission this year and are very likely to result in an immense growth of related businesses, such as those of motor spare parts production, insurance and credits. Moreover, the government's policy on the Baht 300 minimum wage paid equally throughout the country will also become effective in 2013, resulting in lower labour's increasing purchasing power. Furthermore, the political conflict and gathering of people protesting against the government, which have been a negative factor in the Thai economy throughout the past 5-6 years, have a significant improvement trend, which will have a positive consequence on both Thai and foreign investors' confidence.

Nevertheless, risk factors that may have an impact on the Thai economy in 2013 are, for example, chronic economic problems of Thailand's important trading partners, such as countries in the European Union, United States and Japan, despite an improvement trend, including an appreciation of the Baht due to an inflow of the capital, which may result in a slight growth of Thai exports. However, the Office of National Economic and Social Development Board (NESDB) has estimated an overall Thai economic growth of between 4.5 and 5.5 percent for 2013.

For the non-life insurance industry in 2013, it has been projected to achieve a constant growth, though at a diminishing rate, compared to the year before, while the Office of Insurance Commission (OIC) has estimated a 15.0 percent growth for the total direct premium written, as a consequence of a high comparison base for 2012. The declining growth also results from new cars from the government's first-car policy which are anticipated to be gradually made and submitted to customers within the first half of the year, possibly resulting in a slowdown of motor premium in the second half of the year, coupled with an adjustment of a lower property premium rate after reinsurance companies have significantly raised their flood premium following the great flood in 2011. Nevertheless, most entrepreneurs of the insurance business are still confident that the Company's financial results should be better than those of the previous year owing to a rising economic trend. However, due to the government's policy on raising workers' minimum wage, the car repair costs of garages, bound by a contract with the Company, will inevitably increase. Similarly, an adjustment of a higher medical treatment fee for state hospitals will also have an impact on claims for health insurance and personal accident insurance.

Ability to Maintain Ratios Based on Business Type

In 2012, the Company had a total written premium of Baht 13,174.3 million, with premium growth in nearly all classes of insurance, except hull and cargo insurance, which experienced a slight negative growth. The miscellaneous premium had a ratio of 46.1 percent of the total written premium, a rise from the year before, partly due to an adjustment of a higher premium rate of Industrial All Risks in the same direction as in the market, as a result of the great flood in the fourth quarter of 2011. For personal accident insurance, it could maintain a steady growth rate. Meanwhile, a total written premium for other classes of insurance, except miscellaneous insurance, accounted for 53.9 percent. Motor insurance witnessed a slightly lower ratio. Similarly, the fire premium also rose, coupled with an adjustment of a higher premium rate for customers who renewed their policy with coverage for flood risks.

Written Premium Classified by Types of Insurance

(Baht : Million)						
Type	2012	Distribution %	2011	Distribution %	2010	Distribution %
Fire	1,571.0	11.9	1,519.6	13.7	1,441.8	13.7
Hull	69.0	0.5	101.9	0.9	102.8	1.0
Cargo	368.2	2.8	406.4	3.7	354.1	3.3
Motor	5,099.7	38.7	4,325.0	38.9	3,893.5	36.9
Miscellaneous	6,066.4	46.1	4,752.0	42.8	4,763.5	45.1
Total	13,174.3	100.0	11,104.9	100.0	10,555.7	100.0

Concerning the Company's loss ratio in 2012, it was impacted by fire reinsurance, which were incurred by the great flood in late 2011, causing the overall loss ratio to increase to 91.0 percent, compared to 79.3 percent in 2011.

Loss Ratio on Underwriting

(Baht : Million)									
Type	2012			2011			2010		
	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)
Fire	1,152.4	3,498.4	303.6	1,064.4	1,860.2	174.8	1,129.5	375.4	33.2
Hull	17.4	6.9	39.7	16.8	16.1	95.8	12.6	4.2	33.3
Cargo	240.8	86.9	36.1	249.8	87.9	35.2	234.5	82.1	35.0
Motor	4,363.3	2,511.1	57.6	3,946.6	2,575.9	65.3	3,444.4	1,969.1	57.2
Miscellaneous	2,567.0	1,484.0	57.8	2,067.0	1,286.2	62.2	1,663.9	1,001.1	60.2
Total	8,340.9	7,587.3	91.0	7,344.6	5,826.3	79.3	6,484.9	3,431.9	52.9

RISK FACTORS

The insurance industry has its main income and returns from the underwriting business while the other part is derived from the Company's investments, both of which are significant and have a number of risks coming in parallel with them. Over the previous year, risks had emerged from a natural disaster, the great deluge in late 2011, which had an impact on 2012 in terms of claims payment and expenses on an arrangement for it, which have increased significantly and inevitably caused comprehensive damage worth a tremendous amount of money for the entire insurance industry. In addition, there has been the problem of global economic crisis in both the United States and European countries, which has had an impact on Asian economies, including Thailand's, particularly its exports which are the country's major driving force, though Thailand is, to a certain extent, able to move the export base from developed countries to the Asian region. This, of course, has affected investment due to the fluctuating capital market and low interest rates stemming from the government's softened fiscal policy. Accordingly, the aforementioned problems and impacts have reflected that the insurance industry has a number of risks, in both the Company's non-life insurance and investment sectors.

Nevertheless, the Company has fully realized the importance of risk management and has arranged for its risk management, as well as made a close scrutiny of the risks so that they remain at an acceptable level. Additionally, the Company has appointed a committee overseeing risks, both for its insurance business and investment, for instance, risk management committee, investment committee, underwriting committee, etc., as well as having risk management for its operating staff.

Details of risk factors which may have an impact on the Company's performance and operating consequences, including guidelines to manage them, are given below.

1. Insurance Industry Risks

1.1 Insurance Risks

Insurance risks are risks incurred by the Company's obligations to its customers or the insured. The risk is more worrisome if the Company bears more of the burden than it should, or does not define its premium rates in accordance with the real damage occurred, from which the severity and number are higher than those assumed for underwriting consideration.

The risks may come from inadequate reinsurance or too concentrated underwriting in any group. However, this type of risk can stem from the damage caused being far more than expected. A significant case in point was the great flood in late 2011, which brought about more extensive damage than anticipated, causing unprecedented immense damage to the Thai economy and the overall non-life insurance industry. This forced insurance companies to make claims payments to compensate for the damage incurred in an unusual amount, affecting the companies' performance consequences that may have an impact on their financial status, reflected through the loss ratio, which is a ratio between incurred losses that have to be paid as claims and an earned premium, which may rise to over 100 percent.

To minimize such risks, the Company has adopted prudent consideration procedures for underwriting and defined appropriate conditions of underwriting, including updating the information to adjust its insurance conditions and premiums in line with the underwriting risks. Furthermore, since current risks have changed, compared to the past, for any disaster that frequently occurs the Company will limit the maximum coverage amount for that disaster. Likewise, the Company has dispersed its risks from underwriting and transferred the risks to the reinsurance companies. Besides, the Company has arranged for the Excess of Loss Reinsurance Treaty, which is a significant tool for preventing and controlling underwritten risks, so as to avoid the volatility that may affect the Company's financial standing even though there is enormous damage incurred by an incident, or in the case of an immense catastrophe.

1.2 Counterparty Risks

- Reinsurance Risks

These refer to risks when disasters break out and the reinsurance companies cannot make claims payments for the Company as they are obliged to, which may be due to their insecure financial standing or the conditions of reinsurance that do not cover the damage. This causes the Company to bear the burden of making claims payments itself. In addition, there are also risks stemming from the expiry of a reinsurance contract which may occur when there is a long period of time for a damage survey and claims consideration, particularly in the case of tremendous and comprehensive damage, apart from risks incurred by the diminishing number of reinsurance companies which can tackle the job, due to their degraded credit rating, or by reinsurers' desire not to conduct underwriting, or do it but only in a limited amount.

The Company has also considered the financial status and credit rating of all reinsurance companies and purchased reinsurance policies from many trustworthy companies that are capable of reinsurance, which helps distribute the risks. Additionally, it has cautiously scrutinized the reinsurance conditions through its department that is well versed in the reinsurance business, including having its legal department consider legal issues, in order to minimize such risks.

- Difficulties in Premium Collection

For the insurance industry, the agent and broker are given convenience through the credit terms defined, during which they are allowed to be behind with their premium submission. Or sometimes the insured themselves do not pay their premium. In both cases, the Company may risk being unable to collect outstanding premiums, which finally become bad debts.

To minimize these risks, the Company requires the agent and broker to submit collateral within the specified credit limit allowed by the Company, apart from having an efficient process of closely following up its outstanding premiums.

2. Investment Risks

2.1 Credit Risks

Credit risks are those risks in which the value of the Company's assets diminishes because the securities issuers or the Company's contractual partners cannot abide by an agreement or obligation defined in a contract, for instance, the securities-issuing companies do not pay the interest or delay the payment, or their financial reliability ranking is degraded.

To manage such risks, the Company has carried out the following:

- For risks associated with providing loans, there is an analysis of the Company's debtors' ability to pay debt and their financial status based on a sound credit analysis standard. Meanwhile, Loan to Value will be determined so that it is not beyond the legal limit.
- For debt instruments, the Company will choose to invest in debt instruments issued by those with sound and stable financial status. In the case of the issuer of financial instruments being a private company, the Company will choose to invest in financial instruments of which the credit rating is not lower than the investment grade, which is in line with the notifications of the Registrar, and the Office of Insurance Commission (OIC) relating to the other business investments of non-life insurance companies.

2.2 Concentration Risks

Concentration risks are risks that the Company may suffer when it has invested too much in a company, a group of companies, or a class of assets without distributing the investment. Thus when there is a negative impact on such groups, it will create a high ratio of damage, compared to the Company's entire investment.

To manage these risks, the Company has reduced the concentrations of the capital risks by dispersing its investments across different industries and numerous types of assets. In this regard, the Company has constantly complied with the requirements relating to risks based on the criteria defined by the supervisory agencies.

2.3 Liquidity Risks

Liquidity risks are risks that may be incurred and result in the Company's inability to pay its debts or other obligations when they are due as the assets cannot be realized as cash, or adequate cash cannot be acquired, or sufficient cash can be acquired but at a high cost, for instance, a sale of the Company's assets at a much lower price than it should be.

The Company manages its liquidity risks by emphasizing investment in stocks required by the market, with high liquidity and an ability to be changed into cash conveniently, as well as at the value approximate to the fair value.

Furthermore, the Company has procured capital reserve sources, such as overdrawn amounts or short-term loans from commercial banks, including using the data on cash flow management, as well as financial reception and payment based on its obligations and commitments, enabling it to know the amount of cash to be used daily.

3. The Company's Other Risks

3.1 Market Risks

Market risks are risks stemming from the fluctuations of capital marketing factors, such as revaluation of non-marketable equity securities, as well as a change in the interest rates, exchange rates and commodity prices, resulting in a revaluation of assets values, debts and other obligations. The assets directly associated with market risks include equity securities, debt securities and unit trusts. However, market risks may relate to the Company's debts incurred by loans.

- Equity risks are those risks in which the values of equity securities may decrease due to the economic situation and the domestic stock markets, global economy conditions and fund flows, including the financial standing of other countries that are linked with Thailand through such channels as trading, from which there are a number of securities-issuing companies that export to and import from foreign countries.

- Interest Rate Risks are risks stemming from a change in the interest rates, which may be caused by such factors as the financial policy formulation of the Bank of Thailand and debt securities markets, resulting in a change in securities prices.

- Exchange Rate Risks are incurred by the fluctuation of exchange rates, which also causes the Company's assets values to fluctuate, particularly its investments in foreign countries, and makes the investment values in Baht currency volatile. The volatility of exchange rates may come from such domestic factors as inflation rates, including from the situations in foreign lands, which have an impact through such channels as a transfer of capital in the capital account, and the trade and service in the current account.

To minimize such risks, the Company has implemented the following risk management:

- For the revaluation on non-marketable equity securities, the Company will choose to invest in fundamentally sound equity securities of which the issuers possess sound financial status, with the capability of steady growth and competitiveness. Additionally, the Company will mostly occupy equity instruments for its long-term investments, which will be able to reduce price volatility of equity instruments.

- Concerning a change in interest rates, the Company has invested in securities which yield a return in the form of interest. The Company has closely followed up the direction of the interest and return rates in the market in order to define the investment duration in accordance with the fluctuation of interest rates. For example, the Company slows down its investment in long-term debt instruments when future interest rates are likely to rise. In addition, the Company also has a policy of occupying debt instruments until they are due so as to minimize the risks incurred by instrument price volatility, apart from managing its bank deposits so that they have due amounts every month and in an approximate amount, which helps reduce a reinvestment risk.

- In respect of the exchange rate, the Company may use financial instruments to prevent exchange rate risks, for instance, Cross Currency and Interest Rate Swap, Interest Rate Swap, or Foreign Exchange Forward, in order to minimize the risks in accordance with the market situation.

3.2 Strategic Risks

These refer to risks that arise from the formulation of strategic plans and their implementation which are not in accordance with the Company's internal factors such as its organizational structure and goals, including external factors, such as the economic condition and the competition, which may influence the Company's financial standing, investment fund and income.

Strategic risks are divided into 2 categories, namely, risks from economic fluctuations and business competition, and those from investment capital adequacy.

Strategic risks include total premium written not reaching the target planned, fierce competition from both domestic and foreign insurance companies, income ratio not living up to the plan, and too much dependence on premiums from one particular channel.

To minimize such a risk, the Company has mapped out and reviewed its strategic plans so that they are in compliance with external factors that continually change, including closely following up volatile economic factors. With respect to this, the Company has the Corporate Planning Division to take charge of this matter and summarize the Company's implementation of the strategic plan defined and, at an appropriate time, display the status of an achievement of the plans, as well as give a warning signal in order that the plans and strategic risk management can be timely adjusted. Similarly, the Company has overseen the status of its fund so that it remains at an appropriate level, with the ratio of the Company's fund to the fund to be maintained in compliance with the law being higher than the amount defined.

3.3 Operational Risks

These are risks that may stem from the unpreparedness, insufficiency or deficiency of the Company's work system, personnel, technology and internal operations, including legal risks and, sometimes, risks incurred by external factors.

To manage its operational risks, the Company has arranged for a sound internal control system, provided for a sufficient workforce qualified for each job description, procured experts for an efficient work system, as well as developed and improved its work system so as to keep pace with changes. Similarly, the Company has assigned all levels of its sections to be in charge of their own operational risk management, besides injecting knowledge and understanding of operational risks among its employees. Furthermore, it has initiated a system in which staff can work as substitutes for others when there is a shortage of principal staff to carry out their duties, whether temporarily or permanently, allowing for a smooth service for the Company's customers as well as its consistent business transactions and investments.

For the impacts and risks arising from external factors, the Company has formulated a business continuity plan which will enable it to reduce the risk impacts that may occur and allow it to carry on its business transactions in spite of being confronted with a crisis.

MAJOR PROGRESS IN 2012

Maintaining Supremeness for 3 Years in a Row

Bangkok Insurance Public Company Limited has maintained its supremacy for 3 consecutive years, leading it to be awarded "The Most Outstanding Non-Life Insurance Company" by the Office of Insurance Commission (OIC), thus the Company has received "The Outstanding Non-Life Insurance Company Award" for 2011, 2010 and 2009.

Superb Success with the SET AWARDS for 2 Consecutive Years

Bangkok Insurance Public Company Limited was awarded "The Top Corporate Governance Report Awards" in the SET AWARDS 2012 for the second consecutive year. The award is presented to a listed company outstanding for its report on performance based on the principle of good corporate governance, which is rated on a score of one to ten, the Company receiving a maximum score.

The Most Popular Insurance Website

Bangkok Insurance Public Company Limited received "The Most Visited Insurance Company Site Award" presented to the most popular website during the "Truehits.net Web Awards 2011" event. The Company's website at www.bangkokinsurance.com scored the highest popularity rating and was the most visited in the insurance section. This results from the fact that the Company has given importance to its service development which increases convenience and swiftness, with a wide coverage, for an insurance policy purchase, premium payment, online claims service, and notification of the Company's activity information, all of which can effectively satisfy customers' modern lifestyles.

BKI Opens New Branches to Cover the Entire Country

Bangkok Insurance Public Company Limited has constantly expanded its branches with an emphasis on convenience in providing advice on insurance, with a wide circle and more closely, in terms of underwriting and claims services, which enables the Company to reach its customers in all areas across the country. In 2012, the Company's micro office was raised to a full-scale office, While 3 more offices were expanded in Ratchaburi, Hua Hin, Trang, and Ayutthaya.

BKI Cyber Care Station - Insurance Service Point in Uber Mall

In the cyber world, where customers can be quickly reached, Bangkok Insurance Public Company Limited has developed a sale channel that can meet the demands of its customers at all times and places. In this connection, the Company has opened BKI Cyber Care Station in Uber Mall, a cyber department store and is the first non-life insurance company to do so. It is as if customers were able to use the service in the atmosphere of a true BKI Care Station in leading department stores, and are also able to communicate with the Company's staff all the time. Different menus will appear on the screen and various services may be chosen in the following zones:

- **Insurance Service Zone** is a service for providing different online insurance policies (CTA, PA, PA Happy45+, Cancer and Salaried Man Package). Customers can buy and pay premium online and immediately receive a policy. Similarly, they can request for motor claims online as well via the iClaim. Service on the Company's website.
- **Information Zone** is a service for providing detailed data of insurance goods and a contact with the Company's branches.
- **PR Zone** is a service for disseminating Company information, promotions and activities.
- **Coffee Zone** is a point of rest service for recreation activities and having fun through various games and activities.

In addition, the Company has also developed different forms of insurance policies for particular groups of customers who use services in an uber mall, for instance:



"The Most Outstanding
Non-Life Insurance Company"



"The Top Corporate Governance Report Awards"



"The Most Visited Insurance Company Site Award"

- “Uber Fresh” is appropriate for students and provides coverage on personal accident insurance, scholarship, laptop and personal computer (PC) insurance, including daily compensation cash for an accident, with 2 choices of coverage of Baht 100,000 and Baht 200,000, and a premium of Baht 2,300 and Baht 2,700, respectively.

- “Uber Work” is suitable for working people and provides coverage on accident insurance compensating financial burdens, laptop and personal computer (PC) insurance, including daily compensation cash for an accident, with 2 choices of coverage of Baht 300,000 and Baht 500,000, and a premium of Baht 2,900 and Baht 3,300, respectively.

“BKI iCare” Application Developed to an Android System

Bangkok Insurance Public Company Limited has focused on its leadership in technology by increasing its service capability through an application “BKI iCare” for customers using an Android smart phone, which is a popular application with a trend of continuous growth. Such an application was opened on an iPhone smart phone and was given a warm welcome. The application “BKI iCare” is able to provide the following services:

- Customers can easily buy an insurance policy via a mobile phone.
- Online provision of a claims service. Customers can report a repair service online and report the occurrence of an accident through SMS, or see a name list of contracted garages, including viewing a map showing the location of those garages.

- Provision of information relating to Comprehensive Travel Accident insurance.
- Provision of a phone number for reporting a claims service.
- Provision of information on locations of the Company’s offices and branches across the country, as well as locations of garages and hospitals bound by a contract with the Company.

Customers can download, free of charge, an application “BKI iCare” at Play Store by searching for the word “BKI iCare”.

Increase Capability in Online Policy Printing

Bangkok Insurance Public Company Limited has provided convenience to its customers, purchasing an online insurance policy through the website bangkokinsurance.com, by raising another category of insurance policy “Personal Accident Insurance Happy45+”, from which the policy can be purchased and immediately printed out by customers themselves. Currently, the available insurance policies that can be bought and immediately printed out include Travel Accident insurance, Cancer insurance, the “Value Packages” of “Salaried Man Package”, and Comprehensive Travel Accident, all to respond to the modern lifestyle needs of customers.

Develop New Policies in Response to All Situations

- Motor Insurance Covering Floods

Bangkok Insurance Public Company Limited has issued an especially economical motor insurance policy covering flood risk, under the names First Care 2+ Flood and 3+ Sure Flood, aimed at increasing confidence for customers to drive happily in all situations.

1. First Care 2+ Flood Insurance is an especially economical motor insurance covering car loss, fire, and a car collision in which a party is a land vehicle, as well as terrorism, with initial coverage of Baht 100,000 to a maximum coverage of Baht 700,000 and an initial premium of Baht 8,100. The maximum flood coverage is Baht 100,000. The policy is appropriate for a car with coverage of no more than Baht 700,000.

2. 3+ Sure Flood Insurance is an especially economical motor insurance covering damage incurred by a collision in which a party is a land vehicle, with maximum coverage of Baht 150,000 and an initial premium of only Baht 7,600. The maximum flood coverage is Baht 100,000.



BKI Opens New Branches
to Cover the Entire Country



BKI Cyber Care Station - Insurance Service Point in Uber Mall

- Coverage for Those Loving Technology

Bangkok Insurance Public Company Limited has pleased those loving technology by issuing an insurance policy in support of users of Apple products, including computers, iPod, iPad and iPhone (excluding accessory equipment), as well as users of smart phones and tablets of Samsung, through All Risks insurance which policy covers loss or damage stemming from accidents caused by a fire, lightning, explosion, storm, earthquake, and flood, as well as from a bump or dropping. This allows customers who use such technology to feel comfortable and confident in all situations.

Personnel Development

The Company strongly believes that personnel are a valuable resource for the organization. Consequently, it has developed itself to become a learning organization in order to encourage its employees to become professional insurance staff who work proactively, and insurance consultants who can provide suggestions and present insurance products appropriate for customers and business partners and in response to their needs. In this regard, the Company has provided training and development for its staff in various forms in line with the defined Training Roadmap, for instance, insurance and claims payment training, and development of skills and knowledge necessary for job performance, such as skills in marketing, sales, management, service provision, development of the efficiency of oneself and his/her working team, including the provision of scholarships for a master's degree study at the country's leading universities.

In 2012, the Company provided its staff with a total of 334 training courses, held both within and without the Company's premises. Concerning the development of its employees' knowledge and skills, the Company provided an average of over 5 day/staff/year, with 15 scholarships granted to staff for training/seminar overseas, while the budget spent on the Company's staff training and development amounted to over Baht 5.0 million.

For its senior executives, the Company offers development based on a succession plan so as to reduce risks or impacts stemming from discontinuity in the Company's administration, which is very significant and essential for any organization to be prepared for the future. This also includes the development of the Company's office and branch administrators and other officers concerned in response to the expansion of its regional branches so that they can provide all-inclusive and efficient services to customers, besides enhancing the Company's potential for business competition and being in support of the AEC in the future.

For management of its internal knowledge, the Company has given importance to encouraging its experienced and knowledgeable staff and executives, or those having an opportunity for training/seminar overseas, to transfer their tacit knowledge via a lecture or discussion or exchanging knowledge, which helps generate a natural exchange and transfer of knowledge, as well as broadening staff's worldview and enabling them to learn across their line of duty. This will finally lead to team learning in line with the direction of a learning organization.

Additionally, the Company has arranged for a knowledge base system for management of a knowledge body compiled from various sources of data, for example, useful VDO media, narrative sound media, articles and printed materials, all scattered inside the organization. All the above items have been organized and developed so that they are always up to date, while the Company's staffs are able to have easy and quick access to them and study by themselves, developing their job performance for the highest efficiency. These practices have definitely enhanced a strong foundation of confidence and trust among the Company's customers and business partners for its professionalism in insurance.



"BKU iCare" Application Developed to an Android System



Develop New Policies in Response to All Situations



Personnel Development

REPORT OF THE COMPANY'S OPERATIONS

(Baht : Million)

	2012	2011	Change %	2012 Distribution %
Premium Written				
Types of Insurance				
Fire	1,571.0	1,519.6	3.4	11.92
Marine	437.2	508.3	(14.0)	3.32
Motor	5,099.7	4,325.0	17.9	38.71
Miscellaneous	6,066.4	4,752.0	27.7	46.05
Total	13,174.3	11,104.9	18.6	100.00
Income on Underwriting				
Types of Insurance				
Fire	(2,718.1)	(1,213.1)	124.1	(181.08)
Marine	119.0	105.3	13.0	7.93
Motor	702.3	394.0	78.2	46.79
Miscellaneous	395.7	231.6	70.9	26.36
Total	(1,501.1)	(482.2)	211.3	(100.00)
Operating Expenses	668.4	616.9	8.3	44.53
Contribution and Finance Cost	64.9	50.8	27.8	4.32
Net Underwriting Profit (Loss)	(2,234.4)	(1,149.9)	94.3	(148.85)

(Baht : Million)

	2012	2011	Change %
Net Investment Income			
Interest	276.9	257.6	7.5
Dividends	577.2	642.7	(10.2)
Gain (Loss) on Sale of Securities and Assets	2,021.5	656.6	207.9
Rental and Other Income	140.1	119.9	16.8
Share of Income from Associated Accounted for under the Equity Method	8.4	6.1	37.7
Gain (Loss) from Reversal Impairment of Investment	9.0	(8.3)	208.4
	3,033.1	1,674.6	81.1
Investment Expenses	91.5	82.1	11.4
Net Investment Income	2,941.6	1,592.5	84.7
Operating Results			
Net Underwriting Profit (Loss)	(2,234.4)	(1,149.9)	94.3
Net Investment Income	2,941.6	1,592.5	84.7
Income before Income Tax	707.2	442.6	59.8
Income Tax	81.4	390.6	(79.2)
Net Income	625.8	52.0	1,103.5
Basic Earnings Per Share (Baht)	8.23	0.68	1,103.5
Ordinary Share (Shares)	76.05 Million	76.05 Million	-
Par (Baht)	10.00	10.00	-

REPORT OF THE COMPANY'S OPERATIONS

Type of Business

Bangkok Insurance Public Company Limited has been engaged in the non-life insurance business since 1947. The Company was listed on the Stock Exchange of Thailand (SET) in 1978, and was transformed into a public company under the Public Company Act on July 1, 1993, with a paid-up capital of Baht 200 million. Subsequently, the Company increased its paid-up capital four times in 2002, 2004, 2006 and 2010, to total Baht 760.5 million, consisting of stocks of 76.05 million shares valued at Baht 10 per share.

Summary of Operating Performance for the Year 2012

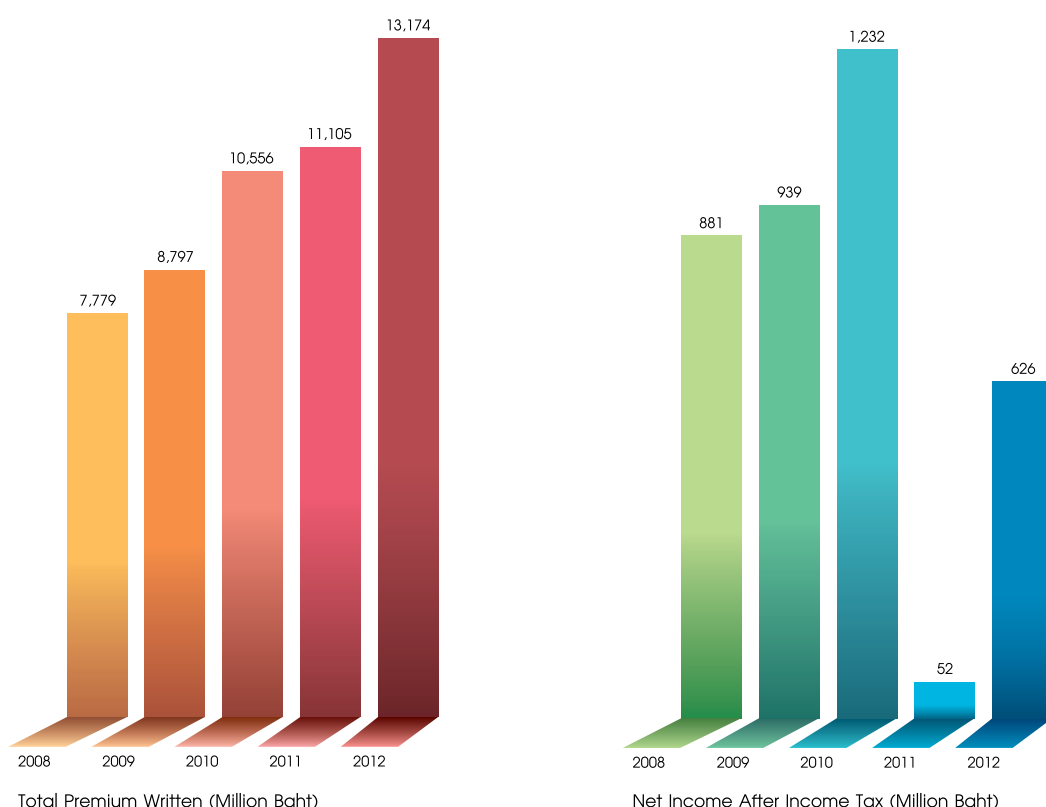
Operation and Financial Status of the Company

Based on the financial statements as at December 31, 2012, the total assets of the Company amounted to Baht 55,507.8 million, an increase of 6.9 percent from Baht 51,925.3 million in the previous year. This was accompanied by a significant rise in assets, particularly investments in available-for-sale securities, of Baht 3,849.4 million. Similarly, cash and cash equivalents, as well as premium receivables rose by Baht 421.3 million and 298.7 million, respectively. In contrast, due from reinsurers and net loans witnessed a decline of Baht 741.5 million and 468.8 million, respectively.

Liabilities at 2012 year-end totaled Baht 33,113.3 million, a decrease of Baht 535.7 million, or 1.6 percent, over 2011. A significant change was a decline of loss reserves and outstanding claims of Baht 3,000.7 million, as well as a rise of due to reinsurers, and unearned premium reserve of Baht 1,305.2 million and 869.3 million, respectively. Similarly, accrued expenses and premium received in advance rose by Baht 149.1 million and 113.1 million, respectively.

Owners' equity on December 31, 2012, equaled Baht 22,394.5 million, a rise from Baht 18,276.2 million, or 22.5 percent, in 2011. Significant components were an increase of Baht 4,405.1 million, or 36.0 percent, in owners' equity's other elements, and a reduction of Baht 286.8 million in retained earnings.

For 2012, the premium written income for all classes of insurance rose by 18.6 percent to Baht 13,174.3 million, compared to 2011. Miscellaneous insurance and motor insurance achieved the highest growth rates of 27.7 percent and 17.9 percent, respectively, compared to 2011.



In 2012, the net underwriting suffered a loss of Baht 2,169.5 million, causing an increased loss of Baht 1,070.4 million, or 97.4 percent, in returns, compared to 2011, due mainly to a rise in fire reinsurance claims as a consequence of a violent flood in Thailand in the fourth quarter of 2011.

The net investment income and other income in 2012 was Baht 2,941.6 million, an increase of 84.7 percent over 2011. When combined with a loss from contribution fund subtraction underwriting (meaning contribution funds for the Office of Insurance Commission, Non-Life Insurance Fund, and Disaster Victim Compensation Fund), the Company's total income before income tax deduction was Baht 707.2 million, a rise of 59.8 percent. After income tax deduction, the net income totaled Baht 625.8 million, an increase of 1,102.8 percent, compared to 2011, or Baht 8.23 per share, compared to Baht 0.68 per share in 2011.

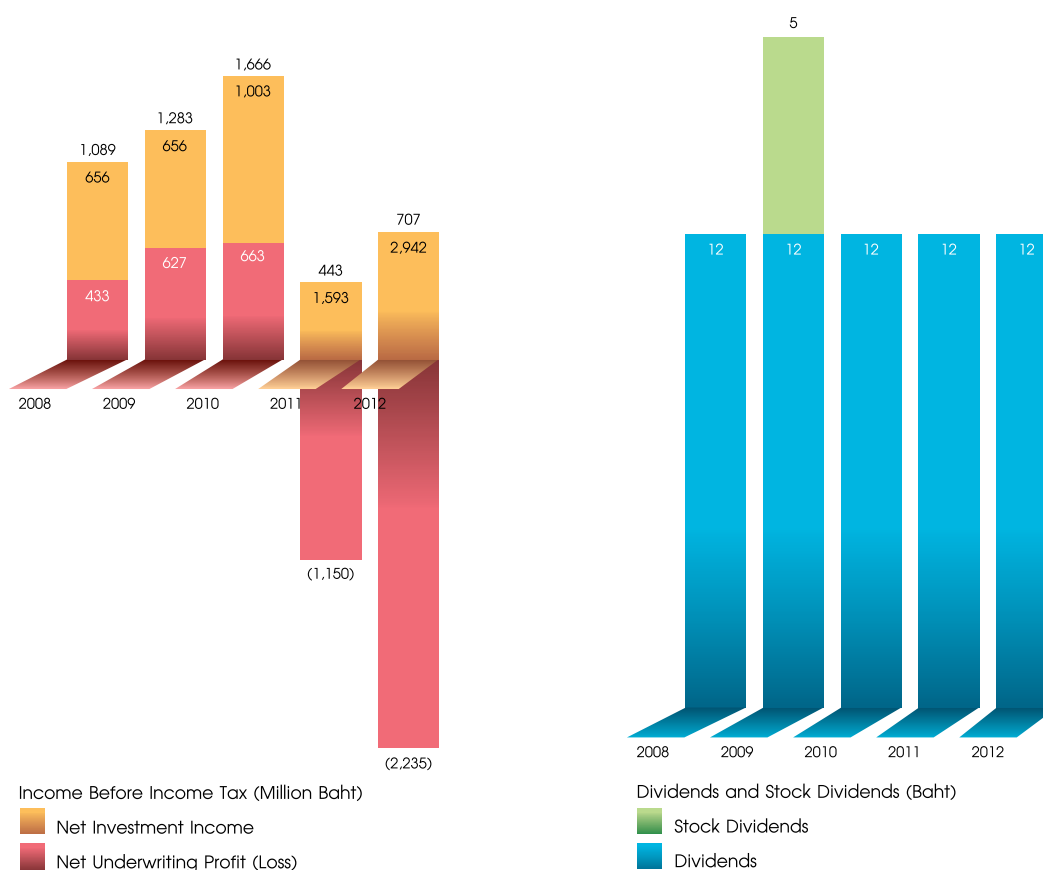
The Company's Board of Directors has approved a final dividend payment of Baht 3.75 per share for the year 2012. Nevertheless, during the past three quarters, the Company has already made three interim dividend payments of Baht 2.75 per share. Therefore, in 2012, the total dividend payment was Baht 12 per share, equivalent to Baht 12 per share in 2011.

