



ANNUAL REPORT 2017  
BANGKOK INSURANCE PUBLIC COMPANY LIMITED



กรุงเทพประกันภัย  
Bangkok Insurance

## VISION

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

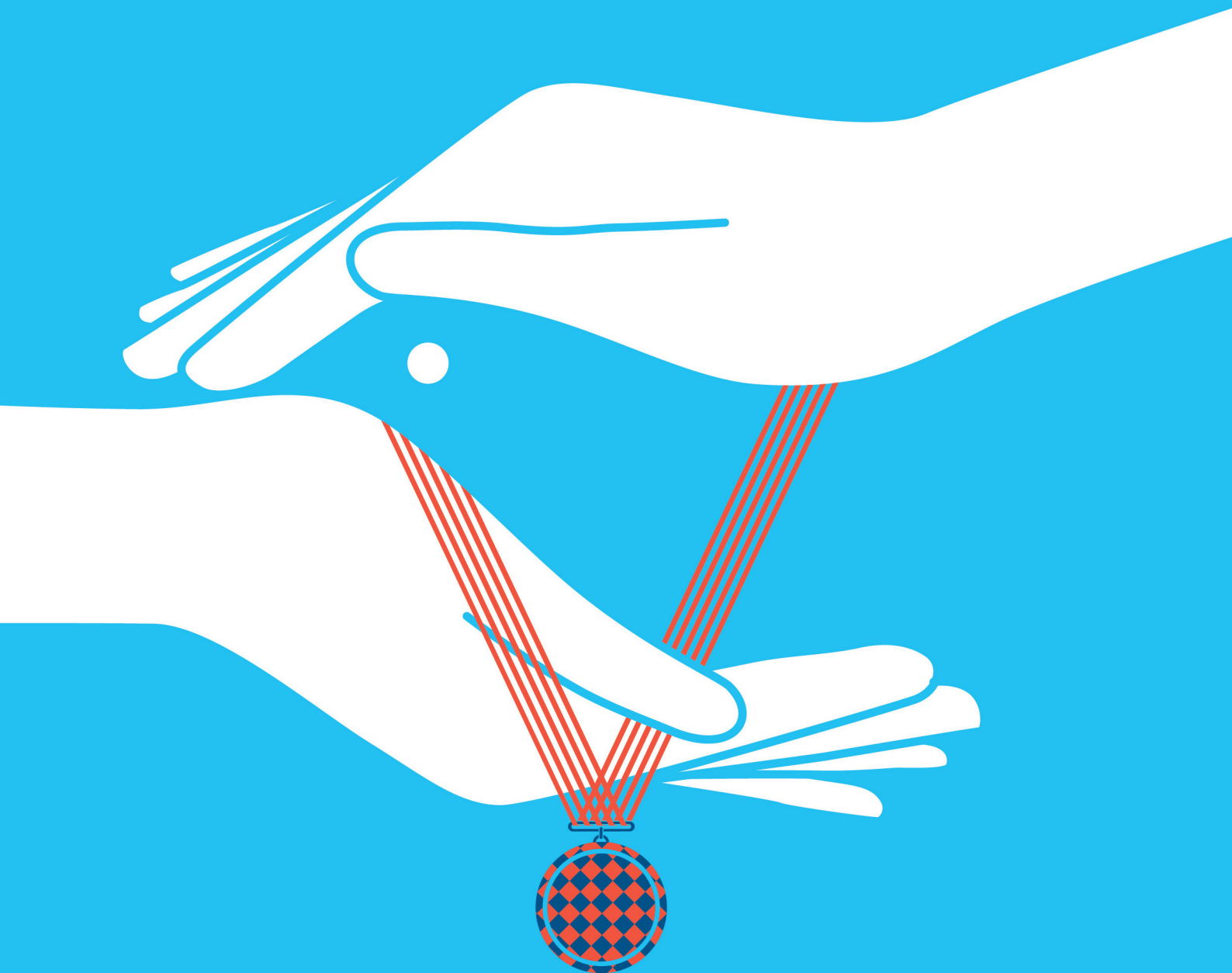
We will strive to progress with:

- Quality products and services that meet our customers' needs
- Fast and responsive service to maximize our customers' satisfactions
- Exceptional personnel with superior the insurance expertise
- Tradition and culture of corporate integrity

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Leader in the Non-Life Insurance Industry,  
with the Excellence of the Year for Leadership Award





# FINANCIAL HIGHLIGHTS

	2017 (Baht'000)	2016 (Baht'000)	Change %	2017 (USD'000)
<b>For The Year</b>				
Premium Written	15,940,907	16,031,324	(0.6)	487,774
Underwriting Income	2,386,593	2,553,177	(6.5)	73,027
Operating Expenses	986,582	1,012,932	(2.6)	30,188
Finance Costs	3,618	3,768	(4.0)	111
Net Profits from Underwriting	1,396,393	1,536,477	(9.1)	42,728
Net Investment Revenue	1,365,909	1,285,418	6.3	41,795
Profits before Income Tax Expenses	2,762,302	2,821,895	(2.1)	84,523
Income Tax Expenses	359,205	396,107	(9.3)	10,991
Net Profits	2,403,097	2,425,788	(0.9)	73,532
<b>At Year - end</b>				
Unearned Premium Reserve	7,340,161	7,399,141	(0.8)	224,601
Shareholders' Equity	35,145,442	33,253,729	5.7	1,075,412
<b>Per Share</b>	(Baht)	(Baht)		
Basic Earnings Per Share	22.57	22.78	(0.9)	-
Ordinary Share (Shares)	106.47 Million	106.47 Million	-	-
Dividends	14.00	14.00	-	-
Book Value	330.10	312.33	5.7	-
Market Price (High-Low)	368-345	366-335	-	-
Market Price at Year-end	358	344	4.1	-

USD 1 = Baht 32.6809

GBP 1 = Baht 43.9865

EUR 1 = Baht 39.0273

JPY 100 = Baht 28.9806

# PRIDE IN 2017



It is Bangkok Insurance Public Company Limited's pride and mark of success to be presented with honorable awards from various leading domestic and foreign organizations. These reflect the Company's sound service quality and fine reputation, which have been recognized internationally, emphasizing its leadership in the non-life insurance industry. In 2017, the Company received the following awards.

## Honorable Award

The "Excellence of the Year for Leadership" award from the 26<sup>th</sup> Le Fonti - IAIR Insurance Awards, organized by International Alternative Investment Review. The award was presented to the Company for its sound service standard and ceaseless effort to develop the organization toward excellence in all respects, all under a work management system of international-standard quality, as well as giving top priority to providing the best service to the Company's customers, emphasizing honesty and fair treatment throughout the more than 70 years of its operating performance.

In this connection, the Company has continuously received the "Excellence in Insurance Thailand" award, or an award of excellence in the non-life insurance industry, from such an event. The Company is the only non-life insurance company in Thailand to receive the award 4 consecutive times, and it is regarded as an emphasis of the consistent achievement of its robust and long-standing business transaction.

## Received 2 outstanding awards from the Best Thailand Contact Center Awards 2017

- "The Best Effective Technology Contact Center" award, or an award for investment in excellent contact center technology.
- "The Best Professional Management Contact Center" award, or an award for excellent contact center management.

The two awards, organized by the Thai Contact Center Trade Association, were presented to the Company for its introduction of contact center technology and innovations to the development of efficient and international standard call services for customers reporting an accident or inquiring about details of products and claims. In addition, the Company also has an obvious management and service structure system, apart from capable and knowledgeable personnel ready constantly to provide round-the-clock services to its customers.

### International Quality Standard

Bangkok Insurance was certified with the ISO 9001:2015 for all work systems of the organization from British Standards Institution (BSI), reflecting its strong determination to constantly preserve the standards of a quality work management system and work procedure in compliance with international standards. To ensure maximum customers' satisfaction

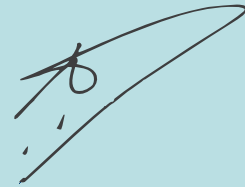
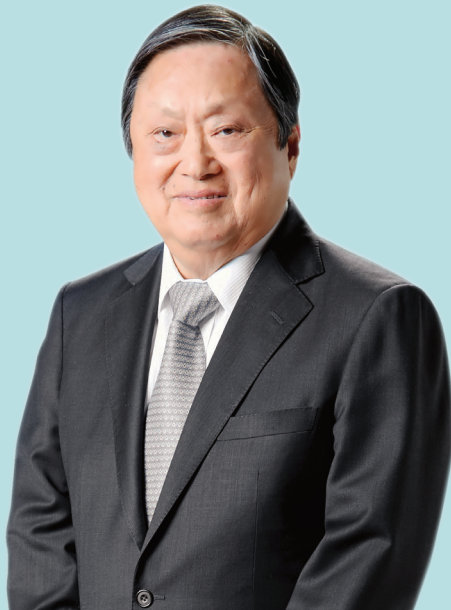
### Financial Strength Rating

Bangkok Insurance derived, on January 12, 2018, Financial Strength Rating of A- /Stable from the Standard and Poor's Institution (S&P), a leading global credit rating organization, reflecting the Company's leadership in the non-life insurance industry having competitiveness, with sound operating results and stable funds and assets, apart from possessing a fund management at a satisfactory level.

Additionally, the A.M. Best Company, another leading global credit rating organization, had ranked, on May 31, 2017, the Company's Financial Strength Rating with the score of A- (Excellent), reflecting its stable funds and financial stability.

Financial Strength Rating	
Standard & Poor's	January 12, 2018
Counterparty Credit Rating Local Currency	A- (Strong)
Financial Strength Rating Local Currency	A- (Strong)
Outlook	Stable
A.M. Best Company	May 31, 2017
Financial Strength Rating	A- (Excellent)
Financial Strength Rating Outlook	Stable
Issuer Credit Rating	a- (Excellent)
Issuer Credit Rating Outlook	Stable

# MESSAGE FROM THE CHAIRMAN OF THE ADVISORY BOARD



Mr. Chatri Sophonpanich

Over the past year, the overall global economy has witnessed the highest expansion in nearly ten years since the Sub-prime crisis, with a continuous economic growth of the United States, Europe, Japan and China having a positive impact on the Thai economy's recovery beyond expectations, despite the damage from floods in many areas. Numerous factors, whether the exports sector's growth, the private sector's investment increase in compliance with the government sector's investment clearness, particularly in large-scale projects such as the Eastern Economic Corridor (EEC) project and other mega projects, or tourism having a trend of expansion, have all significantly contributed to a driving force of and support to the Thai economy's expansion continued to 2018.

Nevertheless, Thailand still has a risk to consider, both from internal and external factors, for instance, increasing interest rates, Baht currency fluctuation, problems of a high level of the household sector's debts, the SME's ability to pay debts, which may influence a decision to buy and purchasing power, apart from problems of more and more violent natural catastrophes causing a loss of life and property, and Thailand's entering into a transitional period of an aging society, all having an impact on the economic system, whether the production, investment or savings.

Another issue the non-life insurance industry has to keep a close watch on and give importance to is the entry into a digital era, which has been both an opportunity and challenge for business having to adapt itself in order to keep pace with the dynamic of technology that will alter the pattern of business transactions and, in many cases, become creative destruction.

Throughout the past 70 years and as a performance guideline for the following year, Bangkok Insurance Public Company Limited has given priority to an adjustment of its strategies in line with a change in the business transaction context, systematically developed and stored the customer data base for an analysis leading to the development of insurance products and services preferred by customers and in conformity with goals, and had professional risk management, all aimed at retaining sound operating results. In addition, the Company has also given importance to the development of its work procedure by integrating technology with all work systems, whether the underwriting work, claims work or supporting business lines, with an aim to generate the greatest satisfaction for customers and business partners, apart from staff development so that they have knowledge and expertise, and encouraging work performance based on the principle of good corporate governance, having transparency, fairness and responsibility to society and the environment.

On behalf of the Chairman of the Advisory Board of Bangkok Insurance Public Company Limited, I would like to extend my sincere thanks to our shareholders, customers, business partners, business allies and stakeholders for their constant and staunch trust in the Company's insurance products and services. Finally, I would also like to thank the Company's management and all our employees for their utmost knowledge, capability and dedication to performance in order to generate excellent services in strict compliance with rules and regulations, leading to the Company's further reputation and progress.

# MESSAGE FROM THE CHAIRMAN



*P. Prakaspesat.*

Tdvc. Col. Plengsakdi Prakaspesat

In 2017, Bangkok Insurance Public Company Limited had conducted its business transactions to the 70<sup>th</sup> year and had continuously given priority to the development of insurance products, enhancement of service efficiency, and personnel development to ensure quality staff who were knowledgeable and skillful in fulfilling the Company's vision, "Bangkok Insurance aims to be the preferred non-life insurer in Thailand". Over the past year, the Company emphasized being an organization of sound morality, attaching to His Majesty King Bhumibol Adulyadej's resolution as a guideline for the Company's quality-work development in parallel with sound morality, having responsibility to all groups of stakeholders, all of which the Company had seriously carried out, on a concrete basis, under all departments' formulation of sound morality plans, besides providing training as well as injecting and fostering a sound conscious mind in its staff, aimed at their work performance and earning a living, including having responsibility to society and the public.

For business transactions in the past year, the non-life insurance market had obviously recovered despite such risk factors as consumers' limited purchasing power incurred by the household sector's debts, and a challenging occurrence of natural disasters. Supporting positive factors included the global economy influencing the Thai exports sector's growth, a steady expansion of tourism, a growth of total car sales, the government sector's increased spending, including the government sector's support of an introduction of the insurance system to risk management for the country's significant projects, etc. Nevertheless, the business was still continuously confronted with fierce competition due to insurance companies' trying to retain their market share and a current customer base as much as possible via such strategies as an offer of a cheap premium, an increase of business partners' return, development of a new pattern of goods and services, an augmentation of distribution channels to access as many target customers as possible, investment in a technological system, and an extension of business to neighboring countries.

For Bangkok Insurance, focusing on its personnel development so they become quality staff, and a swift adaptation of the organization is regarded as an issue the Company has given top priority for its growth in support of the digital business world. The Company has studied and introduced modern technology to the development of insurance products, increased new business partners and distribution channels, and enhanced the efficiency of a quicker underwriting and claims service in response to the lifestyle of consumers in a new era, for instance, an issuance of e-Policy, an offer of the innovation of a new pattern of an electronic insurance card or BKI EsCard, an improvement of new work functions of the BKI iCare application, etc. As a consequence of its attachment to services of international standard and ceaseless efforts to develop the organization towards excellence, the Company was certified with the higher quality standard ISO 9001:2015, for all work systems of the organization, besides receiving numerous outstanding awards such as the “Excellence of the Year for Leadership” award and the “Excellence in Insurance Thailand” award from the Le Fonti - IAIR Insurance Awards, as well as “The Best Effective Technology Contact Center” award and “The Best Professional Management Contact Center” award from the Best Thailand Contact Center Awards 2017.

For the Company’s performance in 2017, its total written premium slightly dropped by 0.6 percent to Baht 15,940.9 million. Nevertheless, the Company’s earnings before tax were Baht 2,762.3 million, comprising the net income from underwriting of Baht 1,396.4 million as well as earnings from investment and other income of Baht 1,365.9 million, resulting in a net income of Baht 2,403.1 million, or earnings per share of Baht 22.57. The Company’s Board of Directors’ meeting on February 23, 2018, has approved a final dividend payment of Baht 5 per share for the year 2017. Therefore, in 2017, the Company had made total dividend payments of Baht 14 per share. In addition, the Company also possesses robust financial standing as well as stable fund and assets, as reflected by the Capital Adequacy Ratio (CAR) as at the end of September 2017 as high as 219.0 percent, higher than that defined by law, apart from the maintenance of high Financial Strength Rating of A-/Stable (ranked by the Standard and Poor’s Institution (S&P) as at January 2018) and A- (Excellent) Outlook Stable (ranked by the A.M. Best Company as at May 2017).

Finally, on behalf of the Chairman of the Board of Directors, I would like to extend my sincere thanks to our customers, business partners, shareholders, business allies and stakeholders for their great support of the Company throughout. I would also like to thank sincerely all the Company’s management and employees for their excellent performance and concerted efforts, these being a significant cog in driving the Company to sound performance, stability and sustainability.

Certified with Quality Work Management  
ISO 9001:2005

9001





# REPORT OF THE COMPANY'S OPERATIONS

## Summary of Operating Performance for the Year 2017

### Operation and Financial Status of the Company

For 2017, the premium written income for all classes of insurance declined by 0.6 percent to Baht 15,940.9 million, compared to 2016. Motor Insurance marked the low growth rate of 7.7 percent. Marine insurance and personal accident insurance achieved the high growth rates of 13.1 percent and 12.6 percent, respectively, compared to 2016.

In 2017, the net underwriting experienced a return of Baht 1,396.4 million, a decrease of Baht 140.1 million, or 9.1 percent, over 2016, due mainly to the fact that in 2017, there was the underwriting loss ratio of 51.6 percent, a rise of 1.3 percent, compared to the year before. Similarly, there was a drop in expenses ratio of 0.1 percent, compared to 2016.