Operating Performance by Classes of Business for the Year 2012

Fire Insurance

In 2012, the Company registered Baht 1,571.0 million in written fire insurance premium, an increase of 3.4 percent over 2011. A rise in premium written was due mainly to an increasing flood premium rate in the market since the fourth quarter of 2011 as a consequence of the great flood, forcing customers who renewed their insurance policy to pay more for the premium.

The net premium written amounted to Baht 1,115.6 million, an augmentation of 2.0 percent, with the Company taking a declining retention of 71.0 percent, compared to 71.9 percent in 2011. The loss ratio in 2012 was 303.6 percent, an increase from 2011, which was 174.8 percent. A rise in the loss came mainly from damage caused by the great flood in the fourth quarter of 2011 in respect of reinsurance. As a result, the Company's underwriting loss in 2012 rose by 115.8 percent to Baht 2,810.4 million, compared to 2011, which witnessed an underwriting loss of Baht 1,302.5 million.



Marine Insurance

- Hull In 2012, the Company registered a total of Baht 69.0 million in written marine hull insurance premium, a diminution of 32.3 percent over 2011. This was partly due to customers' sale of their insured vessels.

The net premium written amounted to Baht 15.6 million, a decline of 10.5 percent from 2011. This was thanks to the Company's retention of 22.7 percent in 2012, compared to 17.2 percent in the previous year. The loss incurred in 2012 dropped by Baht 9.2 million to Baht 6.9 million, compared to the year before. As a consequence of the Company's underwriting in 2012, the loss ratio was 39.7 percent, resulting in a profit of Baht 6.2 million and a rise in underwriting profit of Baht 8.3 million from the previous year.

- Cargo In 2012, the Company registered Baht 368.2 million in written marine cargo insurance premium, a drop of 9.4 percent over the year before. This was partly due to some agents' submission of their old customers' work in a smaller proportion.

The net premium written totaled Baht 235.7 million, a decrease of 11.5 percent, due to the Company's retention reduction from 65.6 percent in 2011 to 64.0 percent in 2012. The loss ratio in 2012 rose slightly to 36.1 percent, compared to 35.2 percent in 2011, resulting in the Company's underwriting profit of Baht 92.1 million in 2012, an increase of 8.2 percent from the year before.

Motor Insurance

In 2012, the Company registered Baht 5,099.7 million in written motor insurance premium, a rise of 17.9 percent over 2011. This was due mainly to the Company's policy on the steady expansion of its personal line business through different channels and the Telemarketing channel.

The net premium written amounted to Baht 4,841.0 million, a rise of 16.2 percent over 2011. In 2012, the Company's retention was 94.9 percent, a reduction from 2011, which was 96.3 percent. The loss ratio diminished from 65.3 percent in 2011 to 57.6 percent in 2012, resulting in the Company's underwriting profit of Baht 352.6 million in 2012, an increase of 464.6 percent from the previous year.

Miscellaneous Insurance

Miscellaneous insurance consists of five major categories: General Accident, Engineering, Personal Insurance, Aviation, and All Risks. In 2012, the Company registered Baht 6,066.4 million in written miscellaneous insurance premium, a rise from Baht 4,752.0 million, or 27.7 percent, in 2011. An increase in the direct premium written stemmed from the growth of All Risks insurance owing to an adjustment of a higher premium rate in the market as a consequence of a great deluge in the fourth quarter of 2011.

The net premium written for all categories totaled Baht 2,789.9 million, a rise of 32.2 percent over 2011. The Company's retention rose to 46.0 percent in 2012, compared to 44.4 percent in 2011. Due to the Company's reinsurance management, the overall loss ratio dropped from 62.2 percent in 2011 to 57.8 percent in 2012. The increased losses were partly incurred by the occurrence of the great flood in the fourth quarter of 2011 and were reported in 2012. Consequently, the Company's underwriting profit in 2012 went up by 227.8 percent to Baht 190.0 million, compared to 2011.

Underwriting Expenses The Company's underwriting expenses totaled Baht 11,270.4 million, representing a rise of 23.8 percent over 2011. The claims and expenses on claims management incurred during 2012 increased by 30.2 percent from the previous year, while other expenses and operating expenses rose by 19.3 percent and 8.3 percent, respectively over the year before. Basically, the expenses on premises and equipment had a higher proportion, for instance, expenses on computer equipment, compared to 2011.

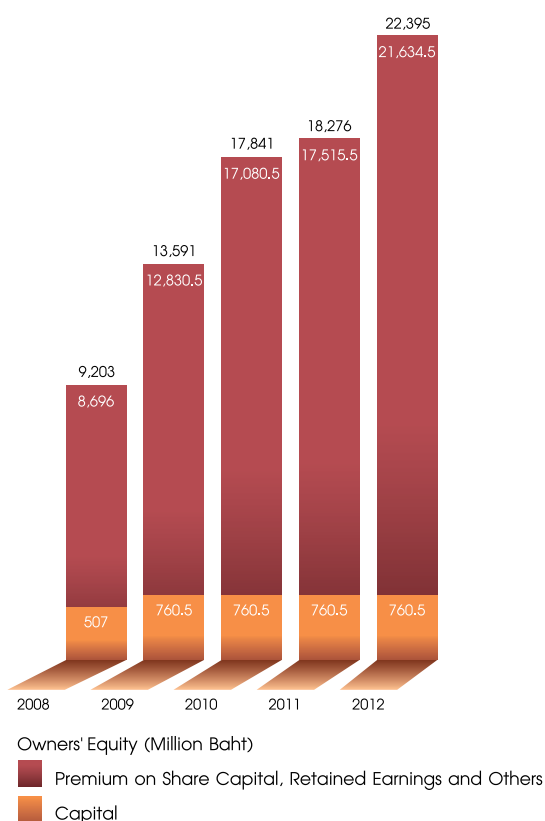
In 2012, the Company's all classes of direct premium written amounted to Baht 12,432.9 million, a growth of 22.8 percent over 2011. The Company's market share dropped from 7.2 percent in 2011 to 6.9 percent in 2012, and could retain the third rank in market share as in the year before. The ratio of 40.9 percent from the motor insurance premium had a growth rate of 18.1 percent, resulting in 4.9 percent motor premium market share in 2012, a drop from 2011. Fire insurance had 12.6 percent market share, while marine insurance and miscellaneous insurance had market shares of 6.4 percent and 9.5 percent, respectively.

Future Projects

The Company has constantly developed its Information Technology and network system that will enhance the efficiency of its performance and develop the quality of its services. In 2012, the Company had begun using the Customer Relationship Management (CRM) system to compile its customers' and business partners' data for use in the service relevant to their demand and to generate the utmost satisfaction for them, while recording details of its staff's visit to customers in the system, both inside and outside the Company's office, through a mobile device.

For 2013, the Company has a work plan to develop its current work procedure for higher efficiency by reducing working steps and time. For instance, steps of and time for issuing a policy, and steps of service provision, aimed at more convenient and swifter customer services, as well as coping with an expansion of future customer base.

In addition, the Company is determined to develop its staff's knowledge and competency, along with the development of technologies. In this regard, the Company has developed the systems of knowledge management and content management on Microsoft SharePoint 2013 so as to be used as a centre for higher efficiency of communication and management of the Company's internal knowledge body. Such systems can be utilized on both a computer and a mobile device, in line with the Company's steady implementation of its personnel development aimed at their greater ability in mobile work performance.



INVESTMENT INCOME

The Company's investment portfolio at 2012 year-end had decreased by Baht 210.8 million, or 1.6 percent, to Baht 12,834.3 million. For the portfolio allocation, the Baht 7,095.0 million fixed income investment accounted for 55.3 percent of the total investment portfolio, while the remaining Baht 5,739.3 million, or 44.7 percent, was invested in both listed and unlisted common stocks.

Fixed income investments consisted of deposits at commercial banks, notes and government bonds. Deposits with commercial banks rose by Baht 1,046.1 million, or 98.4 percent, from the previous year to Baht 2,108.7 million, or 16.4 percent of the total investment portfolio. Notes dropped by Baht 570.0 million, or 47.5 percent, to Baht 630.0 million, representing 4.9 percent of the total investment portfolio. Government bonds decreased by Baht 290.2 million, or 13.3 percent, from the year before to Baht 1,886.1 million, or 14.7 percent of the total investment portfolio. Debentures diminished by Baht 20.0 million, or 5.3 percent, from the previous year to Baht 360.0 million, representing 2.8 percent of the total investment portfolio.

Apart from fixed income investment, the Company also has mortgaged loans, another type of its fixed income capital, which dropped by Baht 471.4 million, or 18.3 percent, to Baht 2,101.3 million, or 16.4 percent of the total investment portfolio.

For the investment in equity securities in 2012, the Company's investments in listed securities increase by Baht 77.9 million, or 2.1 percent, to Baht 3,811.9 million, or 29.7 percent of the total investment portfolio, compared to 2011. The Company focused on long-term investments, with an investment concept that in the long run the stocks' sound fundamentals will be the main factor contributing to the long-term growth of the Company's values, reflected through prices from the demand for those stocks. The concept of long-term investments will help prevent the fluctuation of stock prices and stock exchanges from significantly affecting the Company's long-term incomes and investment goals.

Investments in non-listed securities rose by Baht 64.3 million, or 12.7 percent, from the previous year to Baht 572.0 million, representing 4.4 percent of the total investment portfolio. The increase was due to an additional investment in non-listed securities. In fact, most non-listed securities were regarded as strategic investments in order to generate business relationships with others and support the Company's business transactions.

Investment capital in associated companies rose by Baht 8.4 million, or 6.4 percent, to Baht 140.1 million, representing 1.1 percent of the total investment portfolio, the increase stemming from the acknowledgement of income in those associated companies. It was shareholding that ranged from 20.0 percent and over, and comprised overseas investments such as investments in insurance companies in Cambodia, which enhanced the Company's opportunity to make business transactions with foreign companies. Those associated companies had growth potential in terms of business expansion and returns, as well as being able to pay a dividend to the Company.

Additionally, investments in funds investing in debt securities declined by Baht 44.4 million, or 7.6 percent, to Baht 540.2 million, representing 4.2 percent of the total investment portfolio. Similarly, investments in funds investing in non-marketable equity securities dropped by Baht 21.3 million, or 10.7 percent, to Baht 177.8 million, representing 1.4 percent of the total investment portfolio, while investments in listed real estate funds rose by Baht 7.4 million, or 1.5 percent, to Baht 497.3 million, or 3.9 percent of the total investment portfolio.

Net investment income in 2012 amounted to Baht 3,024.1 million. This comprised Baht 276.9 million from the interest, an increase of 7.5 percent; Baht 577.2 million from dividends, a drop of 10.2 percent; Baht 2,021.5 million profit from stocks and assets sale, a rise of 207.9 percent; Baht 140.1 million from rents and others, an increase of 16.8 percent; Baht 8.4 million of profit share from investments in associated companies, a rise of 37.7 percent. In 2012, the Company's investment expenses rose by 11.4 percent to Baht 91.5 million and returns on impairment of investments of Baht 9.0 million while its net investment incomes amounted to Baht 2,941.6 million.

At 2012 year-end, the SET index closed at 1,391.93, an increase of 366.6, or 35.8 percent, from 2011, which closed at 1,025.32, in line with the Company's higher surplus on revaluation of share values in the SET, totaling Baht 16,503.5 million, an augmentation of Baht 4,300.0 million, or 35.2 percent, over 2011.

INVESTMENT

(Baht : million)

Composition of Investment Portfolio (At Cost)	Year end 2012	Year end 2011	Change %	Distribution % 2012
Fixed Interest Bearing Securities				
Deposits at Banks	2,108.7	1,062.6	98.4	16.4
Notes which amounts maturing within 3 months	630.0	935.0	(32.6)	4.9
Notes which amounts maturing in over 3 months	-	265.0	(100.0)	-
Collateralised Loans	2,101.3	2,572.7	(18.3)	16.4
Bonds	1,886.1	2,176.3	(13.3)	14.7
Investment and Other Loans	368.9	386.3	(4.5)	2.9
Total Fixed Interest Bearing Securities	7,095.0	7,397.9	(4.1)	55.3
Shares Listed on the SET	3,811.9	3,734.0	2.1	29.7
Unlisted Shares	572.0	507.7	12.7	4.4
Investment in Associated	140.1	131.7	6.4	1.1
Unit of Closed-end Fund Listed on the SET	306.3	320.3	(4.4)	2.4
Unit of Closed-end Fund	909.0	953.5	(4.7)	7.1
Total Investment Portfolio	12,834.3	13,045.1	(1.6)	100.0

(Baht : million)

Composition of Investment Portfolio At Cost and Market Value	Year end 2012			
	At Cost	Market Value	Surplus on Changes in Values of Investments	Allowance for Impairment/Allowance for Doubtful Account
Fixed Interest Bearing Securities				
Deposits at Banks	2,108.7	2,108.7	-	-
Notes which amounts maturing within 3 months	630.0	630.0	-	-
Notes which amounts maturing in over 3 months	-	-	-	-
Collateralised Loans	2,101.3	2,101.1	-	(0.2)
Bonds	1,886.1	1,899.9	13.8	-
Investment and Other Loans	368.9	366.3	7.4	(10.0)
Total Fixed Interest Bearing Securities	7,095.0	7,106.0	21.2	(10.2)
Shares Listed on the SET	3,811.9	20,317.3	16,522.5	(17.1)
Unlisted Shares	572.0	506.2	-	(65.8)
Investment in Associated	140.1	140.1	-	-
Unit of Closed-end Fund Listed on the SET	306.3	401.6	95.3	-
Unit of Closed-end Fund	909.0	904.2	(4.8)	-
Total Investment Portfolio	12,834.3	29,375.4	16,634.2	(93.1)

Your Concern

I'm always worried when I make an ocean freight transport as there's a high risk of all kinds of dangers.



Our Concern

You can rest assured with BKL's Marine and Cargo insurance which covers loss of or damage to a shipment as a result of accident or unforeseen circumstances right throughout its journey.



INVESTMENTS IN SECURITIES

Investments in Listed Securities as at December 31, 2012, consist of following:

Name of Company	Line of Business	Percentage of Holding (%)	Book Value		Market Value	
			Per Share (Baht)	Amount (Baht:Million)	Per Share (Baht)	Amount (Baht:Million)
Bangkok Bank	Banking	1.79	40.23	1,372	195.50	6,666
Bumrungrad Hospital	Health Care Services	14.62	9.61	1,026	74.00	7,900
Bangkok Life Assurance	Life Assurance	4.73	6.90	394	62.25	3,548
Thai Reinsurance	Reinsurance	2.04	2.42	174	4.98	357
Charoong Thai Wire & Cable	Electrical Products	6.44	6.51	167	11.40	292
Furukawa Metal (Thailand)	Copper Tube	8.84	23.38	99	15.40	65
Bangkok Aviation Fuel Services	Energy	1.23	5.67	35	20.50	128
Union Plastic	Plastics	8.37	13.31	28	37.75	79
Ticon	Property Development	0.55	5.72	28	14.50	71
Ramkhamhaeng Hospital	Health Care Services	0.53	394.52	25	1,518.00	97
Khonburi Sugar	Sugar	0.53	9.10	24	10.50	28
Asia Sermkij Leasing	Leasing	0.95	7.11	23	19.70	65
Central Pattana	Property Development	0.02	57.64	23	81.50	33
True Corporation	Information and Communication Technology	0.03	5.03	22	5.40	24
Shin Corporation	Information and Communication Technology	0.03	24.43	22	69.00	61
CP All	Convenient Stores Operator	0.01	33.88	20	45.75	27
Seafresh Industry	Frozen Shrimp	0.45	10.08	20	9.95	20
Saha-Union	Fashion	0.46	13.01	18	40.00	55
Ratchaburi Electricity Generating Holding	Power Generation	0.03	39.30	18	59.75	27
Datamat	Computer Related Products and Services	0.74	2.12	17	N/A	N/A
Chumporn Palm Oil Industry	Palm Oil	4.59	1.32	17	6.35	82
Nonthavej Hospital	Health Care Services	3.07	3.29	16	25.50	125
Thai Theparos Food Products	Sauce	0.94	4.61	16	33.00	112
Sahacogen (Chonburi)	Power Generation	0.40	4.03	15	7.05	27
Union Pioneer	Fashion	7.45	27.25	15	55.00	31
I.C.C. International	Fashion	0.31	16.82	15	41.75	38
S & J	Beauty Care Products	1.04	8.55	13	18.00	28
Major Cineplex Group	Cinema Complex	0.23	8.22	13	19.00	31
Univentures	Property Development	0.32	5.05	12	11.60	28
Union Textile Industries	Fashion	1.12	14.99	10	13.10	9
Total 30 Listed Companies				3,697		20,054
Other 21 Listed Companies				114		262
Unit Trust				1,215		1,306
Warrant				0		2
Total				5,026		21,624

SUMMARY OF QUARTERLY FINANCIAL RESULTS

(Baht'000)

[illegible]

FIVE YEARS REVIEW

(Baht'000)

	2012	2011	2010	2009	2008
For the Year					
Premium Written	13,174,316	11,104,916	10,555,676	8,796,683	7,778,619
Income on Underwriting	(1,501,042)	(482,141)	1,297,429	1,247,749	1,064,937
Operating Expenses	668,436	616,934	591,161	587,446	612,886
Contribution and Finance Cost	64,890	50,801	42,874	33,740	18,601
Net Underwriting Profit (Loss)	(2,234,368)	(1,149,876)	663,394	626,563	433,450
Net Investment Income	920,058	935,991	813,044	584,000	677,705
Gain (Loss) on Sale of Securities and Assets	2,021,515	656,531	190,160	72,353	(21,635)
Income before Income Tax	707,205	442,646	1,666,598	1,282,916	1,089,520
Income Tax	81,440	390,621	434,241	343,622	208,196
Net Income	625,765	52,025	1,232,357	939,294	881,324
At Year - end					
Unearned Premium Reserve	5,920,355	5,051,044	5,358,997	2,990,748	2,508,589
Shareholders' Equity	22,394,513	18,276,217	17,840,758	13,591,389	9,202,580
Per Share					(Baht)
Basic Earnings Per Share*	8.23	0.68	16.20	12.35	11.59
Ordinary Share (Shares)	76.05 Million	76.05 Million	76.05 Million	76.05 Million	76.05 Million
Dividends	12.00	12.00	12.00	12.00	12.00
Stock Dividends	-	-	-	5.00	-
Book Value	294.47	240.32	234.59	178.72	121.01
Market Price					
High	295.00	266.00	312.00	244.00	286.00
Low	220.00	195.00	197.00	186.00	173.00
Market Price at Year-end	292.00	220.00	249.00	240.00	176.00
Par Value	10.00	10.00	10.00	10.00	10.00
Number of Employees	1,278	1,211	1,148	1,066	1,098

* Remarks : Basic earnings per share is determined by dividing net earnings for the period by the number of ordinary shares after the issue of stock dividends in 2009. (76.05 million shares)

Your Concern

Every time I travel, I'm always worried that something unexpected will happen to me or my personal belongings.



Our Concern

Travel worldwide worry-free with our Comprehensive Travel Accident insurance plan that provides coverage any time anywhere with 24-hour emergency assistance.



ADVISORY BOARD



Mr. Chatri Sophonpanich
Chairman



Mr. Damrong Krishnamara
Adviser



Mr. Piti Sithi-amnuai
Adviser

BOARD OF DIRECTORS AND BOARD OF DIRECTORS PROFILE



Mr. Chai Sophonpanich
Chairman



Mr. Plengsakdi Prakaspesat
Independent Director and Chairman
of the Audit Committee



Mr. Singh Tangtaswas
Independent Director and Chairman
of the Remuneration & Nomination Committee

Education

- B.Sc., University of Colorado, U.S.A.
- Advanced Management Program, the Wharton School, 1984
- The Joint State - Private Sectors Class 6, the National Defence College of Thailand
- Director Certification Program (DCP) Class 16/2002, Thai Institute of Directors Association
- Chairman 2000 Class 10/2004, Thai Institute of Directors Association

Work Experiences

- Chairman and Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (2010 - present)
- Chairman, Bangkok Insurance Public Co., Ltd. (1978 - present)
- President, Bangkok Insurance Public Co., Ltd. (1976 - present)
- Chairman, Furakawa Metal (Thailand) Public Co., Ltd. (1988 - present)
- Chairman, Charoong Thai Wire & Cable Public Co., Ltd. (1986 - present)
- Chairman, Bumrungrad Hospital Public Co., Ltd. (1979 - present)
- Vice Chairman, Thai Reinsurance Public Co., Ltd. (1978 - present)
- Director, Bangkok Life Assurance Public Co., Ltd. (1968 - present)
- Director, International Insurance Society, Inc. New York, U.S.A. (2009 - 2012)
- Chairman, The Federation of Thai Insurance Organization (2006 - 2008)
- President, The General Insurance Association (1984 - 1986, 1989 - 1991, 1997 - 2001, 2005 - 2007)
- Chairman, Asean Reinsurance Corp., Ltd. Singapore (1988 - 1992)
- Chairman, Asean Insurance Council, Jakarta (1987 - 1989)
- President, The East Asian Insurance Congress (1984 - 1986, 2004 - 2006)

Education

- Graduate in Commerce from Ross College (Dublin), Ireland
- Ph.D. (Honoris Causa) on Mass Communication, Ramkhamhaeng University
- Ph.D. (Honoris Causa) on Arts, Rajabhat Institute Lampang
- Certificate of the Course for Top Executives, The Association for Overseas Technical Scholarship (AOTS), Japan
- The Joint State - Private Sector Class 1, The National Defence College of Thailand
- Director Accreditation Program (DAP) Class 27/2003, Thai Institute of Directors Association
- The Characteristics of Effective Directors Class 1/2006, Thai Institute of Directors Association
- Audit Committee Program (ACP) Class 17/2007, Thai Institute of Directors Association

Work Experiences

- Chairman of the Audit Committee, Bangkok Insurance Public Co., Ltd. (2005 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (1999 - present)
- Director of Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (2004 - 2005)
- Audit Committee, Bangkok Insurance Public Co., Ltd. (1999 - 2005)
- Gracious Royal appointment to the Rank of Volunteer Defense Corps Colonel, Voluntary Territorial Defense Contingent, Ministry of Interior (Sep 2009 - present)
- Member Experts of Fertilizer Committee, Ministry of Agriculture and Cooperatives (May 2009 - present)
- Independent Director and Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Co., Ltd. (Jul 2010 - present)
- Member of the Compensation and Corporate Governance Committee, ACL Bank Public Co., Ltd. (2007 - Apr 2010)
- Independent Director and Member of the Audit Committee, ACL Bank Public Co., Ltd. (2005 - Jun 2010)
- Adviser, United Flour Mill Public Co., Ltd. (2001 - present)
- Vice Chairman, United Flour Mill Public Co., Ltd. (1980 - 2001)
- Senior Adviser, Thai Central Chemical Public Co., Ltd. (1997 - present)
- Corporate Chairman, MC. Industrial Chemical Co., Ltd. (1997 - 2005)
- Honorary Chairman, Asia Pacific Potash Corporation Ltd. (1984 - 2006)

Education

- B.A. (Economics), Thammasat University
- M.B.A. (Finance), Wharton School of Finance and Commerce, University of Pennsylvania
- Certificate of Management Development Program, Wharton School
- Certificate of Executive Development Program, Harvard Business School
- Director Certification Program (DCP) Class 0/2000, Thai Institute of Directors Association

Work Experiences

- Independent Director and Chairman of the Remuneration & Nomination Committee, Bangkok Insurance Public Co., Ltd. (2004 - present)
- Director, Thai Institute of Directors (2010 - present)
- Executive Director, Bangkok Bank Public Co., Ltd. (2005 - present)
- Chairman of Risk Management Committee, Bangkok Bank Public Co., Ltd. (2005 - present)
- Managing Director, Bangkok Bank Public Co., Ltd. (2006 - 2010)
- Independent Director, TWZ Corporation Public Co., Ltd. (2005 - present)
- Independent Director and Chairman of the Audit Committee, Thai Optical Group Public Co., Ltd. (2004 - present)
- Adviser, Corporate Governance Center, The Stock Exchange of Thailand (2002 - 2009)
- President and Chief Executive Director, Krung Thai Bank Public Co., Ltd. (1999 - 2001)



Miss Potjaneer Thanavaranit

Independent Director and Director of
the Audit Committee

Education

- B.B.A. (Accounting), Chulalongkorn University
- M.B.A., Syracuse University, New York, U.S.A.
- Certificate of Advanced Course in General Insurance, Swiss Insurance Training Center, Switzerland
- Certificate of Advanced Management Program, Australian Management College, Australia
- Certificate of Executive Development Program, Office of the Civil Service Commission
- National Defence College, Class 42
- Director Certification Program (DCP) Class 17/2002, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) Class 13/2006, Thai Institute of Directors Association
- Role of the Compensation Committee Program (RCC) Class 4/2007, Thai Institute of Directors Association
- Audit Committee Program (ACP) Class 32/2010, Thai Institute of Directors Association
- Financial Institutions Governance Program Class 2/2011, Thai Institute of Directors Association
- Certificate of Top Executive Program Class 8, Capital Market Academy
- Certificate of Top Executive Program in Commerce and Trade Class 3, Commerce Academy
- Advance Security Management Program Class 2, The National Defence College of Thailand

Work Experiences

- Independent Director and Director of the Audit Committee Member, Bangkok Insurance Public Co., Ltd. (2007 - present)
- Chairman of the Public Sector Audit and Evaluation Committee for Ministry of Commerce (present)
- Chairman of the Board (Independent Director), Audit Committee Member and Chairman of the Compensation & Nominating Committee, Univentures Public Co., Ltd. (present)
- Member of the Council of State (Group 3 - Monetary Laws) (present)
- Qualified Member of the Committee, The Federation of Thai Insurance Organization (present)
- Independent Director and the Remuneration and Nominating Committee Member, Thai Reinsurance Public Co., Ltd. (present)
- Independent Director and Audit Committee Member, OISHI Group Public Co., Ltd (present)
- Independent Director, Berli Jucker Public Co., Ltd. (present)
- Independent Director and Chairman of the Audit Committee, Bank of Ayudhaya Public Co., Ltd. (present)
- Director, BJC International Co., Ltd (present)
- Sub - Commissioner, the Sub - Commission on the Development and Promotion of Public Organization and other Organizations under Governmental Supervision, the Public Sector Development Commission (2004 - May 2011)
- Second Vice - President of the National Legislative Assembly (Oct 2006 - Mar 2008)
- Adviser to the Commerce Ministry (Oct 2006 - Jan 2008)
- Economic Adviser, the Council for National Security (Sep 2006 - Jan 2008)
- Chairman, Thailand Insurance Institute (2002 - 2007)
- Member of the Financial Institution Policy Committee, the Bank of Thailand (2001 - Aug 2008)
- Director - General, Department of Insurance, Ministry of Commerce (2001 - 2006)
- Inspector - General, Ministry of Commerce (1999 - 2001)
- Deputy Director General, Department of Insurance, Ministry of Commerce (1994 - 1999)



Mr. Chor.nun Petpaisit

Independent Director and Director of
the Audit Committee

Education

- B.B.A. (Accounting), Thammasat University
- Director Accreditation Program (DAP) Class 28/2004, Thai Institute of Directors Association
- Director Certification Program (DCP) Class 76/2006, Thai Institute of Directors Association
- Audit Committee Program (ACP) Class 28/2009, Thai Institute of Directors Association
- Successful Formulation & Execution of Strategy (SFE) Class 8/2010, Thai Institute of Directors Association
- Financial Institutions Governance Program (FGP) Class 4/2012, Thai Institute of Directors Association

Work Experiences

- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (2009 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (2006 - present, 2002 - 2004)
- Inspector General, Ministry of Finance (2011 - 2012)
- Director, Government Savings Bank (Oct 2011 - 2012)
- Director, The Government Pharmaceutical Organization (Mar 2009 - 2012)
- Director, Tourism Authority of Thailand (2010 - 2011, 2005 - 2006)
- Director, Government Housing Bank (2010 - 2011, 2006 - 2008)
- Principal Adviser on Performance Improvement, The Revenue Department, Ministry of Finance (2008 - 2011)
- Policy and Plan Expert, The Revenue Department, Ministry of Finance (2001 - 2008)
- Director, Bureau of Tax Audit Operation, The Revenue Department, Ministry of Finance (2000 - 2001)
- Director, National Science Museum (2005 - 2007)



Mr. Thira Wongjirachai

Independent Director and Director of
the Remuneration and Nomination Committee

Education

- B.Eng., Linnan University
- Directors Accreditation Program (DAP) Class 51/2006, Thai Institute of Directors Association

Work Experiences

- Director of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (2004 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (1993 - present)
- Director, Micro Fiber Industry Co., Ltd. (present)



Mr. Suvarn Thansathit

Independent Director and Director of
the Remuneration and Nomination Committee

Education

- M.Sc. in Commerce,
University of Santo Tomas, Philippines
- Director Certification Program (DCP)
Class 63/2005, Thai Institute of Directors
Association
- The Joint State - Private Sector
Class 355, The National Defence
College of Thailand

Work Experiences

- Independent Director and Director of the
Remuneration & Nomination Committee,
Bangkok Insurance Public Co., Ltd.
(2005 - present)
- Director and Senior Executive
Vice President, Bangkok Bank Public
Co., Ltd. (2006 - present)
- Senior Executive Vice President,
Bangkok Bank Public Co., Ltd.
(1996 - 2006)
- Executive, Bangkok Bank Public Co., Ltd.
(1973 - 1996)
- Chairperson, Sinnsuptawee Asset
Management Co., Ltd. (2006 - present)
- Independent Director and Chairman of
the Audit Committee, Lalin Property
Public Co., Ltd. (2002 - present)



Mr. Virasak Sutanthavibul

Independent Director and Chairman of
the Corporate Governance Committee

Education

- B.Eng., Chulalongkorn University
- M.Eng., Texas A&M University, Texas, U.S.A.
- The Joint State - Private Sectors Class 18,
The National Defence College of Thailand
- Director Accreditation Program (DAP)
Class 21/2003, Thai Institute of Directors
Association
- Certificate, Capital Market Academy
(CMA), Class 10
- Certificate, Thailand Energy Academy
(TEA), Class 1
- Certificate, Harvard University,
Advanced Management Program, U.S.A.
- Certificate, Harvard University,
Financial Institution for Private
Enterprise Development, U.S.A.