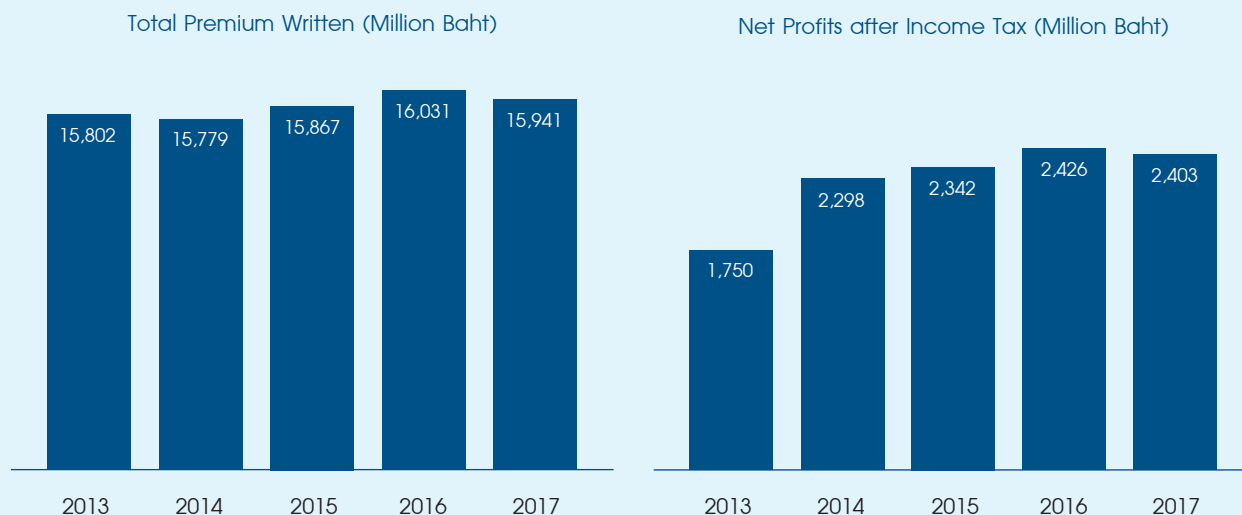
The net investment income and other income in 2017 was Baht 1,365.9 million, a rise of 6.3 percent, over 2016. When combined with a profit from underwriting, the Company's total income before income tax deduction was Baht 2,762.3 million, a drop of 2.1 percent. After income tax deduction, the net income totaled Baht 2,403.1 million, a decrease of 0.9 percent, compared to 2016, or Baht 22.57 per share, compared to Baht 22.78 per share in 2016.

The Company has already made three interim dividend payments of Baht 3.00 per share for the year 2017, the total dividend payment was Baht 9.00 per share. The Board of Directors proposed to the shareholders to consider and approve for the final dividend payment for the year 2017 at Baht 5.00 per share so the annual dividend payment for the year 2017 shall be Baht 14.00 per share (same as the year 2016). The proposed final dividend payment is subjected to the approval of the 25<sup>th</sup> Annual General Meeting of Shareholders.

Based on the financial statements as at December 31, 2017, the total assets of the Company amounted to Baht 60,102.8 million, a rise of 4.8 percent from Baht 57,332.6 million in the previous year. This was accompanied by a significant increase in assets, particularly available-for-sale investments, net reinsurance assets and held-to-maturity investments of Baht 1,919.1 million, 601.1 million and 220.9 million, respectively.

Liabilities at 2017 year-end totaled Baht 24,957.3 million, a growth of Baht 878.5 million, or 3.7 percent, over 2016. A significant change was a rise in insurance contract liabilities, net deferred tax liabilities, due to reinsurers, accrued expenses and premiums received in advance of Baht 281.7 million, 265.6 million, 119.8 million, 119.9 million and 97.1 million, respectively.

Owners' equity on December 31, 2017, equaled Baht 35,145.4 million, a rise from Baht 33,253.7 million, or 5.7 percent, in 2016. Significant components were an increase of Baht 982.6 million, or 4.5 percent, in other components of owners' equity and a growth of Baht 909.1 million in unappropriated retained earnings.



## Operating Performance by Classes of Business for the Year 2017

### Fire Insurance

In 2017, the Company registered Baht 1,553.3 million in written fire insurance premium, a decline of 3.2 percent over 2016. The drop in premium written was due mainly to a reduction in premium growth in many channels incurred by a higher business competition situation.

The net premium written amounted to Baht 1,078.3 million, a slight increase of 0.001 percent, with the Company taking a growing retention of 69.4 percent, compared to 67.2 percent in 2016. The loss ratio in 2017 was 14.8 percent, a rise from 2016, which was 5.7 percent. Meanwhile, the expenses ratio dropped from 53.3 percent in 2016 to 41.6 percent in 2017. As a result, the Company's underwriting returns in 2017 rose by Baht 38.1 million, or 8.7 percent, to Baht 476.7 million, compared to 2016.

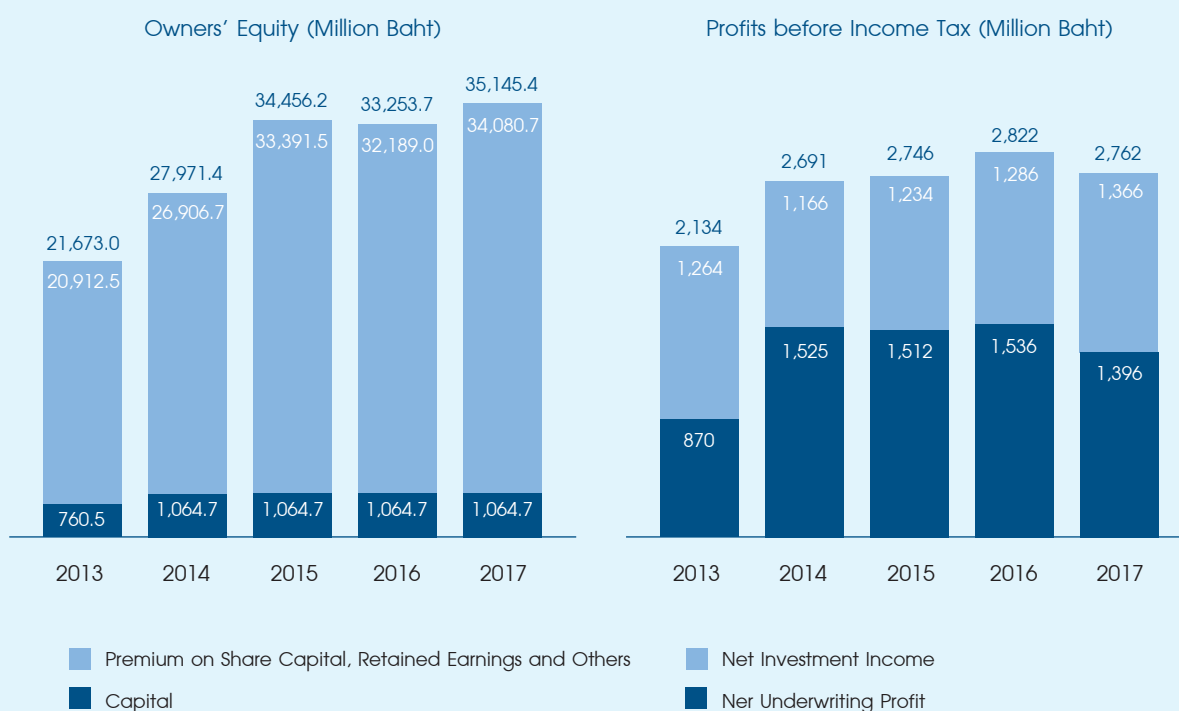
### Marine Insurance

- **Hull** In 2017, the Company registered a total of Baht 41.7 million in written marine hull insurance premium, a rise of 9.4 percent over 2016. This was due mainly to an increase in the premium from Branch Network and Ventures Business Unit, Agent Business Unit and Broker Business Unit.

The net premium written amounted to Baht 5.2 million, an increase of 4.5 percent from 2016. This was thanks to the Company's retention of 12.4 percent in 2017, compared to 12.9 percent in the previous year. The loss incurred in 2017 grew by Baht 0.4 million to Baht 3.6 million, compared to the year before. As a consequence of the Company's underwriting in 2017, the loss ratio was 73.4 percent, a rise of 33.6 percent over 2016, resulting in a return of Baht 3.8 million and a decline in underwriting profit of Baht 4.1 million from the previous year.

- **Cargo** In 2017, the Company registered Baht 386.1 million in written marine cargo insurance premium, a rise of 13.1 percent over the year before. This was due to an augmentation in the premium from all channels, particularly Broker Business Unit.

The net premium written totaled Baht 198.5 million, an increase of 4.4 percent, due to the Company's retention reduction from 55.7 percent in 2016 to 51.4 percent in 2017. The loss ratio in 2017 dropped to 13.8 percent, compared to 15.9 percent in 2016, resulting in the Company's underwriting profit of Baht 106.1 million in 2017, a growth of 11.1 percent from the year before.



### Motor Insurance

In 2017, the Company registered Baht 6,101.9 million in written motor insurance premium, a drop of 7.7 percent over 2016. This was due mainly to a reduction in premium growth in several channels stemming from price competition.

The net premium written amounted to Baht 5,926.8 million, a decrease of 7.4 percent over 2016. In 2017, the Company's retention was 97.1 percent, an increase from 2016, which was 96.9 percent. The loss ratio rose from 63.8 percent in 2016 to 64.3 percent in 2017, resulting in the Company's underwriting profit of Baht 176.0 million in 2017, a drop of Baht 168.1 million from the previous year.

### Miscellaneous Insurance

Miscellaneous insurance consists of five major categories: General Accident, Engineering, Personal Insurance, Aviation, and All Risks. In 2017, the Company registered Baht 7,857.9 million in written miscellaneous insurance premium, a rise from Baht 7,439.5 million, or 5.6 percent, in 2016. The growth in the direct premium written was partly due to personal accident insurance through Personal Lines Business Unit, and all risks insurance via Financial Institution Business Unit and Broker Business Unit.

The net premium written for all categories totaled Baht 3,749.7 million, an increase of 9.6 percent over 2016. The Company's retention was 47.7 percent in 2017, a rise from 2016, which was 46.0 percent. The overall loss ratio rose from 40.2 percent in 2016 to 42.9 percent in 2017. Consequently, the Company's underwriting profit in 2017 diminished by 2.6 percent to Baht 633.8 million, compared to 2016.

### Underwriting Expenses

The Company's underwriting expenses totaled Baht 10,708.6 million, representing a rise of 1.5 percent over 2016. The claims and expenses on claims management incurred during 2017 rose by 2.4 percent from the previous year, while other expenses increased by 6.3 percent and operating expenses dropped by 2.6 percent over the year before.

In 2017, the Company's all classes of direct premium written amounted to Baht 15,366.5 million, a growth of - 0.7 percent over 2016. The Company's market share in 2017 (data as at quarters 1-3) was 7.0 percent, a slight decrease from 2016, which was 7.3 percent and could retain the third rank in market share as in the year before. The ratio of 48.9 percent from the miscellaneous insurance premium had a growth rate of 6.1 percent, resulting in 9.8 percent miscellaneous premium market share in 2017, an increase from 2016. Fire insurance's market share rose from 13.1 percent in 2016 to 13.8 percent in 2017, while marine insurance and motor insurance had market shares of 7.5 percent and 4.8 percent, respectively.

### Future Projects

In 2017, the Company has developed, improved and introduced its new corporate website through an attractive, modern and secure design, providing its customers with easier and more convenient use. In addition, the Company has also received OIC's permission to conduct electronic business transaction providing an e-Policy via different channels, for instance, delivering an insurance policy to customers through an e-mail as an alternative to those who want to renew their policy or buy a new policy. In this connection, customers can choose to obtain their coverage document via an e-mail instead of getting a usual document through the Company's delivery, allowing customers to receive swift coverage. For an initial stage, the Company has arranged for an e-Policy for fire insurance and voluntary motor insurance.

Besides, the Company has initiated an innovation providing a new type of motor insurance card (BKI EsCard) in support of people's current digital lifestyle. Previously, the insured will obtain their card and motor insurance policy in the form of coverage document, which may not be convenient for them when they want to search for data identified in the policy, including data used for a contact with the Company, such as the policy number, coverage, claim report contact, etc. Consequently, to facilitate customers' service, the Company has developed Electronic Card as a new

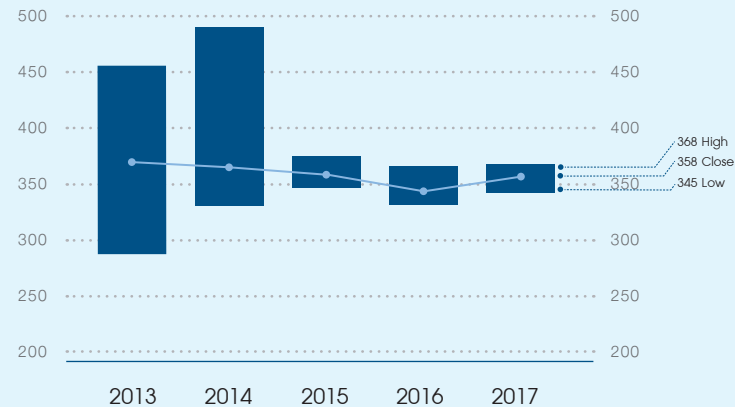
type of the insured’s card compiling their data and policy details in a smart phone, enabling customers to search for their motor insurance data everywhere and all the time, and report or make an online claim immediately, apart from providing an automatic notification for a policy renewal, as well as informing regards promotions and special privileges. The Company has a work plan to subsequently extend such services for its personal accident insurance, travel accident insurance and health insurance.

Besides applying various technologies to assist in the underwriting development, the Company also has a plan to continuously develop analytic tools so as to concentrate its business units’ ability on data analysis in various dimensions, especially for personalization needs, aimed at providing services more responsive and pertinent to customers’ and business partners’ lifestyle. Similarly, the Company also has a work plan to apply digital technology to the insurance business, focusing on a study and arrangement of an establishment of a specific work unit on innovation and digital technology in order to find new technology for use in insurance, for example, using drone for a risk survey, particularly locations hazardous and hard to access, technology relating to insurance distribution, and technology facilitating customers’ claims report or payment, all aimed at enhancing the quality of services for customers and business partners, apart from reducing any errors in employees’ performance and decreasing the Company’s operating performance costs.

Dividends and Stock Dividends (Baht)



Develepment of Share Prices



# REPORT OF THE COMPANY'S OPERATIONS

(Million Baht)

Premium Written	2017	2016	Change %	2017 Distribution %
<b>Types of Insurance</b>				
Fire	1,553.3	1,604.6	(3.2)	9.74
Marine	427.8	379.6	12.7	2.68
Motor	6,101.8	6,607.6	(7.7)	38.28
Miscellaneous	7,858.0	7,439.5	5.6	49.30
Total	15,940.9	16,031.3	(0.6)	100.00
<b>Underwriting Income</b>				
<b>Types of Insurance</b>				
Fire	544.8	548.2	(0.6)	22.83
Marine	139.7	127.2	9.8	5.85
Motor	606.3	758.0	(20.0)	25.40
Miscellaneous	1,095.8	1,119.8	(2.1)	45.92
Total	2,386.6	2,553.2	(6.5)	100.00
Operating Expenses	986.6	1,012.9	(2.6)	41.34
Finance Costs	3.6	3.8	(5.3)	0.15
Net Profits from Underwriting	1,396.4	1,536.5	(9.1)	58.51

(Million Baht)

Net Investment Revenue	2017	2016	Change %
Interest	284.3	332.5	(14.5)
Dividends	855.1	793.4	7.8
Gain on Sales of Securities and Assets	138.2	55.5	149.0
Rental and Other Income	173.0	165.1	4.8
Share of Profits from Investment in Associates Accounted for under the Equity Method	12.0	8.7	37.9
Gain (Loss) from Reversal Impairment of Investment	(7.0)	17.5	(140.0)
	1,455.6	1,372.7	6.0
Investment Expenses	89.7	87.3	2.7
Net Investment Revenue	1,365.9	1,285.4	6.3
<b>Operating Results</b>			
Net Profits from Underwriting	1,396.4	1,536.5	(9.1)
Net Investment Revenue	1,365.9	1,285.4	6.3
Profits before Income Tax Expenses	2,762.3	2,821.9	(2.1)
Income Tax Expenses	359.2	396.1	(9.3)
Net Profits	2,403.1	2,425.8	(0.9)
Basic Earnings Per Share (Baht)	22.57	22.78	(0.9)
Ordinary Share (Shares)	106.47 Million	106.47 Million	-
Par (Baht)	10.00	10.00	-

# INVESTMENT INCOME

Net investment income in 2017 amounted to Baht 1,462.6 million, a rise of Baht 107.4 million, or 7.9 percent, over 2016. This comprised Baht 284.3 million from the interest, a decline of 14.5 percent; Baht 855.1 million from dividends, an increase of 7.8 percent; Baht 138.2 million profit from stocks and assets sale, a growth of 149.0 percent; Baht 173.0 million from rents and others, a rise of 4.8 percent; Baht 12.0 million of profit share from investments in associated companies, an increase of 37.9 percent. In 2017, the Company's investment expenses grew by 2.7 percent to Baht 89.7 million and loss on impairment of investments of Baht 7.0 million, while its net investment incomes amounted to Baht 1,365.9 million. Thus, the Return on Investment (ROI) was 6.9 percent of the investment portfolio, or 2.9 percent of the market investment.

At 2017 year-end, the SET index closed at 1,753.71, a rise of 210.77, or 13.7 percent, from 2016, which closed at 1,542.94. The Thai economy grew in line with global economies, which expanded gradually. Major income was derived from the exports sector's high growth and the tourism sector's recovery despite the Baht appreciation. Nonetheless, the currency inflow into Asia, coupled with the government sector's investment gradually making an imbursement for its projects, caused a better adjustment of consumption and investment in Thailand. In this connection, the Company still had a higher surplus on revaluation of share values in the SET, totaling Baht 28,425.6 million, a rise of Baht 1,206.7 million, or 4.4 percent, over 2016.

The Company's investment portfolio at 2017 year-end had increased by Baht 891.0 million, or 4.4 percent, to Baht 20,946.6 million. For the portfolio allocation, the Baht 12,948.7 million fixed income investment accounted for 61.8 percent of the total investment portfolio, while the remaining Baht 7,997.9 million, or 38.2 percent, was invested in both listed and unlisted common stocks and fund units.

Fixed income investments consisted of deposits at commercial banks and government bonds. Deposits with commercial banks rose by Baht 230.9 million, or 2.9 percent, from the previous year to Baht 8,321.6 million, or 39.7 percent of the total investment portfolio. Government bonds increased by Baht 60.1 million, or 3.2 percent, from the year before to Baht 1,954.4 million, representing 9.3 percent of the total investment portfolio. Debentures augmented by Baht 221.4 million, or 20.3 percent, from the previous year to Baht 1,313.4 million, representing 6.3 percent of the total investment portfolio.

In addition, the Company also has mortgaged loans, another type of its fixed income capital, which dropped by Baht 70.9 million, or 5.0 percent, to Baht 1,353.1 million, or 6.5 percent of the total investment portfolio.

For the investment in equity securities in 2017, the Company's investments in listed securities rose by Baht 466.4 million, or 10.6 percent, to Baht 4,877.9 million, or 23.3 percent of the total investment portfolio, compared to 2016. 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 29.7 million, or 3.8 percent, from the previous year to Baht 805.1 million, representing 3.9 percent of the total investment portfolio. The increase was due to an investment in non-listed securities, which was an occupation of equity securities with an aim to make other business transactions by having shareholding in juristic persons obtaining a permit to do the insurance business, or make major business transactions by having shareholding in foreign insurance companies in member countries of the Association of Southeast Asian Nations (ASEAN), and sell part of these non-list 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 7.5 million, or 3.6 percent, to Baht 214.9 million, representing 1.0 percent of the total investment portfolio, the increase stemming from the acknowledgement of income, deducted by the dividend share, from those associated companies. It was shareholding which ranged from 20.0 percent and over, and comprised overseas investments such as investments in companies of which the major business transactions were investments in insurance companies, as well as investments in insurance companies in Cambodia and Lao PDR, that 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 amounted to Baht 540.2 million, representing 2.6 percent of the total investment portfolio, unchanged from the year before. Similarly, investments in funds investing in non-marketable equity securities totaled Baht 297.4 million, or 1.4 percent of the total investment portfolio, an increase of Baht 27.4 million, or 10.1 percent, over the previous year, while investments in listed real estate funds, and trust funds for investments in real estate, including investments in listed infrastructure funds dropped by 84.3 million, or 6.3 percent, to Baht 1,262.4 million, representing 6.0 percent of the total investment portfolio.

# INVESTMENT

(Million Baht)

Composition of Investment Portfolio (At Cost)	Year end 2017	Year end 2016	Change %	Distribution % 2017
Fixed Interest Bearing Securities				
Deposits at Banks	8,321.6	8,090.7	2.9	39.7
Collateralised Loans	1,353.1	1,424.0	(5.0)	6.5
Bonds	1,954.4	1,894.3	3.2	9.3
Bonds and Other Loans	1,319.6	1,095.4	20.5	6.3
Total Fixed Interest Bearing Securities	12,948.7	12,504.4	3.6	61.8
Shares Listed on the SET	4,877.9	4,411.5	10.6	23.3
Unlisted Shares	805.1	775.4	3.8	3.9
Investment in Associated	214.9	207.4	3.6	1.0
Unit of Closed-end Fund Listed on the SET	1,318.8	1,375.7	(4.1)	6.3
Unit of Closed-end Fund	781.2	781.2	-	3.7
Total Investment Portfolio	20,946.6	20,055.6	4.4	100.0

(Million Baht)

Composition of Investment Portfolio (AT Cost and Market Value)	Year end 2017			
	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	8,321.6	8,321.6	-	-
Collateralised Loans	1,353.1	1,353.1	-	-
Bonds	1,954.4	1,964.9	10.5	-
Bonds and Other Loans	1,319.6	1,344.2	24.6	-
Total Fixed Interest Bearing Securities	12,948.7	12,983.8	35.1	-
Shares Listed on the SET	4,877.9	33,303.5	28,425.6	-
Unlisted Shares	805.1	709.9	-	(95.2)
Investment in Associated	214.9	214.9	-	-
Unit of Closed-end Fund Listed on the SET	1,318.8	1,553.6	234.8	-
Unit of Closed-end Fund	781.2	898.2	117.0	-
Total Investment Portfolio	20,946.6	49,663.9	28,812.5	(95.2)

# INVESTMENTS IN SECURITIES

Investments in Listed Securities as at December 31, 2017, consist of following:

Name of Company	Line of Business	Percentage of Holding (%)	Book Value		Market Value	
			Per Share (Baht)	Amount (Million Baht)	Per Share (Baht)	Amount (Million Baht)
Bangkok Bank	Banking	1.79	40.23	1,372	201.00	6,854
Bumrungrad Hospital	Health Care Services	14.65	9.61	1,026	189.00	20,178
Bangkok Life Assurance	Insurance	4.60	5.83	458	35.25	2,771
Thai Reinsurance	Insurance	1.89	2.47	196	1.77	141
Charoong Thai Wire & Cable	Industrial Material and Machinery	6.84	6.70	182	10.50	286
Thaire Life Assurance	Insurance	1.73	12.73	132	10.90	113
Furukawa Metal (Thailand)	Industrial Material and Machinery	9.26	23.93	106	30.25	134
Sri Ayudhya Capital	Insurance	0.66	33.48	55	32.75	54
Intouch Holdings	Information and Communication Technology	0.02	70.13	48	56.00	38
CH. Karnchang	Construction Services	0.09	28.29	43	26.25	40
TRC Construction	Construction Services	0.51	1.41	42	1.06	32
Ticon Industrial Connection	Property Development	0.32	7.26	42	16.30	95
Bangkok Expressway and Metro	Transportation and Logistics	0.07	4.01	41	7.70	78
Bangkok Aviation Fuel Services	Energy and Utilities	1.16	5.30	39	46.75	347
Chumporn Palm Oil Industry	Agro and Food Industry	5.28	1.13	38	1.92	64
Nonthavej Hospital	Health Care Services	3.18	7.06	36	53.25	271
Syntec Construction	Construction Services	0.38	5.79	35	5.55	34
The Siam Cement	Construction Materials	0.01	488.78	35	484.00	34
Muangthai Leasing	Finance and Securities	0.04	38.53	35	38.50	35
Asia Sermkij Leasing	Finance and Securities	0.99	9.17	32	23.80	83
B.Grimm Power	Energy and Utilities	0.08	16.00	32	28.75	58
Sino-Thai Engineering and Construction	Construction Services	0.10	25.69	32	23.40	29
Airports of Thailand	Transportation and Logistics	0.01	26.61	31	68.00	80
Major Cineplex Group	Media and Publishing	0.24	13.71	29	28.75	60
Samart Corporation	Information and Communication Technology	0.14	20.36	29	11.70	16
Muang Thai Insurance	Insurance	0.36	132.69	28	137.00	29
Union Plastic	Petrochemicals and Chemicals	8.37	13.31	28	27.00	57
Electricity Generating	Energy and Utilities	0.03	150.80	25	215.00	36
Crown Seal	Packaging	1.70	28.30	25	52.25	46
Ramkhamhaeng Hospital	Health Care Services	0.53	394.52	25	2,882.00	182
Total 30 Listed Companies				4,277	32,275	
Other 61 Listed Companies				601	1,028	
Unit trust				2,100	2,452	
Warrant				0	0	
<b>Total</b>				<b>6,978</b>	<b>35,755</b>	



# SHAREHOLDING IN OTHER COMPANIES

Investment in Companies at 10 percent or more of paid-up capital as at December 31, 2017

No.	Company / Address	Line of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
1	Bangkok Insurance (Lao) Co., Ltd. 321/1-2 Unit 18, Phonsavanh Neua Village, Sisattanak, Vientiane Capital, Lao PDR	Insurance	Ordinary	450,000	45.00
2	Asian Insurance International (Holding) Ltd. Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda	Insurance	Ordinary	23,936	41.70
3	Asia Insurance (Cambodia) Plc. No. 5, Street 13, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia	Insurance	Ordinary	1,604,470	22.92
4	Asia Insurance (Investments) Ltd. 16/F Worldwide House, 19 Des Voeux Road Central, HongKong	Insurance	Ordinary	15,210,000	19.50
5	PT. Asian International Investindo Ltd. Wisma Asia Lt. 12A, Jl. Letjen S. Parman Kav. 79, Sliipi - 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	Sorachai Vivatn Co.,Ltd. 23 Soi Sukhumvit 63, Sukhumvit Road, North Klongtan, Wattana, Bangkok 10110	Property Development	Ordinary	405,000	15.00
8	Bangkok Life Assurance (Cambodia) Plc. The Emerald, 3 <sup>rd</sup> Floor, 64, Preah Norodom Boulevard, Corner Street 178, Sangkat Chey Chumneah, Khan Daun Penh, Phnom Penh, Cambodia 12206	Insurance	Ordinary	42,000	15.00
9	Union Sime Darby (Thailand) Limited 62 The Millennia Tower 17 <sup>th</sup> Floor, Unit 1704-5, Langsuan Road, Lumpini, Pathumwan, Bangkok 10330	Insurance Broker	Ordinary	6,000	15.00
10	Bumrungrad Hospital Public Co., Ltd. 33 Sukhumvit Soi 3 (Nana Nua), Klongtoey Nua, Watthana Bangkok 10110	Health Care Services	Ordinary	106,760,417	14.62
11	Bangkok Mitsubishi UFJ Lease Co., Ltd. 173/35, Asia Centre Tower 26 <sup>th</sup> Fl., Sathon Tai Road, Thung Maha Mek, Sathon, Bangkok 10120	Leasing	Ordinary	60,000	10.00
12	Bangkok Chayoratin Co., Ltd. 25 Bangkok Insurance/Y.W.C.A. Building , 10 <sup>th</sup> Fl. Sathon Tai Road, Thung Maha Mek, Sathon, Bangkok 10120	Insurance Broker	Ordinary	10,000	10.00

# REVENUE STRUCTURE

(Million Baht)

Premium Written	2017	Distribution %	2016	Distribution %	2015 (Restated)	Distribution %
<b>Types of Insurance</b>						
Fire	1,553.3	9.74	1,604.6	10.01	1,723.9	10.87
Marine	427.8	2.68	379.6	2.37	375.2	2.36
Motor	6,101.8	38.28	6,607.6	41.22	6,967.1	43.91
Miscellaneous	7,858.0	49.30	7,439.5	46.40	6,801.2	42.86
Total	15,940.9	100.00	16,031.3	100.00	15,867.4	100.00
<b>Underwriting Income</b>						
<b>Types of Insurance</b>						
Fire	544.8	22.83	548.2	21.47	670.7	27.07
Marine	139.6	5.85	127.2	4.98	126.3	5.10
Motor	606.3	25.40	758.0	29.69	483.6	19.52
Miscellaneous	1,095.9	45.92	1,119.8	43.86	1,197.1	48.31
Total	2,386.6	100.00	2,553.2	100.00	2,477.7	100.00
Operating Expenses	986.6	41.34	1,012.9	39.67	961.3	38.80
Finance Costs	3.6	0.15	3.8	0.15	4.0	0.16
Net Profits from Underwriting	1,396.4	58.51	1,536.5	60.18	1,512.4	61.04
<b>Net Investment Revenue</b>						
Interest	284.3	19.53	332.5	24.22	380.3	28.79
Dividends	855.1	58.75	793.4	57.80	745.1	56.41
Gain on Sales of Securities and Assets	138.2	9.49	55.5	4.04	44.4	3.36
Rental and Other Income	173.0	11.89	165.1	12.03	161.9	12.26
Share of Profits from Investment in Associates Accounted for under the Equity Method	12.0	0.82	8.7	0.63	11.6	0.88
Gain (Loss) from Reversal Impairment of Investment	(7.0)	(0.48)	17.5	1.28	(22.4)	(1.70)
	1,455.6	100.00	1,372.7	100.00	1,320.9	100.00
Investment Expenses	89.7	6.16	87.3	6.36	87.4	6.62
Net Investment Revenue	1,365.9	93.84	1,285.4	93.64	1,233.5	93.38

# SUMMARY OF QUARTERLY FINANCIAL RESULTS

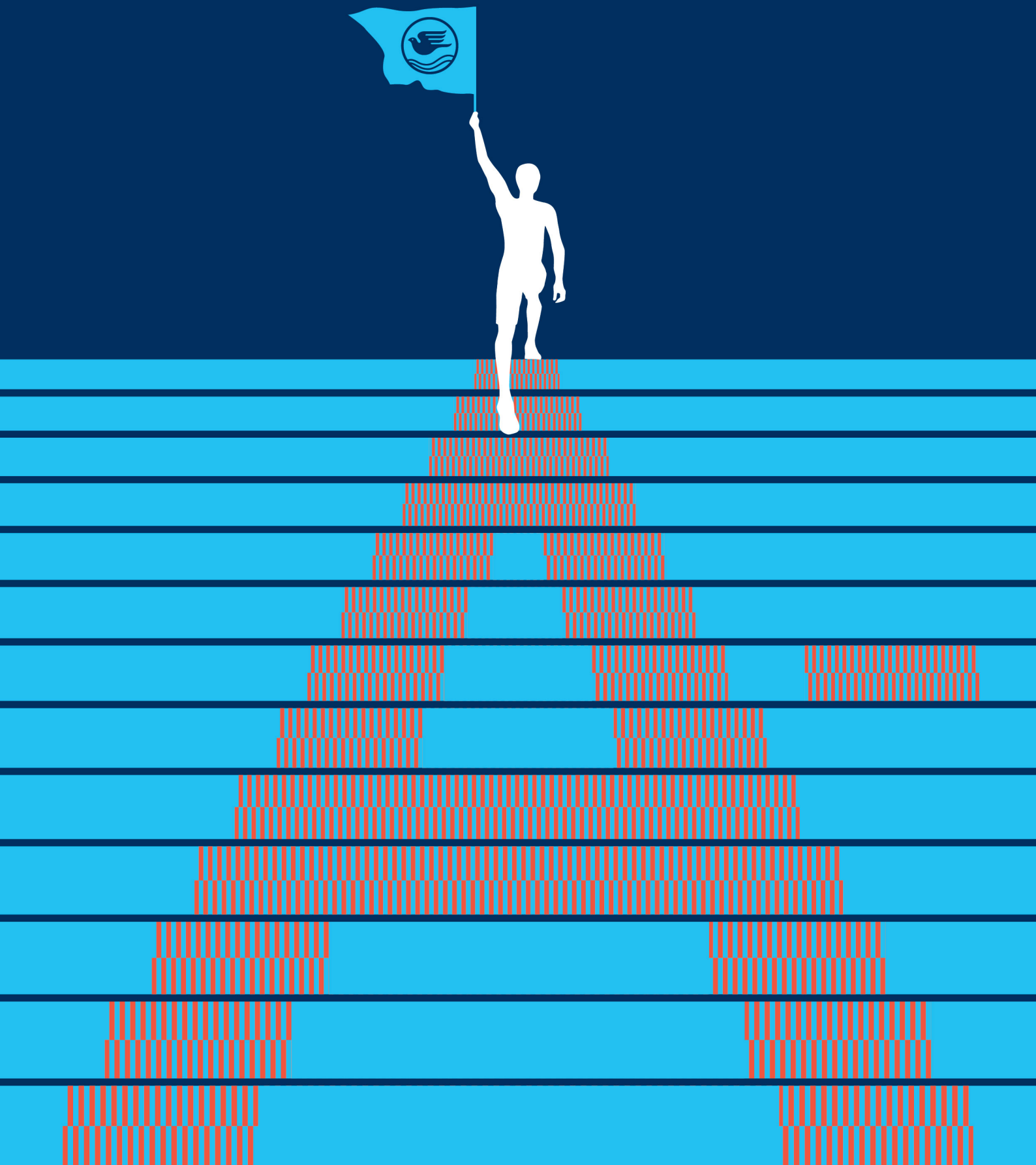
(Baht'000)

Quarterly Results of Operations	2017				2016			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Premium Written	4,208,713	3,769,343	3,605,295	4,357,556	4,152,541	3,661,365	3,674,048	4,543,370
Underwriting Income	551,847	638,355	619,721	576,670	508,517	713,440	763,698	567,522
Operating Expenses	264,063	207,768	293,626	221,125	283,093	202,290	256,658	270,891
Finance Costs	923	885	898	912	976	931	898	963
Net Profits from Underwriting	286,861	429,702	325,197	354,633	224,448	510,219	506,142	295,668
Net Investment Revenue	319,689	395,951	361,979	150,039	342,079	373,402	378,837	135,592
Gain on Sales of Securities and Assets	27,011	255	56,251	54,734	31,257	15,354	4,349	4,548
Profits before Profits Tax Expenses	633,561	825,908	743,427	559,406	597,784	898,975	889,328	435,808
Income Tax Expenses	83,249	89,198	85,744	101,014	75,644	130,792	123,053	66,618
Net Profits	550,312	736,710	657,683	458,392	522,140	768,183	766,275	369,190
<b>Per Share</b>					(Baht)			
Basic Earnings Per Share	5.17	6.92	6.18	4.30	4.90	7.21	7.20	3.47
Ordinary Share (Shares)	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million
Dividends	3.00	3.00	3.00	5.00	3.00	3.00	3.00	5.00
Dividends and /or Stock Dividends (Full Year)	3.00	3.00	3.00	5.00	3.00	3.00	3.00	5.00
Market Price								
High	368	363	353	367	366	362	362	348
Low	345	352	345	350	353	353	341	335
Par Value	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

# FIVE YEARS REVIEW

(Baht'000)

For the Year	2017	2016	2015 (Restated)	2014 (Restated)	2013 (Restated)
Premium Written	15,940,907	16,031,324	15,867,370	15,778,825	15,802,449
Underwriting Income	2,386,593	2,553,177	2,477,660	2,340,595	2,074,904
Operating Expenses	986,582	1,012,932	961,248	812,429	1,200,266
Finance Costs	3,618	3,768	4,031	3,744	4,680
Net Profits from Underwriting	1,396,393	1,536,477	1,512,381	1,524,422	869,958
Net Investment Revenue	1,227,658	1,229,910	1,189,169	1,154,806	1,095,377
Gain on Sales of Securities and Assets	138,251	55,508	44,348	11,495	168,984
Profits before Income Tax Expenses	2,762,302	2,821,895	2,745,898	2,690,723	2,134,319
Income Tax Expenses	359,205	396,107	403,572	392,932	384,055
Net Profits	2,403,097	2,425,788	2,342,326	2,297,791	1,750,264
<b>At Year - end</b>					
Unearned Premium Reserve	7,340,161	7,399,141	7,271,856	7,333,611	7,110,475
Shareholders' Equity	35,145,442	33,253,729	34,456,170	27,971,353	21,673,018
<b>Per Share</b>					(Baht)
Basic Earnings Per Share	22.57	22.78	22.00	21.58	23.01
Ordinary Share (Shares)	106.47 Million	106.47 Million	106.47 Million	106.47 Million	76.05 Million
Dividends	14.00	14.00	12.00	12.00	12.00
Stock Dividends	-	-	-	-	4.00
Book Value	330.10	312.33	323.62	262.72	284.98
Market Price					
High	368.00	366.00	375.00	490.00	456.00
Low	345.00	335.00	349.00	337.00	288.00
Market Price at Year-end	358.00	344.00	359.00	366.00	371.00
Par Value	10.00	10.00	10.00	10.00	10.00
Number of Employees	1,495	1,507	1,507	1,446	1,386



# POLICY ON AND THE OVERALL BUSINESS TRANSACTION

Bangkok Insurance Public Company Limited has been engaged in all categories of the non-life insurance business, fire insurance, marine insurance, motor insurance, miscellaneous insurance, and including taking reinsurance. The Company has carried out its business since 1947 and was subsequently listed on the Stock Exchange of Thailand (SET) in 1978, and was transformed into a public company in 1993. Currently, the Company has steadily carried out its business transactions to the 71<sup>st</sup> year and possesses the paid-up capital of Baht 1,064.7 million, consisting of stocks of 106.47 million shares valued at Baht 10 per share.