Work Experiences

- Chairman of the Corporate Governance
Committee, Bangkok Insurance Public
Co., Ltd. (2011 - present)
- Independent Director, Bangkok Insurance
Public Co., Ltd. (2005 - present)
- Director, The Grand - UB Co., Ltd.
(2008 - present)
- Independent Director and Audit
Committee Member, T.Krungthai Industries
Public Co., Ltd. (2004 - present)
- Senior Executive Vice President, in charge
of Commercial Banking, Bangkok Bank
Public Co., Ltd (2012 - present)
- Executive Vice President, Head of
Metropolitan Commercial Banking,
Bangkok Bank Public Co., Ltd.
(2002 - 2012)
- Director, Toyota Leasing (Thailand) Co., Ltd
(2001 - present)
- Director, Thai Indo Cordsa Co., Ltd.
(2001 - present)
- Director, Asia Lamp Industry Co., Ltd
(2001 - present)



Mrs. Nintira Sophonpanich

Independent Director and Director of
the Corporate Governance Committee

Education

- B.Sc. (Economics) (Hon.) London School
of Economics and Political Sciences
- M.B.A., Cass Business School,
City University London
- Financial Executive Development Program
(FINEX V)
- Director Accreditation Program (DAP)
Class 40/2005, Thai Institute of Directors
Association

Work Experiences

- Director of the Corporate Governance
Committee, Bangkok Insurance Public
Co., Ltd. (2011 - present)
- Independent Director, Bangkok Insurance
Public Co., Ltd. (2010 - present)
- Director, Asia Plus Advisory Co., Ltd.
(2008 - present)
- Director, Bangkok BTMU Limited
(2000 - present)
- Director, Asia Plus Securities Public
Co., Ltd. (1994 - present)
- Executive Director, Asia Plus Securities
Public Co., Ltd. (1994 - 2008)
- Director and Treasurer, The Queen's Gallery
Foundation (2003 - present)
- Director, Foundation for the Welfare of the
Crippled (2002 - present)
- Director and Treasurer, The PAN Pacific
and Southeast Asia Women's Association
of Thailand (1999 - present)
- Investment Director, Citi Capital Co., Ltd.
(1991 - 1994)
- Manager, Citicorp (Thailand) Ltd.
(1987 - 1990)



Mr. Makoto Suzuki
Independent Director

Education

- Tokyo Gakugei University,
Department of Education

Work Experiences

- Independent Director, Bangkok Insurance Public Co., Ltd. (2011 - present)
- General Manager, Oversea Sales & Marketing Department, Aioi Nissay Dowa Insurance Co., Ltd. (Japan) (2011 - present)
- Chairman & Director, DTRIC Insurance Company Limited (2011 - present)
- Director, Aioi Nissay Dowa Insurance Company of America (2011 - present)
- General Manager, Toyota Production Department, Aioi Nissay Dowa Insurance Co., Ltd. (Japan) (2007 - 2011)
- Deputy General Manager, Toyota Production Department, Aioi Nissay Dowa Insurance Co., Ltd. (Japan) (2003 - 2007)
- Chief Representative Los Angeles Liaison Office, Aioi Nissay Dowa Insurance Company of America (1999 - 2003)
- Chief Representative San Francisco Liaison Office, Aioi Nissay Dowa Insurance Company of America (1997 - 1999)



Mr. Panus Thiravanitkul
Director and Director of
the Corporate Governance Committee

Education

- B.Sc. (Economics), Thammasat University
- M.B.A., Chulalongkorn University
- Director Certification Program (DCP) Class 129/2010, Thai Institute of Directors Association
- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Marine Consequential Loss Insurance, Germany
- Insurance School of Japan

Work Experiences

- President, Bangkok Insurance Public Co., Ltd. (2011 - present)
- Director, Bangkok Insurance Public Co., Ltd. (2011 - present)
- Director of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (2011 - present)
- President, Bangkok Insurance Public Co., Ltd. (2010 - present)
- Executive Vice President, Bangkok Insurance Public Co., Ltd. (2007 - 2009)
- Senior Vice President, Operations Department, Bangkok Insurance Public Co., Ltd. (2001 - 2007)
- General Manager, Marine Insurance Department, Bangkok Insurance Public Co., Ltd. (2000 - 2001)
- Assistant General Manager, Marine Insurance Department, Bangkok Insurance Public Co., Ltd. (1993 - 2000)
- Vice Chairman, Marine and Transport Insurance Sub-committee, the General Insurance Association (1994 - 1996, 1999 - 2000)



Mr. Voravit Rojrapitada
Director and Company Secretary and Adviser

Education

- Certificate, Assumption Commercial College
- Mini M.B.A., Thammasat University
- Director Certification Program (DCP) Class 27/2003, Thai Institute of Directors Association
- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Skandia Insurance Management, Philippines

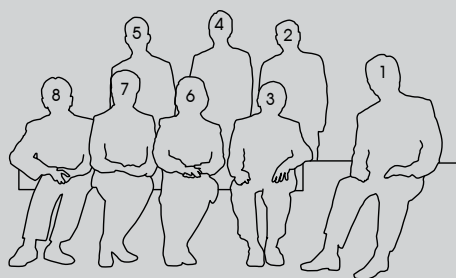
Work Experiences

- Director and Adviser, Bangkok Insurance Public Co., Ltd. (2008 - present)
- Company Secretary, Bangkok Insurance Public Co., Ltd. (2008 - present)
- Director, Bangkok Insurance Public Co., Ltd. (1981 - present)
- Senior Executive Vice President, Bangkok Insurance Public Co., Ltd. (2000 - 2009)
- Secretary to the Board of Directors, Bangkok Insurance Public Co., Ltd. (1992 - 2008)
- Assistant Managing Director, Bangkok Insurance Public Co., Ltd. (1982 - 1999)
- Director, Chumporn Palm Oil Industry Public Co., Ltd (1999 - present)
- Chairman of the Audit Committee, Chumporn Palm Oil Industry Public Co., Ltd. (2003 - 2005)
- Audit Committee, Chumporn Palm Oil Industry Public Co., Ltd. (1999 - 2002, 2006 - 2008)

MANAGEMENT COMMITTEE AND MANAGEMENT COMMITTEE PROFILE

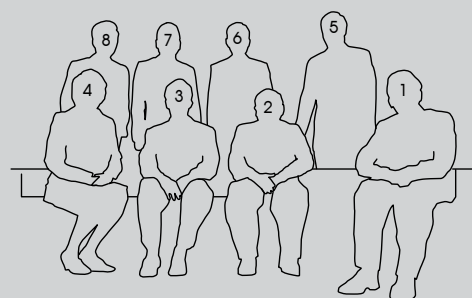


1. Mr. Chai Sophonpanich
2. Mr. Voravit Rojrapitada
3. Mr. Panus Thiravanitkul
4. Mr. Anon Vangvasu
5. Dr. Apisit Anantanatarat
6. Mrs. Srichitra Pramojaney
7. Miss Pagamas Charusathien (Retired on January 1, 2013)
8. Mr. Aree Vanairlor





1. Mr. Satit Liptasiri
2. Mr. Sontaya Chaichomlert
3. Mr. Sumnao Thienpramuk (Retired on January 1, 2013)
4. Miss Pimjai Luemrung
5. Mr. Suphat Yookongbandhu
6. Mr. Jakkrit Chewanuntapornchai
7. Mr. Suchart Chirayuwat
8. Mr. Lert Vongchai (Appointed on February 1, 2013)



Mr. Chai Sophonpanich
Chairman and Chief Executive Officer

Commence

February 1968

Education

- B.Sc., University of Colorado, U.S.A.
- Advanced Management Program, the Wharton School, 1984
- The Joint State - Private Sectors Class 6, the National Defence College of Thailand
- Director Certification Program (DCP) Class 16/2002, Thai Institute of Directors Association
- Chairman 2000 Class 10/2004, Thai Institute of Directors Association

Work Experiences

- Chairman and Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (2010 - present)
- Chairman, Bangkok Insurance Public Co., Ltd. (1978 - present)
- President, Bangkok Insurance Public Co., Ltd. (1976 - 2009)
- Chairman, Furukawa Metal (Thailand) Public Co., Ltd. (1988 - present)
- Chairman, Charoeng Thai Wire & Cable Public Co., Ltd. (1986 - present)
- Chairman, Bumrungrad Hospital Public Co., Ltd. (1979 - present)
- Vice Chairman, Thai Reinsurance Public Co., Ltd. (1978 - present)
- Director, Bangkok Life Assurance Public Co., Ltd. (1968 - present)
- Director, International Insurance Society, Inc. New York, U.S.A. (2009 - 2012)
- Chairman, The Federation of Thai Insurance Organization (2006 - 2008)
- President, The General Insurance Association (1984 - 1986, 1989 - 1991, 1997 - 2001, 2005 - 2007)
- Chairman, Asean Reinsurance Corp., Ltd. Singapore (1988 - 1992)
- Chairman, Asean Insurance Council, Jakarta (1987 - 1989)
- President, The East Asian Insurance Congress (1984 - 1986, 2004 - 2006)

Mr. Panus Thiravanitkul
President

Commence

May 1973

Education

- B.Sc. (Economics), Thammasat University
- M.B.A., Chulalongkorn University
- Director Certification Program (DCP) Class 129/2010, Thai Institute of Directors Association

Training

- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Marine Consequential Loss Insurance, Germany
- Insurance School of Japan

Work Experiences

- President, Bangkok Insurance Public Co., Ltd. (2011 - present)
- Director, Bangkok Insurance Public Co., Ltd. (2011 - present)
- Director of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (2011 - present)
- President, Bangkok Insurance Public Co., Ltd. (2010 - present)
- Executive Vice President, Bangkok Insurance Public Co., Ltd. (2007 - 2009)
- Senior Vice President, Operations Department, Bangkok Insurance Public Co., Ltd. (2001 - 2007)
- General Manager, Marine Insurance Department, Bangkok Insurance Public Co., Ltd. (2000 - 2001)
- Assistant General Manager, Marine Insurance Department, Bangkok Insurance Public Co., Ltd. (1993 - 2000)
- Vice Chairman, Marine and Transport Insurance Sub - committee, the General Insurance Association (1994 - 1996, 1999 - 2000)

Mr. Anon Vangvasu
Executive Vice President

Commence

December 1976

Education

- LL.B., Ramkhamhaeng University

Training

- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Insurance Management Development Program (IMDP)

Work Experiences

- Executive Vice President, Bangkok Insurance Public Co., Ltd. (Apr 2012 - present)
- Senior Vice President, Non-Motor Claims Department, Bangkok Insurance Public Co., Ltd. (2010 - present, 2003 - 2005)
- Senior Vice President, Motor Claims Department, Bangkok Insurance Public Co., Ltd. (2006 - 2012)
- Senior Vice President, Legal Department, Bangkok Insurance Public Co., Ltd. (2000 - present)
- Secretary General, The General Insurance Association (2009 - present)
- Vice Chairman, Motor Insurance Sub - committee, The General Insurance Association (2001 - present)
- Vice Chairman of The Board, Road Accident Victims Protection Co., Ltd. (1998 - present)

Mr. Suphat Yookongbandhu
Executive Vice President

Commence

August 1980

Education

- B.B.A. (Marketing), Assumption University
- Associate of the Insurance Institute of New Zealand (NZII), New Zealand

Training

- Miscellaneous Casualty Insurance, ISJ, Japan
- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Insurance Management Development Program (IMDP)

Work Experiences

- Executive Vice President, Bangkok Insurance Public Co., Ltd. (Apr 2012 - present)
- Senior Vice President, Broker Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - present)
- Deputy Senior Vice President, Non - Motor Claims Department, Bangkok Insurance Public Co., Ltd. (Feb - Aug 2010)
- First Vice President, Broker Division, Bangkok Insurance Public Co., Ltd. (2005 - 2007)
- Vice President, Broker Division, Bangkok Insurance Public Co., Ltd. (2001 - 2005)
- Manager, Miscellaneous Insurance Department, Bangkok Insurance Public Co., Ltd. (1994 - 2001)

Dr. Apisit Anantanarat
Executive Vice President

Commence

April 1985

Education

- Doctor of Organization Development and Transformation, Cebu Doctors' University, Philippines
- M.A. (Industrial and Organization Psychology), Thammasat University
- M.S. (Insurance), University of Hartford, U.S.A.
- Diploma of Financial Service (General Insurance), ANZIF (Senior Associate), Australia

Training

- East Asian Insurance Congress 2012, Malaysia
- Asian Insurance Congress 2011, Singapore
- Simplified Strategic Planning, Malaysia
- 7th Insurance Executives' Summit for Strategy, Operation & Technology 2011
- Asian Insurance Congress 2010, Singapore
- Health and Medical Insurance Conference 2009, Malaysia
- Genesys G-Force Event 2008 and Contact Center Site Visit, Australia
- New Forms of Risk Sharing and Risk Engineer, SCOR, France
- Management Development Program - Fit for Expert Underwriting, Swiss Insurance Training Centre, Switzerland
- Management Development Program - Fit for Management, Swiss Insurance Training Centre, Switzerland

Work Experiences

- Executive Vice President, Bangkok Insurance Public Co., Ltd. (Apr 2012 - present)
- Senior Vice President, Information Technology Department, Bangkok Insurance Public Co., Ltd. (2009 - present)
- Senior Vice President, Personal Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - present)
- Senior Vice President, Marketing and Communications Department, Bangkok Insurance Public Co., Ltd. (2011 - Apr 2012)
- First Vice President, Personal Lines Division, Bangkok Insurance Public Co., Ltd. (2006 - 2007)
- First Vice President, Information Technology Department, Bangkok Insurance Public Co., Ltd. (2005 - 2009)
- Vice President, Human Resources Development Division, Bangkok Insurance Public Co., Ltd. (2002 - 2006)
- Assistant Vice President, Human Resources Development Division, Bangkok Insurance Public Co., Ltd. (2000 - 2002)

Mr. Satit Liptasiri
Senior Vice President

Commence

October 1977

Education

- Diploma (Accounting), Perth Technical College, Australia

Training

- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Risk Assessment Workshop for Asian Fire Underwriters, Switzerland
- Insurance Management Development Program (IMDP)

Work Experiences

- Senior Vice President, Agent Business Unit, Bangkok Insurance Public Co., Ltd. (2009 - present)
- Senior Vice President, Non-Motor Claims Department, Bangkok Insurance Public Co., Ltd. (2006 - Jan 2010)
- Senior Vice President, Branch Operations Department, Bangkok Insurance Public Co., Ltd. (2001 - 2005)
- General Manager, Fire Insurance Department, Bangkok Insurance Public Co., Ltd. (2000 - 2001)
- Assistant General Manager, Fire Insurance Department, Bangkok Insurance Public Co., Ltd. (1995 - 2000)
- Vice Chairman, the Property Insurance Sub - committee, The General Insurance Association (1998 - 2002)

Mrs. Srichitra Pramojaney
Senior Vice President

Commence

January 2006

Education

- B.B.A. (Accounting), Thammasat University
- M.B.A., University of North Texas, U.S.A.

Work Experiences

- Senior Vice President, Accounting Department and Treasury Department, Bangkok Insurance Public Co., Ltd. (2006 - present)
- Chief Financial Officer, Henkel Thai (1999) Ltd. (2004 - 2005)
- Corporate Financial and Accounting Controller, Motorola (Thailand) Ltd. (2002 - 2004)
- Corporate General Manager, Office of Financial Management, Mitsubishi Motors (Thailand) Ltd. (1997 - 2002)

Mr. Jakkrit Chewanuntapornchai
Senior Vice President

Commence

August 1982

Education

- B.Sc. (Statistics), Chulalongkorn University
- M.B.A., Chulalongkorn University

Training

- General Insurance & Insurance - Management, IIAP, Philippines
- Alois - Alzheimer Scholarship, Munich Re, Germany
- MARSH Overseas Clients' Course 2001, England

Work Experiences

- Senior Vice President, Commercial Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - present)
- Vice President, Direct Customer Division, Bangkok Insurance Public Co., Ltd. (2001 - 2007)
- Manager, Non-Motor Claims Department, Bangkok Insurance Public Co., Ltd. (1998 - 2001)

Miss Pimjai Luemrungs
Senior Vice President

Commence

January 1979

Education

- B.Ed (Secondary Education), Srinakarinwirot University
- B.B.A. (General Management), Sukhothai Thammathirat University
- M.P.A., Chulalongkorn University

Training

- Chiyoda Insurance Seminar, Japan
- Human Resources Conference, Hongkong
- Role of compensation committee (RCC), Thai Institute of Directors Association
- Grid Instructor Preparation
- Leadership & Corporate Coaching, Certification Programme, Marcus Evans
- Strategic HR Measurement & Metrics
- Leadership Development with the Enneagram
- Engage Employees, Hewitt

Work Experiences

- Senior Vice President, Human Resource Department, Bangkok Insurance Public Co., Ltd. (2010 - present)
- First Vice President, Human Resource Department, Bangkok Insurance Public Co., Ltd. (2007 - Jul 2010)
- Vice President, Human Resource Department, Bangkok Insurance Public Co., Ltd. (1995 - 2007)

Mr. Sontaya Chaichomlert
Senior Vice President

Commence

February 1996

Education

- B.B.A. (Accounting), Thammasat University
- Mini M.B.A., Chulalongkorn University

Training

- Chiyoda Insurance Seminar, Japan
- Insurance Management Development Program (IMDP)
- Modern Management Program (MMP)
- Developing CG Policy Statement, Thai Institute of Directors Association
- Board and Director Performance Evaluation, Thai Institute of Directors Association

Work Experiences

- Senior Vice President, Internal Audit Department, Bangkok Insurance Public Co., Ltd. (2007 - present)
- First Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (2005 - 2006)
- Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (2004 - 2005)
- Vice President, Internal Audit Division, Bangkok Insurance Public Co., Ltd. (1996 - 2004)

Mr. Suchart Chirayuwat
Senior Vice President

Commence

August 2010

Education

- B.A. (Communication Arts Statistics), Chulalongkorn University
- Mini M.B.A., Kasetsart University

Work Experiences

- Senior Vice President, Branch Network and Ventures, Bangkok Insurance Public Co., Ltd. (2010 - present)
- Regional Manager, Bangkok Bank Public Co., Ltd. (2006 - 2010)

Mr. Aree Vanairlor
Senior Vice President

Commence

August 1989

Education

- B.A. (Political Science), Ramkhamheng University
- Associate of the Insurance Institute of New Zealand (NZII), New Zealand

Training

- Advanced Engineering Insurance Seminar, Cologne Re, Germany
- Advanced Non-Life Insurance Course, Swiss Insurance Training Centre, Switzerland

Work Experiences

- Senior Vice President, Financial Institution Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - present)
- First Vice President, Agent Division Bangkok Insurance Public Co., Ltd. (2006 - 2007)
- First Vice president, Financial Institution Division, Bangkok Insurance Public Co., Ltd. (2005 - 2006)
- Vice president, Financial Institution Division, Bangkok Insurance Public Co., Ltd. (2001 - 2005)
- Manager, Marketing Department, Bangkok Insurance Public Co., Ltd. (1995 - 2001)

Mr. Lert Vongchai

Senior Vice President
(Appointed on February 1, 2013)

Miss Pagamas Charusathien

Senior Vice President
(Retired on January 1, 2013)

Mr. Sumnao Thienpramuk

First Vice President
(Retired on January 1, 2013)

Commence

September 1980

Education

- B.B.A., Srinakharinwirot University

Training

- ICICI Lombard, India
- General Insurance Residential Program for Executive, Singapore
- Insurance Management Development (IMDP)
- Sumitomo Management Seminar, Japan

Work Experiences

- Senior Vice President, Motor Claims Department, Bangkok Insurance Public Co., Ltd. (Feb 2013 - present)
- First Vice President, Motor Claims Department, Bangkok Insurance Public Co., Ltd. (2007 - Jan 2013)
- Vice President, Motor Claims Department, Bangkok Insurance Public Co., Ltd. (1995 - 2007)



FIRST VICE PRESIDENT AND VICE PRESIDENT



1. Mr. Alonggorn Gradtip
2. Mr. Anant Pongpoon
3. Mr. Athapol Anansajakul
4. Mr. Charun Jongudomporn
5. Mr. Chawan Sophonpanich
6. Mr. Ekamol Aungkavattana
7. Mrs. Jariya Pattamachaiyant
8. Mr. Jeravat Payakarasamit
9. Mr. Jiravong Thantachote
10. Mrs. Jurairat Pipattanapongsopon
11. Mr. Kiattisak Sirilikitchai
12. Mr. Natdanai Pornchaisiriarun
13. Mr. Pairin Chaibenjapol
14. Mr. Paitoon Chanpanorrak
15. Miss Paveena Juchuan
16. Mr. Perasak Nakasriarun
17. Ms. Pisamai Wiphatkrut
18. Mr. Pisit Kidcharoensuk
19. Mr. Pitiphong Chaochaikhong
20. Miss Pranee Komonkawin
21. Mr. Prasit Wanichodom
22. Mr. Prayudh Jatarupamaya
23. Mr. Preecha Sornmanee
24. Mrs. Rataya Singh
25. Miss Saranya Luenglertvorakul
26. Miss Siriratt Ojarutip
27. Mr. Somchai Chiaranaiphaisan
28. Mr. Sorat Vonganankit
29. Mr. Stephen John Crabb
30. Mr. Suchai Limpodom
31. Miss Sujinda Teplertboon
32. Mrs. Sumana Trongtranon
33. Mr. Surasak Xuto
34. Mr. Suthi Chatthanakul
35. Miss Sutida Malila
36. Mr. Tawee Kvanthong
37. Mr. Trirak Krutvecho
38. Miss Umaporn Hualbuttar
39. Mr. Vichien Moleewon
40. Mr. Virat Akaraboonlertyot
41. Mrs. Waraporn Dhanisornkul
42. Mr. Werawut Ratananate
43. Mr. Wichai Pongsethpaisal
44. Mr. Wiwat Panyakiattikun

Remark : Mrs. Ratiporn Wasskul
 Mrs. Vanthana Yoovithaya
 Miss Yupin Thongsaengbunya

Retired on January 1, 2013
 Retired on January 1, 2013
 Retired on January 1, 2013

ASSISTANT VICE PRESIDENT



- | | | |
|-----------------------------------|------------------------------------|------------------------------------|
| 1. Mr. Anawaj Saibang | 31. Miss Pantita Panyamee | 61. Miss Thitiporn Boonyusthian |
| 2. Mr. Anon Chongsakul | 32. Mrs. Pattaporn Therdchanakul | 62. Miss Tusaneeya Uppalawanna |
| 3. Mrs. Anutra Chanprasartsuk | 33. Mr. Peerapat Thawornniti | 63. Mrs. Vallapa Somsuk |
| 4. Mr. Attapol Rangsiwongs | 34. Mr. Pipusol Napohpol | 64. Mr. Varit Unprasertporn |
| 5. Mr. Bundid Sujirapinyokul | 35. Mr. Praphan Jirasithibundit | 65. Miss Walailuck Phochakaparipan |
| 6. Mr. Chainarong Sarapaivittit | 36. Mrs. Prawpimon Lerttrakulsri | 66. Mr. Wera Virojsirasak |
| 7. Mr. Chaiyot Soonhoa | 37. Miss Rangsimarath Thongdeekam | 67. Mr. Werachat Tulapong |
| 8. Mrs. Chanpimol Suthisopaarphon | 38. Miss Ratchada Wongsomboon | 68. Mr. Werapol Banchongchoy |
| 9. Mrs. Charasporn Vipakornvit | 39. Mrs. Rujirath Panyakiatikun | 69. Miss Wilai Lertritpuwadol |
| 10. Mr. Chatchai Chitpaiboolrak | 40. Mr. Sarayuth Apaipim | 70. Mr. Winai Kunpraserd |
| 11. Mr. Chatchai Arayawanichkul | 41. Miss Sasamon Santisuk | 71. Mr. Wiwat Kanjanawijit |
| 12. Mr. Chokedee Thanachaipanich | 42. Mr. Sayan Su-am | 72. Mr. Yongyudh Tangtrongpiros |
| 13. Mr. Danai Rojjintaves | 43. Mrs. Sermasuk Kidcharoensuk | 73. Miss Yupadee Seemachokcharoen |
| 14. Mrs. Duangta Sanpha-asa | 44. Mrs. Sirithorn Pongsiripat | 74. Mr. Yutthachai Issawanish |
| 15. Miss Jutamas Wasuntiwong | 45. Mr. Sithikul Arayavechakit | |
| 16. Mr. Kannasootr Homjan | 46. Mrs. Somchit Buranadham | |
| 17. Mr. Kitisak Suriyaranapimol | 47. Mr. Somkiat Veeratanaporn | |
| 18. Mr. Kittipong Arunrungsawadi | 48. Mr. Songkiat Nualon | |
| 19. Mr. Komdech Triamchaipisut | 49. Mr. Songyos Intaladchoom | |
| 20. Mrs. Kornkaew Eiamkul | 50. Mr. Suchai Srirongruangjit | |
| 21. Mr. Kriengsak Wongsantimeth | 51. Mr. Suchart Thitirattanapinant | |
| 22. Miss Lasa Sophonpanich | 52. Mr. Suraphan Sooksangpesh | |
| 23. Mr. Mongkol Tongto | 53. Mrs. Sureeporn Sriu-rai | |
| 24. Mr. Narongrit Udomlaksakul | 54. Mrs. Surunya Charuchinda | |
| 25. Mr. Nathakrit Teerawut | 55. Mr. Sutthichai Kanjanapunprapa | |
| 26. Mr. Natthajak Santatillokkul | 56. Mrs. Suwannee Sithisukh | |
| 27. Miss Nawawan Hoiyiphu | 57. Mrs. Suwannee Kuptitumkul | |
| 28. Mrs. Netnapit Poolsap | 58. Mr. Taweechai Wootianusorn | |
| 29. Mr. Paisan Vohakiat | 59. Mr. Teerawat Jaturavit | |
| 30. Mrs. Pannee Vongchai | 60. Mr. Thitipong Kittiprapas | |

Remark : Mr. Anek Keereesathien
 Mr. Mannarong Thittitanakul
 Miss Natsaran Woraratpanya
 Miss Sunee Luangpongrat

Resign as from June 1, 2012
 Resign as from July 28, 2012
 Resign as from May 19, 2012
 Resign as from August 1, 2012

CORPORATE SOCIAL RESPONSIBILITY



Contributions to Foundations under Royal Patronage

With the awareness of its responsibilities to society and the environment, in parallel with its business transactions in order to generate sustainable development of the quality of life of people in society and the environment, Bangkok Insurance Public Company Limited has for many years had a continuous policy of promoting activities for society covering all aspects, through its budgets and manpower, particularly encouraging its staff to constantly take part in those activities so as to establish a public-minded culture, with the awareness of "Your Concern is Our Concern", helping one another in society without expecting any benefits in return. In this regard, all levels of the Company's employees have performed in compliance with its policy on corporate social responsibility, which is clearly defined.

The Company's Policy on Corporate Social Responsibility (CSR)

- Create awareness among the Company's management and employees at all levels so that everyone is fully aware of the significance of activities that benefit society and realizes it is one's duty to take part in these activities of the Company.
- Support social activities to assist the underprivileged and those suffering from natural disasters. Also to preserve Thai historical artifacts and artworks that are integral to the nation's heritage.
- Allocate budgets to ensure constant support for social activities.
- Promote education for the underprivileged through giving priority to fields of study in which Thailand is lacking so as to develop a pool of talent that can serve as a significant driving force for the country's development.
- Campaign for networking to encourage cooperation from many other agencies in helping to fulfill the Company's different projects, as well as to be able to extensively expand assistance in carrying out activities, thus giving the scope to cover all remote areas of the country.

In 2012, the Company participated in the following social activities:

Education

Contributions to Foundations under Royal Patronage

- A contribution of Baht 2.0 million to the Ananda Mahidol Foundation as scholarships for students having academic capabilities to further their studies at the highest level so as to apply the knowledge learned to the development of the country after graduation.
- A contribution of Baht 2.0 million to the Chai Pattana Foundation to implement royal projects and help people in, for instance, education, environmental conservation, social development, etc.
- A contribution of Baht 1.0 million to the "Graduates Go Home" project, as scholarships for students under royal patronage.

Bangkok Insurance Scholarship Project (University Level)

The Company has granted scholarships to outstanding but poor students for their university education. In 2012, 116 scholarships were granted to students totaling Baht 7,245,363. The grants included tuition fees, as well as expenses for food, accommodation and others.

Promote Students' Reading Habit Project

The Company has supported primary and secondary schools in remote and poverty-stricken areas in terms of textbooks, school books and learning equipment, including developing school libraries, besides offering teacher training to establish standard for holding the "Promote Students' Reading Habit" activity. In 2012, there were 102 schools participating in the project, while a budget of Baht 276,212 was spent on it.

Public Health

Mobile Medical Unit Service

The Company, in collaboration with Bumrungrad Hospital, through the former's staff and the latter's doctors and nurses, has every year since 1988 continuously provided a mobile medical service for the treatment of sick people in remote and poverty-stricken areas, who generally lack an opportunity to receive such a service, including distributing basic necessities to those coming for the service, with the hope that they will have a better quality of life and stronger health. In 2012, these activities were carried out free of charge in Kok Srisuphan district in Sakon Nakhon and Dong Luang district in Mukdahan, with over 7,000 people coming for treatment and donated items.

Support the Wishing Well Foundation

The Company has supported the Wishing Well Foundation, which transfers assistance and support to 17 hospitals treating children with cancer. In 2012, the Company's public-minded staff of the BKL Care Club, and its Bangkok Insurance Foundation, in collaboration with the Wishing Well Foundation, took children with cancer and their poor parents to the open zoo of Kao Kiew in Chonburi so that they could learn from experience gained from various types of animals there.

Relief of Public Disasters

Helping Disaster Victims

- In 2012, the BKL Care Club's public-minded staff made a site visit to help people in flooded areas and distributed 500 sets of subsistence bags to flood victims in Sri Mahabhodi and Bansang districts in Prachin Buri.
- Countering cold weather in 2012. The Company donated 500 blankets to victims of cold weather living in Chiang Rai and Chiang Mai.

Development of Communities and the Environment

"Bhappyy3" Project

The Company, in collaboration with Bumrungrad Hospital and Bangkok Life Assurance Public Company Limited, has organized the "Bhappyy3" project with the aim to have staff of the three agencies carry out activities benefiting society and the environment, including creating unity and good relations among themselves. In 2012, activities were conducted 3 times, each with over 200 members of the management and public-minded staff participating. These included the following:

- Activity 1, "Ruam Boon Ruam Jai kub Bhappyy3" via the restoration and revival of a significant historical site, Wat Jedi Pookaathong, which was adversely affected by the great deluge of 2011, by cleaning, painting and improving the landscape around the temple in Phra Nakhon Si Ayutthaya.



scholarships for students



Promote Students' Reading Habit Project



Mobile Medical Unit Service

- Activity 2, “Rak Pa Rak Cheevit” by collectively reforesting the areas at the Center for a Study of Huay Sai Development under Royal Patronage in Phetchaburi, which aims to revive the forest condition through growing 3 types of forests while gaining 4 benefits, namely, usable wood, edible plant, economic wood, and the benefit of conserving soil and water.
- Activity 3, “Rak Din Rak Nam” by jointly establishing earthen houses, weirs and salt licks in the Wildlife Preservation Area of Phachee River in Ratchaburi to conserve the soil and water in order to make permanent sources of water and food for animals.

“BKI Recycle for the Kids” Project

The Company, in cooperation with Magic Eyes, has initiated the “BKI Recycle for the Kids” project. The activity has been carried out by making students’ bags out of waste plastic canvas or vinyl signs. The bags have subsequently been distributed to needy students in border patrol police schools throughout the country. This is aimed at a campaign on the worthiest garbage recycling, apart from helping reduce the accumulation of garbage and pollution of the environment. In 2012, a total of 10,000 such bags were distributed to students in 57 schools through this project.

Promote Handicraft Occupation for Villagers in Mukdahan Project

The Company has initiated the “Promotion of Handicraft Occupation for Villagers in Mukdahan” project, started in 1995 and continuing till now, in which villagers are trained to weave baskets from plastic fiber, weave kok mats and hand-weave natural-colour bathing cloth. In addition, there is the provision of experts in teaching, development of a production method, and a search for raw materials and production outlets. This is aimed at encouraging people in areas with supplementary occupations to augment their incomes, leading to better and sustainable living. In 2012, a budget of Baht 1,112,223 was spent to promote the project.

Voluntary Development Camp of BKI Scholarship Student Project

The Company has provided support to various voluntary development camps of students receiving its scholarships, beginning in 1996 and continuing till now, in order to encourage those students to make a grouping for carrying out activities benefiting society. In 2012, the Company made a contribution totaling Baht 50,000 in support of the “Clean Toilets for Our Brothers and Sisters” activity by constructing toilets for Ban Chiangpeng School in Sakon Nakhon.

Support Magic Eyes

The Company has made a contribution in support of Magic Eyes to implement its environmental conservation activities since 1984 till now. In 2012, the Company contributed Baht 100,000 to Magic Eyes to support its activities.



Support the Wishing Well Foundation



“Make Merit Cordially with Bhopal3” Project



“BKI Recycle for the Kids” Project

Support the Rajchapreuk Institute Foundation

The Company has made a contribution in support of three preservation and reforestation activities since 1986. In 2012, the Company contributed Baht 149,500 to the Rajchapreuk Institute Foundation to support the latter's activities.

Art, Culture and Religion

Develop Archaeological Site of Wiang Bua Project

In 2012, the Bangkok Insurance Foundation jointly signed a MOU with Management College of Phayao University for research and development of the Wiang Bua museum at Tambon Maeka, Amphur Muang, Phayao. In this regard, a budget of Baht 154,700 was spent on research and development of the location as a sustainable archaeological learning site for students and the general public.

Rehabilitate Archaeological Site of Ban Promthintai Project

The Company has supported the Faculty of Archaeology, Silpakorn University in rehabilitating archaeological sites and preserving historical objects at the archaeological sites of Ban Promthintai in Lopburi. The project has been continuously implemented since 2007 till now. In 2012, a budget of Baht 2,544,886 was spent on these activities.

Develop Quality of Life for Happiness in Working Project

The Company has opened an opportunity for all levels of its employees who are interested in studying dhamma and practicing meditation to generate happiness and develop the quality of working life. The project is organized every 3 months at a meditation practice school at Samnak Patibutdhamma Sangdhammasongchivit, Pakchong branch, Nakhon Ratchasima.

Annual Kathin

The Company has arranged a merit-making ceremony of Kathin every year so that its management, employees and business partners may have an opportunity to take part in supporting Buddhism for its eternal longevity. In 2012, the Company organized a Kathin at Wat Wangperm - Phrapavana (Luangpu Ban Thanakaro) in Nakhon Ratchasima, while a budget spent on the activity totaled Baht 1,570,012.

All of the above-mentioned activities have arisen out of the Company's public-minded staff's concerted effort and cooperation, all having the same goals and objectives, under the Company's encouragement and support of their employees to conduct their lives and perform their work through their taking "Your Concern is Our Concern" into consideration, including strict, transparent and verifiable practices in compliance with laws, regulations and business standards in order to further maintain the Company's sound corporate citizenship of society. In addition, the Company firmly believes that its business transaction with responsibility to all groups of stakeholders, such as the Company's customers, employees, business partners, shareholders, competitors, and society at large, is a significant foundation leading to the Company's stable and sustainable business growth throughout.



Develop Archaeological Site of Wiang Bua Project



Annual Kathin



Happiness in Working Project

REPORT OF THE AUDIT COMMITTEE

Bangkok Insurance Public Company Limited's Audit Committee, consisting of 3 independent directors, each with a three-year term, is comprised of Mr. Plengsakdi Prakaspesat, Committee Chairman, and Miss. Potjanee Thanavaranit and Mr. Chor.nun Petpaisit, Committee Members.