## Vision

The Company's vision is "Bangkok Insurance aims to be the preferred non-life insurer in Thailand". The Company will strive to progress with quality products and services that meet our customers' needs, fast and responsive to maximize our customers' satisfaction, exceptional personnel with superior the insurance expertise, and tradition and culture of corporate integrity. The Company has carried out its business with great responsibility to its shareholders, customers and business partners, employees and regulator, including society as a whole and the environment.

A guideline for the Company's performance to fulfill the vision established includes the following.

### Shareholders, Customers and Business Partners

The Company is strongly determined to perform honest and fair business, focusing on the principles of good corporate governance for its work management in order to generate and maintain constant confidence and faith in the Company among its customers and business partners. The Company has continuously developed its services to create greatest customer satisfaction. In 2017, the Company received 2 outstanding awards from the Best Thailand Contact Center Awards 2017, organized by the Thai Contact Center Trade Association, namely "The Best Effective Technology Contact Center" award and "The Best Professional Management Contact Center" award. The two awards were presented to the Company for its introduction of contact center technology and innovations to the development of efficient and international-standard call services. In addition, the Company also has an obvious management and service structure system, apart from capable and knowledgeable personnel ready to provide phone services to its customers.

The Company is the first insurance company in Thailand and the Asian region to receive the ISO 9002, in respect of the motor insurance services, from the Bureau Veritas Quality International (BVQI), a quality certification institution, in 1997. In addition, the Company had been certified for the quality of all work systems of its headquarters and branches, as well as Bangkok and peripheral offices in 2000. Furthermore, the Company was certified with the quality work management ISO 9001: 2000, for all work systems of the organization, in 2002, apart from receiving the ISO 9001: 2008, for all work systems of the organization, from BVQI in 2009 and the British Standards Institution (BSI) in 2015. Most recently, the Company was certified with the ISO 9001: 2015, for all work systems of the organization, on September 10, 2017 from BSI, reflecting its strong determination to constantly preserve the standard of a quality work management system and work procedure in compliance with international standards.

Due to the fact that cyber attack has become a significant risk and caused damage to numerous businesses, particularly the insurance industry, which has become a major target of such attacks since it has stored a considerable amount of customers' personal data, the Company gives priority to protecting its customers' personal data through an arrangement of the Information Security Management system of international standards, enhancing security for the Company's data and information. The Company was certified with its Information Security Management system from various organizations, for instance, the quality standards ISO/IEC 27001:2005 from AJA Registrar Company in 2014, and ISO/IEC 27001:2013 from SGS Company (Thailand) in 2016.

### Employees

The Company is determined to select quality staff, partly by steadily carrying out activities in cooperation with leading institutions, for example, providing lectures on insurance knowledge, giving guidance on an opportunity to work in the insurance business and supporting university students' activities, the last of which will provide the Company a chance to attract those with high capability and potential to work for it after graduation. And once they become the Company's employees, they will be provided with training and development for a steady rise in their knowledge and competency, via both in-house training and training with external institutions both inside and outside the country.

The Company has focused on encouraging its staff to have characteristics, personality and behavior in conformity with its vision, called BKI Spirit, comprising the characteristic "Cool" (smart and trendy, intellectual, creative); the characteristic "Agile" (proactive, adaptable, flexible); and the characteristic "Friendly" (care and fair, simple, trustworthy), apart from urging the Company's staff to have righteousness and ethics, besides having knowledge and professionalism, in line with the Company's vision emphasizing its being a corporate integrity. The Company has driven all its departments to formulate an annual plan on sound integrity development and make a serious and concrete evaluation of an implementation in compliance with the plan.

Furthermore, the Company has also encouraged its employees' participation in expressing their opinions for the organization development through myriad projects and activities, besides providing for a talk transferring knowledge, skills and experiences from employees having capabilities in various fields to others, both at the Company's headquarters and branches, via the equipment connecting live-broadcast signals to its branches across the country.

To maintain quality staff, the Company has put an emphasis on the generation and development of its employees' potential so that they are well-versed in the business and products and are determined for service excellence, apart from having an individual development plan appropriate for its employees' potential and position, while employees have an apparent career path and an opportunity for career advancement in the organization. In addition, the Company has, on a transparent and fair basis, mapped out succession plans for its management and focused on the development, creation and management of its staff's performance evaluation system so that it is effective and in compliance with the organization goals, besides having a remuneration system in conformity with work achievement, covering all positions.

### Regulators

The Company has practices in complete conformity with rules, regulations and orders which the Office of Insurance Commission (OIC) has defined, over both the Company's financial standing and maintenance of fund higher than that defined in the criteria, including its financial statements and accounting system which is straightforward and transparent. Moreover, the Company has given cooperation in its practices in compliance with the laws relating to the anti-money laundering and prevention of terrorism, and safeguarding customers' information security, apart from establishing a good relationship with all branches of media by occasionally arranging for a press conference and interview of the Company's management. Besides, the Company disseminates its information via communication channels administered by itself, such as the Company's newsletter and website, and other social media in order to constantly communicate the organization's information to customers, business partners and shareholders.

### Society and the Environment

The Company has had a policy of continuously supporting and assisting society, whether education, public health, relief of public disasters, development of communities and the environment, or preservation of religion, arts and culture, all of which have been carried out by the Company itself through the Bangkok Insurance Foundation, or in collaboration with its allies such as Bumrungrad International Hospital and Bangkok Life Assurance. On the occasion of its 70<sup>th</sup> year of establishment in 2017, the Company has had a project distributing the "70<sup>th</sup> Anniversary Cancer Insurance Policy", with partial proceeds presented to the National Cancer Institute of Thailand, apart from donating ventilators to hospitals throughout the country.

As a consequence of its progressive and stable business transactions, including responsibilities to society throughout, the Company was bestowed the Royal Garuda Emblem on April 26, 2004, which has been regarded as the greatest auspices and honour for the Company, the management and all employees to be royally protected. The Royal Garuda Emblem is tantamount to a document certifying that a company upon which it is bestowed has made an honest, moral and established business transaction reliable to the public, which is a significant moral support to those doing business, resulting in the promotion of the country's business for its overall prosperity and stability.

In 2017, the Company had targeted its total written premium of Baht 17,200 million, a growth of about 7.0 percent, through its principal operating strategy of still concentrating on expanding personal lines business and regional customer base via the segmentation concept, namely a classification of customer groups based on characteristics, and a presentation of coverage and premium rates appropriate for the need and risk of customers in each segment. This strategy enables the Company to compete amidst fierce price competition in the insurance market.

Besides, the Company has also given importance to the digital marketing strategy through development of both the online product distribution and service provision so as to be in line with the demand and lifestyle of consumers in a new era who prefer to purchase goods and do business transactions via a digital channel, apart from seeking a niche market to avoid price completion.

#### Significant Change and Development

##### - A Change of Authority in Controlling the Company

Over the past year, the Company has a change of its authority in controlling the Company, in which Mr. Chai Sophonpanich resigned from the position of Bangkok Insurance Public Company Limited's Board director, which became effective from June 16, 2017.

#### Type of Business over the Previous Year

The Thai economy in 2017 experienced a GDP growth rate of 3.9 percent, compared to 2016, which experienced a growth rate of 3.3 percent (source: the National Economic and Social Development Board), which was regarded the highest growth rate since 2012, which experienced 6.4 percent growth, due to a number of positive factors, for instance, a recovery of the global economy and Thailand's significant trading partners' economy, causing exports, a major driving force of the Thai economy, to grow significantly, a continuously increasing number of tourists, a growing amount of agricultural products stemming from a lack of drought as in the year before, though it has been slightly impacted by floods in many areas, apart from the government sector's spending in investment in communications infrastructure, causing the Thai economy to grow at a satisfactory level, though it is affected by an oil price rise, resulting in a higher inflation rate, a continuous decline in agricultural product prices and a high level of the household sector's debts, affecting the people's purchasing power.

For the non-life insurance industry, it has a growth rate going in the same direction as the growing Thai economy and achieved the direct premium written growth rate of 4.1 percent in quarters 1-3 of 2017 (source: the Office of Insurance Commission), compared to 1.2 percent in the year before, which has been the highest growth rate since 2013, which experienced 13.1 percent growth.

When classified by the insurance class, the motor premium could achieve a growth rate of 4.0 percent, compared to only 1.5 percent in 2016, owing to a positive factor from the total sales of new cars, which experienced 13.4 percent growth (source: Toyota Motor Corporation) after the total car sales experiencing a negative growth rate for 4 consecutive years, significantly affecting motor insurance, which had the highest proportion of premium in the non-life insurance industry. Similarly, the marine premium experienced 0.9 percent growth, compared to - 1.4 percent in the previous year, in line with an increasing amount of exports and imports, while the miscellaneous premium experienced 6.2 percent



growth, compared to 1.5 percent in the year before, though it was impacted by the constantly diminishing property premium rate incurred by foreign reinsurance companies' high competition, but also experienced a tremendous positive factor from the underwriting of the government sector's communications infrastructure projects, the government policy encouraging a purchase of crop insurance policy instead of directly paying compensations to agriculturalists. Besides, an issuance of the measure allowing an annual income tax reduction based on health premium, including a rising proportion of the elderly and single persons, had caused the health premium, which is part of the miscellaneous premium, to grow significantly at 5.3 percent.

Nevertheless, the fire premium had a growth rate of - 6.8 percent due to an adjustment of a lower fire premium rate at the end of 2017, resulting in a diminution of the fire premium of 10-15 percent on the average, apart from having to transfer a portion of the fire insurance policy to industrial all risks insurance policy.

In 2017, the Company was able to achieve an operating result slightly lower than that of 2016, with the total written premium decreasing by 0.6 percent to Baht 15,940.9 million. Nevertheless, in 2017, the Company's net underwriting profit was Baht 1,396.4 million. When combined with the net investment income and other income of Baht 1,365.9 million, the Company's earnings before tax were Baht 2,762.3 million, while its net income was Baht 2,403.1 million, a decrease of 0.9 percent, or earnings per share of Baht 22.57. The Company's Board of Directors has approved, on February 23, 2018, a final dividend payment of Baht 5 per share. In 2017, the total dividend payment was Baht 14.00 per share.

With its robust financial standing, the Company's Capital Adequacy Ratio (CAR), as at the end of September 2017, was 219.0 percent (standard criteria: not less than 140.0 percent). Moreover, two of the world's leading rating institutions, namely, the Standard and Poor's Institution (S&P) and the A.M. Best Company, have ranked the Company's financial strength rating as robust as that of the previous year, which is A-/Stable and A- (Excellent), respectively, reflecting the Company's ability to generate sound operating results and constantly maintain robust financial status.

#### The Corporation's Shareholdings Structure

Bangkok Insurance Public Company Limited has invested in 3 associated companies, namely,

1. Asia Insurance (Cambodia) Plc., with the investment capital ratio of 22.92 percent. The Company has appointed its Board's directors and executives to be directors of this company to take part in defining the latter's policy as well as provide it with support and advice on underwriting, claims, technological systems and financial accounting.
2. Asia Insurance International (Holding) Limited, with the investment capital ratio of 41.7 percent. The company has invested in insurance companies in the region, such as Asia Insurance (Philippines) Corporation and Cambodian Reinsurance Company. Some of the Company's Board directors are directors of this company.
3. Bangkok Insurance (Lao) Company Limited, with the investment capital ratio of 45.0 percent. The Company has appointed its directors and executives to be directors of this company to take part in defining the latter's policy, as well as to provide it with support and advice on underwriting, claims, technological systems and financial accounting.

# TYPE OF BUSINESS TRANSACTIONS

## Marketing and Competition

### 1. Major Policy on Marketing of Products and Services

#### 1. Overall Competition in the Non-life Insurance Industry

In 2017, the competition in the non-life insurance industry still focused on motor insurance, which had the highest proportion of premium in the non-life insurance market, particularly the year 2017, which was an ending year of the installment period and 5-year period of car ownership, in line with the condition of cars purchased in the government's first-car policy, enabling a car owner to sell his or her car and buy a new car, causing a growth of total sales of new cars of 13.4 percent, following the negative growth of total car sales for four consecutive years. Nevertheless, people's ongoing low purchasing power due to various negative factors dating back over the past few years, for instance, a slowdown in the private sector's investment and employment, a high level of household debt, diminishing agricultural produce prices, and the flooding situation periodically occurring throughout the year have all forced insurance companies to resort to fierce price competition, such as a reduction in normal premiums, an issuance of a low-price insurance policy package with decreasing coverage as an alternative to consumers, apart from development of equipment or technology used to monitor consumers' behavior and risk level, aimed at an adjustment of a lower premium for the low-risk insured.

In addition, the continuously low level of the reinsurance premium rate in the global market and a slowdown in the business sector's investment had caused a property premium from business organizations to fail to achieve a fair growth rate. As a consequence, personal lines business was still a significant target group of insurance companies trying to get access to personal lines business through various approaches, such as becoming an ally with their business partners, aimed at finding a guideline for policy development and management of sell promotion appropriate for those allies' customer base, besides development of online distribution channels, both the development of an online channel of a company itself and the cooperation to become an ally with brokers concentrating on a distribution via a specific online channel in order to be in compliance with consumers' current behavior.

To be in conformity with the market's diminishing premium rate, insurance companies have tried to find a guideline for a reduction in their business transaction costs through development of services via an online channel and an application in a smart phone, which numerous companies have constantly developed so as to have capabilities in providing more service coverage. For instance, customers can buy insurance and receive an e-Policy, and make a claim report and follow up the claim status by themselves, which significantly helps reduce the staff wage and other management costs.

Insurance companies still seek an opportunity to extend their insurance business to other countries in AEC in support of a business opportunity stemming from the opening of AEC. In 2017, insurance companies had a gradually continuous expansion of their business to neighboring countries, both the business transaction made by themselves and as an ally with business groups in the area.

Bangkok Insurance Public Company Limited still retains a policy of not engaging in the competition of a too-low premium rate or use of a strategy of high-remuneration provision in order to motivate its customers and agents, but rather focuses on developing service quality both before and after sales, apart from conducting a marketing research and analysis, aimed at a design of products and services, with prominence and customer centrality. In 2017, the Company's marketing strategies are listed below.

- An extension of work on the target group with high potential and low price competition since gaining access to these target groups is still hard to do and requires personnel with specific expertise, for instance, personal accident insurance for entrepreneur and executive groups, trade credit insurance for exporters, including business interruption insurance.

- Defining different premiums based on each segment's risk. Due to grave competition in the insurance market, price competition is inevitable. However, the Company will engage in price competition only in the segment

it has analyzed still yields sound remuneration, for instance, a calculation of different motor premiums based on risk in each region of Thailand.

- Constant development of insurance products and provision of services through a digital channel listed below.
  - Development of a BKL EsCard which users can inspect detailed data of their insurance all the time, replacing the storage of a policy in the form of a document. Besides, users can also report their motor claim online and pay a premium.
  - Set up a Digital Innovation team to take charge of development of a digital distribution channel, and formulate marketing strategic plans via the distribution channel in particular.
  - Allying itself with brokers focusing on distributing insurance online. The Company has concentrated on cancer and health insurance distribution, aimed at a wide variety, as an addition from online insurance brokers, who are existing allies emphasizing its principal distribution of motor insurance.
  - Organizing activities promoting the Company's application services because they will be useful for both the customers who obtain convenience and swiftness, and the Company, which will reduce its service cost in the long run such as the cost of travelling to a scene, the cost of a car inspection, etc.

## 2. Type of Customers

Personal customers are general individual customers, who apply for fire insurance for their residence, motor insurance, personal accident and health insurance, etc.

Corporate customers comprise businesses ranging from small, medium to large, including government agencies. The Company has provided all types of non-life insurance services, such as fire insurance, motor insurance, marine insurance, and industrial all risks insurance, which are appropriate for groups of offices, housing, condominiums, department stores and industrial factories. For customers whose operations are mega construction projects, for instance, the expressway, electric train and airport, a contractor of all risks has been provided. In addition, the Company has also provided passenger plane insurance.

Other customers include groups of subsidiary companies and customers of subsidiary companies, to which the Company has also provided all classes of insurance services.

### Percentage of total sales of first 10 major customers

	2017 (%)	2016 (%)	2015 (%)
Ratio of First 10 Major Customers	8.0	8.9	7.5

## 3. Target Customer Group

Target customers are from numerous sources, for example, general customers, the private sector, the state enterprise sector, subsidiary companies, and groups of ally companies' customers, such as groups of Bangkok Bank's loan customers.

## 4. Distribution Channel

The Company's distribution channels are divided into 4 channels as follows:

### 4.1 Agents

The Company had, at 2017 year-end, agents totaling 2,096 people scattered in all regions of the country who are regarded as tremendously significant distribution channels because they closely provide advice on non-life insurance to customers, resulting in customers through this channel having a trend of being the Company's long-term customers, higher than a contribution of business partners via other channels. As a consequence, the Company has given priority to the conduction of activities retaining sound relationship with its agents, development of their knowledge

and capabilities, besides giving support to their convenient and rapid performance, particularly in respect of contacting the Company's officers. Agents can contact the Company's officers through a wide variety of channels, apart from a contact by phone, such as an email, a Line application and the BKI Web Partner system. In addition, the Company also has an offensive service by occasionally informing its agents of essential information and data in order to reduce their burden of contact and inquiry.

#### 4.2 Brokers

The Company had, at 2017 year-end, a total of 310 juristic persons, both as ones in the country and ones of multinational companies having a customer base of large business with great complexity of insurance, for instance, petrochemical factories and airplanes. Besides, the Company also had juristic persons emphasizing, in particular, a policy distribution via an online channel, with an increasing number becoming the Company's allies. In this connection, brokers will provide an all-inclusive service to customers, ranging from an introduction of the type of insurance, being a representative of the insured in a request for claims, to a premium collection on behalf of the Company, which has a guideline for supporting its performance and activities retaining a close relationship with brokers, like those for agents.

#### 4.3 Financial Institutions

The Company has sold insurance policies through Bangkok Bank, car dealers and leasing companies. The distribution of insurance policies via Bangkok Bank's Bancassurance has steadily attained a very high growth rate. The Company has developed its policies to be appropriate to target groups, having the coverage and premium rate which are not complicated but easy for bank officers to sell, besides providing training in insurance knowledge to bank officers so that they are able to accurately present policies to customers.

#### 4.4 Direct Customers

These are customers who directly contact the Company to buy insurance and the Company directly provides services to and takes care of them. The proportion of this customer group has a trend of a steady growth due to the Company's constant development of a policy distribution channel via its website and an application in a smart phone over the past few years so that it is in compliance with customers' behavior which increasingly favors a data comparison and a purchase of insurance by themselves through an online channel. Similarly, the Company has continuously extended provincial branches to numerous provinces in all regions of the country over the past 3-4 years, which helps raise a considerable number of direct customers in the region.

### Distribution Channels Classified by Written Premium Ratio

	Amount	Direct Premium Written Ratio (%)
Agents	2,096	19.6
Brokers	310	22.7
Financial Institutions	32	25.1
Direct Customers	-	32.6

### Competition

#### 1. Nature of Competition in the Industry

In 2017, the non-life insurance industry had a total of 60 companies, most of which were medium and small. The insurance companies, with the first 10 highest-ranking premiums, had direct premium written ratio of 62.2 percent of the non-life insurance industry's total premium

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

	2017 (Preliminary) (Before Restarted)	2016	2015
Bangkok Insurance Public Company Limited			
Premium written (Million Baht)	15,366.5	15,479.4	15,295.8
Growth Rate (%)	-0.7	1.2	0.9
Non-Life Insurance Market			
Premium written (Million Baht)	220,118.0	211,813.4	209,278.5
Growth Rate (%)	3.9	1.2	1.9

#### The Company's Market Share over the Past 3 Years

Types of Insurance	Rank	2017 (Preliminary) (Before Restarted)	Rank	2016	Rank	2015
Fire	2	15.1	2	14.2	2	14.7
Marine	5	7.3	4	6.7	5	6.3
Motor	7	4.8	5	5.4	4	5.8
Miscellaneous	2	9.7	2	9.6	2	8.8
Total	3	7.0	3	7.3	3	7.3

Source: OIC, data as at January - November 2017

## 2. Status of and Potential for Competition

Though the non-life insurance industry experiences fierce competition due to a large number of insurance companies, coupled with the regulator's more rigid requirements making it more difficult to conduct the business, causing many insurance companies to merge with others or be ordered to quit their business transaction each year, Bangkok Insurance Public Company Limited is still able to continuously maintain its status of being a leading insurance company over a long period of time since the Company has outstanding qualifications as the following:

### 1. Financial Stability

The Standard and Poor's Institution (S&P) and A.M. Best Company have ranked the Company's financial strength rating with the scores of A-/Stable and A- (Excellent), respectively. Additionally, the Company's debt to equity ratio is only 0.7 times, reflecting its stability and trustworthiness in an ability to quickly and completely pay claims to customers, as well as any expenses to business partners.

### 2. Having Robust Business Allies

The Company is a business ally of Bangkok Bank Public Company Limited, which is the country's largest bank in terms of both the magnitude of its properties and the deposit amount, with nearly 1,200 branches nationwide and a customer base of over 17 million accounts, which are regarded as tremendously significant channels for an insurance business expansion, both for a premium for the insurance of large-scale assets from customers who are companies and industrial plants, and for a premium for personal lines business via Bangkok Bank's Bancassurance. Furthermore, Bangkok Bank also has 16 branches in 8 countries in ASEAN which is favorable to the Company's business extension to those countries, many of which have a high economic growth rate and rapidly expanding insurance business.

### 3. Robustness of Bangkok Insurance Brand

The Company has steadily created awareness of its brand and a clear brand position in consumers' mind over a long period of time via a wide variety of marketing communication activities which have been adjusted in compliance with consumers' constantly changing media-receiving behavior, for example, an increase in communication activities via social media. At the current time when negative information can be easily and swiftly disseminated through various online media, the Company has closely followed up data and opinions relating to the Company in myriad online media. When negative data concerning the Company has been found to start being disseminated in online media, it will hurry to find the cause of that negative opinion in order to quickly correct it and explain to the public.

The above implementations result in the name of Bangkok Insurance being an insurance company which consumers can recognize and has a sound image, reflected from the Company being in the top rank as a consequence of a survey of insurance companies which consumers recognize most and have the most confidence in, constantly conducted by a leading market research agency every year.

### 4. Employees' Ability to Provide Services

The Company has a robust organization culture based on the "Your Caring Partner" concept, which focuses on customer centricity and take into account customers' maximum benefit as the most important, with which all levels of employees have been steadily instilled and attached to as a guideline for their performance. Similarly, the Company regards its employees as its most valuable resource and thus gives importance to the consistent development of employees' knowledge and skills, as well as retains competent employees with the organization. The Company has a low turnover rate, compared to the industry's average, contributing to the Company's majority of employees' long working experiences and ability to constantly transfer knowledge and experiences from generation to generation, resulting in efficient customer services.

### 5. Advanced Information Technology System

The Company has constantly invested in its information technology to raise the quality of quicker and more outstanding services, compared to its competitors, to customers and business partners, besides reducing the Company's operating costs. Furthermore, the Company has also procured data analytics technology which can store and analyze customers' big data that is useful for a design of products and services which can respond to customers' personalization.

The Company has also given priority to the protection of customers' personal data through the development of a technological system to safeguard customers' personal data and financial data from a cyber attack. Moreover, the Company has also invested in a system of data storage and spare operation base, aimed at creating its business continuity in case of a crisis, generating confidence among customers and business partners no matter when an unexpected event occurs, to ensure the Company's retained potential of continuous business transactions and services.

### 6. Variety of Distribution Channels and Customer Bases

The Company's direct premium written has come from various distribution channels, not focusing on a particular channel, which will have a tremendous impact if an obstacle arises to that channel, the same as a constantly increasing premium ratio from personal lines business, aimed at reducing risk incurred by dependence on large-scale commercial lines business which will significantly affect the Company if it is to lose either one of them.

In addition, the Company also possesses a strategy of steadily extending its direct customer market, particularly an extension via an online channel, in order to decrease its dependence on business partners and agents, apart from helping the Company to economize on its commission and benefit expenses, resulting in a higher underwriting profit rate, along with a continuously rising provincial premium due to an extension of provincial branches across the country over the past 3-4 years, as compared to a premium principally derived from the Bangkok region and periphery.

## Important Factors Affecting Opportunities or Limitations of Business Transactions in 2017

1. An approval of construction and tender of communications infrastructure construction projects has been delayed later than the defined plan, resulting in the premium from the infrastructure construction underwriting being not so much as anticipated.

2. The purchasing power of agriculturists, who make up the majority of the country's population, was still low due to a constant drop in the price of significant agricultural produce such as rice, rubber and tapioca, apart from flooding occurring periodically throughout the year, causing damage to agricultural areas in all regions of the country, both influencing the purchasing power in the region which has principally relied on the agricultural sector.

3. The alteration in consumers' behavior from conducting business transactions at a bank counter to conducting it more via a smart phone or digital banking, causing a decline in the number of service users in each of the Company's branch, and the constantly diminishing number of bank branches, directly impacting the Company's distribution of its policies via Bancassurance.

4. A strict credit policy, coupled with grave competition in banking business, has caused a diminishing growth rate of the credit amount each year, consistently affecting banks' extension of their insurance work with a loan customer base.

5. The progress of communication technology has generated the sharing economy or the development of a system which is a medium between asset owners and those wanting to utilize that asset, allowing an owner of personal assets to occasionally and conveniently benefit from them on a commercial basis such as cars, residences, parking lots, office buildings, etc., causing those assets to have higher risk.

6. The insurance market has experienced fierce price competition, particularly motor insurance owing to an economic slowdown, resulting in consumers' more cautious spending, while a premium has become a principal factor in their consideration and decision making to purchase insurance. Meanwhile, the Company's policy still focuses on the provision of quality services rather than on low-premium competition. In addition, numerous consumers have adjusted their purchase of comprehensive motor insurance to 2+ and 3+ insurance which has a lower premium rate, causing the 2+ and 3+ insurance to have a larger market and experience a very high growth, compared to a growth rate of the overall motor insurance market, contributing to a drop in an average voluntary motor premium for a policy.

7. The property premium rate has steadily dropped owing to the global reinsurance market's fierce price competition stemming from Alternative Capital having entered into the reinsurance market, in addition to existing reinsurance companies, with the constantly rising global reinsurance's market share.

8. The regulator's policy on a lower adjustment of various types of premiums, for instance, a reduction in a fire premium rate has caused an average decrease in fire premium of 10-15 percent, giving a discount of another 5-10 percent of motor premium to a car equipped with a CCTV camera, including a diminution of 10 percent in a rice field premium rate in the government's first rice crop insurance project, but with more coverage.

#### Ability to Maintain Ratios Based on Business Type

In 2017, the Company had a total written premium of Baht 15,940.9 million, with premium growth in marine insurance and miscellaneous insurance, while fire insurance and motor insurance experienced a negative growth. The miscellaneous premium had a ratio of 49.3 percent of the total written premium, a rise from the year before, due to the growth of the premium in the branch network and ventures and an extension of Telemarketing via the personal lines business. The motor premium had a ratio of 38.3 percent of the total written premium, a drop over the previous year. Meanwhile, a total written premium for other classes of insurance, except motor insurance and miscellaneous insurance, accounted for 12.4 percent, a slight increase compared to the year before.

## Written Premium Classified by Types of Insurance

(Million Baht)

Type	2017	Distribution %	2016	Distribution %	2015	Distribution %
Fire	1,553.3	9.7	1,604.6	10.0	1,723.9	10.9
Hull	41.7	0.3	38.1	0.3	47.2	0.3
Cargo	386.1	2.4	341.5	2.1	328.0	2.0
Motor	6,101.8	38.3	6,607.6	41.2	6,967.1	43.9
Miscellaneous	7,858.0	49.3	7,439.5	46.4	6,801.2	42.9
Total	15,940.9	100.0	16,031.3	100.0	15,867.4	100.0

Concerning the Company's loss ratio in 2017, it was 51.6 percent, higher than that in 2016, which was 50.3 percent. The rising loss ratio in all classes of underwriting except cargo insurance was a consequence of increasing claims of 2.4 percent, compared to the previous year, while the net written premium and earned premium dropped by 1.2 percent and 0.2 percent, respectively, over the year before.

## Loss Ratio on Underwriting

(Million Baht)

Type	2017			2016			2015		
	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)
Fire	1,093.2	161.5	14.8	1,068.3	60.6	5.7	1,056.8	(38.7)	(3.7)
Hull	4.9	3.6	73.4	8.0	3.2	39.8	15.9	4.0	25.2
Cargo	195.4	27.0	13.8	189.4	30.0	15.9	195.3	31.7	16.2
Motor	6,183.6	3,975.3	64.3	6,484.8	4,137.8	63.8	6,765.0	4,513.6	66.7
Miscellaneous	3,564.2	1,530.5	42.9	3,311.1	1,331.7	40.2	3,160.8	1,149.9	36.4
Total	11,041.3	5,697.9	51.6	11,061.6	5,563.3	50.3	11,193.8	5,660.5	50.6



# RISK FACTORS

The Company has fully realized the significance of risk management and has appointed the Risk Management Committee to take charge of risk management and make a close scrutiny of the risks so that they remain at an acceptable level. Throughout, there is constant development and improvement of the efficiency of the Company's risk management system so that it parallels international standards. Nevertheless, the Company still encounters risks which may have a direct impact on its operating performance and financial standing as the following:

## 1. Insurance Industry Risk

### 1.1 Insurance Risk

Insurance risk is a risk incurred when the Company does not define its premium rates in accordance with the damage occurred, underwriting of high risks, or too concentrated underwriting in any group, inadequate or inefficient reinsurance, the damage caused being far greater than expected, including inefficient claims management.

Based on the above risk, the Company manages them by annually reviewing its underwriting policy and reinsurance management strategies, defining prudent consideration procedures for underwriting, defining coverage conditions appropriate for real risk, including controlling and updating information as a guideline for adjusting its coverage conditions and premiums properly and in line with changing circumstances.

The Company also takes into consideration the concentration of underwriting and reinsurance by dispersing its risk from underwriting from different customer groups and transferring the risk to reinsurance companies, mainly focusing on those with robust financial standing. Besides, the Company has arranged for the Excess of Loss Reinsurance Treaty, which is a significant tool for preventing and controlling underwriting risk, so as to avoid the volatility that may affect the Company's financial standing.

As to claims management, the Company has appointed the Underwriting and Claims Committee to take charge of defining the policy on claims management, the scope of claims authority, as well as supervising and following up the status of a claims request, such as defining the policy and quick steps of claims payments, while cautiously and completely considering those claims in order to generate fairness for customers, including overseeing to ensure that the Company has sufficiently established the claims reserve, apart from resolving various problems and obstacles so that the quality of the claims payment service is satisfactory to the Company's customers and business partners.

### 1.2 Credit Risk from Insurance Business

#### - Reinsurance Risk

These refer to risk when the Company may not be paid debts, in accordance with an agreement, from reinsurance companies as they are obliged to due to their insecure financial standing, causing the Company to bear the burden of making claims payments itself. Besides, there are also risks stemming from a certain number of reinsurance companies being able to take reinsurance with a less amount of coverage, owing to their degraded credit rating, or by reinsurers' desire not to conduct underwriting, or do it but only in a limited amount.

To manage the risk, the Company has defined the amount of money possessed and the reinsurance collateral, with a guideline for collecting the unearned premium reserve under all major contracts. The Company has also considered the financial status and credit rating of all reinsurance companies, and a guideline for premium recollection, and purchased reinsurance policies from many trustworthy companies that are capable of reinsurance, which helps distribute the risk. In addition, 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 risk.

#### - Difficulties in Premium Collection

Premium collection risk is a risk when the insured may not be able to pay their premium, or the agent and broker have collected premiums from clients but do not pay those premiums within the time defined, causing the Company to risk being unable to collect outstanding premiums, which may become bad debts.

To minimize the risk, the Company possesses an efficient process of closely following up its outstanding premiums from the insured, agent and broker, apart from requiring the agent and broker to submit collateral within the specified credit limit allowed by the Company.

## 2. Investment Risk

The year 2017 was another year of rather low returns from investment due to the fact that interest rates had been low for a long time, coupled with overflowing liquidity. Many companies mobilized their capitals by issuing debt instruments, which had benefited from such low interest rates. Nevertheless, there remained a challenge of investment risk which could be listed below.

### 2.1 Credit Risk

Credit risk is a risk stemming from the Company's contractual partners' inability to abide by an obligation made to the Company, including an opportunity for their credit rating to be degraded.