In 2012, the Audit Committee convened 4 meetings, attended by the Director and Company Secretary, the President, Senior Vice President of Accounting and Treasury Department and Senior Vice President of Internal Audit Department. It further convened another 2 meetings without the attendance of the Company's management to implement duties assigned by the Board of Directors as summarized below:

1. Checking of the Financial Statements. The Audit Committee, along with the Company's management and independent auditors, has examined the Company's quarterly and annual financial statements to ensure that they are accurately and properly established in accordance with generally accepted accounting standards. Simultaneously, data is sufficiently and reliably disclosed. In addition, the Committee has made suggestions for an improvement and conducted follow-up checks for the Company's benefit.

2. Supervising the Company's Internal Control System and Performance Corresponding to the Provisions of Law. The Audit Committee has examined and approved the audit plan of the audit department for 2012, examined the report on audit consequences based on the plan, as well as made suggestions for the efficiency and effectiveness of the audit department's performance, in addition to exchanging opinions and providing advice to the Company's management in order to follow up with improvement on significant issues according to an audit report. This is to ensure that the Company has a good internal control system and practices that comply with the relevant laws and regulations.

3. Checking to Prevent a Conflict of Interest. The Audit Committee has examined interrelated parties transactions of companies and persons concerned that may generate a conflict of interest with the Company. This is to ensure business transparency and actual transactions for normal business practices, which does not significantly affect the Company.

4. Selecting and Proposing an Appointment of Auditor. The Audit Committee has considered and proposed to the Company's Board of Directors for approval from the shareholders' meeting for the appointment of Mrs. Nongluk Poomnoi and/or Miss Somjai Khunnapasut and/or Miss Ratchada Yongsawatvanich of Ernst and Young Office Limited as auditors for the year 2012, with the remuneration of Baht 2,036,500.

5. Performing Other Duties. The Audit Committee has supervised and provided recommendations to the Company's management in terms of managerial issues to engender an appropriate inspection and a checks-and-balance mechanism. It also adheres to the principles of good corporate governance policy so as to create confidence among shareholders, investors and all parties concerned.

The Audit Committee has considered and found that the Company implemented a good corporate governance policy and established a proper and effective internal control system. Similarly, the Company has efficient risk management and interrelated items that are commercially true ones, as well as normal and reasonable businesses. In addition, the Company has performed its operations in compliance with the relevant laws and regulations, and established accurate and proper financial statements while disclosing complete and correct information on par with accounting measures, and having a reliable system of good corporate governance.



(Mr. Plengsakdi Prakaspesat)
Chairman of the Audit Committee

REPORT ON THE BOARD OF DIRECTOR'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Bangkok Insurance Public Company Limited Board of Directors is responsible for the Company's financial statements, as well as financial information technology appearing in the annual financial statements. Such statements have been prepared in accordance with accounting principles and practices generally accepted in Thailand. In this regard, the Board of Directors has selected an appropriate accounting policy and constantly implemented it with cautious discretion. Furthermore, significant data is sufficiently disclosed in notes of the financial statements.

The Board of Directors also provides and maintains an efficient internal control system to ensure that the recording of accounting data is accurate, complete and adequate for the protection of the Company's assets and the prevention of fraud and malpractices, while disclosing interrelated items to avoid any conflict of interests, as well as complying with the laws and regulations concerned. In this connection, the Audit Committee is assigned by the Board of Directors to oversee, take responsibility for and continuously report the consequences to the Board. The Audit Committee's opinions on these issues have already appeared in its report, which is displayed in the Company's annual report.

The Company's Board of Directors is of the opinion that the overall internal control system of the Company is satisfactory and generates justified confidence in the reliability of the Company's financial statements as at December 31, 2012. The Company's independent auditor has also audited in accordance with generally accepted auditing standards and is of the opinion that the Company's financial statements referred to above present fairly, in all material respects, its financial position and operational consequences in accordance with generally accepted accounting principles.



(Mr. Chai Sophonpanich)

Chairman and Chief Executive Officer

REPORT OF INDEPENDENT AUDITOR

To the Shareholders of Bangkok Insurance Public Company Limited

I have audited the accompanying financial statements of Bangkok Insurance Public Company Limited, which comprise the statement of financial position, in which the equity method is applied as at December 31, 2012, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statement, in which the cost method is applied, of Bangkok Insurance Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Insurance Public Company Limited as at December 31, 2012, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 1.2 to the financial statements regarding effects of the severe flooding. The Company currently set aside loss reserves based on best estimates, with reference to supporting documentation and surveyors' reports. However, the Company is in the process of negotiating the claims with its counterparties and performing further examination of the facts. There are uncertainties in these processes, which could affect the amount of loss reserves and loss reserves refundable from reinsurers. Actual results could significantly differ from the estimates. My opinion is not qualified in respect of this matter.



(Mrs. Nonglak Pumnoi)

Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited
Bangkok
February 22, 2013

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2012 and 2011

(Baht'000)

	Financial Statements		Separate Financial Statements	
	in which the equity method is applied		in which the cost method is applied	
Assets	2012	2011	2012	2011
Cash and Cash Equivalent (Note 6, 26)	1,556,898	1,135,597	1,556,898	1,135,597
Accrued Investment Income	28,980	32,777	28,980	32,777
Premium Receivables (Note 7, 26)	2,008,941	1,710,224	2,008,941	1,710,224
Reinsurance Assets (Note 8, 26)	22,372,176	23,113,649	22,372,176	23,113,649
Investment Assets (Note 26, 27, 28)				
Investments in Securities				
Available-for-sale Investments (Note 9.1)	23,880,433	20,031,028	23,880,433	20,031,028
Held-to-Maturity Investments (Note 9.2)	1,208,691	1,061,994	1,208,691	1,061,994
Other Investments (Note 9.3)	506,235	432,941	506,235	432,941
Loans (Note 10)	2,109,971	2,578,770	2,109,971	2,578,770
Investments in Associates (Note 11)	140,076	131,702	102,256	102,256
Investment Properties (Note 12)	264,458	286,909	264,458	286,909
Property, Buildings and Equipment (Note 13)	925,819	799,483	925,819	799,483
Intangible Assets (Note 14)	135,568	81,061	135,568	81,061
Other Assets				
Leasehold Right - Land	70,389	76,347	70,389	76,347
Deposit on Lended Securities	-	133,836	-	133,836
Receivable from Sales of Investments	1,332	70,513	1,332	70,513
Others (Note 26)	297,877	248,440	297,877	248,440
Total Assets	55,507,844	51,925,271	55,470,024	51,895,825

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

(Baht'000)

Liabilities and Equity	Financial Statements in which the equity method is applied		Separate Financial Statements in which the cost method is applied	
	2012	2011	2012	2011
Liabilities				
Income Tax Payable	12,835	96,634	12,835	96,634
Due to Reinsurers (Note 15, 26)	2,504,721	1,199,502	2,504,721	1,199,502
Insurance Contract Liabilities				
Loss Reserves and Outstanding Claims (Note 16)	21,746,508	24,747,208	21,746,508	24,747,208
Premium Reserve (Note 17)	5,920,355	5,051,044	5,920,355	5,051,044
Employee Benefit Obligations (Note 18)	364,956	300,277	364,956	300,277
Commission Payables	327,585	277,642	327,585	277,642
Other Liabilities				
Premium Received in Advance	1,081,911	968,814	1,081,911	968,814
Liabilities Under Finance Lease Agreements (Note 19, 26)	81,678	56,959	81,678	56,959
Accrued Expenses	656,844	507,789	656,844	507,789
Collateral on Lended Securities	-	133,836	-	133,836
Others	415,938	309,349	415,938	309,349
Total Liabilities	33,113,331	33,649,054	33,113,331	33,649,054
Equity				
Share Capital				
Registered				
76,050,000 Ordinary Shares of Baht 10 each	760,500	760,500	760,500	760,500
Issued and Fully Paid up				
76,050,000 Ordinary Shares of Baht 10 each	760,500	760,500	760,500	760,500
Premium on Share Capital	1,442,500	1,442,500	1,442,500	1,442,500
Retained Earnings				
Appropriated				
Legal Reserve (Note 21)	76,050	76,050	76,050	76,050
General Reserve	3,100,000	3,100,000	3,100,000	3,100,000
Unappropriated	381,249	668,074	343,429	638,628
Other Components of Equity (Note 9.1)	16,634,214	12,229,093	16,634,214	12,229,093
Total Equity	22,394,513	18,276,217	22,356,693	18,246,771
Total Liabilities and Equity	55,507,844	51,925,271	55,470,024	51,895,825

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2012 and 2011

(Baht'000)

	Financial Statements in which the equity method is applied		Separate Financial Statements in which the cost method is applied	
	2012	2011	2012	2011
Income				
Net Earned Premium (Note 22, 26)	8,340,869	7,344,657	8,340,869	7,344,657
Fee and Commissions Income (Note 22)	760,032	660,026	760,032	660,026
Total Income	9,100,901	8,004,683	9,100,901	8,004,683
Expenses				
Underwriting				
Claim Expenses				
Claims and Losses Adjustment Expenses (Note 22)	7,587,276	5,826,325	7,587,276	5,826,325
Commissions and Brokerages (Note 22)	1,847,727	1,678,689	1,847,727	1,678,689
Other Underwriting Expenses (Note 22)	1,141,439	957,095	1,141,439	957,095
Contribution to Road Accident Victims Protection				
Company Limited (Note 22)	25,501	24,715	25,501	24,715
Operating Expenses (Note 22, 23)	668,436	616,934	668,436	616,934
Total Underwriting Expenses	11,270,379	9,103,758	11,270,379	9,103,758
Loss from Underwriting	(2,169,478)	(1,099,075)	(2,169,478)	(1,099,075)
Net Investment Income (Note 26)	762,649	818,243	762,649	818,243
Gains on Investments	2,011,917	641,945	2,011,917	641,945
Share of Profit from Associates (Note 11)	8,374	6,138	-	-
Other Income	158,633	126,196	158,633	126,196
Profit from Operations	772,095	493,447	763,721	487,309
Contribution to the Office of				
Insurance Commission	27,866	23,247	27,866	23,247
Contribution to the General Insurance Fund (Note 29)	31,082	22,841	31,082	22,841
Contribution to the Victims Compensation Fund	2,082	2,017	2,082	2,017
Finance Cost	3,860	2,696	3,860	2,696
Profit Before Income Tax Expenses	707,205	442,646	698,831	436,508
Less Income Tax Expenses	81,440	390,621	81,440	390,621
Profit for the Year	625,765	52,025	617,391	45,887
Other Comprehensive Income				
Gains on Changes in Values of				
Available-for-sale Investments	4,405,121	1,468,674	4,405,121	1,468,674
Other Comprehensive Income for the Year	4,405,121	1,468,674	4,405,121	1,468,674
Total Comprehensive Income for the Year	5,030,886	1,520,699	5,022,512	1,514,561
Earnings Per Share (Note 25)				
Basic Earnings Per Share				
Profit For the Year	8.23	0.68	8.12	0.60

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

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2012 and 2011

(Baht'000)

Financial Statements in which the equity method is applied			Separate Financial Statements in which the cost method is applied	
	2012	2011	2012	2011
Cash Flows from Operating Activities				
Direct Premium Written	12,300,671	10,373,020	12,300,671	10,373,020
Cash Paid for Reinsurance	12,703,272	18,243,012	12,703,272	18,243,012
Losses Incurred on Direct Insurance	(23,735,940)	(24,486,019)	(23,735,940)	(24,486,019)
Commissions and Brokerages on Direct Insurance	(1,569,646)	(1,313,567)	(1,569,646)	(1,313,567)
Other Underwriting Expenses	(1,437,876)	(1,228,205)	(1,437,876)	(1,228,205)
Net Investment Income	798,056	831,122	798,056	831,122
Other Income	140,082	119,945	140,082	119,945
Operating Expenses	(333,875)	(335,395)	(333,875)	(335,395)
Corporate Income Tax	(165,238)	(477,671)	(165,238)	(477,671)
Net Cash from (used in) Operating Activities	(1,300,494)	1,726,242	(1,300,494)	1,726,242
Cash Flows from Investing Activities				
Cash Flows from				
Investments in Securities	9,607,307	8,685,964	9,607,307	8,685,964
Loans	1,111,847	768,753	1,111,847	768,753
Deposits at Financial Institutions	218,901	158,653	218,901	158,653
Property, Buildings and Equipment	41,248	6,788	41,248	6,788
Net Cash from Investing Activities	10,979,303	9,620,158	10,979,303	9,620,158
Cash Flows used in				
Investments in Securities	(7,043,760)	(8,817,212)	(7,043,760)	(8,817,212)
Loans	(643,113)	(563,675)	(643,113)	(563,675)
Deposits at Financial Institutions	(365,597)	(306,446)	(365,597)	(306,446)
Property, Buildings and Equipment	(292,448)	(114,136)	(292,448)	(114,136)
Net Cash used in Investing Activities	(8,344,918)	(9,801,469)	(8,344,918)	(9,801,469)
Net Cash from (used in) Investing Activities	2,634,385	(181,311)	2,634,385	(181,311)
Cash Flows from Financing Activities				
Dividend Paid to Shareholders	(912,590)	(912,536)	(912,590)	(912,536)
Net Cash used in Financing Activities	(912,590)	(912,536)	(912,590)	(912,536)
Net Increase in Cash and Cash Equivalents	421,301	632,395	421,301	632,395
Cash and Cash Equivalents at Beginning of Year	1,135,597	503,202	1,135,597	503,202
Cash And Cash Equivalents at End of Year (Note 6)	1,556,898	1,135,597	1,556,898	1,135,597
Supplemental Cash Flows Information				
Non-cash Item				
Gains on Changes in Values of				
Available-for-sale Investments	4,405,120	1,468,674	4,405,120	1,468,674

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

STATEMENTS OF CHANGES IN EQUITY

Financial Statements in which the equity method is applied

For the years ended December 31, 2012 and 2011

	Issued and Fully Paid-up Share Capital	Premium on Share Capital
Balance as at January 1, 2011	760,500	1,442,500
Dividend Paid (Note 20)	-	-
Total Comprehensive Income for the Year	-	-
Balance as at December 31, 2011	760,500	1,442,500
Balance as at January 1, 2012	760,500	1,442,500
Dividend Paid (Note 20)	-	-
Total Comprehensive Income for the Year	-	-
Balance as at December 31, 2012	760,500	1,442,500

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

Retained Earnings			Other Components of Equity		(Baht'000)
Appropriated		Unappropriated	Other Comprehensive Income	Total Other	Total
Legal Reserve	General Reserve		Surplus on Changes in Value of Available- for-Sale Investments	Components of Equity	
76,050	3,100,000	1,528,585	10,760,419	10,760,419	17,668,054
-	-	(912,536)	-	-	(912,536)
-	-	52,025	1,468,674	1,468,674	1,520,699
76,050	3,100,000	668,074	12,229,093	12,229,093	18,276,217
76,050	3,100,000	668,074	12,229,093	12,229,093	18,276,217
-	-	(912,590)	-	-	(912,590)
-	-	625,765	4,405,121	4,405,121	5,030,886
76,050	3,100,000	381,249	16,634,214	16,634,214	22,394,513

STATEMENTS OF CHANGES IN EQUITY

Financial Statements in which the cost method is applied

For the years ended December 31, 2012 and 2011

	Issued and Fully Paid-up Share Capital	Premium on Share Capital
Balance as at January 1, 2011	760,500	1,442,500
Dividend Paid (Note 20)	-	-
Total Comprehensive Income for the Year	-	-
Balance as at December 31, 2011	760,500	1,442,500
Balance as at January 1, 2012	760,500	1,442,500
Dividend Paid (Note 20)	-	-
Total Comprehensive Income for the Year	-	-
Balance as at December 31, 2012	760,500	1,442,500

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

Retained Earnings			Other Components of Equity		(Baht'000)
Appropriated		Unappropriated	Other Comprehensive Income	Total Other	Total
Legal Reserve	General Reserve		Surplus on Changes in Value of Available- for-Sale Investments	Components of Equity	
76,050	3,100,000	1,505,277	10,760,419	10,760,419	17,644,746
-	-	(912,536)	-	-	(912,536)
-	-	45,887	1,468,674	1,468,674	1,514,561
76,050	3,100,000	638,628	12,229,093	12,229,093	18,246,771
76,050	3,100,000	638,628	12,229,093	12,229,093	18,246,771
-	-	(912,590)	-	-	(912,590)
-	-	617,391	4,405,121	4,405,121	5,022,512
76,050	3,100,000	343,429	16,634,214	16,634,214	22,356,693

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2012

1. General Information

1.1 Corporate Information

Bangkok Insurance Public Company Limited (the Company) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of non-life insurance. The Company's registered office is at 25 Bangkok Insurance Building, Sathon Tai Road, Bangkok.

1.2 Severe Flood Situation

In the fourth quarter of 2011, there was severe flooding in Thailand. The floods materially affected the financial statements of the Company, with the financial impact reflected in the financial statements until December 31, 2012 are as follows:

		(Baht : Million)	
	Gross Claims	Claims Reserve Refundable from Reinsurers	Net Claims
Outstanding Claims	14,377.15	(10,361.16)	4,015.99
Claims Paid	21,790.35	(17,932.23)	3,858.12
Total	36,167.50	(28,293.39)	7,874.11
Claims Reserve Refundable from Reinsurance under Excess of Loss Contracts			(2,233.78)
Net Claims Expense - Statement of Comprehensive Income			5,640.33
Less: Net Claims Expense - Statement of Comprehensive Income for 2011			(2,294.85)
Net Claims Expense - Statement of Comprehensive Income for 2012			3,345.48

The Company currently set aside loss reserves based on best estimates, with reference to supporting documentation and surveyors' reports. However, the Company is in the process of negotiating the claims with its counterparties and performing further examination of the facts. There are uncertainties in these processes, which could affect the amount of loss reserves and loss reserves refundable from reinsurers. Actual results could significantly differ from the estimates.

2. Basis of Preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and in accordance with Thai accounting practices related to insurance, and the accounting and reporting guidelines prescribed by the Office of Insurance Commission ("OIC"). The presentation of the financial statements has been made in compliance with the declaration of Insurance Commission dated May 27, 2010.

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.

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

3. New Accounting Standards not yet Effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after January 1, 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange RatesFinancial Reporting Standard
TFRS 8	Operating Segments

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company's brought-forward retained earnings of the year 2013 by approximately Baht 783 million and decreasing the brought-forward balance of other components of equity of the year 2013 by Baht 3,327 million.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on January 17, 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	Effective date
Accounting Treatment Guidance for Transfers of Financial Assets	January 1, 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	January 1, 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	January 1, 2014
TFRIC 12 Service Concession Arrangements	January 1, 2014
TFRIC 13 Customer Loyalty Programmes	January 1, 2014

The management of the Company has assessed the effect of these standards and believes that accounting treatment guidance, accounting standard interpretation and financial reporting standard interpretations are not relevant to the business of the Company.

4. Significant accounting policies

4.1 Revenue recognition

(a) Premium income

Premium income consists of direct premium and reinsurance premium less premium of the canceled policy and premium refunded to the policy holders and adjust with unearned premium reserve.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies which coverage periods of longer than 1 year, related revenues are recorded as premium received in advance, and recognised as income over the coverage period. 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 fee income

Commission and brokerage fees from ceded premium are recognised as income over the period in which the related services are performed.

(c) Interest and dividend income

Interest income is recognised on an accrual basis based on the effective interest rate. Dividends are recognised when the right to receive the dividends is established.

(d) Gains (loss) on investment

Gains (loss) on investment is recognised as income or expense on the transaction date.

(e) Interest on loan

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

4.2 Expenses recognition

(a) Ceded premium

Ceded premium is recognised as expenses when the insurance risk is transferred to another reinsurer.

(b) Commission and brokerage fees expenses

Commissions and brokerages are expended when incurred

(c) Claims and losses adjustment expenses

Claims and losses adjustment expenses consist of claims and losses adjustment expenses of direct insurance and reinsurance, and include the amounts of claims, related expenses, and loss adjustments of current and prior period incurred during the year, less residual value and others recoveries (if any) and claims refundable from reinsurers.

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

Claims and losses adjustment expenses of reinsurance are recognised as expenses when the reinsurer places the loss advice or the statement of accounts with the Company.

4.3 Cash and cash equivalents

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

4.4 Premium Receivables and Allowance of Doubtful Accounts

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

4.5 Reinsurance Assets and Due to Reinsurers

- (a) Reinsurance assets are stated at the outstanding balance of amount due from reinsurers, amounts deposit on reinsurance and insurance reserve refundable from reinsurers.

Amounts due from reinsurers consist of accrued commission and brokerage income, claims and various other items receivable from reinsurers, excluding reinsurance premium receivable, less allowance for doubtful accounts. The Company records allowance for doubtful accounts for the estimated losses 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.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of loss reserve and outstanding claims in accordance with the law regarding insurance reserve calculation.

- (b) Amounts due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims.

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

- (1) The entity has a legal right to offset amounts presented in the statements of financial position, and
- (2) The entity 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.

4.6 Investments in Securities

- (a) 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 in profit or loss when the securities are sold.
- (b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).
- (c) Investments in associates are accounted for in the financial statements in which the equity method is applied using the equity method (investments in associates are accounted for in the separate financial statements in which the cost method is applied using the cost method).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their 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 investment that is reclassified.

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

4.7 Loans and Allowance for Doubtful Accounts

Loans are stated at net realisable value. Allowance for doubtful accounts is provided for the estimated losses 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.

4.8 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 30 years (over the period of lease). Depreciation of the investment properties is included in determining income.

4.9 Property, Buildings and Equipment and Depreciation

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

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

- | | |
|---|---|
| - Buildings | - 20 years, 30 years (over the period of lease) |
| - Condominium | - 20 years |
| - Office furniture, fixture and equipment | - 3 years and 5 years |
| - Motor vehicles | - 5 years |

Depreciation is included in determining income.

No depreciation is provided for land and construction in progress.

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.

4.10 Intangible Assets and Amortisation

Intangible assets acquired are recognised at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (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 asset 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 useful lives of intangible assets with finite useful lives which are computer software are expected to generate economic benefit within 5 years and 10 years.

4.11 Related Party Transactions

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

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

4.12 Loss Reserve and Outstanding Claims

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

The Company has allocated IBNR, which is calculated using an actuarial method based on a best estimate of claims which are expected to be paid in respect of losses occurring before or as at the reporting date. The IBNR is calculated for both reported and not reported losses, and net of recorded claims.

4.13 Premium Reserve

Premium reserve consists of unearned premium reserve and unexpired risks reserve.

(a) Unearned premium reserve

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

- | | |
|--|---|
| - Fire, marine and transportation (Hull) | - Monthly average basis |
| Motor and Miscellaneous | (the one-twenty fourth basis) |
| - Transportation (cargo), | - 100% of premium as from the date policy |
| travelling accident with coverage | is effective, throughout the period |
| periods of not over six-months | of insurance coverage |

(b) Unexpired risks reserve

Unexpired risks reserve is the reserve for the claims that may be incurred in respect of in-force policies. Unexpired risks 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 compares the amounts of unexpired risks reserve with unearned premium reserve, and if unexpired risks reserve is higher than unearned premium reserve, the different is recognised as unexpired risks reserve in the financial statements.

4.14 Long-term Leases

Leases of equipment and vehicles 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 long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.15 Foreign Currencies

Transactions in foreign currency 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.

Gains and losses on exchange are included in determining income.

4.16 Impairment of Assets

At the end of each reporting period, the Company performs impairment reviews in respect of 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates 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 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 unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.17 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 based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, through an adjustment to the beginning balance of retained earnings in 2011.

4.18 Provisions

Provisions are recognised when the Company has 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.

4.19 Income Tax

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.

5. Significant Accounting Judgments and Estimates

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for Doubtful Accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of Equity Investments

The Company treats available-for-sale equity investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires the management judgment.

Property, Buildings and Equipment/Depreciation

In calculating depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company's buildings and equipment and to review estimate useful lives and residual values 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 losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible Assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Loss Reserve and Outstanding Claims

At the end of each reporting period, the Company has to estimate loss reserve and outstanding claims taking into account two factors. These are the claims incurred and reported, and the claims incurred but not yet reported (IBNR). The ultimate cost of outstanding claims is established using a range of standard actuarial claims projection techniques, such as the Chain Ladder and Bornheutter-Ferguson methods.

The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred losses, average costs per claim and claim numbers etc. To perform the calculation, it is necessary to perform analysis based on the type of insurance and to use the services of an actuary with expertise, experience, and an understanding of the insurance business and the Company's products.

Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

In this regard, the OIC has allowed reserves for loss that has been incurred but not yet reported (IBNR) to be calculated and certified by the management of companies that have received permission from the OIC.

Unexpired Risk Reserve

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

Post-employment Benefits Under Defined Benefit Plans

The obligation under the defined benefit 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.

Litigation

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

6. Cash and Cash Equivalents

		(Baht'000)
	2012	2011
Cash on hand	1,729	1,572
Deposits at banks with no fixed maturity date	25,169	199,025
Deposits at banks with fixed maturity date	2,108,691	1,061,995
Total	2,135,589	1,262,592
Short-term investment which amounts maturing within 3 months	630,000	935,000
Less: Deposits at banks which amounts maturing in over 3 months	(1,158,691)	(1,021,995)
Deposits at banks which subject to restrictions	(50,000)	(40,000)
Cash and cash equivalents	1,556,898	1,135,597

As at December 31, 2012, fixed deposits of Baht 50 million (2011: Baht 40 million) have been pledged with a bank to secure bank overdraft facilities.

As at December 31, 2012, bank deposits in saving accounts, fixed deposits and short-term investments carried interests between 0.75 and 3.40 percent per annum (2011: between 0.25 and 3.75 percent per annum).

7. Premium Receivables

The balances as at December 31, 2012 and 2011 of premium receivables are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Baht'000)

	2012			
	Due from Insured	Due from Agents and Brokers	Due from Reinsurers	Total
Not yet due	477,805	761,334	71,557	1,310,696
Not over 30 days	145,143	101,628	9,484	256,255
Over 30 days to 60 days	64,430	76,298	12,397	153,125
Over 60 days to 90 days	26,120	20,605	7,930	54,655
Over 90 days to 1 year	48,568	128,347	58,232	235,147
Over 1 year	8,920	18,938	1,556	29,414
Total premium receivables	770,986	1,107,150	161,156	2,039,292
Less Allowance for doubtful accounts	(9,164)	(19,806)	(1,381)	(30,351)
Total premium receivables, net	761,822	1,087,344	159,775	2,008,941

(Baht'000)

	2011			
	Due from Insured	Due from Agents and Brokers	Due from Reinsurers	Total
Not yet due	444,869	672,373	40,994	1,158,236
Not over 30 days	87,399	76,284	19,412	183,095
Over 30 days to 60 days	34,351	72,856	8,867	116,074
Over 60 days to 90 days	21,894	16,445	3,530	41,869
Over 90 days to 1 year	134,589	58,506	13,605	206,700
Over 1 year	16,610	19,982	1,005	37,597
Total premium receivables	739,712	916,446	87,413	1,743,571
Less Allowance for doubtful accounts	(10,526)	(20,769)	(2,052)	(33,347)
Total premium receivables, net	729,186	895,677	85,361	1,710,224

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 has the legal process with such agents and brokers.

8. Reinsurance Assets

		(Baht'000)
	2012	2011
Amounts deposit on reinsurance	183,254	203,631
Amounts due from reinsurers, net	4,269,848	1,052,782
Insurance reserve refundable from reinsurers	17,919,074	21,857,236
Reinsurance assets, net	22,372,176	23,113,649

Insurance reserve refundable from reinsurers as at December 31, 2012 includes insurance reserve refundable from reinsurers from flooding loss amounting to Baht 12,594.94 million (2011: Baht 19,119.94 million) as described in Note 1.2 to the financial statements.

The balances as at December 31, 2012 and 2011 of amounts due from reinsurers are classified by aging as follows:

		(Baht'000)
	2012	2011
Not over 12 months	4,164,552	1,022,791
Over 1 year to 2 years	84,720	27,503
Over 2 years	21,947	3,985
Total amounts due from reinsurers	4,271,219	1,054,279
Less Allowance for doubtful accounts	(1,371)	(1,497)
Total amounts due from reinsurers, net	4,269,848	1,052,782

9. Investments in Securities

9.1 Available-for-sale Investments

(Baht'000)

	2012					2011				
	Cost	Unrealised Gains	Unrealised Losses	Fair Value	Percentage of Investments to Total Assets	Cost	Unrealised Gains	Unrealised Losses	Fair Value	Percentage of Investments to Total Assets
Government and state enterprise securities										
Thai government bonds	1,636,116	8,332	(54)	1,644,394	2.96	2,105,886	10,240	(1,037)	2,115,089	4.07
State enterprise bonds	250,000	5,550	-	255,550	0.46	70,410	803	(124)	71,089	0.14
Total	1,886,116	13,882	(54)	1,899,944	3.42	2,176,296	11,043	(1,161)	2,186,178	4.21
Private enterprises debt securities										
Notes - bill of exchange	-	-	-	-	-	265,000	-	-	265,000	0.51
Debentures	360,000	7,415	-	367,415	0.66	380,005	1,028	(214)	380,819	0.73
Equity securities	3,811,860	16,570,015	(49,443)	20,332,432	36.64	3,733,996	12,268,148	(47,539)	15,954,605	30.73
Unit trusts	1,215,357	126,856	(36,444)	1,305,769	2.35	1,273,750	61,302	(64,719)	1,270,333	2.45
Warrants	-	1,986	-	1,986	-	-	1,206	-	1,206	-
Total	5,387,217	16,706,272	(85,887)	22,007,602	39.65	5,652,751	12,331,684	(112,472)	17,871,963	34.42
Less Allowance for impairment	(27,113)	-	-	(27,113)	(0.05)	(27,113)	-	-	(27,113)	(0.05)
Total	5,360,104	16,706,272	(85,887)	21,980,489	39.60	5,625,638	12,331,684	(112,472)	17,844,850	34.37
Total available - for-sale investments, net	7,246,220	16,720,154	(85,941)	23,880,433	43.02	7,801,934	12,342,727	(113,633)	20,031,028	38.58

9.2 Held-to-Maturity Investments

(Baht'000)

	2012		2011	
	Cost/ Amortised Cost	Percentage of Investments to Total Asset	Cost/ Amortised Cost	Percentage of Investments to Total Asset
Deposit at financial institutions which amounts maturing in over 3 months				
Cash at banks	1,208,691	2.18	1,061,994	2.05
Total held-to-maturity investment	1,208,691	2.18	1,061,994	2.05

9.3 Other Investments

(Baht'000)

	2012		2011	
	Cost	Percentage of Investments to Total Asset	Cost	Percentage of Investments to Total Asset
Investment in non-listed companies in Thailand	445,575	0.80	398,420	0.76
Investment in non-listed companies overseas	126,455	0.23	109,269	0.21
Total	572,030	1.03	507,689	0.97
Less Allowance for Impairment	(65,795)	(0.12)	(74,748)	(0.14)
Other investment, net	506,235	0.91	432,941	0.83

9.4 Maturity of Debt Securities

(Baht'000)

	2012				2011			
	Period to Maturity			Total	Period to Maturity			Total
	Within 1 year	1 - 5 years	Over 5 years		Within 1 year	1 - 5 years	Over 5 years	
Available-for-sale investment								
Government and state enterprise securities								
Thai government bonds	1,131,039	432,595	72,482	1,636,116	1,264,267	718,899	122,720	2,105,886
State enterprise bonds	-	250,000	-	250,000	20,410	50,000	-	70,410
Total	1,131,039	682,595	72,482	1,886,116	1,284,677	768,899	122,720	2,176,296
Add unrealised gain	441	10,509	2,878	13,828	1,219	5,081	3,582	9,882
Total	1,131,480	693,104	75,360	1,899,944	1,285,896	773,980	126,302	2,186,178
Private enterprises securities								
Notes	-	-	-	-	265,000	-	-	265,000
Debentures	90,000	170,000	100,000	360,000	30,005	250,000	100,000	380,005
Total	90,000	170,000	100,000	360,000	295,005	250,000	100,000	645,005
Add (less) unrealised gain (losses)	270	3,171	3,974	7,415	12	1,015	(214)	813
Less Allowance for impairment	(10,000)	-	-	(10,000)	(10,000)	-	-	(10,000)
Total	80,270	173,171	103,974	357,415	285,017	251,015	99,786	635,818
Total available-for-sale investments	1,211,750	866,275	179,334	2,257,359	1,570,913	1,024,995	226,088	2,821,996
Held-to-maturity investments -								
Deposits at financial institutions which amounts maturing in over 3 months								
Deposit at banks	1,208,691	-	-	1,208,691	1,061,994	-	-	1,061,994
Total held-to-maturity investments	1,208,691	-	-	1,208,691	1,061,994	-	-	1,061,994

As at December 31, 2012, government bond and state enterprise bond totaling Baht 56.6 million (2011: Baht 56.0 million) have been placed as a security in the normal course of business.

The Company pledged its securities with the Registrar as discussed in Notes 27 and 28 to the financial statements.