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

- For risk associated with providing loans, the Company will consider its debtors' financial status and ability to pay debt based on a sound credit analysis standard. Meanwhile, loan to value will be determined so that it is not beyond the legal limit, apart from following up a cash flow in which a payment is made in each month, and debtors' consistency of debt payment.

- For debt instruments, the Company chooses to invest in government bonds and state enterprise bonds guaranteed by the Ministry of Finance. For private debt instruments, the Company will choose to invest in debt instruments of which the credit rating is not lower than the investment grade, as well as select debt instruments issuers' types of businesses and industries, apart from having a steady review of the issuer's financial standing, credit rating and ability to pay the principal and interest.

### 2.2 Concentration Risk

Concentration risk is a risk incurred when the Company invests too much in assets, both inside and outside the country, or gives too big amount of loan to a particular debtor. Thus when there is a negative impact on such groups, it will cause tremendous damage to the Company.

To manage the risk, the Company has dispersed its investments across numerous types of assets, both debt securities and equity securities, as well as dispersed loans to various debtors and in different regions of the country, in a proportion in compliance with the requirements relating to risk based on the criteria defined by the regulator, including dispersing its investments in different industries. In the case of investment in foreign currencies, the Company will prevent risk from an exchange rate in a full amount.

### 2.3 Liquidity Risks

Liquidity risk is a risk that may be incurred when the Company cannot pay its debts or obligations made by it because the Company's securities cannot be realized as cash within the time required, which may cause it to procure cash at a higher cost.

To manage liquidity risk, the Company has allocated a portion of investment as a bank deposit, notes and the Bank of Thailand short-term bonds, all with high liquidity, which is reserved for operating expenses, while the deposit is defined to be due in each period, in conformity with a demand for spending in accordance with a plan for the cash flow management, financial reception and payment based on an obligation established. As to the other portion, the Company has allotted investment in stocks required by the market, with high liquidity and an ability to be realized as 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, which can be withdrawn immediately in case of expenses arising beyond anticipation and which is adequate to counter liquidity risk.

## 2.4 Market Risk

Market risk is a risk 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 and exchange rates, resulting in a revaluation of investment assets values, for example, equity securities, debt securities and unit trusts.

To minimize such risk, the Company has implemented the following risk management.

- For the revaluation on non-marketable equity securities, the Company will choose to invest in equity securities of which the issuers possess robust financial status and an ability to make a profit, with steady growth potential, as well as in business deriving the benefits of government policy. Additionally, the Company has a policy of occupying 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 closely followed up the determination of the policy interest rates of the Bank of Thailand, direction of a change in the United States' Federal Reserve's interest rates, and return rates in the debt securities market in order to define the investment duration in accordance with the fluctuation of interest rates. 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 or fund management companies which the Company has employed to manage its funds may use financial instruments to prevent exchange rate risks, for instance, Cross Currency and Interest Rate Swap, Interest Rate Swap, and Foreign Exchange Forward, in order to minimize the risks in accordance with the market situation and in line with the regulator's requirements.

Furthermore, the Company has also developed its information technology system so as to be used to evaluate the level of investment risk through various assessment methods and models, for example, Value at Risk, Sensitivity Analysis, and Stress Test to ensure that the Company still has financial standing flexible enough to counter the damage which may occur.

## 3. The Company's Other Risk

### 3.1 Asset and Liability Management Risk

The Company has risk incurred by the fact that the duration and amount of investment assets have no relation with the duration and debt amount to which the Company is obliged, for instance, claims reserve, unearned premiums and premiums received in advance. As a consequence, the Company has managed these risks by defining the duration and investment capital in accordance with the two types of the Company's major liability mentioned earlier.

### 3.2 Strategic Risk

This refers to risk arising from the formulation of strategic plans and action plans, and their implementation which is not appropriate or not in accordance with the Company's internal and external factors, including risk stemming from dependence on the Company's major business partners, which may influence the fulfillment of the Company's vision, as well as its financial standing, investment fund and income. The Company's internal risk factors include its organizational structure, work implementation procedure, data sufficiency, technology, and so on, while external risk factors comprise the economic condition, competition, political factors, etc.

Strategic risk includes the premium written amount 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.

The Company has managed strategic risk by defining its strategic plan in compliance with the Company's vision and planned its implementation from the organizational level to departmental level, apart from summarizing the Company's implementation of the strategic plan defined and, at an appropriate time, displaying the status of an achievement of the plans, including giving a warning signal in the case that an implementation consequence has a trend of not being in line with the plan defined so that the plans can be adjusted in conformity with external factors and changing circumstances, such as economic and political alteration, the competitive condition,

related rules and regulations, etc. In this regard, the Company has formulated its internal work system, including organizational structure, personnel, budget, data and information system, and the follow-up and performance control system so as to suit and support the implementation strategy and efficiently achieve the target defined, apart from informing the Company's employees of the strategic plans for their acknowledgement and performance in the same direction.

Additionally, the Company has also taken into consideration risk stemming from the opening of free trade and the Asean Economic Community (AEC), which may have an impact on the Company's business transactions due to an increasing number of foreign insurance companies which come to do business in the country, particularly those highly established and having robust financial standing, resulting in fiercer business competition and possible reduction in the Company's underwriting income or an income less than expected. The Company has been prepared by continuously extending its personal lines business, including expanding work to markets in the region through increasing its branches, aimed at more customer service coverage. Meanwhile, the Company also focuses, for an extension of its business, on the products with growth potential and an ability to make a profit to enhance its capability to access target customers and retain its customer base in the country, besides investing in insurance business in foreign countries in order to increase the Company's potential in business transaction.

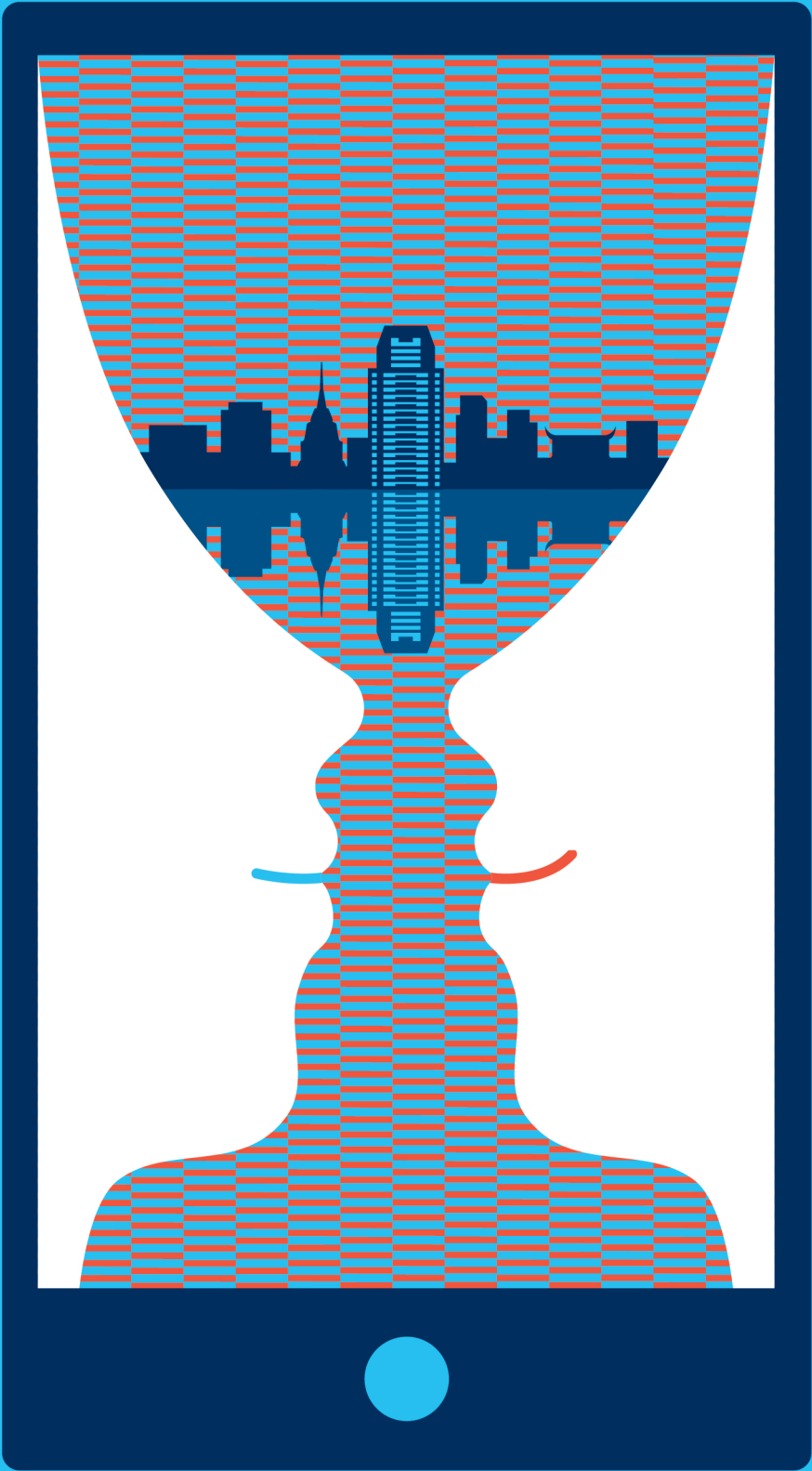
### 3.3 Operational Risk

This is a risk that is incurred in the performance of all the Company's sections due to the unpreparedness, insufficiency or deficiency of the Company's personnel, working process, and information technology system, as well as its external factors, which includes risk when the Company does not perform in complete compliance with the laws, rules and regulations issued by the regulator.

To manage its operational risk, the Company has arranged for a sound internal control system, through a constant control and inspection of work performance of all the Company's sections, provided for a sufficient workforce qualified for each job description, procured experts in each field for an efficient work system, as well as initiated a system in which staff can work as substitutes for others, whether temporarily or permanently, allowing for the Company's steady performance, apart from providing training to its employees so that they have knowledge and understanding of issues relating to the Company's insurance business and products, including continuously developing and improving 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 risk among its employees, including providing them with concrete training.

For the information technology system and risk arising from external factors, the Company has formulated a business continuity plan and arranged for a spare working place and spare data center which are ready for use, apart from centralizing data in its staff's computers connected with a server, which will enable the Company 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.

With respect to its performance in compliance with laws, the Company has defined its performance guideline in line with rules and regulations, including communicating all the rules and regulations made by the regulator to all its employees for acknowledgement and strict performance based on them.





## ADVISORY BOARD



Mr. Chatri Sophonpanich

Chairman



Mr. Damrong Krishnamara

Adviser



Mr. Piti Sithi-amnuai

Adviser

# BOARD OF DIRECTORS AND BOARD OF DIRECTORS PROFILE



**Tdvc. Col. Plengsakdi Prakaspesat**  
Chairman  
(Appointed on August 11, 2017)  
Independent Director  
Chairman of the Audit Committee  
Age 75 Years Old  
Date of Appointment  
April 7, 1999

## Family Relationship with Other Directors and Members of Management

- None

## Education/Training

- 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 1/1989, The National Defence College of Thailand
- AC Hot Update, The Federation of Accounting Professions

## Thai Institute of Directors Association (IOD) Training Program

- Audit Committee Program (ACP) Class 17/2007
- The Characteristics of Effective Directors Class 1/2006
- Director Accreditation Program (DAP) Class 27/2003

## Working Experiences

### Positions in Listed Companies

- Chairman, Bangkok Insurance Public Co., Ltd. (Aug 11, 2017 - present)
- Chairman of the Audit Committee, Bangkok Insurance Public Co., Ltd. (Nov 16, 2005 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 7, 1999 - present)
- Director of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (2004 - 2005)
- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (1999 - 2005)
- Senior Adviser, Thai Central Chemical Public Co., Ltd. (1997 - present)

### Positions in Non-listed Companies

- Independent Director and Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Co., Ltd. (1978 - present)
- Member of the Compensation and Corporate Governance Committee, ACL Bank Public Co., Ltd. (2005 - Apr 2010)
- Independent Director and Member of the Audit Committee, ACL Bank Public Co., Ltd. (2005 - Jun 2010)
- Member Experts of Fertilizer Committee, The Ministry of Agriculture and Cooperatives (2010 - present)
- Territorial Volunteer Defence Corps Colonel and Vice President of the Foundation of the Volunteers Defence under the Royal Patronage of Her Majesty the Queen (Sep 2009 - present)
- Adviser, United Flour Mill Public Co., Ltd. (2001 - present)
- Vice Chairman, United Flour Mill Public Co., Ltd. (1980 - 2001)
- Qualified Committee, Assumption University (1987 - 2015)
- Corporate Chairman, MC. Industrial Chemical Co., Ltd. (1997 - 2005)
- Honorary Chairman, Asia Pacific Potash Corporation Ltd. (1984 - 2006)



**Mr. Chor.nun Petpaisit**  
Independent Director  
Director of the Audit Committee  
Age 65 Years Old  
Date of Appointment  
February 28, 2006

## Family Relationship with Other Directors and Members of Management

- None

## Education/Training

- B.B.A. (Accounting), Thammasat University

## Thai Institute of Directors Association (IOD) Training Program

- Financial Institutions Governance Program (FGP) Class 4/2012
- Successful Formulation & Execution of Strategy (SFE) Class 8/2010
- Audit Committee Program (ACP) Class 28/2009
- Director Certification Program (DCP) Class 76/2006
- Director Accreditation Program (DAP) Class 28/2004

## Work Experiences

### Positions in Listed Companies

- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (Feb 27, 2009 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Feb 28, 2006 - present, Apr 3, 2002 - Nov 17, 2004)
- Independent Director and Director of the Audit Committee, Interhides Public Co., Ltd. (Apr 2015 - present)

### Positions in Non-listed Companies

- Adviser, Thai Charoen Corporation Group (TCC Group) (2013 - present)
- Inspector General, Ministry of Finance (2011 - 2012)
- 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, Government Saving Bank (2011 - 2012)
- Director, Government Housing Bank (2010 - 2011, 2006 - 2008)
- Director, Tourism Authority of Thailand (2010 - 2011, 2005 - 2008)
- Director, The Government Pharmaceutical Organization (2009 - 2012)
- Director, National Science Museum (2005 - 2007)





#### **Miss Potjane Thanavarant**

Independent Director  
Director of the Audit Committee  
Age 71 Years Old  
Date of Appointment  
February 27, 2007

#### Family Relationship with Other Directors and Members of Management

- None

#### Education/Training

- 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 Class 18, Office of the Civil Service Commission
- National Defence College, Class 42
- Certificate of Top Executive Program Class 8, Capital Market Academy
- Certificate of Top Executive Program in Commerce and Trade Class 3, Commerce Academy
- Advanced Security Management Program Class 2, The Association of National Defence College of Thailand

#### Thai Institute of Directors Association (IOD) Training Program

- Driving Company Success with IT Governance Program (ITG) Class 2/2016
- Director Certification Program Update (DCPU) Class 1/2014
- Anti-Corruption for Executive Program (ACEP) Class 7/2013
- Advanced Audit Committee Program (AACP) Class 10/2013
- Financial Institutions Governance Program (FGP) Class 2/2011
- Audit Committee Program (ACP) Class 32/2010
- Role of the Compensation Committee Program (RCC) Class 4/2007
- Role of the Chairman Program (RCP) Class 13/2006
- Director Certification Program (DCP) Class 17/2002

#### Work Experiences

##### Positions in Listed Companies

- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (Mar 1, 2007 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Feb 27, 2007 - present)
- Chairman of the Board (Independent Director), Audit Committee Member and Chairman of the Compensation and Nominating Committee, Univentures Public Co., Ltd. (present)
- Independent Director and Audit Committee Member, Thai Reinsurance Public Co., Ltd. (present)
- Director of the Remuneration and Nominating Committee, Thai Reinsurance Public Co., Ltd. (Jun 2012 - Apr 2014)
- Chairman of the Remuneration Committee, Chairman of the Good Governance Committee, Independent Director and Audit Committee Member, OISHI Group Public Co., Ltd. (present)
- Independent Director and Chairman of the Audit Committee, Bank of Ayudhaya Public Co., Ltd. (present)
- Independent Director and Chairman of the Risk Committee, Berli Jucker Public Co., Ltd. (Nov 14, 2017 - present)
- Independent Director, Berli Jucker Public Co., Ltd. (Jun 2009 - Mar 21, 2016)
- Independent Director and Chairman of the Audit Committee, Big C Supercenter Public Co., Ltd. (Apr 2016 - Nov 2017)

##### Positions in Non-listed Companies

- Honorary Member of University Council, Mae Fah Luang University (Feb 27, 2018 - present)
- Independent Director, Thai Beverage Public Co., Ltd. (listed on the Singapore Exchange) (Jan 31, 2018 - present)
- Vice Chairman, The Thai Institute of Directors Association (Jun 26, 2017 - present)
- Director, The Thai Institute of Directors Association (May 29, 2017 - present)
- Qualified Member of the Committee, The Thai Investors Association (Mar 24, 2017 - present)
- Member of the Council of State (present)
- Qualified Member of the Committee, The Federation of Thai Insurance Organization (present)
- Member of the National Reform Council (Oct 2, 2014 - Sep 6, 2015)
- Director, BJC Logistics and Warehouse Co., Ltd (Apr 2010 - Jul 2013)
- Chairman of the Public Sector Audit and Evaluation Committee for Ministry of Commerce (Nov 2008 - Mar 2013)
- Second Vice - President of the National Legislative Assembly (Oct 2006 - Mar 2008)
- Adviser to the Commerce Ministry (Oct 2006 - Feb 2008)
- Economic Adviser, the Council for National Security (Sep 2006 - Feb 2008)
- Sub Commissioner, the Sub-Commission on the Development and Promotion of Public Organization and other Organizations under Governmental Supervision, The Public Sector Development Commission (2005 - May 2011)
- 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. Singh Tangtaswas**  
Independent Director  
Chairman of the Remuneration and  
Nomination Committee  
Age 75 Years Old  
Date of Appointment  
April 26, 2004