10. Loans and Accrued Interest

As at December 31, 2012 the balances of loans and accrued interest are aged by principal and accrued interest as follows:

(Baht'000)

Outstanding Period	Collaterised Loans		Other Loans		Total		
	Principal	Accrued Interest	Principal	Accrued Interest	Principal	Accrued Interest	Total
Not yet due	1,490,690	96	8,905	-	1,499,595	96	1,499,691
Overdue							
Less than 3 months	569,923	3,564	-	-	569,923	3,564	573,487
3 - 6 months	39,606	497	-	-	39,606	497	40,103
Over 12 months	1,084	-	-	-	1,084	-	1,084
Total	2,101,303	4,157	8,905	-	2,110,208	4,157	2,114,365
Less Allowance for doubtful accounts	(237)	-	-	-	(237)	-	(237)
Loans and accrued Interest, net	2,101,066	4,157	8,905	-	2,109,971	4,157	2,114,128

As at December 31, 2011, the balances of loans and accrued interest are aged by principal and accrued interest as follows:

(Baht'000)

Outstanding Period	Collaterised Loans		Other Loans		Total		
	Principal	Accrued Interest	Principal	Accrued Interest	Principal	Accrued Interest	Total
Not yet due	2,571,024	4,223	6,284	-	2,577,308	4,223	2,581,531
Overdue							
Less than 3 months	550	3	-	-	550	3	553
Over 12 months	1,084	-	-	-	1,084	-	1,084
Total	2,572,658	4,226	6,284	-	2,578,942	4,226	2,583,168
Less Allowance for doubtful accounts	(172)	-	-	-	(172)	-	(172)
Loans and accrued interest, net	2,572,486	4,226	6,284	-	2,578,770	4,226	2,582,996

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 300,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 40 times the employee's salary. The interest rates for the loans charge at the rates of 4.00% per annum. As at December 31, 2012, loans to the Company's employees amounted to Baht 50.79 million (2011: Baht 53.08 million).

11. Investments in Associates

11.1 These represent investments in ordinary shares in the following associates.

Company's Name	Nature of Business	Country of Incorporation	Paid-up Capital		Percentage Holding (%)	
			2012	2011	2012	2011
Asia Insurance (Cambodia) Plc.	Non-life insurance	Cambodia	USD 4,200,000	USD 4,200,000	22.92	22.92
Asian Insurance International (Holding) Limited	Holding company	Bermuda	USD 5,740,000	USD 5,740,000	41.70	41.70

(Baht'000)

Company's Name	Financial Statements in Which the Equity Method is Applied		Separate Financial Statements in Which the Cost Method is Applied	
	2012	2011	2012	2011
Asia Insurance (Cambodia) Plc.	41,972	38,803	30,202	30,202
Asian Insurance International (Holding) Limited	98,104	92,899	72,054	72,054
Total	140,076	131,702	102,256	102,256

11.2 Share of profit and dividend received

(Baht'000)

Company's Name	Financial Statements in Which the Equity Method is Applied		Separate Financial Statements in Which the Cost Method is Applied	
	Share of Profit From Investments in Associates During the Year		Dividend Received During the Year	
	2012	2011	2012	2011
Asia Insurance (Cambodia) Plc.	3,169	2,067	-	-
Asian Insurance International (Holding) Limited	5,205	4,071	-	-
Total	8,374	6,138	-	-

11.3 Summarised financial information of associates

Company's Name	(Million Baht')							
	Total Assets as at December 31		Total Liabilities as at December 31		Total Revenues for the years ended December 31		Profit (Loss) for the years ended December 31	
	2011	2010	2011	2010	2011	2010	2011	2010
Asia Insurance (Cambodia) Plc.	257.61	260.93	61.21	73.97	45.05	41.10	13.78	9.28
Asian Insurance International (Holding) Limited	231.74	226.83	-	-	1.56	2.06	12.51	9.81

As at December 31, 2012, the values of the Company's investments in associates were determined under the equity method (in the financial statements in which the equity method is applied), based on the financial information provided by the associates' management. The information had not been audited /reviewed by external auditors.

The Company received 2011 financial statements of Asia Insurance (Cambodia) Plc. and Asian Insurance International (Holding) Limited which were audited by those associated companies' auditors per their reports dated April 24, 2012 and May 9, 2012, respectively. There were not significant differences from the financial information provided by the associates' management.

12. Investment Properties

The net book value of investment properties as at December 31, 2012 and 2011 is presented below.

(Baht'000)	
As at December 31, 2012	
Cost	533,653
Less Accumulated depreciation	(269,195)
Net book value	264,458
As at December 31, 2011	
Cost	533,653
Less Accumulated depreciation	(246,744)
Net book value	286,909

A reconciliation of the net book value of investment properties - office space for rent for the years 2012 and 2011 is presented below.

(Baht'000)	
	2555
Net book value at beginning of year	286,909
Depreciation charged	(22,451)
Net book value at end of year	264,458

The fair values of the above investment properties - office building for rent as at December 31, 2012 amounting to Baht 433.29 million (2011: Baht 470.19 million) have been determined based on valuations performed by an accredited independent valuer. The fair value of the office building for rent has been determined using the income approach. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

13. Property, Buildings and Equipment

							(Baht'000)	
Land	Buildings	Condominium	Office Furniture, Fixture and Equipment	Motor Vehicles	Construction in Progress	Land and Building - Discontinued	Total	
Cost								
January 1, 2011	136,904	765,957	8,781	540,663	83,039	27,795	27,091	1,590,200
Additions	4,227	3,036	-	65,173	33,296	40,345	-	146,077
Disposals	-	-	-	(5,385)	(17,858)	-	-	(23,243)
Transfers in/(out)	-	-	-	26,079	-	(26,079)	-	-
December 31, 2011	141,131	768,993	8,751	626,530	98,477	42,061	27,091	1,713,034
Additions	16,961	11,639	-	144,611	21,989	76,371	-	271,571
Disposals	-	-	-	(17,233)	(11,260)	(670)	(27,091)	(56,254)
Transfers in/(out)	-	-	-	49,804	-	(49,804)	-	-
December 31, 2012	158,092	780,632	8,751	803,712	109,206	67,958	-	1,928,351
Accumulated Depreciation								
January 1, 2011	-	342,515	7,414	445,135	39,686	-	5,874	840,624
Depreciation for the disposals	-	-	-	(5,305)	(17,400)	-	-	(22,705)
Depreciation for the year	-	34,358	299	45,835	14,805	-	335	95,632
December 31, 2011	-	376,873	7,713	485,665	37,091	-	6,209	913,551
Depreciation on disposals	-	-	-	(17,178)	(10,165)	-	(6,215)	(33,558)
Depreciation for the year	-	34,950	203	68,165	19,215	-	6	122,539
December 31, 2012	-	411,823	7,916	536,652	46,141	-	-	1,002,532
Net Book Value								
December 31, 2011	141,131	392,120	1,038	140,865	61,386	42,061	20,882	799,483
December 31, 2012	158,092	368,809	835	267,060	63,065	67,958	-	925,819
Depreciation for the Year								
2011								95,632
2012								122,539

As at December 31, 2012, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 435.70 million (2011: Baht 404.01 million).

As at December 31, 2012, the Company had vehicles under finance lease agreements with net book values amounting to Baht 75.43 million (2011: Baht 54.72 million).

14. Intangible Assets

			(Baht'000)
	Computer Software	Computer Software under Development	Total
Cost			
January 1, 2011	194,313	2,480	196,793
Addition	8,410	624	9,034
Transfer in/out	1,080	(1,080)	-
December 31, 2011	203,803	2,024	205,827
Addition	44,363	29,479	73,842
Transfer in/out	563	(563)	-
December 31, 2012	248,729	30,940	279,669
Accumulated amortisation			
January 1, 2011	83,307	-	83,307
Amortisation	16,477	-	16,477
December 31, 2011	99,784	-	99,784
Amortisation	19,335	-	19,335
December 31, 2012	119,119	-	119,119
Allowance for impairment loss			
January 1, 2011	24,982	-	24,982
Increase during the year	-	-	-
December 31, 2011	24,982	-	24,982
Increase during the year	-	-	-
December 31, 2012	24,982	-	24,982
Net book value			
December 31, 2011	79,037	2,024	81,061
December 31, 2012	104,628	30,940	135,568
Amortisation for the year			
2011			16,477
2012			19,335

15. Due to Reinsurers

		(Baht'000)
	2012	2011
Outward premium payables	605,194	602,626
Amounts withheld on reinsurance	740,663	537,550
Other reinsurance payables	1,158,864	59,326
Total due to reinsurers	2,504,721	1,199,502

16. Loss Reserves and Outstanding Claims

		(Baht'000)
	2012	2011
Beginning balance	24,747,208	4,738,711
Claims and loss adjustment expenses for the year	22,987,122	27,198,098
Claims and loss adjustment expenses paid during the year	(25,987,822)	(7,189,601)
Ending balance	21,746,508	24,747,208

As at December 31, 2012 and 2011, the Company, which is a reinsurer under the reinsurance contracts, has loss reserve and outstanding claims under such contracts of Baht 3,574.72 million and Baht 1,670.30 million, respectively.

Loss reserves and outstanding claims as at December 31, 2012 includes loss reserves and outstanding claims from flooding claim amounting to Baht 14,377.15 million (2011: Baht 21,283.41 million) as discussed in Note 1.2 to the financial statements.

17. Premium Reserve

17.1 Unearned premium reserve

		(Baht'000)
	2012	2011
Beginning balance	5,051,044	5,358,997
Premium written for the year	13,174,316	11,104,916
Premium earned for the current year	(12,305,005)	(11,412,869)
Ending balance	5,920,355	5,051,044

17.2 Unexpired risk reserve

		(Baht'000)
	2012	2011
Beginning balance	2,901,004	3,363,594
Estimated claims for the period	2,613,817	1,288,678
Risk expired during the period	(1,999,036)	(1,751,268)
Ending balance	3,515,785	2,901,004

18. Employee Benefit Obligations

		(Baht'000)
	2012	2011
Short-term employee benefit	152,653	105,114
Long-term employee benefit	212,303	195,163
Employee benefit obligations	364,956	300,277

Provision for long-term employee benefits as at December 31, 2012 and 2011, which is compensations on employee retirement, was as follows:

		(Baht'000)
	2012	2011
Defined benefit obligation at beginning of year	195,163	172,704
Current service cost	15,321	17,966
Interest cost	7,807	6,908
Benefits paid during the year	(6,856)	(1,928)
Actuarial (gains) losses	868	(487)
Defined benefit obligation at end of year	212,303	195,163

Long-term benefit expense included in the statements of comprehensive income for the years ended December 31, 2012 and 2011 consist of:

		(Baht'000)
	2012	2011
Current service cost	15,321	17,966
Interest cost	7,807	6,908
Actuarial (gains) losses recognised during the year	868	(487)
Total expense recognised in the statement of comprehensive income	23,996	24,387

The main assumption which used for calculation the defined benefit plan was summarised below:

	2012	2011
Discount rate	4.0%	4.0%
Average of future salary increase rate	5.5%	5.5%
Employee turnover rate	1 - 19%	1 - 17%

Amounts of defined benefit obligation for the current and previous two periods are as follows:

	Defined benefit obligation	(Baht'000)
		Experience adjustments arising on the plan liabilities
Year 2012	212,303	868,094
Year 2011	195,163	-
Year 2010	172,704	-

19. Liabilities Under Finance Lease Agreements

		(Baht'000)
	2012	2011
Liabilities under finance lease agreements	90,735	64,092
Less Deferred interest expenses	(9,057)	(7,133)
Total	81,678	56,959
Less Portion due within one year	(22,954)	(12,832)
Liabilities under finance lease agreements, net of current portion	58,724	44,127

As at December 31, 2012 and 2011, the Company has entered into the finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 5 years.

As at December 31, 2012 and 2011, Future minimum lease payments required under the finance lease agreements were as follows:

	(Million Baht)		
	2012		
	within 1 year	1-5 years	Total
Future minimum lease payments	27.11	63.62	90.73
Deferred interest expenses	(4.15)	(4.91)	(9.06)
Present value of future minimum lease payments	22.96	58.71	81.67

	(Million Baht)		
	2011		
	within 1 year	1-5 years	Total
Future minimum lease payments	15.71	48.38	64.09
Deferred interest expenses	(2.88)	(4.25)	(7.13)
Present value of future minimum lease payments	12.83	44.13	56.96

20. Dividend Paid

Dividend declared during the years 2012 and 2011 consist of the following:

	Approved by	Total Dividend (Million Baht)	Dividend per Share (Baht)
The third interim dividend for 2012	Meeting of Board of Directors 4/12 on November 12, 2012	209.13	2.75
The second interim dividend for 2012	Meeting of Board of Directors 3/12 on August 10, 2012	209.13	2.75
The first interim dividend for 2012	Meeting of Board of Directors 2/12 on May 14, 2012	209.14	2.75
Final dividend for 2011	Annual General Meeting of the Shareholders No. 19 on April 20, 2012	285.19	3.75
Total dividend for the year 2012		912.59	12.00

Approved by		Total Dividend (Million Baht)	Dividend per Share (Baht)
The third interim dividend for 2011	Meeting of Board of Directors 4/11 on November 11, 2011	209.07	2.75
The second interim dividend for 2011	Meeting of Board of Directors 3/11 on August 15, 2011	209.13	2.75
The first interim dividend for 2011	Meeting of Board of Directors 2/11 on May 13, 2011	209.13	2.75
Final dividend for 2010	Annual General Meeting of the Shareholders No. 18 on April 22, 2011	285.20	3.75
Total dividend for the year 2011		912.53	12.00

21. Statutory Reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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. Underwriting Information Reported by Insurance Categories

Underwriting information classified by insurance categories for the year ended December 31, 2012 is as follows:

		(Baht'000)				
	Fire	Marine and transportation	Motor	Personal Accident	Miscellaneous	Total
Underwriting Income						
Premium Written	1,570,989	437,215	5,099,744	1,366,269	4,700,099	13,174,316
Less Premium Ceded	455,359	185,881	258,746	56,854	3,219,646	4,176,486
Net Premium Written	1,115,630	251,334	4,840,998	1,309,415	1,480,453	8,997,830
Less Unearned Premium Reserve	36,732	6,818	(477,698)	(114,307)	(108,506)	(656,961)
Earned Premium	1,152,362	285,152	4,363,300	1,195,108	1,371,947	8,340,869
Fee and Commission Income	138,325	59,389	57,157	11,917	493,244	760,032
Total Underwriting Income	1,290,687	317,541	4,420,457	1,207,025	1,865,191	9,100,901

(Baht'000)

	Fire	Marine and transportation	Motor	Personal Accident	Miscellaneous	Total
Underwriting Expenses						
Losses and						
Losses Adjustment Expenses	3,498,465	93,763	2,511,053	515,459	968,536	7,587,276
Commission Expenses	382,587	74,340	761,377	208,820	420,603	1,847,727
Other Underwriting Expenses	127,691	30,466	420,210	243,394	319,678	1,141,439
Contribution to Road						
Accident Victims Protection Co., Ltd.	-	-	25,501	-	-	25,501
Operating Expenses	92,350	20,689	349,674	95,775	109,948	668,436
Total Underwriting Expenses	4,101,093	219,258	4,067,815	1,063,448	1,818,765	11,270,379

Underwriting information classified by insurance categories for the year ended December 31, 2011 is as follows:

(Baht'000)

	Fire	Marine and transportation	Motor	Personal Accident	Miscellaneous	Total
Underwriting Income						
Premium Written	1,519,647	508,289	4,325,011	1,078,058	3,673,911	11,104,916
Less Premium Ceded	426,342	224,474	158,604	53,626	2,587,466	3,450,512
Net Premium Written	1,093,305	283,815	4,166,407	1,024,432	1,086,445	7,654,404
Less Unearned						
Premium Reserve	(28,918)	(17,177)	(219,763)	9,099	(52,988)	(309,747)
Earned Premium	1,064,387	266,638	3,946,644	1,033,531	1,033,457	7,344,657
Fee and Commission Income	143,458	68,508	42,631	12,163	393,266	660,026
Total Underwriting Income	1,207,845	335,146	3,989,275	1,045,694	1,426,723	8,004,683
Underwriting Expenses						
Losses and						
Losses Adjustment Expenses	1,860,203	103,986	2,575,929	531,926	754,281	5,826,325
Commission and Brokerage Expenses	430,457	92,320	639,674	161,384	354,854	1,678,689
Other Underwriting Expenses	130,295	33,428	354,990	198,159	240,223	957,095
Contribution to Road						
Accident Victims Protection Co., Ltd.	-	-	24,715	-	-	24,715
Operating Expenses	89,406	22,397	331,509	86,814	86,808	616,934
Total Underwriting Expenses	2,510,361	252,131	3,926,817	978,283	1,436,166	9,103,758

23. Operating Expenses

		(Baht'000)
	2012	2011
Personal Expenses Which are not Expenses for Underwriting and Claims	293,679	290,143
Premises and Equipment Expenses Which is not Expense for Underwriting	199,276	140,450
Taxes and Duties	720	646
Bad Debts and Doubtful Accounts	(5,650)	1,237
Other Operating Expenses	180,411	184,458
Total Operating Expenses	668,436	616,934

24. Employee Expenses

		(Baht'000)
	2012	2011
Salary and Wages	729,422	684,858
Social Security Fund	7,798	10,506
Contribution to Provident Fund	41,970	37,608
Defined Benefit Plans	17,140	24,387
Total Employee Expenses	796,330	757,359

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by both the employees and the Company on a monthly basis, at rates ranging from 5% to 10% of the employees' basic salaries, based on the length of employment. The fund is managed by a fund manager which has been approved by the Ministry of Finance. During the year 2012, the Company contributed approximately Baht 49.7 million (2011: Baht 38 million) to the Fund.

25. Basic Earnings Per Share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

26. Related Party Transactions

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationship between the Company and its related parties are summarised below:

Name of Related Parties	Type of Business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Related by way of common directors and shareholding
Charoong Thai Wire and Cable Pcl.	Electrical products	Related by way of common directors and shareholding
Furukawa Metal (Thailand) Pcl.	Electrical products	Related by way of common directors and shareholding
Thai Reinsurance Pcl.	Insurance	Related by way of common directors and shareholding
Bumrungrad Hospital Pcl.	Health care services	Related by way of common directors and shareholding
Bangkok Life Assurance Pcl.	Life insurance	Related by way of common directors and shareholding
Bangkok Glass Co., Ltd.	Packaging	Related by way of common directors and shareholding
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common directors and shareholding
EMCS Thai Co., Ltd.	Professional services	Related by way of common directors and shareholding
Bang Pa-In Golf Co., Ltd.	Entertainment & recreation	Related by way of common directors and shareholding
Thai Insurers Datanet Co., Ltd.	Professional services	Related by way of common directors and shareholding
Thai Metal Processing Co., Ltd.	Electronic parts	Related by way of common directors and shareholding
Thai Orix Leasing Co., Ltd.	Finance	Related by way of common directors and shareholding
AIOL Bangkok Insurance Co., Ltd.	Non-life insurance	Related by way of shareholding
Asia Insurance (Investments) Limited	Holding company	Related by way of shareholding
Asia Insurance (Cambodia) Plc.	Non-life insurance	Associate
Asian Insurance International (Holding) Limited	Holding company	Associate
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company

During the years, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

		(Baht'000)
	2012	2011
Transactions with Related Companies		Pricing Policy
Premium Written	250,710	227,631
Interest Income	57,623	30,314
Dividend Income	407,831	391,189
Premium Ceded	319,216	271,763
Rental Income	837	837
Lended Securities Income	654	675

As at December 31, 2012 and 2011, the Company had the following significant balances of assets and liabilities with its related companies.

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Transactions with related companies				
Investments in listed stocks (Note 9)	3,230,341	18,829,415	2,734,264	13,704,567

	2012	2011
Transactions With Related Companies		
Investments in non-listed stocks (Note 9)	274,575	222,099
Investments in notes (Note 9)	630,000	320,000
Deposits at financial institution (Note 6)	1,216,070	1,086,533
Premium due and uncollected (Note 7)	14,420	42,696
Amount deposit from reinsurance (Note 8)	8,890	13,110
Amount due from reinsurance (Note 8)	782,611	171,114
Outward premium payables (Note 15)	241,504	102,243
Amounts withheld on reinsurance treaties (Note 15)	118,430	86,726
Others reinsurance payables (Note 15)	97,967	31,244
Loss reserves and outstanding claims (Note 16)	7,101	3,534
Liabilities under finance lease agreements (Note 19)	24,151	8,927
Deposit and golf club membership (including in other assets)	93,733	94,087

Directors and Management's Benefits

During the year ended December 31, 2012 and 2011, the Company had employee benefit expenses payable to their directors and management as below.

	2012	2011
Short-term employee benefits	72.68	72.11
Long-term employee benefits	6.39	6.23
Total	79.07	78.34

27. Assets Pledged with the Registrar

As at December 31, 2012 and 2011, the following assets have been pledged with the Registrar in accordance with the Non-Life Insurance Act.

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
State enterprise securities	14.0	14.0	14.0	14.0

28. Assets reserve with the Registrar

As at December 31, 2012 and 2011, the following assets have been pledged as policy reserve with the Registrar in accordance with the Non-Life Insurance Act.

	2012		2011	
	Cost	Fair value	Cost	Fair value
Equity securities	27.8	148.6	32.6	135.7
Government bond	751.0	757.6	855.0	861.4
Debenture	220.0	226.1	40.0	40.3
Total	998.8	1,132.3	927.6	1,037.4

29. Contribution to the General Insurance Fund

	2012	2011
Accumulated contribution at the beginning of the year	53,187	30,346
Contribution during the year	31,082	22,841
Accumulated contribution at the end of the year	84,269	53,187

30. Operating Lease Commitments

The Company has entered into several lease agreements in respect of the lease of land and office building space. The terms of the agreements are 30 years and 1 year for land and office building space, respectively.

As at December 31, 2012 and 2011, future minimum lease payments required under those non-cancellable operating lease contracts were as follows.

	2012	2011
Within 1 year	22	19
Over 1 year and not over 5 years	88	84
Over 5 years	152	175

31. Bank Guarantee

As at December 31, 2012, there were outstanding bank guarantees of Baht 12.4 million (2011: Baht 16.3 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

32. Lawsuit

As at December 31, 2012, the Company has been sued for damaged totaling approximately Baht 2,711.8 million (2011: Baht 2,242.5 million) as insurer. The total maximum sum insured per the relevant policies is Baht 1,377.2 million (2011: Baht 510.0 million). The outcomes of these causes have not yet been finalised but the Company has set aside reserves for its contingent losses amounting to approximately Baht 285.8 million (2011: Baht 134.7 million).

33. Financial Information by Segment

The Company's operations involve a single industry segment in non-life insurance and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

34. Financial Instruments

34.1 Financial Risk Management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, premiums receivable, reinsurance assets, due to reinsurers, investments and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

Concentrations of the credit risk with respect to premium receivables and reinsurance assets are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand.

Concentrations of the credit risk with respect to secured loans are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand. In addition the values of the securities placed as collateral are adequate for the Company to receive complete payment of debt and the ratio of loans to collateral values is in accordance with the notification of the OIC.

The maximum exposure to credit risk is limited to the book value of assets after deduction of allowance for doubtful debts as stated in the statements of financial position.

Interest Rate Risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions and investments in securities.

The Company's exposure to interest rate risk relates to loans is low because most of loans bear floating interest rate. Whenever market rate is significantly higher than the rate in loans' agreement, the Company can adjust the interest without deniable by borrower according to the defined criteria in loan agreement between the Company and borrower for loans which bear fixed interest rate.

As at December 31, 2012 financial assets classified by type of interest rate are summarised in the table below:

	(Baht'000)	
	Balance as at December 31, 2012	
	Floating Interest Rate	Fixed Interest Rate
Cash equivalent	25,168	1,530,000
Investments in securities		
Government and state enterprise securities	-	1,899,944
Private enterprise debt securities	-	357,415
Deposits at banks	-	1,208,691
Loans	2,109,971	-
Total	2,135,139	4,996,050

As at December 31, 2012, the financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date as follow:

(Baht'000)				
	Within 1 year	1 - 5 years	Over 5 years	Total
Cash equivalent	1,530,000	-	-	1,530,000
Investments in securities				
Government and state enterprise securities	1,131,480	693,104	75,360	1,899,944
Private enterprise debt securities	80,270	173,171	103,974	357,415
Deposits at banks	1,208,691	-	-	1,208,691
Total	3,950,441	866,275	179,334	4,996,050
				Average Interest Rates (% per annum)
				2.125-3.400
				3.125-5.250
				3.900-4.600
				2.125-3.400

As at December 31, 2011 financial assets classified by type of interest rate are summarised in the table below:

(Baht'000)		
	Balance as at December 31, 2011	
	Floating Interest Rate	Fixed Interest Rate
Cash equivalent	65,189	1,068,836
Investments in securities		
Government and state enterprise securities	-	2,186,178
Private enterprise debt securities	-	635,819
Deposits at banks	-	1,061,994
Loans, net	2,578,770	-
Total	2,643,959	4,952,827

As at December 31, 2011, the financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date as follow:

(Baht'000)				
	Within 1 year	1 - 5 years	Over 5 years	Total
Cash equivalent	1,068,836	-	-	1,068,836
Investments in securities				
Government and state enterprise securities	1,285,896	773,979	126,303	2,186,178
Private enterprise debt securities	285,018	251,015	99,786	635,819
Deposits at banks	1,061,994	-	-	1,061,994
Total	3,701,744	1,024,994	226,089	4,952,827
				Average Interest Rates (% per annum)
				2.75 - 3.35
				2.10 - 5.30
				3.13 - 4.60
				1.38 - 3.75

Foreign Currency Risk

The Company's exposure to foreign currency risk arises mainly from foreign currency denominated underwriting, reinsurance with foreign reinsurers and investments in foreign associates that are denominated in foreign currencies. The Company does not utilise forward foreign currency contracts to mitigate its exposure to foreign currency risk.

As at December 31, 2012 and 2011, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign Currency	Financial Assets as at December 31		Financial Liabilities as at December 31		Average Exchange Rate as at December 31	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	9.7	14.7	9.3	10.9	30.582	31.642
Philippines pesos	1.0	1.0	-	-	0.739	0.716
Japanese yen	1.0	2.5	8.1	-	0.353	0.407
HK dollar	2.6	1.4	-	-	3.942	4.071
Indonesia rupiahs	1,351.7	1,009.4	7.8	-	0.003	0.003

34.2 Fair Value

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by depending on the nature of the instrument.

The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique if the appropriate market price cannot be determined, depending on the nature of the instrument.

The following methods and assumptions were used by the Company in estimating the fair values of financial instruments.

Investments in Securities

The fair values of equity securities and debt securities are based on their quoted market prices.

The fair value of other securities and investments in associates cannot be properly calculated, and therefore no disclosure is made.

The fair value of deposits at financial institutions, and notes with maturity periods of less than 90 days is based on their carrying value. For those with maturity periods longer than 90 days, fair value is estimated using a discounted cash flow analysis based on the current interest rate and the remaining period to maturity.

Secured Loans

For floating interest rate loans with no significant credit risk, fair value is based on carrying value. The fair value of fixed interest rate loans is estimated using a discounted cash flow analysis based on the current interest rate.

35. Capital Management

The primary objectives of the Company's capital management are to ensure that it has an appropriate financial structure, preserves the ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the Office of Insurance Commission.

36. Approval of Financial Statements

These financial statements were authorised for issue by the Company's Executive Director on 22 February 2013.

THE COMPANY'S FINANCIAL STATUS

Assets

As at December 31, 2012, the Company's total assets amounted to Baht 55,507.8 million, a rise of Baht 3,582.6 million, or 6.9 percent, over 2011. Significant components of the assets are described below.

- Investments in securities rose by Baht 4,069.4 million, or 18.9 percent, to Baht 25,595.4 million, compared to 2011. Investments in securities are comprised of available-for-sale investments of Baht 23,880.4 million, or 43.0 percent of the total assets, held-to-maturity investments (deposits at financial institutions with amounts maturing in due 3 months) of Baht 1,208.7 million, or 2.2 percent of the total assets, and other investments of Baht 506.3 million, or 0.9 percent of the total assets.
- Net assets from reinsurance totaled Baht 22,372.2 million, a decline of Baht 741.5 million, or 3.2 percent, over 2011.
- Loans dropped by Baht 468.8 million, or 18.2 percent, to Baht 2,110.0 million, compared to 2011.
- Premium due and uncollected rose by Baht 298.7 million, or 17.5 percent, to Baht 2,008.9 million, compared to 2011.
- Cash and cash equivalents amounted to Baht 1,556.9 million, representing an increase of Baht 421.3 million, or 37.1 percent, over 2011.
- Property, premises and equipment, including real estate for net investments rose by Baht 103.9 million, or 9.6 percent, to Baht 1,190.3 million, over 2011.

Liabilities

The Company's total liabilities at 2012 year-end dropped by Baht 535.7 million, or 1.6 percent, to Baht 33,113.3 million, compared to 2011. Significant elements of liabilities include the following:

- Loss reserve and outstanding claims decreased by Baht 3,000.7 million, or 12.1 percent, to Baht 21,746.5 million, over 2011.
- Premium reserve rose by Baht 869.3 million, or 17.2 percent, to Baht 5,920.4 million, compared to 2011.
- Reinsurance company creditors increased by Baht 1,305.2 million, or 108.8 percent, to Baht 2,504.7 million, over 2011.
- Premium received in advance rose by Baht 113.1 million, or 11.7 percent, to Baht 1,081.9 million, compared to 2011.

Owners' Equity

The Company's owners' equity at 2012 year-end increased by Baht 4,118.3 million, or 22.5 percent, to Baht 22,394.5 million, over 2011. Important components of the owners' equity are listed below.

- Retained earning not allocated amounted to Baht 381.2 million, a decline of Baht 286.8 million, or 42.9 percent, compared to 2011.
- Net income for 2012 rose by Baht 573.7 million, or 1,102.8 percent, to Baht 625.8 million, over 2011.
- Dividend paid for 2012 totaled Baht 912.6 million (Baht 12 per share).
- Other components of owners' equity (a surplus on valuation of investments in securities for sale) increased by Baht 4,405.1 million, or 36.0 percent, to Baht 16,634.2 million, compared to 2011.

Assets Quality

Debtors (Premium due and uncollected)

As at December 31, 2012, premium due and uncollected had increased by Baht 298.7 million, or 17.5 percent, to Baht 2,008.9 million, over 2011. They can be classified by aging as follows:

(Baht : Million)

Overdue	2012				2011			
	From the Insured	From Agent & Broker	From Reinsurance	Total	From the Insured	From Agent & Broker	From Reinsurance	Total
Not Due	477.8	761.3	71.6	1,310.7	444.8	672.4	41.0	1,158.2
Under 30 days	145.1	101.6	9.5	256.2	87.4	76.3	19.4	183.1
30 days - 60 days	64.4	76.3	12.4	153.1	34.4	72.8	8.9	116.1
60 days - 90 days	26.1	20.6	7.9	54.6	21.9	16.4	3.5	41.8
90 days - 1 year	48.6	128.4	58.2	235.2	134.6	58.5	13.6	206.7
Over 1 year	8.9	18.9	1.6	29.4	16.6	20.0	1.0	37.6
Total Overdue	770.9	1,107.1	161.2	2,039.2	739.7	916.4	87.4	1,743.5
Less: Allowance for Doubtful Accounts	(9.1)	(19.8)	(1.4)	(30.3)	(10.5)	(20.8)	(2.0)	(33.3)
Premium Due and Uncollected - Net	761.8	1,087.3	159.8	2,008.9	729.2	895.6	85.4	1,710.2

Debtors, within a grace period and overdue less than 30 days, for premium due and uncollected amounted to Baht 1,566.9 million, representing 76.8 percent of the uncollected total premium of Baht 2,039.2 million. Most of them were within a grace period offered by the Company. Nonetheless, the Company has constantly developed an efficient debt management procedure, premium collections and debt follow-up.

For the premiums expected to be bad debts, the Company has provided an allowance for doubtful accounts, in accordance with the Company's announcement of its policy on allowance allotment for doubtful accounts, which is deemed adequate for the risk of being unable to collect these debts.

Loans

As at December 31, 2012, the Company's total loans diminished by Baht 468.7 million, or 18.2 percent, to Baht 2,110.2 million. They were mortgage loans or those having a person as collateral security. Out of the Company's total loan amount, Baht 260.5 million, or 12.3 percent, was housing loans, while the remaining Baht 1,849.7 million, or 87.7 percent, was loans extended to real estate developers and other industrial entrepreneurs.

With respect to these mortgage loans, the collateral security evaluation, loan amount limit, contract period, conditions for interest payment on an installment basis, and the principal return were in compliance with the requirements of the laws and regulations concerned. In addition, the value of collateral security for mortgage loans must be absolutely sufficient for debt payment.

Debtors of mortgage loans can be classified by aging as follows:

(Baht : Million)

Outstanding Period	2012		2011	
	Principal	Interest	Principal	Interest
Current	1,490.6	0.1	2,571.0	4.2
Overdue				
Less than 3 months	570.0	3.5	0.6	-
3 - 6 months	39.6	0.5	-	-
Over 12 months	1.1	-	1.1	-
Total	2,101.3	4.1	2,572.7	4.2
Less Allowance for Doubtful Accounts	(0.2)	-	(0.2)	-
Loans & Interest Due & Uncollected - Net	2,101.1	4.1	2,572.5	4.2

Investments in Securities

The global economy in 2012 had experienced an economic recession incurred by an economic crisis in the Euro zone, which was confronted with enormous public debts, resulting in those countries' high financial costs, while many countries encountered a crisis in the banking sector, causing them to lack financial liquidity. Similarly, the United States, which had just recovered at a slow pace and had its public debts hit the ceiling, had constantly to extend the debt ceiling, besides having a tremendous amount of debt which brought about a problem of debt level reduction. Nevertheless, the capital market in Thailand has benefited from the capital inflow and liquidity through the developed countries' fiscal policy which has injected a surplus of capital into Thailand. As for the Company, its investment income in 2012 had increased, compared to the year before. The interest and dividends dropped by Baht 46.2 million, or 5.1 percent, to Baht 854.1 million. A return from stocks sale increased by Baht 1,352.6 million, or 208.0 percent, to Baht 2,002.9 million. Thus the total investment income in 2012 went up by 1,306.4 million, or 84.3 percent, to Baht 2,857.0 million. When combined with a loss from the underwriting, the Company's net return in 2012 totaled Baht 625.8 million.