#### Family Relationship with Other Directors and Members of Management

- None

#### Education/Training

- B.A. (Economics), Thammasat University
- M.B.A. (Finance), The Wharton School of Finance and Commerce, University of Pennsylvania
- Certificate of Management Development Program, The Wharton School
- Certificate of Executive Development Program, Harvard Business School

#### Thai Institute of Directors Association (IOD) Training Program

- Director Certification Program (DCP) Class 0/2000

#### Work Experiences

##### Positions in Listed Companies

- Chairman of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Aug 18, 2004 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 26, 2004 - 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 and Chairman of the Audit Committee, Thai Optical Group Public Co., Ltd. (2004 - present)
- Independent Director, TWZ Corporation Public Co., Ltd. (2005 - 2013)
- President and Chief Executive Director, Krung Thai Bank Public Co., Ltd. (1999 - 2001)

##### Positions in Non-listed Companies

- Director, Kanchanadhat Co., Ltd. (1971 - present)
- Director, Thai Institute of Directors Association (2010 - May 2015)
- Adviser, Corporate Governance Center, The Stock Exchange of Thailand (2002 - 2009)



**Mr. Suvarn Thansathit**  
Independent Director  
Director of the Remuneration and  
Nomination Committee  
Age 73 Years Old  
Date of Appointment  
April 26, 2005

#### Family Relationship with Other Directors and Members of Management

- None

#### Education/Training

- B.B.A. Management, University of the East, Philippines
- M.Sc. in Commerce, University of Santo Tomas, Philippines
- The Joint State - Private Sector Class 355, The National Defence College of Thailand

#### Thai Institute of Directors Association (IOD) Training Program

- Director Certification Program (DCP) Class 63/2005

#### Working Experiences

##### Positions in Listed Companies

- Director of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Nov 16, 2005 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 26, 2005 - present)
- Adviser, Bangkok Life Assurance Public Co., Ltd. (Dec 18, 2007 - present)
- Member, Board of Executive Directors, Bangkok Bank Public Co., Ltd. (2007 - present)
- Director and Senior Executive Vice President, Bangkok Bank Public Co., Ltd. (Oct 2006 - present)
- Member, Risk Management Committee, Bangkok Bank Public Co., Ltd. (2004 - present)
- Senior Executive Vice President, Bangkok Bank Public Co., Ltd. (1996 - 2006)
- Executive Vice President, Bangkok Bank Public Co., Ltd. (1990 - 1996)
- Executive Officer, Bangkok Bank Public Co., Ltd. (1978 - 1990)
- Independent Director and Chairman of the Audit Committee, Lalin Property Public Co., Ltd. (2002 - present)

##### Positions in Non-listed Companies

- Chairman, Bualuang Ventures Limited (2016 - present)
- Chairman, Sinnsuptawee Asset Management Co., Ltd. (2006 - present)



**M.R. Supadis Diskul**

Independent Director  
Director of the Remuneration and  
Nomination Committee  
Age 68 Years Old  
Date of Appointment  
April 26, 2013

#### Family Relationship with Other Directors and Members of Management

- None

#### Education/Training

- Master of Community and Regional Planning, North Dakota State University, U.S.A.
- B.Sc., Medical Technology, Mahidol University
- The Joint State-Private Sectors, Class 15, The National Defence College of Thailand

#### Thai Institute of Directors Association (IOD) Training Program

- Anti-Corruption for Executive Program (ACEP) 11/2014
- Successful Formulation and Execution of Strategy (SFE) Class 5/2009
- Role of the Chairman Program (RCP) Class 16/2007
- Role of the Compensation Committee Program (RCC) Class 4/2007
- Director Certification Program (DCP) Class 51/2004

- Director Accreditation Program (DAP) Class 12/2004
- Finance for Non-Finance Director (FND) Class 1/2001, Class 14/2004

#### Work Experiences

##### Positions in Listed Companies

- Independent Director and Director of Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Apr 26, 2013 - present)
- Executive Chairman, Bangkok Aviation Fuel Services Public Co., Ltd. (May 2013 - present)
- Director, Bangkok Aviation Fuel Services Public Co., Ltd. (1983 - present)
- Managing Director, Bangkok Aviation Fuel Services Public Co., Ltd. (1983 - 2014)
- Executive Vice President, Corporate Development and Support Department, Thai Airways International Public Co., Ltd. (1997 - 2003)

##### Positions in Non-listed Companies

- Chairman, BAFS Innovation Development Ltd. (2016 - present)
- Chairman, Fuel Pipeline Transportation Ltd. (2010 - present)
- Managing Director, Fuel Pipeline Transportation Ltd. (1997 - 2006)
- Director, Fuel Pipeline Transportation Ltd. (1991 - 2010)
- Director, Thai Aviation Refuelling Co., Ltd. (1996 - present)
- Managing Director, Thai Aviation Refuelling Co., Ltd. (1996 - 2011)
- Chairman, Intoplane Services Co., Ltd. (1993 - 2015)
- Director, BAFS International Limited (2011 - 2013)
- Director, JP-One Asset Co., Ltd. (2004 - 2014)
- Managing Director, JP-One Asset Co., Ltd. (2004 - 2011)



**Mr. Virasak Sutanthavibul**

Independent Director  
Chairman of the Corporate  
Governance Committee  
Director of the Remuneration and  
Nomination Committee  
Age 60 Years Old  
Date of Appointment  
April 26, 2005

#### Family Relationship with Other Directors and Members of Management

- None

#### Education/Training

- B. Eng., Chulalongkorn University
- M.E., Texas A&M University, Texas, U.S.A.
- The Joint State-Private Sectors Class 18/2005, The National Defence College of Thailand
- Certificate, Capital Market Academy (CMA), Class 10/2010
- Certificate, Thailand Energy Academy (TEA), Class 1/2012
- Certificate of Completion and Graduation Pin, Justice Administration Batch 17 National Justice Academy (2012 - 2013)
- Certificate of Completion and Graduation Pin, Institute of Business and Industrial Development (IBID), Class 2 /2015
- Certificate, Harvard University, Advanced Management Program, U.S.A.
- Certificate, Harvard University, Financial Institution for Private Enterprise Development, U.S.A.

#### Thai Institute of Directors Association (IOD) Training Program

- Director Accreditation Program (DAP) Class 21/2003

#### Work Experiences

##### Positions in Listed Companies

- Director of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Feb 27, 2015 - present)
- Chairman of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (Feb 25, 2011 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 26, 2005 - present)
- Committee of Nomination and Remuneration Committee, Thai Plaspac Public Co., Ltd. (2016 - present)
- Independent Director and Chairman of the Audit Committee, Thai Plaspac Public Co., Ltd. (2015 - 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)
- Independent Director and Chairman of the Audit Committee, Bangkok Terminal Public Co., Ltd. (2014 - present)
- Independent Director and Audit Committee Member, Bangkok Terminal Public Co., Ltd. (2013 - 2014)
- Independent Director and Audit Committee Member, T.Krungthai Industries Public Co., Ltd. (2004 - present)

##### Positions in Non-listed Companies

- Director, Bualuang Ventures Co., Ltd. (2016 - present)
- Director, The Grand-UB Co., Ltd. (2008 - present)
- 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  
Director of the Corporate Governance Committee  
Age 52 Years Old  
Date of Appointment  
April 23, 2010

- Director and Adviser to the Executive Committee, Asia Plus Group Holdings Securities Public Co., Ltd. (2008 - present)
- Executive Director, Asia Plus Group Holdings Securities Public Co., Ltd. (1994 - 2008)

**Positions in Non-listed Companies**

- President, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2016 - present)
- Director, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2002 - present)
- President, Srisangwan School, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2016 - present)
- President, Rehabilitation Center for the People with Physical Disabilities under Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2016 - present)
- Director, Asia Plus Advisory Co., Ltd. (2008 - present)
- Director and Treasurer, The Queen's Gallery Foundation (2003 - present)
- Director, Bangkok BTMU Ltd. (2000 - 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)

**Family Relationship with Other Directors and Members of Management**

- None

**Education/Training**

- B.Sc. Economics (Hon.) London School of Economics and Political Sciences, England
- M.B.A., Cass Business School, City, University of London, England
- Financial Executive Development Program (FINEX V)

**Thai Institute of Directors Association (IOD) Training Program**

- Director Accreditation Program (DAP) Class 40/2005

**Work Experiences**

**Positions in Listed Companies**

- Director of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (Feb 25, 2011 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 23, 2010 - present)



**Mr. Panus Thiravanitkul**

Director  
Director of the Corporate Governance Committee  
Chief Executive Officer  
Age 65 Years Old  
Date of Appointment  
April 22, 2011

- Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)
- Director and President, Bangkok Insurance Public Co., Ltd. (2011 - 2015)
- Director, Bangkok Insurance Public Co., Ltd. (Apr 22, 2011 - present)
- Director of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (Feb 25, 2011 - present)
- President, Bangkok Insurance Public Co., Ltd. (2010 - 2015)
- 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)
- Independent Director, Bangkok Life Assurance Public Co., Ltd. (Dec 15, 2017 - present)
- Director and Member of the Nominating and Remuneration Committee, Bangkok Life Assurance Public Co., Ltd. (Apr 26, 2016 - present)

**Family Relationship with Other Directors and Members of Management**

- None

**Education/Training**

- M.B.A., Chulalongkorn University
- B.Sc. (Economics), Thammasat University
- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Marine Consequential Loss Insurance, Germany
- Insurance School of Japan

**Thai Institute of Directors Association (IOD) Training Program**

- Director Certification Program (DCP) Class 129/2010

**Work Experiences**

**Positions in Listed Companies**

- Director and Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)

**Positions in Non-listed Companies**

- Director, Bangkok Insurance (Lao) Co., Ltd. (Feb 9, 2015 - present)
- Vice Chairman, Marine and Transport Insurance Sub-committee, The Thai General Insurance Association (1994 - 1996, 1999 - 2000)



**Mr. Toshimi Kobayashi**  
Independent Director  
Age 52 Years Old  
Date of Appointment  
August 11, 2017

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- Bachelor of Law, Keio University, Japan

Thai Institute of Directors Association (IOD) Training Program

- Director Accreditation Program (DAP) Class 146/2018 (English Program)

Work Experiences

Positions in Listed Companies

- Independent Director, Bangkok Insurance Public Co., Ltd. (Aug 11, 2017 - present)

Positions in Non-listed Companies

- Group Leader of Sales and Marketing Group, International Department, Aioi Nissay Dowa Insurance Co., Ltd. (Tokyo, Japan) (Apr 2016 - present)
- Executive Finance and Insurance Coordinator, Aioi Nissay Dowa Insurance Company of Europe Ltd. (German Branch) (Apr 2013 - Apr 2016)
- Director, Toyota Insurance Management Ltd. (Cologne Germany) (Apr 2013 - Apr 2016)
- Chief Operating Officer, Japanese Interest Abroad (JIA) Division, Aioi Nissay Dowa Insurance Company of Europe Ltd. (London, U.K.) (May 2012 - Mar 2013)
- Account Manager, Asia and Oceania Group, International Department, Aioi Nissay Dowa Insurance Co., Ltd. (Tokyo, Japan) (Apr 2009 - Apr 2012)
- Japanese Coordinator Toyota Finance and Insurance Business, Aioi Motor and General Insurance Company of Europe Ltd. (London, U.K.) (Apr 2005 - Apr 2009)
- Development Manager, Toyota F&I Division, International Department, Aioi Insurance Co., Ltd. (Tokyo, Japan) (Apr 1999 - Apr 2005)



**Mr. Voravit Rojrapitada**  
Director  
Age 73 Years Old  
Date of Appointment  
April 29, 1981

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- Certificate, Assumption Commercial College
- Mini M.B.A., Thammasat University
- Advanced Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland
- Skandia Insurance Management, Philippines

Thai Institute of Directors Association (IOD) Training Program

- Director Certification Program (DCP) Class 27/2003

Work Experiences

Positions in Listed Companies

- Director, Bangkok Insurance Public Co., Ltd. (Apr 29, 1981 - present)
- Adviser, Bangkok Insurance Public Co., Ltd. (2010 - 2015)
- Company Secretary, Bangkok Insurance Public Co., Ltd. (2008 - May 2015)
- Director and 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)
- Independent Director, Audit Committee and Risk Management Committee, Khonburi Sugar Public Co., Ltd. (2013 - present)
- Director, Chumporn Palm Oil Industry Public Co., Ltd (1999 - Feb 2014)
- 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 )

Positions in Non-listed Companies

- Director, Bangkok Insurance (Lao) Co., Ltd (Feb 9, 2015 - present)





**Dr. Apisit Anantanatarat**  
 Director and President  
 Age 54 Years Old  
 Date of Appointment  
 April 22, 2016

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- 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), ANZIIF (Senior Associate), Australia
- Certificate, The Columbia Senior Executive Program, Columbia University, U.S.A.
- Certificate, Capital Market Academy Leadership Program (CMA), Class 24/2017
- Thailand Insurance Leadership Program class 3/2013
- 28<sup>th</sup> East Asian Insurance Congress 2016, Macau
- CIO VMWare World Conference 2015, Spain
- Enterprise Risk Management Workshop 2015, Germany
- Telematics Update Conference 2014, England
- 14<sup>th</sup> Asia CEO Insurance Summit 2014, Indonesia
- 17<sup>th</sup> Insurance Congress of Developing Countries 2013, Sri Lanka
- East Asian Insurance Congress 2012, Malaysia
- Asian Insurance Congress 2011, Singapore
- 7<sup>th</sup> Insurance Executives' Summit for Strategy, Operation & Technology 2011, Taiwan

- Asian Insurance Congress 2010, Singapore
- Simplified Strategic Planning 2010, Malaysia
- 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

Thai Institute of Directors Association (IOD) Training Program

- None

Work Experiences

Positions in Listed Companies

- Director, Bangkok Insurance Public Co., Ltd. (Apr 22, 2016 - present)
- Director and President, Bangkok Insurance Public Co., Ltd. (Apr 22, 2016 - present)
- President, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)
- Executive Vice President, Bangkok Insurance Public Co., Ltd. (Apr 2012 - Dec 2015)
- Senior Vice President, Marketing and Communications Department, Bangkok Insurance Public Co., Ltd. (2011 - Apr 2012)
- Senior Vice President, Information Technology Department, Bangkok Insurance Public Co., Ltd. (2009 - Mar 2014, Oct 2015 - May 8, 2016)
- Senior Vice President, Personal Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - 2015)
- 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)

Positions in Non-listed Companies

- Director, Thai ORIX Leasing Co., Ltd. (May 24, 2016 - present)

**Mr. Chai Sophonpanich**

Chairman

(Resigned as from June 16, 2017)

**Mr. Shota Mori**

Independent Director

(Resigned as from May 11, 2017)

# BOARD OF DIRECTORS

## Board of Directors

### Chairman

Tdvc. Col. Plengsakdi Prakaspesat

### Directors

Mr. Chor.nun Petpaisit

Miss Potjaneer Thanavarani

Mr. Singh Tangtaswas

Mr. Suvarn Thansathit

M.R. Supadis Diskul

Mr. Virasak Sutanthavibul

Mrs. Nintira Sophonpanich

Mr. Panus Thiravanitkul

Mr. Toshimi Kobayashi

Mr. Voravit Rojrapitada

Dr. Apisit Anantanatarat

### Company Secretary

Mrs. Srichitra Pramojaney

## Audit Committee

### Chairman

Tdvc. Col. Plengsakdi Prakaspesat

### Members

Mr. Chor.nun Petpaisit

Miss Potjaneer Thanavarani

## Remuneration and Nomination Committee

### Chairman

Mr. Singh Tangtaswas

### Members

Mr. Suvarn Thansathit

M.R. Supadis Diskul

Mr. Virasak Sutanthavibul

## Corporate Governance Committee

### Chairman

Mr. Virasak Sutanthavibul

### Members

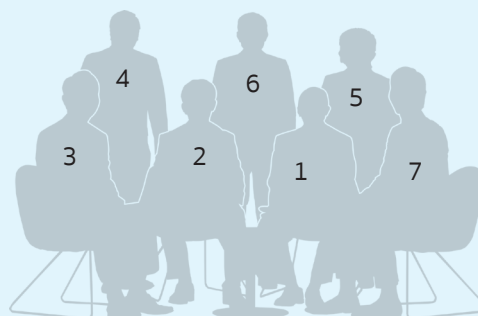
Mrs. Nintira Sophonpanich

Mr. Panus Thiravanitkul

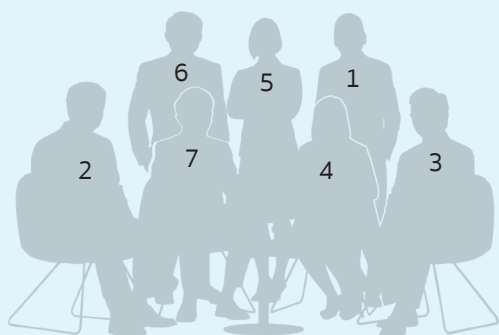
# MANAGEMENT COMMITTEE AND MANAGEMENT COMMITTEE PROFILE



1. Mr. Panus Thiravanitkul
2. Dr. Apisit Anantanatarat
3. Mr. Anon Vangvasu
4. Mr. Suphat Yookongbandhu
5. Mrs. Srichittra Pramojaney
6. Mr. Jakkrit Chewanuntapornchai
7. Mr. Chawan Sophonpanich