Furthermore, the Company's fair value of the overall securities investment was higher than its costs, which was indicated by other components of owners' equity in the 2012 balance sheet, which was displayed as a surplus on revaluation of investments amounting to Baht 16,634.2 million, a rise of Baht 4,405.1 million, or 36.0 percent, compared to 2011.

When classified in detail, as at December 31, 2012, the Company's investment capital for significant securities included the following: bonds amounted to Baht 1,886.1 million, with a fair value of Baht 1,899.9 million, while listed securities totaled Baht 3,811.9 million, with a fair value of Baht 20,317.3 million, and unlisted securities equaled Baht 572.0 million, with a fair value of Baht 506.2 million. In 2012, the Company recorded the allowance for impairment of unlisted securities at Baht 65.8 million. Similarly, the investment capital in associated companies totaled Baht 140.1 million.

The investment capital in investments in funds amounted to Baht 1,215.3 million, with a fair value of Baht 1,305.8 million, which were classified into investments in funds in debt securities funds, equity securities funds and real estate funds that had values at their costs totaling Baht 540.2, 177.8 and 497.3 million, respectively, or with fair values of Baht 528.1, 157.6 and 620.1 million, respectively.

Liquidity

Cash Flows

As at December 31, 2012, the Company's cash and cash equivalents rose by Baht 421.3 million, or 37.1 percent, to Baht 1,556.9 million. The Company's net cash on its activities were as follows:

		(Baht : Million)
	2012	2011
Net Cash from (used in) Operating Activities	(1,300.5)	1,726.2
Net Cash from (used in) Investing Activities	2,634.4	(181.3)
Net Cash from (used in) Financing Activities	(912.6)	(912.5)
Increase (Decrease) in Net Cash and Cash Equivalents	421.3	632.4

- Net Cash used in Operating Activities totaled Baht 1,300.5 million, which was mainly used in claims, as well as direct commission and brokerage expenses.

- Net Cash from Investing Activities totaled Baht 2,634.4 million, which came mainly from investment in securities and loans.

- Net Cash used in Financing Activities totaled Baht 912.6 million, which was entirely used in dividend payment.

Other Liquidity Assets

Apart from cash and cash equivalents, based on the data identified in the securities investment capital, it can be seen that most capital was assets of high liquidity, for instance, government bonds, listed securities and investment in funds. These assets could be swiftly converted into cash since they were in demand in the market.

Investment Expenses

In 2012, the Company's major investment expenses were on an information technology system, building rehabilitation, and office equipment and decoration which were aimed at improving the Company's modern outlook and enhanced efficiency of customer services.

In 2012, the Company's investment expenses on property, premises and equipment amounted to Baht 292.4 million.

Sources of Funds

As at December 31, 2012, the Company's liabilities were Baht 33,113.3 million, while owners' equity was Baht 22,394.5 million. Thus, the debt to equity ratio was 1.48 times. In 2012, the Company's total liabilities had declined by Baht 535.7 million, or 1.6 percent, compared to 2011, due to a large decrease in loss reserve and outstanding claims incurred by the great flood in late 2011. If shareholders' equity is considered, it had increased by Baht 4,118.3 million, or 22.5 percent, over 2011. A significant factor was the owners' equity's other components, which experienced a rise of Baht 4,405.1 million, or 36.0 percent, in a surplus on revaluation of investments, compared to 2011.

FINANCIAL RATIO

Financial Ratio		2012	2011	2010 (Restated)
Liquidity Ratio				
Current Ratio	(Times)	0.84	0.83	0.71
Receivable Turnover	(Times)	6.72	6.94	6.20
Collection Period	(Days)	53.59	51.88	58.04
Profitability Ratio				
Retention Rate	(%)	107.88	104.22	105.78
Loss Ratio	(%)	90.97	79.33	52.92
Profit Margin	(%)	(24.11)	(14.36)	10.30
Underwriting and Operation Expenses Ratio	(%)	35.82	36.33	36.85
Return on Investment	(%)	10.09	6.67	4.74
Net Premium Ratio	(Times)	0.45	0.48	0.44
Net Profit Margin	(%)	5.55	0.58	16.46
Return on Equity	(%)	3.11	0.33	7.84
Efficiency Ratio				
Return on Assets	(%)	1.63	1.18	6.12
Fixed Assets Turnover	(Times)	10.03	8.16	6.92
Total Assets Turnover	(Times)	0.26	0.24	0.27
Financial Ratio				
Debt to Equity Ratio	(Times)	1.48	1.84	0.76
Policy Liability to Capital Fund	(Times)	1.24	1.63	0.57
Equity/Net Premium Income	(Times)	2.49	2.39	2.60
Equity/Net Outstanding Claims	(Times)	1.03	0.74	3.76
Equity/Assets	(Times)	0.40	0.35	0.57
Unearned Premium Reserve to Equity	(Times)	0.26	0.28	0.30
Unearned Premium Reserve/Total Assets	(%)	10.67	9.73	17.07
Payout Ratio	(%)	145.81	1,764.71	74.07
Per Share				
Par Value	(Baht)	10.00	10.00	10.00
Book Value	(Baht)	294.47	240.32	234.59
Basic Earnings	(Baht)	8.23	0.68	16.20
Dividends	(Baht)	12.00	12.00	12.00
Growth Rate				
Premium Written	(%)	24.81	26.24	20.00
Income on Underwriting	(%)	(407.18)	(188.08)	(43.40)
Net Investment Income	(%)	193.22	142.63	52.85
Income Before Income Tax	(%)	(57.57)	(65.50)	29.91
Income Tax	(%)	(81.25)	13.68	26.37
Net Income	(%)	(49.22)	(94.46)	31.20
Total Assets	(%)	76.78	124.81	35.94

RELATED PARTIES TRANSACTIONS

Types of Related Parties Transactions

A portion of the Company's business deals with related parties, where the relationship may be by shareholding or by companies having the same group of shareholders or directors. In considering the relationship between individuals or enterprises, attention is directed to the substance of the relationship, and not merely to the legal form or the basis of commitments. Transactions are determined on the basis of conditions in the normal course of business and according to market value. In addition to the related-transaction disclosure in Note 11 and 26 of the financial statements for the year 2012, the Company would like to reveal additional information for cross-over transaction as follows:

(Baht : million)				
Transaction with Related Party	Related Party	Relationship with the Company	2012	2011
Investment in Associated Companies	Disclosure in Note 11	-	140.1	131.7
Investments in Listed Securities	Disclosure in Note 26	-	18,829.4	13,704.6
Investment in Non-Listed Securities	Disclosure in Note 26	-	274.6	222.1
Premiums Written	Bangkok Bank PCL.	Related by way of common directors and shareholding	173.8	178.4
Interest Income*	Bangkok Bank PCL.	Related by way of common directors and shareholding	37.6	21.1
Interest Payment*	Bangkok Bank PCL.	Related by way of common directors and shareholding	0.7	-
Dividend Income	Bangkok Bank PCL.	Related by way of common directors and shareholding	210.0	194.8
Bank Deposits	Bangkok Bank PCL.	Related by way of common directors and shareholding	1,216.1	1,086.5
Notes	Bangkok Bank PCL.	Related by way of common directors and shareholding	630.0	320.0
Premium Due and Uncollected	Bangkok Bank PCL.	Related by way of common directors and shareholding	4.2	36.6

* Interest is charged at the same rates as those that financial institutions and related parties offer to other customers, based on market value.

Necessity and Justification of the Items

The Company has the above interrelated items, together with those disclosed in the remarks supplementary to the financial statements, in order to support its operation, expand its customer base and develop its business. They are generated according to the general regular business in which the Company has complied with the rules and regulations of the Office of Insurance Commission and standard trading conditions, with fair value based on market value. Nevertheless, the Company expects to generate maximum benefit.

Procedures for Approval of Interrelated Items

The Company has internal control systems at various levels based on the type of interrelated items, which are implemented in accordance with the law, regulations and policy of the Company that comply with other courses of business. In order to avoid any conflict of interest in making interrelated items, the Company complies with the regulations of the SET. However, when the transaction of an interrelated item occurs, it will comply with the regular trade in the market, and the audit committee shall review the item's suitability and justification.

Policy of Making Interrelated Items in the Future

The Company has in force a policy of making interrelated items in the future, which will be in accordance with those principles explained above. The Company will comply with the rules and notices of the SET.

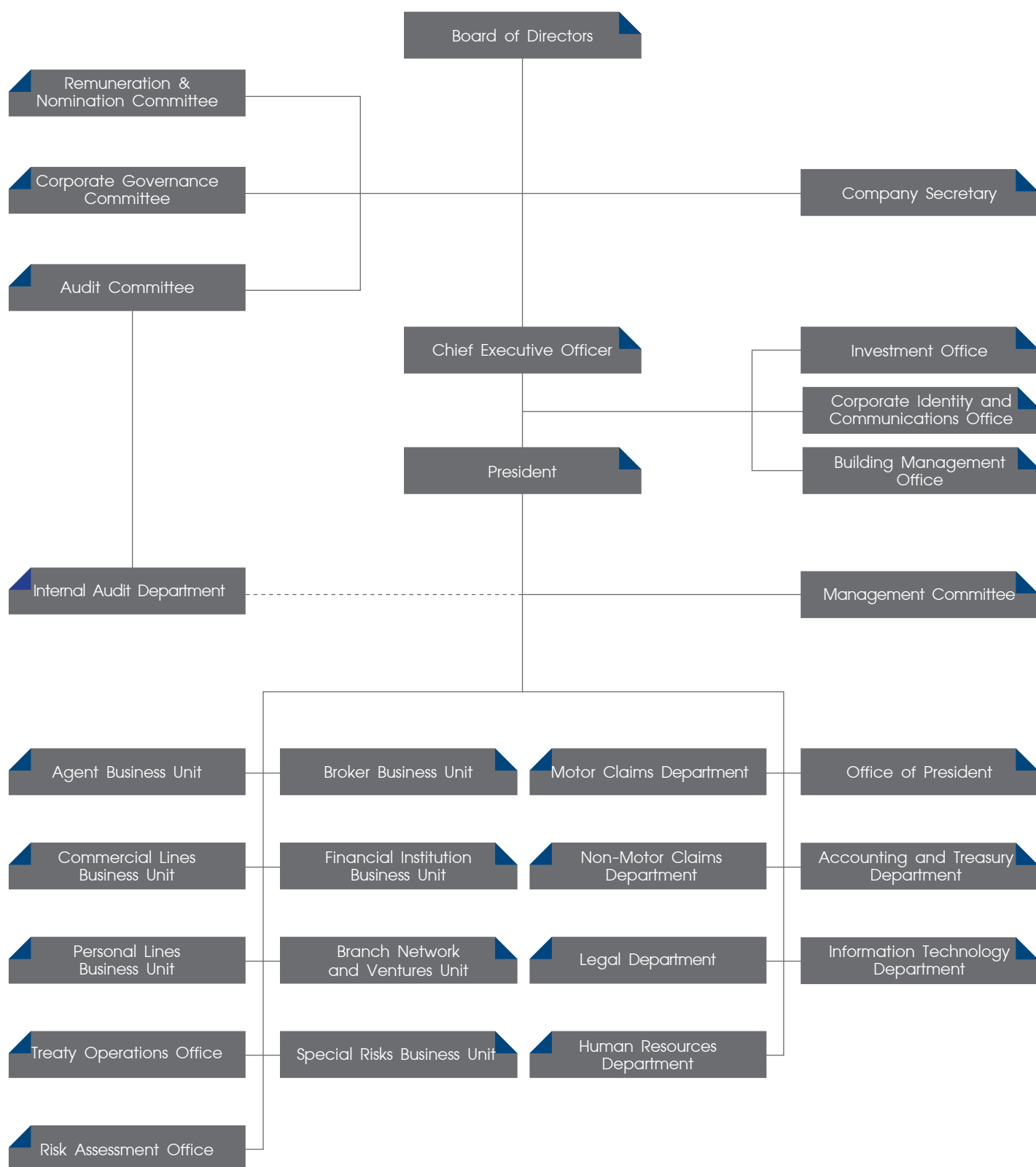
It is the intention of the Company, however, to continue its business in a clear and transparent manner, which is fair to its business partners, customers and shareholders, and is in keeping with the highest standards of benefit to the Company.

SHAREHOLDING IN OTHER COMPANIES

Investment in Non - Listed Companies at 10 percent or more of Paid-up capital as at December 31, 2012

No.	Company / Address	Line of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
1	Asian Insurance International (Holding) Ltd. Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda	Insurance	Ordinary	23,936	41.70
2	Asia Insurance (Cambodia) Plc. No. 5, Street 13, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia	Insurance	Ordinary	962,683	22.92
3	Asia Insurance (Investments) Ltd. 16/F, Worldwide House, 19 Des Voeux Road Central, HongKong	Insurance	Ordinary	10,335,000	19.50
4	EMCS Thai Co., Ltd. Regent House 10 th Fl, 183 Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330	Professional Service	Ordinary	1,159,950	19.33
5	PT. Asian International Investindo Ltd. Wisma Asia Lt. 12A, Jl. Letjen S. Parman Kav. 79, Slipi - Jakarta Barat	Insurance	Ordinary	6,080,000	19.00
6	P C T Asia Insurance Co., Ltd. 43-47 Lanexang Ave. Chanthabuly Dt., Vientiane, Laos	Insurance	Ordinary	237,500	19.00
7	Bangkok Chayorath Co., Ltd. 25 Bangkok Insurance/Y.W.C.A. Building, 10 th Fl. Sathon Tai Road, Tungmahamek, Sathon, Bangkok 10120	Insurance Broker	Ordinary	3,000	15.00
8	Sorachai Vivatn Co., Ltd. 23 Soi Sukhumvit 63, Sukhumvit Road, North Klongtan, Wattana, Bangkok 10110	Property Development	Ordinary	405,000	15.00
9	Union Sime Darby (Thailand) Co., Ltd. Vanissa Building, 20 th Fl, 29 Soi Chidlom, Lumpini, Pathumwan, Bangkok 10330	Insurance Broker	Ordinary	6,000	15.00
10	Bangkok Mitsubishi UFJ Lease Co., Ltd. Sethiwan Tower, 8 th Fl, 139 Pan Road, Silom, Bangrak, Bangkok 10500	Leasing	Ordinary	60,000	10.00

ORGANIZATION STRUCTURE



THE MANAGEMENT

Management Structure

The Company's management structure consists of 2 major groups as the following:

1. The Board of Directors and 3 Specific Purpose committees, which directly report to the Board, comprise the Audit Committee, the Remuneration and Nomination Committee and the Corporate Governance Committee*, and
2. The Company's Management, together with 8 Specific Purpose committees, which directly report to the Management, consists of the Risk Management Committee, the Investment Committee, the Underwriting Committee, the Claims Management Committee, the Information Technology Committee, the Organization Development and CSR Committee, the Hygienic Safety and Working Environment Committee and the Welfare in the Establishment Committee.**

Notes : * The Corporate Governance Committee was appointed by the resolution of the Board of Directors' meeting on February 25, 2011, as an additional Specific Purpose committee from the two existing committees, namely, the Audit Committee and the Remuneration and Nomination Committee.

** The 8 Specific Purpose committees were appointed by the resolution of the Board of Directors' meeting on February 25, 2011, which was additionally improved by the resolution of the Company's management's meeting and made into the Company's declaration (2011/011) dated on June 27, 2011, entitled "the Appointment of Specific Purpose Committees", which became effective from July 1, 2011, onwards.

1. Board of Directors and Specific Purpose Committees

1.1 Board of Directors

The structure of the Company's Board of Directors is determined by the Company's shareholders' meeting resolutions, but the Board shall comprise at least five directors and no less than three-fourths of the total number of directors must be of Thai nationality. Similarly, no less than half of the Company's Board shall be non-executive directors, and at least one-third of the Board, but no fewer than 3 directors, shall be independent so that the Board's authority is counterbalanced by non-executive directors, and hence the Board itself can efficiently oversee the Company's performance in accordance with the Company's policy on good corporate governance.

The Scope of Duties and Authority of the Company's Board of Directors

The Company's Board of Directors plays a role in overseeing the Company's administration to ensure that its management has implemented all the Company's policies and fulfilled its performance goals as proposed to the Board, including having a strong determination to achieve an excellent work performance for the benefit of the Company's shareholders and all groups of stakeholders. The Company's Board's scope of duties and authority also includes the following.

1. To consider and define the policy on good corporate governance for the management's implementation. This includes a review and evaluation of such implementation consequences so that the management can make improvements and make a report in the Company's annual report.
2. To consider the appropriateness of, as well as make suggestions on and approve the vision of, strategies and performance goals of the Company, as proposed by the management, including following up and assessing performance achievement.
3. To oversee the Company's performance so that it has appropriate systems of risk management, internal control and audit.
4. To generate effective selection procedures and succession plans for the Company's Board of Directors and executive management. The Board will appoint the Chief Executive Officer and the President as head of the executive management team to take responsibility for the Company's business performance under the Board's supervision.
5. To ensure that the Company has a practical guideline concerning the morality of its business performance, as well as the Board's and employees' good practices, including an effective communication mechanism for the acknowledgement of the parties concerned.
6. To consider the appropriateness of an appointment and define the scope of duties and responsibilities of sub-committees.

7. To consider an appropriate authorization to the Chief Executive Officer and the President for a swift performance of normal business.

8. To make a report explaining the Company's Board's responsibility for financial statements preparation, which shall be disclosed in the Company's annual report.

9. To consider a performance evaluation of the Company's Board of Directors, the Chief Executive Officer and the President, including overseeing an arrangement of an effective procedure for an assessment of the Company's executives' duty performance.

10. To consider the appropriateness of an appointment of the Company secretary and define the scope of his/her duties and responsibilities.

11. To provide a channel for the Company's stakeholders to communicate with the Company's Board in order to inform on useful information or advice to the Company for consideration and implementation in accordance with the defined procedures.

12. To conduct any duties so that they are in accordance with laws, orders and the Company's shareholders' resolutions.

The Board of Directors' Meeting

The Company's Board of Directors has determined in advance its meeting a minimum of 4 times a year so that each Board member will be informed of and set aside time for the Board's meeting. Nevertheless, there may be an additional extraordinary meeting as the Board thinks necessary. The meeting invitation letters, including an agenda and other relevant documents, will be delivered, no less than 7 days prior to the date of the meeting, to all the Board members. Each Board member is allowed to propose an issue to be inserted on the agenda through the Company secretary. For each meeting, the Chairman of the meeting is in charge of providing time for presentations of related information, discussions and interrogations, as well as for each Board member to make a comprehensive comment. In consideration of agenda, directors who are stakeholders in any item on the agenda have no right to vote and are not allowed to be at the meeting for that agenda. In addition, the Board may ask the Chairman or the Company Secretary for additional explanations and examination of relevant documents.

The Board encourages its non-executive directors to convene a meeting among themselves, and assigns the Company Secretary to facilitate such a meeting upon request from non-executive directors.

Directors Authorized to Bind the Company to Any Decision

The Company's Board of Directors has defined groups of directors authorized to bind the Company to any decision, consisting of executive directors, an advisor and independent directors who are not directors of the Audit Committee, and/or directors coming from financial institutions. This is aimed at independence, transparency and verifiability. The names of directors authorized to bind the Company to any decision appear in a certificate registered with the Department of Business Development, Ministry of Commerce (data as at December 31, 2011) and include the following directors:

"Mr. Chai Sophonpanich, Mr. Voravit Rojrapitada, Mr. Thira Wongjirachai and Mr. Panus Thiravanitkul. Two out of these four directors must sign together and affix the Company's seal."

Furthermore, in any transaction considered normal for the Company's business transaction, the Board directors who sign for or on behalf of the Company will be comprised of three directors, namely,

1. Mr. Chai Sophonpanich, who is an executive director (the Chairman and Chief Executive Officer).
2. Mr. Voravit Rojrapitada, who is a director and adviser.
3. Mr. Panus Thiravanitkul, who is an executive director (the President).

The Company has also defined Mr. Thira Wongjirachai as a director authorized to bind the Company to any decision, which aims to provide flexibility in and convenience of the Company's business transactions. This would only be the case when the executive directors cannot carry out their missions, and only be the case of signing to bind the Company to any decision in accordance with the item of which the Company's Board has had a resolution to approve, as well as be the signing together with other directors only.

1.2 Specific Purpose Committees

The Company's Board of Directors has appointed Board directors and executives, excluding the Chairman, as members of 3 Specific Purpose committees in order to help consider significant work cautiously and in compliance with the Company's policy on good corporate governance and the government agencies' supervisory laws and regulations. Each committee has a three-year term, including the following components and scope of duties and authority.

1.2.1 The Audit Committee

The Audit Committee comprises 3 independent directors who have the scope of duties and authority as follows:

1. To verify the Company's financial statements to ensure their accuracy and sufficiency.
2. To verify the Company's systems of internal control and internal audit to ensure their appropriateness and effectiveness, including a consideration of the Audit Department's independence, and an approval for the appointment, reshuffle and employment termination of the most senior superior of the Audit Department.
3. To verify the Company's practices to ensure that they are in compliance with the Security Act and Security Exchange Act, the SET requirements, and other laws related to the Company's business.
4. To consider a selection and proposal for an appointment of an auditor and fix his/her remuneration, including attending a meeting, at least once a year, with the auditor but without the Management in attendance.
5. To oversee crossover transactions and those with conflicts of interest so that they are in compliance with laws and the SET requirements, and bring about maximum benefits to the Company.
6. To prepare an audit committee report, which shall be included in the Company's annual report.

The report must be signed by the Chairman of the Audit Committee and consist of a minimum of the following data:

- a. An opinion on the Company's financial statements' accuracy, completeness and reliability.
 - b. To ensure that the Company has adequate and effective internal control systems.
 - c. An opinion on the practices in accordance with the Security Act, the SET requirements or other laws related to the Company's business.
 - d. An opinion on the Company's auditor's appropriateness.
 - e. An opinion on transactions with conflicts of interest.
 - f. The number of the Audit Committee's meetings and each committee member's meeting attendance.
 - g. An overall opinion or note that the Audit Committee has received due to its duty performance based on the Charter.
 - h. Other items which the Audit Committee thinks that the Company's shareholders and general investors should know, within the scope of duties and responsibilities assigned to it by the Board of Directors.
7. Any other implementations assigned to the Audit Committee by the Board of Directors, with an approval of the former.

The Audit Committee's Meeting

A minimum of four meetings a year is defined.

1.2.2 The Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises 3 members, with the Committee chairman and at least one of its members being independent directors. Every time there is an appointment of a new Board director, the Remuneration and Nomination Committee is responsible for a review of the Board of Directors' qualifications in order to define appropriate qualifications of a new Board director, who will strengthen the Board of Directors. The scope of duties and authority of the Remuneration and Nomination Committee includes the following:

The Scope of Duties and Authority of the Remuneration and Nomination Committee

The scope of duties and authority of the Remuneration and Nomination Committee is described below:

1. To ensure that the number and proportion, as well as the components of the Board of Directors are appropriate to the organization.
2. To select a suitable and qualified person to replace a Board member in case of his completing his term, resignation or other reasons, apart from nominating a new Board member to shareholders or the Board for consideration and appointment, based on the case and in accordance with the Company's regulations.
3. To select a suitable and qualified person to supersede the Chief Executive Officer and the President in case of an expiry of their term, resignation or other reasons, besides nominating a new person for the Board's scrutiny and appointment.
4. To oversee and define policies on remuneration and other benefits of the Chief Executive Officer and the President that are appropriate to their duties and responsibilities.
5. To ensure that there is a plan for a succession to the position of the Chief Executive Officer and the President.

The Remuneration and Nomination Committee's Meeting

It is an ad hoc meeting which is convened when necessary but shall be no less than once a year.

1.2.3 The Corporate Governance Committee

The Corporate Governance Committee comprises 3 members, who are directors and/or executives, with the Committee chairman being an independent director, and has the following scope of duties and authority.

The Scope of Duties and Authority of the Corporate Governance Committee

The scope of duties and authority of the Corporate Governance Committee includes the following:

1. To consider, define and review in order to improve the Company's policy on good corporate governance so that it appropriately goes in accordance with the principles of good corporate governance.
2. To consider, define and review in order to improve the requirements concerning the morality of business performance and good practices of the Company's Board directors, executives and employees.
3. To follow up the consequence of a continuous and appropriate implementation of the Company's policy on good corporate governance and code of corporate conduct.
4. To make a report on the performance consequence to the Company's Board of Directors concerning the Company's good corporate governance policy, including giving an opinion on the practical guideline, and making a suggestion in order to modify or improve the policy based on appropriateness.

The Corporate Governance Committee's Meeting

It is an ad hoc meeting which is convened when necessary but shall be no less than once a year.

1.3 The Company Secretary

The Company's Board of Directors has appointed and assigned the Company Secretary to oversee, coordinate and facilitate the Board's meeting and shareholders' meeting so that they are in compliance with the laws, rules and regulations concerned. The Company has defined its Secretary qualifications and scope of duties and authority as the following:

The Qualification of Company Secretary

1. Have comprehensive knowledge and understanding of the Company's business, including roles and duties related to the work of the Company Secretary, for instance, duties of the Board and the Company, as well as possess sound knowledge of related laws and regulations, including the continuous pursuit of knowledge and follow-up of data and information for the development of work implementation.
2. Perform duties in accordance with laws, rules and the Company's regulations, with responsibility, caution, integrity and determination, including lending support to the Company's operation, based on the Company's principles of good corporate governance and code of ethics, so that the Company may fulfill its goals.
3. Strictly adhere to virtue and morality, as well as take into account all groups of stakeholders, while not acting in a way that will cause damage to the Company's reputation and good image.
4. Not aim at self-interest out of the Company's business opportunities, and well maintain Company secrecy.
5. Have good human relations and an ability to coordinate with other departments and sections both inside and outside the Company.

The Scope of Duties and Authority of the Company Secretary

The Company Secretary's duties are to oversee, coordinate and facilitate the Board's meeting and shareholders' meeting. Other duties and authority include the following:

1. Provide preliminary suggestions on the Company's laws and orders to the Board of Directors and follow up to ensure that they are implemented accurately and steadily, including making a report to the Board on a significant change in those laws and orders.
2. Hold a meeting of the Company's shareholders or Board in accordance with the laws and the Company's regulations and requirements.
3. Record shareholders' and the Board's meeting reports, including following up to ensure that their meetings' resolutions are implemented accordingly.
4. Prepare and maintain the Board's registration, the Company's annual report, as well as shareholders' and the Board's meeting invitation letters and meeting reports.
5. Keep a report on stakeholding as reported by the Company's Board or management, including making a copy and submitting it, within 7 working days starting from the day the report is received, to the chairman of the Board and the chairman of the Audit Committee for acknowledgement.
6. To ensure that there is disclosure of related data and an information report to agencies supervising the Company, based on the government's orders and requirements.
7. Get in touch and communicate with general shareholders so that they are informed of their rights and the Company's information.
8. Oversee the Company's Board of Directors' activities.
9. Carry out other activities defined by the Capital Market Commission.

The Appointment of the Company Secretary

The Company's Board of Directors will select a qualified person and appoint him/her as the Company Secretary. The Board's meeting (No.3/2008) held on August 14, 2008, passed a resolution appointing Mr. Voravit Rojrapitada as the Company Secretary, effective from August 14, 2008 until now.

1.4 Names of the Board of Directors and Specific Purpose Committees

The Board of Directors (as at December 31, 2011) comprises 12 members as the following:

1. Executive directors consist of 2 members, while other directors include 1 member of the Company's adviser.
2. Non-executive directors consist of 9 members, all of whom are independent directors, amounting to more than one-third of all Board members.

The names of the Board of Directors and members of Specific Purpose committees, including meeting attendance, and their remuneration in 2011 are given below.

Name	Position	No. of Attendance/ Invitation				Annual Remuneration (Baht) ****
		1	2	3	4	
1) Executive Directors and Adviser						
1. Mr. Chai Sophonpanich	Chairman and Chief Executive Officer	4/4	-	-	-	600,000
2. Mr. Voravit Rojrapitada	Director and Company Secretary and Adviser	4/4	-	-	-	600,000
3. Mr. Panus Thiravanitkul	President and Director of the Corporate Governance Committee	4/4 -	- 1/1	- -	- -	600,000 72,000
2) Non-Executive Directors						
4. Mr. Makoto Suzuki	Independent Director	1/4	-	-	-	600,000
2.1) Corporate Governance Committee*						
5. Mr. Virasak Sutanthavibul	Independent Director and Chairman of the Corporate Governance Committee	4/4 -	- 1/1	- -	- -	600,000 72,000
6. Mrs. Ninthira Sophonpanich	Independent Director and Director of Corporate Governance Committee	3/4 -	- 1/1	- -	- -	600,000 72,000
2.2) The Audit Committee**						
7. Mr. Plengsakdi Prakaspesat	Independent Director and Chairman of the Audit Committee	4/4 -	- -	- 6/6	- -	600,000 300,000
8. Miss Potjaneer Thanavaranit	Independent Director and Director of the Audit Committee	4/4 -	- -	- 6/6	- -	600,000 300,000

Name	Position	No. of Attendance/ Invitation				Annual Remuneration (Baht) ****
		1	2	3	4	
9. Mr. Chor.nun Petpaisit and Director of the Audit Committee	Independent Director	4/4	-	-	-	600,000
		-	-	6/6	-	300,000
2.3) The Remuneration and Nomination Committee***						
10. Mr. Singh Tangtaswas and Chairman of the Remuneration and Nomination Committee	Independent Director	4/4	-	-	-	600,000
		-	-	-	1/1	72,000
11. Mr. Thira Wongjirachai and Director of the Remuneration and Nomination Committee	Independent Director	0/4	-	-	-	600,000
		-	-	-	0/1	72,000
12. Mr. Suvarn Thansathit and Director of the Remuneration and Nomination Committee	Independent Director	4/4	-	-	-	600,000
		-	-	-	1/1	72,000
Total number of meetings in 2012		4 Times	1 Time	6 Times	1 Time	8,532,000

Notes : Meeting Attendance/Number of Meeting Invitations

1. The Board of Directors' meeting
2. The Corporate Governance Committee's meeting
3. The Audit Committee's meeting
4. The Remuneration and Nomination Committee's meeting

* The Corporate Governance Committee was appointed by the Board of Directors' resolution on February 25, 2011, and effective from February 25, 2011, for a three-year term. The Committee's term will be due on February 24, 2014.

** The Audit Committee, consisting of the three aforementioned independent members who are non-executive directors, was appointed by the Board's resolution on November 11, 2011, and effective from November 16, 2011, for a three-year term. The Committee's term will be due on November 15, 2014. Each of the three Audit Committee members possesses comprehensive knowledge and vast experience in the verification of the Company's financial statements. Details of their educational background and working experience, particularly in the verification of financial statements, are revealed in the history of the Board directors.

*** The Remuneration and Nomination Committee was appointed by the Board's resolution on August 11, 2010, and effective from August 18, 2010, for a three-year term. The Committee's term will be due on August 17, 2013.

**** The Board Directors' Remuneration for 2011 was approved by shareholders' 19th general meeting on April 20, 2012, in the amount not exceeding Baht 9.0 million.

1.5 Data on Transaction Related to Business Relations or Provision of Occupational Services between Independent Directors and Companies, Affiliated Companies, Associated Companies or Any Party That May Have Conflicts

Through the effective procedure of the Board directors' nomination, the Company's independent directors are appropriately qualified and truly independent. Furthermore, they do not occupy the position of independent directors or members of corporations, affiliated companies or affiliated companies in the same order.

In addition, the Company has no commercial agreements or transactions related to business relations or provision of occupational services between the Company and its Board directors, independent directors, management, including corporations, affiliated companies, associated companies or any party that may have conflicts, which has a value exceeding that defined by the Securities and Exchange Commission (SEC).

Nonetheless, the Board of Directors' meeting (No.3/2008) held on August 14, 2008, had approved in principle the permission for companies, associated companies and affiliated companies to do business which may have a related transaction with the Company's Board of Directors, management or any party concerned, both the transaction that was made earlier and/or one that will be made in the future. This is based on the condition that such a business transaction has commercial agreements in the same way as a reasonable man will treat a general party to a contract in the same situation, through the commercial bargaining power without the influence of his/her status as the Company's Board director, management or any party concerned. Please see more details in the section "Related Parties Transactions".

2. Management Committee and Specific Purpose Committees

2.1 Management Committee

The Management Committee consists of such executive directors as Mr. Chai Sophonpanich, as the Company's Chief Executive Officer, and those appointed by the Chief Executive Officer. The Management is authorized by the Board's resolution to act on behalf of the Company in its daily missions and other general missions related to the Company's business transactions, which is aimed at alleviating the Board's missions, apart from the flexibility of the performance of any of the Company's work, to achieve the targets and goals defined, prior to reporting to the Board for acknowledgement. Nevertheless, an exercise of such authority of the Management Committee is infeasible if it is a stakeholder or has conflicts of interest, in any form, with the Company.

For any performance related to the Company's internal affairs, for instance, an issuance of circular letters, the determination of rules, regulations, orders and any other proclamations, the Company's Chief Executive Officer or President will be authorized to sign them, using the same practice procedure as those of other private companies of similar business, while also considering the Company's benefit as principal.

The Scope of Duties and Authority of Management Committee

1. To verify, before presenting to the Board of Directors for consideration, the Company's vision, strategies, business goals, and annual budget, as well as policy on risk management.
2. To verify, before presenting to the Board of Directors for consideration, the procurement or disposal of the Company's major assets.
3. To ensure that the Company has an implementation based on its policy on corporate governance, as well as an evaluation of its consequences, including suggestions for the Corporate Governance Committee's consideration.
4. To conduct any duties assigned to them by the Board of Directors.
5. To periodically follow up and report on the Company's performance to the Board of Directors.

2.2 Specific Purpose Committees

The Management Committee has appointed 8 specific purpose committees, consisting of executives, as committees helping to verify significant issues in order to mitigate the Management Committee's missions and decentralize the authority on the verification of important matters, in conformity with the Company's policy on good corporate governance and the government agencies' supervisory laws and regulations. Each committee has the following components and scope of duties and authority.

2.2.1 Risk Management Committee consists of at least 5 directors and/or executives, having a three-year term and at least one meeting every two months, with the following scope of duties and authority.

1. To define the policy on overall risk management, covering different categories of the Company's significant risks, in order to present to the Board for consideration.
2. To define strategies in accordance with a policy on risk management, including following up and overseeing the Company's risks so that they are at an appropriate level.

3. To review the adequacy of the policy on and the procedure of risk management, including the effectiveness of such a policy and policy implementation.

4. To make a report on the performance consequence to the Board every six months.

2.2.2 Investment Committee is composed of at least 3 executives having knowledge, expertise and understanding of investment, money market and capital market, with the following scope of duties and authority.

1. To define an investment policy appropriate and flexible to changing situations, with a consideration of risks and related laws, before presenting it to the Management Committee for approval.

2. To consider and give approval for rules and orders and practice procedures of the Company's investment.

3. To consider for approval of investment based on the level of approval authority.

4. To oversee the status of the Company's investment capital.

5. To verify and adjust the Company's investment policy to ensure its appropriateness to changing circumstances.

2.2.3 Underwriting Committee consists of at least 3 executives having knowledge, expertise and understanding of underwriting and a consideration of each category of risks, including reinsurance, with the following scope of duties and authority.

1. To define the underwriting and reinsurance policy appropriate and flexible to changing conditions, with a consideration of risks and related laws, before presenting it to the Management Committee for approval.

2. To act to ensure that the Company has implemented its underwriting work in accordance with the policy approved by the Management Committee.

3. To consider for approval of premium rates.

4. To consider for approval of an authorized list of reinsurers.

5. To consider for approval of rules and orders and practice procedures of the Company's underwriting and reinsurance.

6. To consider for approval of underwriting based on the level of approval authority.

7. To verify and adjust the policy on underwriting and reinsurance so that it is appropriate for changing circumstances.

8. To oversee the business units' business planning and consider the appropriateness of key performance index (KPI), goals and budget to be spent on the plan, including following up progress, and resolving problems and impediments to ensure that the goals on the business units' strategies and work plans are accomplished.

9. To make a report on the reinsurance consequence to the Board every six months.

2.2.4 Claims Management Committee comprises at least 5 executives, each having a two-year term and at least one meeting every two months, having knowledge, expertise and understanding of claims management, with the following scope of duties and authority.

1. To define a policy on claim management.

2. To oversee the status of a claim demand, and act to ensure that the Company has arranged for an adequate and complete amount of claim reserve or insurance reserve.

3. To settle a dispute incurred by a claim demand, including managing and correcting in case of a claim fraud.

4. To oversee, follow up and resolve the problems and obstacles to ensure that the quality of claims services is satisfactory to customers and business partners.

2.2.5 Information Technology Committee is composed of at least 5 executives, each having a two-year term and at least one meeting every three months, having knowledge, expertise and understanding of information technology and work system, with the following scope of duties and authority.

1. To define the policy and main work plans on information technology and work systems concerned.
2. To define appropriate key performance indices (KPIs) and technological strategies.
3. To follow up, oversee and resolve problems and obstacles to ensure that the goals on technological strategies and work plans are achieved.
4. To diagnose and decide on new projects, work systems, procurement and expansion of a computer network and equipment.
5. To follow up and study an upcoming trend of the information technology change, and notify it to the sections concerned to realize such change which may have an impact on the Company's business transactions.
6. To support all sections to utilize information technology to their utmost capability so as to enhance the Company's employees' duty performance efficiency.
7. To give advice and coordinate for the development of a computer system and administrative data.

2.2.6 Organization Development and CSR Committee comprises at least 7 executives from various sections, each having a two-year term and at least one meeting every three months, with the following scope of duties and authority.

1. To initiate and verify strategies to develop the organization so as to keep pace with changes.
2. To develop the pattern of or create supporting activities in order for the organization to achieve its goals in a concrete and united manner.
3. To oversee the organization's annual plan to enhance the efficiency and development of personnel, including considering the appropriateness of key performance index (KPI), goals and budget to be spent on the plan.
4. To initiate and verify CSR strategies and carry out activities, to ensure concrete consequences, which follow in the same direction throughout the organization and agencies (alliances) concerned.
5. To oversee and campaign for the promotion of the Company's sustainable culture "Your Caring Partner" among the Company's employees.
6. To make a report on the performance consequence to the Board at least once a year.

2.2.7 Hygienic Safety and Working Environment Committee consists of 9 members, including 1 representative of the employer, 4 representatives of the superior level, and 4 representatives of operational employees, each having a two-year term and at least one meeting every month, with the following scope of duties and authority.

1. To make a survey, at least once a month, on safety, hygiene and working environment.
2. To make a report and suggestions to the employer on the measure or guideline for improvement so that it is in compliance with the law on working safety and/or working security standards, aimed at the safety for work performance of employees, contractors and outsiders who come in to work for or use the service of a manufacturing establishment.
3. To encourage and support activities on safety, hygiene and working environment of a manufacturing establishment.
4. To define safety regulations and working safety standards of a manufacturing establishment, and present them to the employer.
5. Formulate policies and annual work plans on projects or activities on safety, hygiene and working environment, including safety outside work, in order to prevent and reduce accidents, hazards or illness stemming from work, or working insecurity, and present them to the employer.

6. To carry out a project or plan on training related to safety, hygiene and working environment, apart from the training on roles, duties and responsibilities for a safety issue of employees, work chiefs, executives, employers and all levels of staff in order to present it to the employer.

7. To follow up the progress of the issue presented to the employer.

8. Perform other duties related to safety, hygiene and working environment, as assigned by the employer.

9. To carry out the effective 5s activity and practice it constantly.*

10. To report to the employer on the annual performance consequence, including problems, impediments and suggestions for the Committee's performance when the one-year duty performance period is due.

Remark : * Cancel the Company's declaration entitled "the Appointment of Specific Purpose Committees" (2011/011) dated on June 27, 2011 (only Item 7 "Hygienic Safety and Working Environment Committee") and use the declaration entitled "the Improvement and Addition of the Scope of Duties of the Hygienic Safety and Working Environment Committee" (2012/0416) dated on May 2, 2012, instead.

2.2.8 Welfare in the Establishment Committee is composed of at least 7 executives from various sections, each having a two-year term and at least one meeting every three months, with the following scope of duties and authority.

1. To consult the employer to arrange for the welfare for employees.

2. To give consultancy and provide opinions to the employer concerning establishing the welfare for employees.

3. To inspect, control and oversee the welfare provided to employees by the employer.

4. To give the Labor Welfare Committee opinions and guidelines for the welfare arrangement useful to employees.

Name of the Management Committee

The term "The Company's Management Committee", as defined in the Office of Securities and Exchange Commission (SEC)'s notices, includes the first four executive members following the manager. In compliance with the Company's organizational structure, the Company's Management Committee is made up of the first four executive members following the Chairman and Chief Executive Officer. The Management Committee is comprised of 13 executive members whose names are listed below.

Name of the Management Committee	Position
1. Mr. Chai Sophonpanich	Chairman and Chief Executive Officer
2. Mr. Panus Thiravanitkul	President
3. Mr. Anon Vangvasu	Executive Vice President
4. Mr. Suphat Yookongbandhu	Executive Vice President
5. Dr. Apisit Anantanatarat	Executive Vice President
6. Mr. Satit Liptasiri	Senior Vice President
7. Mrs. Srichittra Pramojaney	Senior Vice President
8. Mr. Jakkrit Chewanuntapornchai	Senior Vice President
9. Miss Pimjai Luemrung	Senior Vice President
10. Mr. Sontaya Chaichomlert	Senior Vice President
11. Mr. Suchart Chirayuwat	Senior Vice President
12. Mr. Aree Vanairlor	Senior Vice President
13. Mr. Lert Vongchai	Senior Vice President
(Appointed on February 1, 2013)	
Miss Pagamas Charusathien	Senior Vice President
(Retired on January 1, 2013)	

Qualifications and Procedure for Nominations of the Board Directors and Management

1. Qualifications and Procedure for Nomination of the Board Directors

1.1 Qualifications of Directors

The Company's Board directors possess comprehensive knowledge to perform their duties. Besides, they have a good understanding of their responsibilities and the characteristic of the Company's business transactions, including having readiness to independently express their opinions on decision-making on any issue, with a consideration of the Company's utmost benefit and a fair treatment to each group of stakeholders. Similarly, the Board directors, in their capacity as director, can fully devote their time and effort to the Company.

1.1.1 Qualifications of Independent Directors

Apart from having sound qualifications of the Company's Board directors, independent directors must possess the following additional qualifications.

1. Have no more than 0.5 percent of all the eligible votes in the Company, corporations, affiliated companies, associated companies or juristic persons that are the Company's major shareholders or have authority to control. This includes shares held by any party concerned.

2. Have nothing to do with the Company's administration, nor are they its employees or advisers with a regular salary, nor do they have authority to control, all for no less than two years prior to an appointment. Nonetheless, such prohibited attributes do not include the case of having been government officials or the government sector's advisers who have authority to control.

3. Have no blood line relationship or through a registration in the manner of father, mother, spouse, brother, sister and offspring, including spouse of offspring's, executives, major shareholders, any party having authority to control, or person who will be nominated by the management or party having authority to control the Company or affiliated companies.

4. Have no or did not use to have a business relationship, through which the value ranges from 3 percent of all net assets or from Baht 20 million and over, depending on which is the less amount, with the Company, corporations, affiliated companies, associated companies, major shareholders or any party having authority to control. Neither are they nor used to be major shareholders or the party, who has authority to control, of those having business relations with the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders or the party having authority to control those having a business relationship with the Company's corporations, affiliated companies, associated companies, juristic persons that are major shareholders or the party having authority to control the Company except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.

5. Are not or did not use to be the auditor of the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders or the party having authority to control. Nor are they major shareholders, the party having authority to control or partner of the auditing office to which the auditors of the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders, or the party having authority to control are attached, except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.

6. Are not or did not use to be providers of any professional services, for example, legal advisers, financial advisers, asset evaluators, etc who derived a service fee of over Baht 2 million per year from the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders, or the party having authority to control. Nor are they major shareholders, the party having authority to control, or partner of those professional service providers, except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.

7. Are not directors appointed to become representatives of the boards of major shareholding companies or shareholders related to the Company's major shareholders.

8. Do not have the same business transaction as, and a significant competition with the Company's or affiliated companies' business. Neither are they other companies' partner owning significant partnership, nor directors taking part in their administration, nor their employees, staff and advisers with a regular salary, nor have 1 percent of all the eligible votes in other companies having the same business transaction as, and a significant competition with the Company or affiliated companies.

9. Possess no other property that prevents them from independently expressing their opinions.

1.1.2 Qualifications of the Audit Committee Members

The Audit Committee members shall have the following qualifications:

1. Have all the qualifications of independent directors.
2. Are not directors assigned by the Company's Board of Directors to make decisions on the operation of the Company, corporations, affiliated companies, associated companies, affiliated companies in the same order, or juristic persons that are the Company's major shareholders or party having authority to control.
3. Are not directors of corporations, affiliated companies, or affiliated companies in the same order, particularly those listed in the SET.
4. A minimum of one Audit Committee member has knowledge and experience sufficient to verify the Company's financial statements' reliability.

1.2 Procedure for Directors Nomination

The Company's Board of Directors has assigned the Remuneration and Nomination Committee to take care of the issue of the proportion, number and components of the Board of Directors, as well as to nominate a qualified person, with sound knowledge and proficiency, to supersede a director, Chief Executive Officer or President in case of the expiry of his term, resignation or other reasons, apart from nominating a new Board member to shareholders or the Board for consideration and appointment, based on the case and in accordance with the Remuneration and Nomination Committee's duties and authority specified in "The Remuneration and Nomination Committee" section.

To appoint a new director of the Board superseding a director whose term is due, the Remuneration and Nomination Committee will nominate the qualified person to the Company's Board for consideration before proposing to the shareholders' meeting for appointment approval. However, this has to be endorsed by the majority of shareholders at the meeting. The following are the criteria for the appointment of directors, as defined in the Company's rules and regulations:

1. The Board of Directors shall comprise at least five directors, and no less than half shall reside within the Kingdom.
2. No less than three-fourths of the directors must be of Thai nationality.
3. The directors shall be elected at the shareholders' meeting. Each shareholder shall have a number of votes equal to the number of shares held. Decisions shall be made by a majority vote. In the event of a tied vote, the chairman of the meeting shall have the casting vote.
4. At every annual general meeting, one-third of the directors shall retire. Directors who vacate office may be re-elected.
5. The shareholders' meeting may pass a resolution removing any director from office, prior to retirement, by reason of the expiration of the director's term of office, by a vote of not less than three-fourths of the number of shareholders attending the meeting, who have the right to vote and who hold shares totaling not less than half the number of shares held by shareholders attending the meeting and having the right to vote.

For an appointment of a new director of the Board superseding a director who quits the job for a reason other than his/her term is due, it has to be approved by the Board's meeting, with the votes of no less than three-fourths of the remaining Board directors. A new Board director appointed has a term equal to the remaining term of the director leaving his/her position.

Minor Shareholders' Rights to Appoint Directors

To protect minor shareholders' rights, with an aim to have all shareholders treated equally, the Company has provided an opportunity for all of them to nominate a new Board director who is of high proficiency and appropriate for an appointment as a Board member. This is carried out in advance from October 1 to December 31 of each year. In this regard, the Company has notified its shareholders through the SET's information report channel and the Company's website at www.bangkokinsurance.com. Similarly, the criteria for nomination of a new Board director are defined in advance, along with the nomination form, and also displayed on the website.

2. Qualifications and Procedure for the Management Nomination

The Chief Executive Officer is authorized by the Board to make a consideration and appointment of a person of high proficiency, knowledge and experience in the non-life insurance industry as the Company's management in order to perform his/her duties and operate the Company's business to fulfill the goals and objectives defined. The nomination procedure is based on the Company's regulations on its human resources management, and subsequently reported to the Board for acknowledgement.

Remuneration for the Auditor

In 2011, the Company paid remuneration to its auditor as follows:	(Baht)
1. Remuneration for audit of annual financial statements and review of quarterly financial statements	1,381,500
2. Cost for an evaluation of the internal control as well as regulations and procedures of non-life insurance companies' other business investments	155,000
3. Remuneration for review of an RBC report for 2012 and audit in accordance with a jointly agreed method of the third-quarterly RBC report for 2012	<u>500,000</u>
Total	<u>2,036,500</u>

Control over the Use of Insider Information

In order to have control over the use of insider information, access to the Company's information is limited to executives and employees, and all computerized data is available only to those entitled to be entrusted with a password. The Board of Directors and the Management will not, as fundamental to their management principles, disclose the Company's performance data to outsiders, or exploit their authority or opportunities at work to seek any advantage for themselves, before the data is revealed to the general public. In the case of violations of disciplinary rules and regulations, the Company will rule on their penalties in accordance with its policy.

In 2007, the Company had formulated in writing regulations on security arrangements and security transference in accordance with those of the Security Act and Security Exchange Act of 1992, Section 59. In this regard, the scope of report, reporters, reporting methodology, and reporting time, including the report to the Company's Board, were defined so that the Board, management and the people concerned would strictly comply with them. This was intended not only to create a correct understanding for those taking charge of reporting, but also to be a measure for effectively overseeing the use of insider information.

For 2012, the Company had strictly abided by the regulations defined.

Internal Control

The meeting of the Board of Directors (No.4/2011) held on November 12, 2012, with all three members of the Audit Committee in attendance, reviewed the efficiency of the internal control system using the SET's assessment questionnaire as a guideline, which covered the following issues:

1. Controlling environment: such as determination of business goals, formulation of organizational structure, defining of ethics and prohibitions including penalties forbidding the management and employees to engage in any activities that may lead to a possible conflict of interest, mapping out policies and work procedures in writing, as well as encouragement of all employees to value the importance of customers.

2. Risk assessment: includes an assessment of both internal and external risk factors influencing the Company's business transactions, an analysis and determination of risk management measures, a communication with concerned staff for their acknowledgement, as well as following up the consequences of implementation based on the defined measures.

3. Control activities: such as division of duties and responsibilities, determination of authority and duties of each level of executives, including the amount of money they can approve, as well as a supervision of the Company's operational performance in accordance with related laws. The Audit Committee had raised significant issues found during an audit, and both the internal and external Audit Committee members brought the issues for discussion with the Company's management, as well as giving recommendations for improvement, including following up closely the consequences of correction. This aimed for higher operational efficiency.

4. Information technology and communications: includes a convention of the Board of Directors' meeting, documentation work for the meeting, writing the minutes of the meeting, and formulation of a policy on the management's accounting, including storage of documents for account recording on a par with the standards specified.

5. Following up and evaluation: such as following up and evaluating an implementation consequence compared to its target. The Company has stipulated that all sections (departments) must make a report on their operational consequences based on the work plan every month, while the executives of a section concerned have to make a correction in case of deriving an unsatisfactory outcome, of which the result will be reported to the Company's management, who will subsequently make a conclusion and report to the Board of Directors for consideration. Similarly, the Audit Committee's performance consequences are reported to the Board for acknowledgement every quarter.

The Company's Board of Directors has already made a consideration and unanimously agreed that the Company's internal control system is sufficient and appropriate.

SHAREHOLDINGS STRUCTURE

Breakdown of Shareholdings

As at November 26, 2012 (The Record Date)

Issued and Fully Paid-up Share Capital: Baht 760.5 Million

Class of Share: Ordinary Shares at Baht 10 per Share

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 10,000	1,574	75.89	3,066,235	4.03
10,001 - 50,000	301	14.51	7,009,081	9.22
50,001 - 150,000	130	6.27	10,743,448	14.13
150,001 Up	69	3.33	55,321,236	72.62
	2,074	100.00	76,050,000	100.00

Thai Shareholders 79.92% Non - Thai Shareholders 20.08%

Major Shareholders and Numbers of Shareholdings as at November 26, 2012 (The Record Date) for the right to attend the meeting and to receive the dividend payment.

Name	Number of Shares As at Nov. 26, 2012	%
1. Bangkok Bank Public Co., Ltd.	7,580,853	9.97
2. HWIC ASIA FUND*	4,822,939	6.34
3. Mr. Chai Sophonpanich**	2,926,462	3.85
4. Chin Sophonpanich Foundation	2,407,810	3.17
5. C.R. Holding Co., Ltd.	2,407,810	3.17
6. Aioi Insurance Co., Ltd.	2,135,428	2.81
7. Mr. Choedchu Sophonpanich	1,821,226	2.39
8. Mr. Chatri Sophonpanich	1,795,738	2.36
9. Mr. Niti Osathanugrah	1,588,830	2.09
10. Mr. Charn Sophonpanich	1,502,875	1.98
11. HWIC ASIA FUND A/C CLASS C2 SHARES*.	1,211,565	1.59
12. GLORY HOPE LIMITED*	1,184,655	1.56
13. VAYUPAK FUND 1 Krung Thai Asset Management Public Co., Ltd.	1,135,147	1.49
14. VAYUPAK FUND 1 MFC Asset Management Public Co., Ltd.	1,135,143	1.49
15. Thai Reinsurance Public Co., Ltd.	1,016,201	1.34
16. Rabil Holding Co., Ltd.	1,004,337	1.32
17. Bangkok Rinvest Co., Ltd.	915,786	1.20
18. MERRILL LYNCH, PIERCE, FENNER & SMITH INC.*	857,131	1.13
19. RANGEFORD INVESTMENT LIMITED*	827,347	1.09
20. Khunying Chodchoy Sophonpanich	809,839	1.07

Remarks : * Shareholding in the 2, 11, 12, 18 and 19 order is Nominee Account or Custodian (the Company has audited with Thailand Securities Depository Company Limited) so the Company cannot disclose the Ultimate Shareholders.

** Inclusive of Relatives' Stock under Section 258 of the S.E.C. Act. B.E. 2535, as follows: Spouse - Mrs. Nuchanart Sophonpanich 179,676 Shares

Shareholding of the Board of Directors, As at November 26, 2012 (The Record Date) for the right to attend the meeting and to receive the dividend payment:

Name	Number of Shares As at 26 Nov. 2012	Number of Shares As at 25 Nov. 2011	Change
1. Mr. Chai Sophonpanich * ¹	2,926,462	2,377,462	549,000
2. Mr. Plengsakdi Prakaspesat	-	-	-
3. Mr. Singh Tangtaswas	109,000	-	109,000
4. Miss Potjanee Thanavaranit	-	-	-
5. Mr. Chor.nun Petpaisit	-	-	-
6. Mr. Thira Wongjirachai	377,913	377,913	-
7. Mr. Suvarn Thansathit	-	-	-
8. Mr. Virasak Sutanthavibul	-	-	-
9. Mrs. Ninthira Sophonpanich * ²	2,107	2,107	-
10. Mr. Makoto Suzuki	-	-	-
11. Mr. Panus Thiravanitkul * ³	14,291	13,591	700
12. Mr. Voravit Rojrapitada	48,672	48,672	-

Remarks * Inclusive of Relatives' Stock under Section 258 of the S.E.C. Act. B.E. 2535, as follows:

1. Spouse - Mrs. Nuchanart Sophonpanich 179,676 Shares
2. Spouse - Mr. Chartsiri Sophonpanich 2,107 Shares
3. Spouse - Mrs. Suporn Thiravanitkul 3,000 Shares

Shareholding of Management Committee, As at November 26, 2012 (The Record Date) for the right to attend the meeting and to receive the dividend payment:

Name	Number of Shares As at 26 Nov. 2012	Number of Shares As at 25 Nov. 2011	Change
1. Mr. Chai Sophonpanich * ¹	2,926,462	2,377,462	549,000
2. Mr. Panus Thiravanitkul * ²	14,291	13,591	700
3. Mr. Anon Vangvasu * ³	34,754	34,754	-
4. Mr. Suphat Yookongbandhu * ⁴	40,936	40,936	-
5. Dr. Apisit Anantanatarat	3,295	3,295	-
6. Mr. Satit Liptasiri	8,022	8,022	-
7. Mrs. Srichitra Pramojaney	-	-	-
8. Mr. Jakkrit Chewanuntapornchai	-	-	-
9. Miss Pimjai Luemrung	10,368	10,368	-
10. Mr. Sontaya Chaichomlert	-	-	-
11. Mr. Suchart Chirayuwat	-	-	-
12. Mr. Aree Vanairlor	2,425	2,425	-
13. Mr. Lert Vongchai (Appointed on February 1, 2013)	1,140	1,140	-
Miss Pagamas Charusathien (Retired on January 1, 2013)	29,239	29,239	-

Remarks * Inclusive of Relatives' Stock under Section 258 of the S.E.C. Act. B.E. 2535, as follows:

1. Spouse - Mrs. Nuchanart Sophonpanich 179,676 Shares
2. Spouse - Mrs. Suporn Thiravanitkul 3,000 Shares
3. Spouse - Mrs. Thunyaporn Vangvasu 10,725 Shares
4. Spouse - Mrs. Warunee Yookongbandhu 31,000 Shares

Dividend Payment Policy

Since it is anticipated that business will expand consistently, the Company will try to maintain the level of dividend to be paid to shareholders at about 50.0 percent of its net income after income tax deduction, and pay the dividend four times a year. In this regard, the Company will consider paying the dividend based on its performance consequence and in accordance with the country's economic situation.

The Company's data on dividend payment over the past five years:

Shareholders' Meeting Time/Year	Year of Payment	Dividend and Stock Dividend					Total
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Stock Dividend	
16/2009	2008	2.75	2.75	2.75	3.75	-	12
17/2010	2009	2.75	2.75	2.75	3.75	5*	17
18/2011	2010	2.75	2.75	2.75	3.75	-	12
19/2012	2011	2.75	2.75	2.75	3.75	-	12
20/2013	2012	2.75	2.75	2.75	3.75	-	12

Remarks : * For the shareholders' 17th general meeting on April 23, 2010, the Company was approved by the meeting to increase its paid-up capital from Baht 570.0 million to Baht 760.5 million by issuing shares to be paid as stock dividends to shareholders at the rate of 2 existing shares per 1 share of stock dividend. In the case of a share fraction, a dividend payment is made in the portion of this share fraction to shareholders at Baht 5 per share.

PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Good Corporate Governance

The Bangkok Insurance Public Company Limited Board of Directors fully realizes the significance of good corporate governance and views it as a preliminary factor in enhancing the Company's performance efficiency and sustainable business growth, while gaining greater acceptance both inside and outside the country. This will, of course, lead to the significant goal of generating the greatest benefit for all parties concerned, shareholders, investors, staff and other stakeholders, including society at large.

The Company's Board is strongly determined to perform in accordance with the principles of good corporate governance and has, therefore, formulated the Company's policy on good corporate governance based on the guidelines defined by the SET and the Office of Insurance Commission. In addition, the Board has assigned the Company's management team to oversee and strictly comply with good corporate governance principles, and report on the recommendations in order to improve the Company's policy on good corporate governance, and to ensure the ethics manual is in accordance with the guidelines of the SET and the Office of Insurance Commission, while allowing for future modification. The aim is to be up-to-date and appropriate to the current situation, and with higher international standard practices.

In 2012, the Company's Board has approved the Corporate Governance Committee's consideration consequence on further application of the Company's policy on good corporate governance, revised for the fifth time, in order to notify its policy on good corporate governance, which the Company has effectively implemented, to all stakeholders for complete acknowledgement. In sum, the Company has performed according to the principles of good corporate governance as in the following:

The Section on Shareholders' Rights The Company has performed completely in accordance with the principle of good corporate governance, for instance, a proposal for a Board director's remuneration at the shareholders' annual meeting for their approval; a proposal for shareholders' acknowledgement of clear policies and principles concerning the determination of a Board director's remuneration, including giving an opportunity to shareholders to vote for a Board director individually, propose the meeting agenda in advance, as well as submit questions in advance to the Company prior to the meeting day.

Additionally, the Company also presents to the shareholders a meeting invitation letter and the history and details of a person nominated for a Board member, the details of the Company's auditor appointment in the invitation letter, including facts and the Board's recommendations and arguments on each agenda of shareholders' meeting. Similarly, the Company informs shareholders before a meeting of the law to vote and the method of vote counting; gives them an opportunity to ask questions during the meeting and has the questions and answers recorded in the meeting's minutes; records voting results for each agenda of shareholders' meeting, whether agreed or disagreed or abstention, as well as has the names of Board directors attending shareholders' meeting recorded. Likewise, any agenda that is not defined in the shareholders' meeting invitation letter will not be considered.

The Section on Equal Treatment of Shareholders The Company's practices of equal treatment of shareholders based on the principle of good corporate governance are, for instance, provision of the minority of shareholders' rights to propose the meeting agenda and nominate the Board's director, through the criteria and procedures propagated on the Company's website; presentation of shareholders' meeting invitation letter; explanation of details of documents to be used for mandate-giving, as well as promoting an equal exercise of every shareholder's right based on the number of shares he or she holds, including formulation of a policy of strict control over the use of inside information, and notification of the issue to the Company's Board and management for acknowledgement.

In 2011, the Company added the definition of the minority of shareholders in its policy on good corporate governance for more clarity with, "The minority of shareholders means the Company's shareholders, whether individual or many, who hold a total share of at least 10,000 shares". Such a definition is a criterion that the Company has practiced throughout, and is more lenient than the criterion defined by the SET since the number of shares defined is less than 1 percent of the Company's total shares.

The Section on Consideration of Stakeholders' Role The Company's policy for each group of stakeholders has been defined. Furthermore, the Company has provided a channel for each group of stakeholders to give suggestions and comments or file a complaint to the Company's Board of Directors through the Company Secretary and Quality Control Centre on the Company's website at bangkokinsurance.com.

The Section on Data Disclosure and Transparency The Company discloses such significant data as its policy on corporate governance and its implementation consequences, shareholders structure and structure of each committee as well as its history and roles, along with the Company's business transactions and returns. The disclosure has been made accurately and steadily through the channels of the SET, as well as the Company's annual report and website, and also a press conference, given each quarter, concerning the Company's financial statements. Additionally, the Company has established an Investment Relations Officer in order to provide the Company's information and data to investors, in particular via the phone numbers and e-mail address displayed on the Company's website at bangkokinsurance.com.

The Section on the Board of Directors' Responsibilities The Company has strictly complied with its Board of Directors' principles of good corporate governance covering the Board's roles and duties, qualifications, meetings, self-evaluation, and remuneration, including the development of the Company's Board and management.

In 2012, the Company's Board made a self-evaluation on its work performance for the third time. The evaluation was divided into 6 sections, including those on the Board's policy, duty performance, structure, performance guideline, meeting and arrangement, and qualifications. With regard to the methodology of the Board's self-evaluation, each Board director gave a score to himself or herself independently in each section. Then all directors' scores in each section were added up and divided by the number of directors. It was found that the average score, derived from the sum in all sections, was 4.75, representing 95.0 percent of the total 5 scores, approximate to an evaluation consequence in the previous year. In this connection, the Company's Board had assigned the Corporate Governance Committee to contemplate the evaluation result in order to appropriately improve its performance subsequently. In addition, the Board had approved the new criteria of a work performance evaluation for the position of the Chief Executive Officer and President, as proposed by the Remuneration and Nomination Committee.

Details of the Company's policy on good corporate governance may be viewed on its website at bangkokinsurance.com.

Practices Based on the Principles of Good Corporate Governance

1. The Section on Shareholders' Rights

1.1 Awareness of Significance of Shareholders' Rights

The Company has given priority to and respected the rights of all shareholders, who are regarded as the business's owners. Thus, all shareholders, either major or minor, are encouraged to exercise their rights equally based on the criteria defined by law, which is identified in the Company's rules and regulations, and policy on good corporate governance, for instance, the right to purchase, sell or transfer shares; right to receive the Company's profit share; right to attend shareholders' meeting; right to give a mandate to any person to attend the meeting instead and vote on his behalf; right to nominate a Board director; right to vote for a Board director and determine his remuneration; right to propose the meeting agenda; right to appoint an auditor and determine audit remuneration, and right to obtain sufficient data and information. In addition, shareholders will be equally and transparently provided with accurate, complete and updated information at every meeting. Details of shareholders' rights are given in the Company's policy on good corporate governance, and rules and regulations.

1.2 Promotion of Shareholders' Rights

The shareholders' meeting is regarded as a good opportunity for shareholders to exercise their rights in making a decision regarding the Company's performance on various issues. The Company will, 14 days in advance of every meeting, which is normally held once a year at an appropriate date, time and place, send out invitation letters to all shareholders, informing them of the meeting agenda and the Board's recommendations, together with the necessary documents and information to guide their decisions on voting on significant issues. Generally, the meeting is held within 4 months of the Company's accounting year-end, or when there is an urgent need on special issues affecting or involving shareholders' interests, or relating to conditions or regulations and laws that have to be approved by shareholders. Based on the above cases, the extraordinary shareholders' meeting will be convened. In this regard, the Company will disseminate the news in an invitation letter for the meeting through the SET and the Company's website. Nevertheless, if a shareholder cannot attend the meeting, he/she can still exercise his/her rights by giving a mandate to any person or the Board's independent director, who also sits on the Audit Committee and whose name is identified in the mandate, to attend the meeting and vote on his/her behalf. The Company has also notified the independent director of its nomination of him to receive a shareholder's mandate so that the latter (director) can attend the meeting.

For every shareholder's meeting, the Company's Board has a policy of having all of its members, particularly the chairman of a sub-committee and the Company's senior management, attend the meeting in order to answer shareholders' questions. The Company also facilitates registration in advance. Before a meeting the chairman will inform the shareholders of all rules and regulations, including the method of vote counting. An item that is not announced in advance will not be added to the agenda, especially a significant one for which shareholders need time to study before making a decision. Similarly, during the meeting, all shareholders can fully exercise their rights through a debate, interrogation and expression of opinion for all items on the agenda. Details of the meeting will be recorded and open to shareholders' examination.

In 2012, the Company held a general meeting of shareholders on April 20, 2012, at 14.00 p.m. in room 1105 on the eleventh floor of the Bangkok Insurance Building at 25 Sathon Tai Road, Sathon, Bangkok. The Board directors, 9 out of 12 members, and 12 management members attended the meeting while the meeting proceeded absolutely in accordance with the policy defined. For the Board directors who did not attend the meeting, they were afraid to create non-transparency since they were stakeholders or directors whose terms were due but were selected by the Remuneration and Nomination Committee for being qualified, as approved by the Company's Board of Directors, to resume their office for another term. Consequently, they did not attend this meeting. Through the procedure of holding shareholders' meeting in a manner that promotes an equal exercise of every shareholder's rights, the Securities and Exchange Commission (SEC) and the SET gave a score of 98.75 out of a total 100 in a quality evaluation of the Company's shareholders' general meeting for 2012.

2. The Section on Equality of Shareholders

2.1 Equal Treatment of Shareholders

The Company realizes the significance of every shareholder's rights and expects all of them to be treated equally. Details are explained in the section on shareholders' rights under the item "Promotion of Shareholders' Rights".

2.2 Rights of Minor Shareholders

The Company has allowed all shareholders to propose any important issues that should be put on the agenda of the Company's shareholders' annual meeting, including nominating a new director who is of high proficiency and appropriate for appointment as a Board member. This is done prior to the meeting so that the Company's Board can later verify and is well prepared to define the issues proposed by shareholders as the items on the agenda of the Company's shareholders' annual meeting. The criteria and practice on this matter are clearly defined on the Company's website, and became effective from the shareholders' 2007 annual general meeting onwards.

As for the consequence of an implementation on this issue over the past six years (2007 - 2012), though the Company has campaigned to have shareholders know their rights in the matter, it appears that no shareholders have ever nominated a new director for appointment as a Board member or proposed any significant issues that should be put on the agenda of the Company's shareholders' annual meeting.

2.3 The Use of Insider Information

This has been reported in the section on "Control over the Use of Insider Information" in "The Management".

3. The Section on Stakeholders' Rights

The Company is fully cognizant of its stakeholders' rights and believes that the stakeholders' support benefits the Company's good reputation and ability to compete in the market, as well as helps build up the Company's profit in the long term. Hence the Company realizes its responsibilities for each stakeholder group that has a different perspective, and has therefore adopted the following practices with the principles of morality and integrity to insure that their rights are always respected:

Shareholders

The Company is determined to be a good representative of shareholders by taking good care of their benefits and providing them with the greatest satisfaction through high and continuous remuneration. Likewise, all reliable insurance-related business information will be disseminated to them accurately, completely and transparently in conformity with generally accepted standards. The Company will treat its employees at all levels equally on the basis of moral and fairness principles in order to encourage them to work efficiently, without regard to sex, race, religion or institutional differences as limitations to their career advancement. All employees are also consistently urged and trained to develop their skills and knowledge necessary to the successful implementation of their work, as well as the generation of the utmost satisfaction for customers. In this respect, various training programmes are offered in conformity with the Company's business transaction strategies in order to upgrade the employees' ability to carry out their jobs professionally. The programmes organized are, for instance, insurance training, development of quality management system, human resources management, development of working efficiency, etc. Besides, all levels of employees are encouraged to study or seek new branches of knowledge via the Company's scholarships and support on conferences with leading domestic and foreign institutions. Similarly, different patterns of learning are created to enable all employees to learn by themselves, which will finally lead to the Company's knowledge-based culture. The policy on development of the Company's employees, including a budget spent in 2012, is revealed in the annual report presentation form (Form 56-1) under the item "Policy on Employees' Development". Apart from fair remuneration, all other welfare schemes are, of course, higher than the requirements of the Ministry of Labour, i.e. providence fund scheme, life and health insurance coverage, 5s and relaxation programmes, as well as the maintenance of a good working atmosphere and the protection of employees' health and safety.

Employees

Customers

The Company offers various quality insurance products according to international standards, providing suitable coverage at a reasonable price, and indemnification made on a fair basis. In addition, customers will be fully advised about the nature of these products, while the Company has specifically established a work unit to receive their complaints and comments.

Business partners

The Company treats its business partners fairly in evaluating their performance. These business partners will be given opportunities to comment and propose suggestions concerning any and all joint business issues. To ensure that the rights of business partners are protected, the Company will treat business partners' secrets as strictly confidential.

Competitors

While maintaining its accepted professional business standards based on the benefit, the Company intends to maintain its position in the market and compete effectively, while refraining from damaging the reputation of any business competitor for its own benefit. The Company emphasizes the quality and efficiency of its services, stressing the greatest benefit to our customers and the standing of the insurance industry as a whole.

Creditors

The Company is strongly committed to a fair and equal treatment of all its creditors on an honest and fair basis for both sides, and will therefore follow all agreed conditions with its creditors, or find suitable and quick solutions to their mutual benefit.

Society and Environment

The Company realizes its responsibilities to society and to the preservation of the environment. As a consequence, it has supported many activities that benefit the community, such as the development of society through employing disabled labour. It also provides support and assistance to communities jointly with other agencies both in the government and the private sector. For instance, the Company's management has offered a mobile medical service to treat people in poverty-stricken areas, granted scholarships to poor students, as well as established a fund for the rehabilitation of historical sites, and the preservation of natural resources and development of the environment under the "BKI Clean Up Green Up with Magic Eyes" project. Furthermore, the Company has also offered various training programmes and activities to its management and staff so that they can participate, as well as realize the significance of conducting themselves in a way that would benefit society. All activities and projects, which are unending, have been continuously implemented and effectively carried out.

Details of activities performed in 2012 can be viewed in the section on "Corporate Social Responsibility" or on the Company's website at bangkokinsurance.com.

The Government Sector

The Company has carried out its business transactions under the requirements defined by laws, maintained a good relation with the agencies overseeing it, through an open coordination, and has been prepared to cooperate in providing data and information requested by the agencies overseeing it in order to display its transparency, as well as generating mutual confidence and trust.

Practices according to Human Rights Principles

The Company is determined to abide by universal human rights principles by promoting knowledge and understanding of the issue among its employees so that they can appropriately apply the human rights principles to the performance of their work and duties.

Intellectual Property or Copyright

The Company constantly encourages its employees to initiate and develop new products, whether development of a work manual, product design or computer programmes. This is aimed not only at benefiting business, but also at developing employees' potential. Nevertheless, any work which the Company's employees have created during the time they worked with it, whether assigned by the Company, or by use of the Company's data, or the work learned from the Company, is regarded as the Company's sole ownership, while such data, including the Company's confidential business data and other confidential data, must not be disclosed to outsiders without the Company's permission. In addition, the Company has also defined policies and practice regulations to prevent violations of copyright laws and an act on the computer offense commission, as well as notified them to the Company's employees. Besides, the Company has an efficient control process for its employees' practices in compliance with rules and regulations.

Convention against Corruption

The Company has a policy on forbidding its employees to exploit their authority, whether directly or indirectly, so as to seek illegally any advantage for themselves or others, including banning employees from offering unlawful interests to any other person as an incentive in order to derive the Company's business interests.

Communications with Stakeholders

The Company has also arranged for channels to provide convenience to each group of stakeholders to communicate, make suggestions and comments, or file a complaint on matters that may cause damage to the Company, or to its Board of Directors, through the Company Secretary and Quality Control Centre on the Company's website.

4. Data Disclosure and Transparency

The Company's Board has a policy for the Company to disclose both its financial and non-financial data, as defined by the SEC and SET. Data disclosure focuses on transparency, accuracy, completeness and timelessness, through the channels of the SET, as well as the Company's annual report and the annual report presentation form (Form 56-1). Additionally, the data is disclosed both in Thai and English via the Company's website, and continually updated for reliability and easy and equal access by shareholders and other related persons. The following is a summary of the significant disclosed data.

4.1 Policy on Good Corporate Governance and Its Implementation Consequences

Throughout 2012, the Company performed in accordance with its policy on good corporate governance, except for the following issues:

(1) The Company's Chairman is also its Chief Executive Officer, who is not an independent director since the non-life insurance industry strongly needs a knowledgeable and capable person with long business experience to lead the Company to its established goals. Nonetheless, the Company and its Board of Directors is based on the principles of good corporate governance and in line with those of the SET. Therefore, though the Chairman and Chief Executive Officer is the same person, in practice, the Chairman of the Board will not exercise his authority on behalf of the Board of Directors, all under the Company's rules and regulations. Similarly, the Chief Executive Officer's performance must be approved by the Company's Board of Directors, comprising independent members, who make up more than half of the Board, giving rise to a concise and transparent checks-and-balance mechanism of the performance. Furthermore, any authorization given to the Chief Executive Officer will not allow him to approve any transaction in which he is involved as a stakeholder, or which may engender a conflict of interest with the Company, subsidiary companies or associated companies. Likewise, the Company has appointed Mr. Panus Thiravanitkul as its President, representing the beginning of separating the position of the Company's Chairman of the Board of Directors from its President so that it increasingly proceeds in accordance with the principle of sound practice.

(2) The Company does not limit the number of companies in which its Board and senior management may hold office because it is afraid that it will lose an opportunity of getting quality people to sit on the Board. However, it constantly reviews the number of companies in which each Board member holds office.

4.2 Remuneration for Directors and Management

4.2.1 Remuneration in the Form of Money

In 2012, the Company paid the Board's meeting allowance to the Board directors, amounting to Baht 8,532,000. Details of remuneration criteria are given below.

The Board of Directors	Annual Remuneration (Baht/Person)	Payment made each quarter (Baht/Person)
The Board Directors	600,000	150,000
The Audit Committee Members	300,000	75,000
The Remuneration and Nomination Committee Members	72,000	-
The Corporate Governance Committee Members	72,000	-

As at December 31, 2012, the Company's executive directors and the first four executive members comprised 13 members, who were paid a total remuneration of Baht 64,150,900 consisting of salary, bonus, motor and telephone expenses, as well as the employer's contributions to the social security fund.

4.2.2 Other Remuneration

In 2012, other remuneration, such as providence fund, totaling Baht 3,956,880, was paid to 13 Company executive directors and the first four executive members.

The Company has a policy, criteria and stages of consideration on its Board directors' and executives' remuneration as the following:

- Remuneration for Directors

The Company paid the Board's meeting allowance to its Board directors, taking into consideration the appropriateness, and directors' obligations and responsibilities, in comparison with the amount paid to directors of other listed companies and similar business, as well as sufficient to attract and maintain quality directors as required by the Company. The payment procedure has to go through a consideration of the Remuneration and Nomination Committee, while the annual remuneration amount, which does not exceed Baht 9 million, has been approved by shareholders. In 2012, the Company paid remuneration totaling Baht 8,532,000.

- Remuneration for Management

To determine the amount of remuneration for its management based on the principles defined by its Remuneration and Nomination Committee, the Company takes into account their annual performance evaluation, along with such other factors as the Company's annual operation consequence and potential of payment, the trend of insurance industry growth, including an outcome of a survey of wage and other remuneration of leading domestic companies and the same business group. This aims to generate fairness and competitiveness with the market so as to maintain and attract quality directors as required by the Company. In 2012, remuneration both in the form of money and other remuneration, amounting to Baht 68,107,780 was paid to the Company's management.

4.3 The Board of Directors' Responsibilities for Financial Statements

The Company's Board of Directors is responsible for the accuracy of the Company's financial statements preparation, which should display details of its financial data sufficiently, transparently and correctly, while significant data is adequately and steadily disclosed in notes of the financial statements in accordance with appropriate accounting standards. The Company's financial statements are audited by a public accountant, certified by the Securities and Exchange Commission (SEC) and/or related agencies, as well as verified by the Audit Committee. The Company's Board has also prepared the report on its responsibilities for financial statements in the Company's annual report and the annual report presentation form (Form 56-1).

4.4 Role and Duty Performance of the Board of Directors

The Company reveals the names and history of each Board director, including the roles and duties of the Board of Directors, the Audit Committee and the Remuneration and Nomination Committee, along with details of their duty performance of the previous year in the section "Management Structure", so that the shareholders and the people concerned may know about the knowledge, capabilities, experience and other significant data of the directors, who contribute to the Company's success in its business transactions.

4.5 Investment Relations

Apart from communicating its information through various channels, the Company has established an investment relations agency in charge of communicating the Company's information and data with investors and outsiders, besides treating them equally and fairly, as well as in a well-arranged manner.

In this regard, investors can ask for more investment data at the phone number and e-mail address displayed on the Company's website.

4.6 Policy on Responsibilities to Society and the Environment and Implementation Consequence

This has been reported in the section on Corporate Social Responsibility.

5. The Section on the Board of Directors' Responsibilities

The Company's Board fully realizes its roles and responsibilities as the shareholders' representative, principally responsible for making decisions on the Company's significant policies and strategies. In addition, the Board will see to it that the Company's management has implemented the policies and strategies defined for the Company's utmost benefit. To fulfill this goal, the Board has implemented the principles of good corporate governance as the following:

5.1 The Board of Directors' Structure

(1) Components of the Board

It has been reported in the section "Management Structure".

(2) The Board of Directors' Term of Office

The Company has clearly defined the Board of Directors' term of office in its rules and regulations, no.23, which is proclaimed on the Company's website at bangkokinsurance.com.

(3) Qualifications of Independent Directors

It has been reported in the section "Qualifications and Procedure for Nomination of the Board Directors".

5.2 The Sub-Committee

It has been reported in the section "Sub-Committees".

5.3 The Board of Directors' Roles, Duties and Responsibilities

(1) Leadership and Vision of the Board of Directors

The Company's Board of Directors consists of knowledgeable and experienced persons from various fields who are supportive of the Company's administration. All directors take part in cautiously defining and giving approval to all important vision and policy statements, missions, strategies and business goals of the Company. They also ensure that the Company's management's performance will, as a matter of principle, be presented to the Board of Directors every three months. In addition, the Board also occasionally plays a role in giving approval to the performance guidelines of the various sub-committees, such as the Audit Committee, and the Remuneration and Nomination Committee.

Exercise of authority in the performance of the Company's Board will strictly and honestly comply with laws, regulations and shareholders' meeting resolutions based on sound morality and rule of conduct. This is to ensure that the Management's performance will ultimately fulfill the Company's goals and generate the utmost benefits for shareholders.

(2) Approval of Policy on Corporate Governance

In 2005, the Board of Directors approved for the first time, in writing, the formulation of the Company's policy on corporate governance, as well as approved the policy modification four times in 2006, 2008, 2009 and 2011, so that it was in accordance with the laws and principles of good corporate governance that had altered. In this regard, the Board has assigned the Company's management to take charge of a follow-up of the policy implementation in order to report recommendations to the Corporate Governance Committee for an improvement of the policy in order that it is updated and appropriate for the changing situations, and increasingly has a practice guideline of international standard.

Details of the Company's policy on good corporate governance may be viewed on the Company's website at bangkokinsurance.com.

(3) Business Code of Ethics

The Company's Board of Directors has approved the publication of the Company's code of ethics (rules of conduct) to be presented to the Board and staff, including propagating the code of ethics on the Company's Intranet. This aims at communicating good practices to the Company's Board and staff so that they will use them as a principle for their work performance. In this connection, it is the duty of all levels of management to make sure that their subordinates know, understand and actually perform according to the Company's code of ethics. In addition, the Company has steadily offered a training course on its code of ethics to all new staff and continuously made an evaluation to investigate the effectiveness of the Company's communication of its code of ethics and practices of staff based on the code defined. From an evaluation consequence in 2012, it has been found that most of the Company's staff are well informed of its code of ethics, while all staff have strictly complied and abided by the code of ethics defined, which is fairly satisfactory, indicating that the communication and promotion of the staff's behavior on the practice of the Company's code of ethics throughout the organization are effective.

Details of the Company's code of ethics can be viewed on the Company's website at bangkokinsurance.com.

(4) Conflict of Interest

The Company's Board of Directors has taken measures to impede conflicts of interest and the seeking of one's self-interest by defining this as a principle in the rule of conduct for both directors and staff. Additionally, the Board has assigned the Audit Committee to oversee and report to it on crossover transactions and those with conflicts of interest. These have been cautiously considered for appropriateness, with honesty, justification and independence based on the defined code of ethics, in the best interests of the Company, all of which is performed in the same manner as transactions made with outsiders. Furthermore, the Audit Committee has also performed in accordance with the SET's criteria in reporting on and disclosing such information each quarter in the Company's annual report and the annual report presentation form (Form 56-1).

- Control over the Use of Insider Information

In order to have control over the use of insider information, access to the Company's information is limited to executives and employees, and all computerized data is available only to those entitled to be entrusted with a password. The Company's Board of Directors and management will not, as fundamental to their management principles, disclose the Company's performance data to outsiders, or exploit their authority or opportunities at work to seek any advantage for themselves, before the data is revealed to the general public.

Moreover, the Company has stipulated that its Board directors and management must strictly follow the regulations of the Security Act and Security Exchange Act 1992, Section 59; reporting all their security arrangements and security transference in accordance with the set-up form and duration. Similarly, a copy of their report must be delivered to the Company on the same day.

(5) Controlling System, Internal Audit and Risk Management

Observing the important internal controls at both the managerial and operational levels, the Company's Board of Directors has set out the responsibilities of executives and employees in writing, and also requires that the executives assess the adequacy of internal controls at least once a year. The Audit Department is encouraged to work independently, void of any intervention, which will effectively promote internal control systems, leading to transparent administration, which will in turn benefit each group of the Company's stakeholders.

For risk management, the Company's Board of Directors has assigned the Risk Management Committee to be responsible for assessing both internal and external risk factors, analyzing and determining risk management measures, communicating with concerned staff for their acknowledgement, as well as following up the consequence of implementation based on the defined measures. The report on risk management consequence to the Board of Directors has to be made at least once a year.

5.4 The Board of Directors' Meeting

(1) The Meeting Schedule. The Company's Board of Directors will meet a minimum of once every three months. Nonetheless, there may be an additional extraordinary meeting as the Board thinks appropriate. Each Board member will be informed of the Board's meeting agenda in advance so that he/she may set aside time for the meeting. In 2012, the Board of Directors' meeting proceeded according to the schedule planned, resulting in the Board members' average meeting attendance of over 80 percent of all the Board's plenary meetings.

(2) The Consideration of Meeting Agenda Determination. To define the meeting agenda, the Company Secretary will compile significant issues to be put on the agenda and propose to the Company's President for approval, and then arrange them as the meeting agenda, including other relevant documents to be scrutinized for each agenda. Each Board member is allowed to propose an issue to be inserted on the agenda through the Company Secretary.

(3) The Delivery of Meeting Documents. For the delivery of the Board's meeting documents, the Company Secretary will send out meeting invitation letters, including an agenda and other relevant documents, no less than 7 days prior to the date of the meeting, to all the Board members to ensure that they have sufficient time to scrutinize the data before the meeting. In 2012, meeting invitation letters and other relevant documents were submitted to each Board member in time for all meetings.

(4) The Meeting Procedure. For each meeting, the Chairman of the Board of Directors allows each director to comment and ask questions about business performance, risk management, internal control systems, and all other matters without prescribed time limit. In consideration of agenda, directors who are stakeholders in any item on the agenda have no right to vote and are not allowed to be at the meeting for that agenda. The Company Secretary will report on the minutes of the meeting and the meeting's resolution for the Board's approval at the next meeting. In addition, for each meeting, a meeting report will also be systematically kept by the Secretary as a convenient reference or for examination by the Board and other related people.

(5) The Invitation of Executives for Meeting Attendance. In 2012, for each of the Board of Directors' meetings, at least the Company's 4 senior executives, namely, the Chief Executive Officer, President, Director and the Company Secretary, and Senior Vice President of Accounting and Treasury Department, would attend the meeting in order to answer the Board directors' questions and doubts.

(6) Information Access. For access to information, since the Board of Directors' meeting is not convened every month, the report on the Company's performance is presented to each Board director each month, starting from April 2007 onwards. This is aimed at allowing the Board to continuously oversee and control the Company's management's performance. Besides, the Board may ask the Company's President or Secretary for additional explanations and examination of relevant documents.

(7) The Meeting of Non-Executive Directors. For the meeting of non-executive directors, in 2006, the Board approved a policy encouraging its non-executive directors to convene a meeting among themselves, and assigned the Company Secretary to facilitate such a meeting. Nonetheless, through 2012, apart from the meetings of the Audit Committee, the Remuneration and Nomination Committee, and the Corporate Governance Committee for an implementation of the missions assigned to them, the non-executive directors had never convened a meeting among themselves.

A summary of each Board director's meeting attendance in 2012 is given in the section "The Management" with respect to the Board of Directors.

5.5 Procedure on the Determination and Appropriateness of Remuneration

The Company's Board of Directors has a policy to determine the Board directors' remuneration to the amount paid to other listed companies' directors of similar businesses or companies with approximate returns. The Board thus assigns the Remuneration and Nomination Committee to determine the Board directors' remuneration based on the scope of their roles and responsibilities, including the benefits to be derived from them, before proposing it to the shareholders' meeting for approval.

5.6 Development of the Board of Directors and Executives

The Company's Board of Directors has a policy of promoting and supporting directors, executives and other staff, related to the Company's corporate governance system, to receive regular training with an aim to constantly improve their performance every time there is a change in the Board. In addition, the Company has assigned its Secretary to arrange for a new Board director orientation and submitted documents and data beneficial to a new director's duty performance.

In 2012, the Company's Board directors and executives attended the following seminars and training courses.

1. Mr. Chor.nun Petpaisit Director of the Audit Committee	- Financial Institutions Governance Program (FGP) Batch 4/2012
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GENERAL INFORMATION

Name of Company	Bangkok Insurance Public Co., Ltd.
Registration No.	0107536000625
Established	1947
Principal Lines of Business	Non - Life Insurance
Accounting Period Ended	December 31, 2012
Location : Head Office	Bangkok Insurance Building 25 Sathon Tai Road, Bangkok 10120 Tel. 0 2285 8888 Fax: 0 2610 2100 Accident Notification Tel. 1620 bangkokinsurance.com

Branches

Ayutthaya

138/5-6 Moo 3, Phai Ling, Phra Nakhon Si Ayutthaya 13000
Tel. 0 3532 3191, 0 3532 3195, 0 3532 3196, 0 3532 3198 Fax: 0 3532 3173

Chachoengsao

665/7 Suk Prayoon Road, Na Mueang, Mueang, Chachoengsao 24000
Tel. 0 3898 1389-91 Fax: 0 3898 1397

Chiang Mai

102 Chiang Mai - Lampang Road, Chang Phueak, Mueang, Chiang Mai 50300
Tel. 0 5341 0334-8 Fax: 0 5322 3644

Chiang Rai

53/16 Moo 13, Phahonyothin Road, Rop Wieng, Mueang, Chiang Rai 57000
Tel. 0 5375 6952, 0 5375 6954 Fax: 0 5375 6953

Chonburi

209/22 Moo 3, Phraya Satcha Road, Samet, Mueang, Chonburi 20000
Tel. 0 3878 3292-5 Fax: 0 3878 3297

Hat Yai

830 Phetkasem Road, Hat Yai, Songkhla 90110
Tel. 0 7422 0961-2 Fax: 0 7423 2576

Hua Hin

66/115-116 Phetkasem Road, Hua Hin, Prachuap Khiri Khan 77110
Tel. 0 3254 7577 Fax: 0 3254 7544

Kanchanaburi

591 Saeng Chuto Tai Road, Pak Praek, Mueang, Kanchanaburi 71000
Tel. 0 3462 3390 Fax: 0 3462 3391

Kanchanaphisek

9/30 Moo 8, Kanchanaphisek Road, Bang Phai, Bang Khae, Bangkok 10160
Tel. 0 2865 3300, 0 2865 3445 Fax: 0 2865 3311

Khon Kaen

345 Moo 4, Prachasamosorn Road, Nai Mueang, Mueang, Khon Kaen 40000
Tel. 0 4333 8900-4 Fax: 0 4333 8905

La Salle

1043 La Salle Road, Bang Na, Bangkok 10260
Tel. 0 2745 8805-6 Fax: 0 2745 8817

Mukdahan

81/6 Mukdahan - Don Tan Road, Si Bun Rueang, Mueang, Mukdahan 49000
Tel. 0 4263 2784-8 Fax: 0 4263 2798

Nakhon Ratchasima

22/6 Mittraphab Road, Nai Mueang, Mueang, Nakhon Ratchasima 30000
Tel. 0 4426 9224-8 Fax: 0 4426 9223

Nakhon Sawan

282/12 Moo 10, Phahonyothin Road, Nakhon Sawan Tok, Mueang, Nakhon Sawan 60000
Tel. 0 5637 1761, 0 5622 8459 Fax: 0 5622 8460

Nakhon Si Thammarat

8/17 Pattanakarn Khukhwang Road, Nai Mueang, Mueang, Nakhon Si Thammarat 80000
Tel. 0 7532 4898-9 Fax: 0 7532 4897

Pattaya

131/27-28 Moo 9, Sukhumvit Road, Nong Prue, Bang Lamung, Chonburi 20150
Tel. 0 3837 6303, 0 3837 6168-9 Fax: 0 3837 6462

Phitsanulok

362/19 Moo 3, Mittraphab Road, Aranyik, Mueang, Phitsanulok 65000
Tel. 0 5522 1760 Fax: 0 5522 1764

Phuket

101/9 Moo 1, Kathu, Phuket 83120
Tel. 0 7630 4055-8 Fax: 0 7630 4059

Rangsit

52/18 Moo 2, Rangsit - Pathum Thani Road, Bangpoorn, Muang, Pathum Thani 12000
Tel. 0 2567 1121, 0 2567 2146 Fax: 0 2567 2180

Ratchaburi

159/27-28 Phetkasem Road, Na Mueang, Mueang, Ratchaburi 70000
Tel. 0 3232 8016-7 Fax: 0 3232 8017

Rayong

4/18 Moo 3, Thap Ma Road, Noen Phra, Mueang, Rayong 21000
Tel. 0 3880 8699, 0 3861 4487 Fax: 0 3861 8811

Saraburi

625/5 Phichai Ronnarong Songkhram Road, Pak Phrao, Mueang, Saraburi 18000
Tel. 0 3631 3339, 0 3631 9097 Fax: 0 3631 9098

Surat Thani

84/25 Moo 2, Surat - Phunphin Road, Makham Tia, Mueang, Surat Thani 84000
Tel. 0 7726 4337 Fax: 0 7726 4336

Trang

50/17-18 Trang - Palian Road, Khok Lo, Mueang, Trang 92000
Tel. 0 7558 2848-51 Fax: 0 7558 2847

Ubon Ratchathani

451 Chayangkun Road, Nai Mueang, Mueang, Ubon Ratchathani 34000
Tel. 0 4531 5470, 0 4531 5476 Fax: 0 4531 5492

Udon Thani

572/4 Moo 4, Udon - Khon Kaen Road, Ban Chan, Mueang, Udon Thani 41000
Tel. 0 4234 1040-1 Fax: 0 4234 1042

Micro Branches**Kaset - Nawamin**

111/19 Moo 4, Kaset - Nawamin, Chorakhe Bua, Lad Phrao, Bangkok 10230
Tel. 0 2553 3171-3 Fax: 0 2553 3170

Pattanakarn

148 Soi Pattanakarn 20, Pattanakarn Road, Suan Luang, Bangkok 10250
Tel. 0 2717 8600-3 Fax: 0 2717 8660

Sam Sen

45/11 Setsiri Road, Sam Sen Nai, Phaya Thai, Bangkok 10400
Tel. 0 2279 5075-7, 0 2279 6615 Fax: 0 2279 6616

Motor Claims Service Center

Burirum

Rungnathee Place Building, 296 Rop Mueang Road, Isan, Mueang, Burirum 31000
Accident Notification: 1620

Chanthaburi

Thapthimchan Tower 24/1116 Yannavirot Road, Chanthanimit, Mueang, Chanthaburi 22000
Accident Notification: 1620

Chumphon

Bangkok Insurance Public Co., Ltd., Agent Office, 188/90 Saladaeng Road, Tha Taphao, Mueang, Chumphon 86000
Accident Notification: 1620

Krabi

Bangkok Insurance Public Co., Ltd., Agent Office, 54/75 Si Phang-Nga Road, Krabi Yai, Mueang, Krabi 81000
Accident Notification: 1620

Ko Samui

Bangkok Insurance Public Co., Ltd., Agent Office, 163/45 Moo 1, Mae Nam, Ko Samui, Surat Thani 84330
Accident Notification: 1620

Lampang

At Home Apartment, 163 Suksawat 1 Road, Soi 15, Phra Bat, Mueang, Lampang 52000
Accident Notification: 1620

Pattani

Bangkok Insurance Public Co., Ltd., Agent Office, 7/39 Nong Chik Road, Sabarang, Mueang, Pattani 94000
Accident Notification: 1620

Pran Buri

Bangkok Insurance Public Co., Ltd., Agent Office, 267 Moo 12, Phetkasem Road, Nong Ta Taem, Pran Buri, Prachuap Khiri Khan 77120
Accident Notification: 1620

Uttaradit

Bangkok Insurance Public Co., Ltd., Agent Office, 2/85 Padwaree Road, Tha It, Mueang, Uttaradit 53000
Accident Notification: 1620

BKI Care Station

Central Khon Kaen 2nd Floor

Tel. 0 4328 8136, 08 5485 7593

Central Chaengwattana 4th Floor

Tel. 0 2835 3261, 08 1833 6402

Central Chonburi 1st Floor

Tel. 0 3805 3947, 08 1934 4416

Central Chiang Rai 2nd Floor

Tel. 0 5317 9841, 08 1702 0610

Central Pinklao 4th Floor

Tel. 0 2884 8282, 08 4751 7179

Central Rama II 3rd Floor

Tel. 0 2872 4060, 08 1373 8400

Central Rama III GF

Tel. 0 2673 5512, 08 9967 7455

Central Grand Rama IX 5th Floor

Tel. 0 2160 3808, 09 0197 3925

Central Phitsanulok 3rd Floor

Tel. 0 5533 8485, 09 0197 3924

Central Phuket 2nd Floor

Tel. 0 7624 8084, 08 1737 0053

Central Rattana Thibet 2nd Floor

Tel. 0 2525 4566, 08 1875 0203

Central Ramindra GF

Tel. 0 2970 5726, 08 4360 7400

Central Lardprao 2nd Floor

Tel. 0 2937 0187, 08 1172 9459

Central World 4th Floor

Tel. 0 2646 1850, 08 1833 6254

Central Surat Thani 3rd Floor

Tel. 0 7760 2705, 08 1902 4875

Central Udon Thani 3rd Floor

Tel. 0 4292 1473, 08 4388 3129

The Mall Ngamwongwan 2nd Floor

Tel. 0 2550 1327, 08 9967 7451

The Mall Thapra 1st Floor

Tel. 0 2477 7013, 08 4360 7380

The Mall Bangkok 1st Floor

Tel. 0 2363 3157, 08 4874 3926

The Mall Bangkok 2nd Floor

Tel. 0 2454 5348, 08 4360 7375

Paradise Park 2nd Floor

Tel. 0 2746 0315, 08 5485 7592

Fortune Town 1st Floor

Tel. 0 2641 1130, 08 1838 1005

Future Park Rangsit BF

Tel. 0 2958 0787, 08 1832 7767

Fashion Island 1st Floor

Tel. 0 2947 5670, 08 1373 7951

Robinson Ratchaburi BF

Tel. 0 3232 2668, 08 1373 3454

Silom Complex 4th Floor

Tel. 0 2632 0194, 08 9204 9798

LINES OF BUSINESS

Personal Line

- Voluntary Motor Insurance
- Compulsory Motor Insurance
- Fire Insurance for Residence
- Leasehold Insurance
- All Risks Insurance
- Burglary Insurance
- Home Multi-cover Insurance
- Golfer's Indemnity Insurance
- Personal Accident Insurance (Individual)
- Travel Accident Insurance for Individual of Tourist
- Comprehensive Travel Accident Insurance
- Travel Accident for Tour Operators and Guides Insurance
- Personal Accident Boat Insurance
- Cancer Insurance
- Accident and Health Insurance (Individual)
- Critical Illness Insurance
- Medical Expense Insurance
- Unemployment Insurance
- Bail Bond Insurance
- Medical Malpractice Insurance
- Professional Indemnity Insurance for Architect and engineer
- Building Inspector Insurance

Commercial and Industrial Line

- Fire Insurance
- Business Interruption Fire Insurance
- Personal Accident Insurance (Group)
- Personal Accident Insurance (Student Group)
- Accident and Health Insurance (Group)
- Industrial All Risks Insurance
- All Risks Insurance
- Shop Multi-cover Insurance
- Gold Shop Insurance
- Neon-Sign Insurance
- Plate Glass Insurance
- Money Insurance
- Fidelity Guarantee Insurance
- Event Cancellation Insurance
- Surety Bond Insurance
- Motorcycle Insurance
- Jewelry Block Insurance
- Terrorism Insurance
- Political Violence for Property Insurance
- Extended Warranty Insurance
- Trade Credit Insurance
- Contractors' All Risks Insurance
- Erection All Risks Insurance
- Boiler & Pressure Vessel Insurance
- Electronic Equipment Insurance
- Contractors' Plant and Equipment Insurance
- Machinery Breakdown Insurance
- Marine Cargo Insurance
- Marine Hull Insurance
- Carriers' Liability Insurance
- General Public Liability Insurance
- Employer's Liability Insurance
- Medical Malpractice Insurance (institution)
- Workmen's Compensation Insurance
- Directors and Officers Liability Insurance
- Oil Service Station Insurance
- Legal Liability Insurance from Unsafe Product
- Transportation of Hazard Material Liability Insurance
- Aircraft Hull, Spares & Liability Insurance
- Aviation Personal Accident Insurance (Group)

OTHER REFERENCE PERSONS

Securities Registra

Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Rajadapisek Road, Klongtoey, Bangkok 10110
Tel. 0 2229 2800, 0 2654 5599
Fax: 0 2654 5427
Call Center: 0 2229 2888
email: TSDCallCenter@set.or.th
www.tsd.co.th

Trustee

-None-

Auditor

Mrs.Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172
Ernst & Young Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
Tel. 0 2264 0777
Fax: 0 2264 0789-90
email: ernstyoung.thailand@th.ey.com
www.ey.com

Legal Adviser

Manukit Law Office
59/6 Suapa Road, Bangkok 10100
Tel. 0 2221 6226
Fax: 0 2221 3191

Financial Adviser

-None-

Principal Financial Institution

Bangkok Bank Public Co., Ltd.



บริษัท กรุงเทพประกันภัย จำกัด (มหาชน)
Bangkok Insurance Public Company Limited

Bangkok Insurance Building 25 Sathon Tai Road Bangkok 10120
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