1. Mr. Suchart Chirayuwat
2. Mr. Lert Vongchai
3. Mr. Aree Vanairlor
4. Miss Paveena Juchuan
5. Miss Lasa Sophonpanich
6. Mr. Weerachai Sripetcharakul
7. M.L. Chalitpong Sanidvong

#### Mr. Panus Thiravanitkul

Director

Director of the Corporate Governance Committee

Chief Executive Officer

#### Commence

May 1973

#### Family Relationship with Other Directors and

#### Members of Management

- None

#### Education

- M.B.A., Chulalongkorn University
- B.Sc. (Economics), Thammasat University

#### Thai Institute of Directors Association (IOD) Training Program

- Director Certification Program (DCP) Class 129/2010

#### Training

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

#### Dr. Apisit Anantanarat

Director and President

#### Commence

April 1985

#### Family Relationship with Other Directors and

#### Members of Management

- None

#### 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
- Certificate, The Columbia Senior Executive Program, Columbia University, U.S.A.
- Certificate, Capital Market Academy Leadership Program (CMA), Class 24/2017
- Thailand Insurance Leadership Program class 3/2013

#### Thai Institute of Directors Association (IOD) Training Program

- None

#### Training

- 28<sup>th</sup> East Asian Insurance Congress 2016, Macau
- CIO VMware World Conference 2015, Spain
- Enterprise Risk Management Workshop 2015, Germany
- Telematics Update Conference 2014, England
- 14<sup>th</sup> Asia CEO Insurance Summit 2014, Indonesia
- 17<sup>th</sup> Insurance Congress of Developing Countries 2013, Sri Lanka
- East Asian Insurance Congress 2012, Malaysia
- Asian Insurance Congress 2011, Singapore

#### Work Experiences

- Director and Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)
- Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)
- Director and President, Bangkok Insurance Public Co., Ltd. (2011 - 2015)
- Director, Bangkok Insurance Public Co., Ltd. (Apr 22, 2011 - present)
- Director of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (Feb 25, 2011 - present)
- President, Bangkok Insurance Public Co., Ltd. (2010 - 2015)
- 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)
- Independent Director, Bangkok Life Assurance Public Co., Ltd. (Dec 15, 2017 - present)
- Director and Member of the Nominating and Remuneration Committee, Bangkok Life Assurance Public Co., Ltd. (Apr 26, 2016 - present)
- Director, Bangkok Insurance (Lao) Co., Ltd. (Feb 9, 2015 - present)
- Vice Chairman, Marine and Transport Insurance Sub-committee, The Thai General Insurance Association (1994 - 1996, 1999 - 2000)

- 7<sup>th</sup> Insurance Executives' Summit for Strategy, Operation & Technology 2011, Taiwan
- Asian Insurance Congress 2010, Singapore
- Simplified Strategic Planning 2010, Malaysia
- 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

- Director, Bangkok Insurance Public Co., Ltd. (Apr 22, 2016 - present)
- Director and President, Bangkok Insurance Public Co., Ltd. (Apr 22, 2016 - present)
- President, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)
- Executive Vice President, Bangkok Insurance Public Co., Ltd. (Apr 2012 - Dec 2015)
- Senior Vice President, Marketing and Communications Department, Bangkok Insurance Public Co., Ltd. (2011 - Apr 2012)
- Senior Vice President, Information Technology Department, Bangkok Insurance Public Co., Ltd. (2009 - Mar 2014 and Oct 2015 - May 8, 2016)
- Senior Vice President, Personal Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - 2015)
- 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)
- Director, Thai ORIX Leasing Co., Ltd. (May 24, 2016 - present)

### Mr. Anon Vangvasu

Executive Vice President

#### Commence

December 1976

#### Family Relationship with Other Directors and Members of Management

- None

#### 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)
- President, The Federation of Thai Insurance Organizations (2017 - present)
- Secretary General, The General Insurance Association (2017 - present and 2009 - 2013)
- President, The General Insurance Association (2013 - 2016)
- President of the Board, Road Accident Victims Protection Co., Ltd. (2015 - present)
- Vice President of the Board, Road Accident Victims Protection Co., Ltd. (1998 - 2015)
- President of the Board, Thai Insurers Data Net Co., Ltd. (2015 - present)
- Board of Directors, Thailand Insurance Institute (2013 - present)

### Mr. Suphat Yookongbandhu

Executive Vice President

#### Commence

August 1980

#### Family Relationship with Other Directors and Members of Management

- None

#### 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 - 2016)
- 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)
- Director, Asia Insurance (Cambodia) Plc. (Nov 2, 2012 - present)

### Mrs. Srichittra Pramojaney

Executive Vice President

Company Secretary

#### Commence

January 2006

#### Family Relationship with Other Directors and Members of Management

- None

#### Education

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

#### Thai Institute of Directors Association (IOD) Training Program

- Company Reporting Program (CRP) Class 18/2017
- Board Reporting Program (BRP) Class 19/2016
- Effective Minute Taking (EMT) Class 31/2015
- Company Secretary Program (CSP) Class 61/2015

#### Training

- 11<sup>th</sup> Asian Insurance CFO Summit 2017, Hong Kong
- 10<sup>th</sup> Anniversary Asian Insurance CFO Summit 2016, Thailand
- 9<sup>th</sup> Asian Insurance CFO Summit 2015, Hong Kong
- 8<sup>th</sup> Asian Insurance CFO Summit 2014, Singapore
- 7<sup>th</sup> Asian Insurance CFO Summit 2013, Hong Kong

#### Work Experiences

- Executive Vice President, Bangkok Insurance Public Co., Ltd. (Jun 2016 - present)
- Company Secretary, Bangkok Insurance Public Co., Ltd. (Jun 2015 - present)
- Senior Vice President, Accounting and Treasury Department, Bangkok Insurance Public Co., Ltd. (2006 - present)

**Mr. Jakkrit Chewanuntapornchai**

Senior Vice President

Commence

August 1982

Family Relationship with Other Directors and Members of Management

- None

Education

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

**Mr. Suchart Chirayuwat**

Senior Vice President

Commence

August 2010

Family Relationship with Other Directors and Members of Management

- None

Education

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

**Mr. Aree Vanairor**

Senior Vice President

Commence

August 1989

Family Relationship with Other Directors and Members of Management

- None

Education

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

Training

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

Work Experiences

- Senior Vice President, Financial Institution Business Unit, Bangkok Insurance Public Co., Ltd. (Oct 2015 - present)
- Senior Vice President, Commercial Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - Sep 2015)
- Vice President, Direct Customer Division, Bangkok Insurance Public Co., Ltd. (2001 - 2007)
- Vice President, Non-Motor Claims Department, Bangkok Insurance Public Co., Ltd. (1998 - 2001)
- Managing Director, Bangkok Insurance (Lao) Co., Ltd. (Feb 9, 2015 - present)

Work Experiences

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

Training

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

Work Experiences

- Senior Vice President, Agent Business Unit, Bangkok Insurance Public Co., Ltd. (Oct 2015 - present)
- Senior Vice President, Financial Institution Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - Sep 2015)
- 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)
- Vice President, Marketing Department, Bangkok Insurance Public Co., Ltd. (1995 - 2001)



### **Mr. Lert Vongchai**

Senior Vice President

#### Commence

September 1980

#### Family Relationship with Other Directors and Members of Management

- None

#### 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

### **Miss Paveena Juchuan**

Senior Vice President

#### Commence

August 1992

#### Family Relationship with Other Directors and Members of Management

- None

#### Education

- M.Sc. (Insurance and Risk Management), Cass Business School, City, University of London, England
- B.B.A. (Insurance), Assumption University
- Advanced Diploma in Insurance (ACII), The Chartered Insurance Institute (CII)
- Mini M.B.A., Center for Business Innovation, NIDA Business School

### **Mr. Chawan Sophonpanich**

Senior Vice President

#### Commence

March 2004

#### Family Relationship with Other Directors and Members of Management

- Elder Brother of Miss Lasa Sophonpanich

#### Education

- B.A. (Economics), University of Rochester, U.S.A.
- Risk and Insurance Certificate, St.John's University, U.S.A.

#### Training

- Business Interruption / Contingent BI, Scor Re, France
- Lloyd's Asia Underwriters & Broker Forum, Singapore College of Insurance, Singapore
- Customer Management Asia, Marcus, Malaysia
- AIOI Insurance Seminar, AIOI Insurance, Japan
- The 2004 Mitsui Sumitomo Re, Sumitomo, Japan

### Work Experiences

- Senior Vice President, Motor Claims Department, Bangkok Insurance Public Co., Ltd. (Feb 2013 - present)
- First Vice President, Motor Claims Contact Center, Bangkok Insurance Public Co., Ltd. (2009 - 2012)
- First Vice President, Motor Claims Assessment, Bangkok Insurance Public Co., Ltd. (2007 - 2009)
- Vice President, Motor Claims Support, Bangkok Insurance Public Co., Ltd. (2002 - 2007)
- Vice President, Motor Claims Division, Bangkok Insurance Public Co., Ltd. (1995 - 2011)

### Training

- TransRe International Management Program: Partnership for Success, New York, U.S.A.
- Comprehensive Technical Programme in General Insurance - National Insurance Academy, Pune, India

### Work Experiences

- Senior Vice President, Commercial Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2016 - present)
- First Vice President, Commercial Lines Business Unit, Bangkok Insurance Public Co., Ltd. (Nov 2013 - 2015)
- Vice President, Special Risk Business Unit, Bangkok Insurance Public Co., Ltd. (Oct 2010 - Oct 2013)

### Work Experiences

- Senior Vice President, Personal Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2016 - present)
- Vice President, Office of President, Bangkok Insurance Public Co., Ltd. (Mar 2014 - 2015)
- Vice President, Personal Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2012 - Mar 2014)

### Miss Lasa Sophonpanich

Senior Vice President (Appointed on January 1, 2017)

#### Commence

April 2011

#### Family Relationship with Other Directors and Members of Management

- Younger Sister of Mr. Chawan Sophonpanich

#### Education

- Master's Degree in International Affairs, Columbia University, U.S.A.
- Bachelor's Degree in International Relations & Chinese from Wellesley College, U.S.A.
- Certificate in Insurance, The Chartered Insurance Institute (CII)

#### Training

- Advanced Reinsurance Workshop - Munich Reinsurance Company, Germany
- 14<sup>th</sup> Singapore International Reinsurance Conference 2017, Singapore

- Business Interruption / Contingent BI, Scor Re, France
- 28<sup>th</sup> EAIC East Insurance Congress, Macau
- 13<sup>th</sup> Singapore International Reinsurance Conference 2015, Singapore
- P&C Reinsurance, France
- Munich Reinsurance Company - DART, Singapore
- Reinsurance Seminar of the TOA, Japan

#### Work Experiences

- Senior Vice President, Broker Business Unit, Bangkok Insurance Public Co., Ltd. (Jan 2017 - present)
- Vice President, Broker Business Unit, Bangkok Insurance Public Co., Ltd. (2016)
- Assistant Vice President, Treaty Operations Office, Bangkok Insurance Public Co., Ltd. (Jul 2014 - 2015)
- Assistant Vice President, Broker Business Unit, Bangkok Insurance Public Co., Ltd. (Apr 2012 - Jun 2014)

### Mr. Weerachai Sripetcharakul

Senior Vice President (Appointed on February 16, 2017)

#### Commence

February 2017

#### Family Relationship with Other Directors and Members of Management

- None

#### Education

- B.A. (Political Science), Kasetsart University

#### Training

- Human Resource Management Program, The Siam Cement Public Co., Ltd.
- Management Development Program (TMA-MDP), Thailand Management Association
- Personnel Management Laws, Faculty of Law, Thammasat University
- Change Leader for Labour Development Program, Ministry of Labour
- Labour Relations Consultant, Ministry of Labour
- Thai Labour-Standard: TLS-8001 Auditor, Ministry of Labour
- 10<sup>th</sup> World HR Congress, Singapore

#### Work Experiences

- Senior Vice President, Human Resources Department, Bangkok Insurance Public Co., Ltd. (Feb 16, 2017 - present)
- Director, The Association Change Leader for Labour Development Association, Ministry of Labour (2016 - present)
- Manager, Human Resource Department, Bangkok Synthetics Co., Ltd. (2003 - 2017)
- Manager, Personnel Operations, Siam Cement (Ta Luang) Co., Ltd. (2003)
- Manager, Welfare and Employee Relations, Cementthai Distribution Co., Ltd. (2001 - 2002)
- Manager, Welfare Department, Corporate Human Resources Division, The Siam Cement Public Co., Ltd. (1999 - 2000)
- Manager, Training and Recruitment, Human Resources Division, Construction Material Group, The Siam Cement Public Co., Ltd. (1997 - 1998)
- Manager, Personnel Department, Siam Fiberglass Co., Ltd. (1991 - 1997)

### M.L. Chalitpong Sanidvong

Senior Vice President (Appointed on April 3, 2017)

#### Commence

April 2017

#### Family Relationship with Other Directors and Members of Management

- None

#### Education

- M.B.A., Chulalongkorn University
- B.Eng. (Electrical Engineering), King Mongkut's Institute of Technology Ladkrabang

#### Training

- IT Trends : Seminar 2018 : Asia's Rising Power, Singapore
- Hewlett Packard Enterprise (HPE) CIO Forum 2017 "Transform to your right Mix of Hybrid IT"

- Digital Transformation for Insurance, IMC institute,
- Aruba Atmosphere, Singapore
- SCB Management Program
- CISCO, Executive Briefing Center, U.S.A.
- Huawei, Executive Briefing Center, China

#### Work Experiences

- Senior Vice President, Information Technology Department, Bangkok Insurance Public Co., Ltd. (Apr 3, 2017 - present)
- Vice President, IT Network Management, Siam Commercial Bank Public Co., Ltd. (2008 - 2017)
- Senior Vice President, Information Technology, Capital Nomura Securities Public Co., Ltd. (2004 - 2008)
- Product Implementation Manager, Insurance Division, Freewill Solutions Co., Ltd. (2002 - 2004)
- Vice President, Information Technology, Jardine Fleming Thanakorn Securities Ltd. (1997 - 2002)

## FIRST VICE PRESIDENT AND VICE PRESIDENT





# FIRST VICE PRESIDENT AND VICE PRESIDENT

- |   |  |
|---|--|
| 1. Mr. Alonggorn Gradtip                                      | 26. Mr. Sarayuth Apaipim                                   |
| 2. Mr. Anawaj Saibang   | 27. Miss Siriraht Ojarutip                                 |
| 3. Mr. Anek Keereesathien<br>(Appointed on May 2, 2017)       | 28. Mr. Sithikul Arayavechakit                             |
| 4. Mrs. Anutra Chanprasartsuk                                 | 29. Mr. Somchai Chiaranaiphaisan                           |
| 5. Miss Chanaphan Rattanavibul                                | 30. Mr. Songkiat Nualon                                    |
| 6. Mr. Charun Jongudomporn                                    | 31. Miss Sujinda Teplertboon                               |
| 7. Mr. Ekamol Aungkavattana                                   | 32. Mrs. Sumana Trongtranon                                |
| 8. Mr. Jeravat Payakarasamit                                  | 33. Mr. Surasak Xuto                                       |
| 9. Mr. Jirawong Thantachote                                   | 34. Miss Sutida Malila                                     |
| 10. Mr. Kannasootr Homjan                                     | 35. Mrs. Suwannee Sithisukh                                |
| 11. Mr. Kiettisak Sirilikitchai                               | 36. Mr. Tawee Kvanthong                                    |
| 12. Mr. Natthajak Santatillokkul                              | 37. Mr. Teerawat Jaturavit                                 |
| 13. Mrs. Netnapit Poolsap                                     | 38. Mr. Tirak Krutvecho                                    |
| 14. Mr. Pairin Chaibenjapol                                   | 39. Miss Tusaneeya Uppalawanna                             |
| 15. Mr. Paitoon Chanpanorrak                                  | 40. Miss Umaporn Hualbuttar                                |
| 16. Miss Pantita Panyamee                                     | 41. Mr. Varit Unprasertporn                                |
| 17. Miss Paviga Rawdyoo                                       | 42. Mr. Vichien Moleewon                                   |
| 18. Mr. Peerapat Thawornniti                                  | 43. Mrs. Waraporn Dhanisornkul                             |
| 19. Miss Pisamai Wiphatkrut                                   | 44. Mr. Wera Virojsirasak                                  |
| 20. Mr. Pisit Kidcharoensuk                                   | 45. Mr. Wichai Pongsethpaisal                              |
| 21. Mr. Pittiphong Chaochaikhong                              | 46. Miss Wilai Lertritpuwadol                              |
| 22. Miss Pranee Komonkawin                                    | 47. Mr. Winai Kunprasert                                   |
| 23. Mr. Prayudh Jatarupamaya                                  | 48. Mr. Wiwat Panyakiattikun                               |
| 24. Miss Rataya Singh   | 49. Mr. Yingyot Sangchai<br>(Appointed on January 3, 2018) |
| 25. Mr. Sarawut Deesomboon<br>(Appointed on November 1, 2017) |  |

Remarks: 1. Mr. Anant Pongpoo (Retired on January 1, 2018)

2. Mr. Werapol Banchongchoy (Resigned as from February 1, 2018)



# CORPORATE SOCIAL RESPONSIBILITY

## 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.

## A Guideline for the Treatment of Stakeholders

The Company has given priority to all groups of stakeholders by identifying a guideline for the treatment of stakeholders in writing in the Company's policy on good corporate governance and annual report. It has also prepared for procedures and steps of obtaining stakeholders' demands and expectations through carrying out different patterns of activities with an aim that the Company's implementation of these activities can really respond to stakeholders' needs, which include the following:

Stakeholder	Policy	Strategy	Channel
1. Shareholders	<ul style="list-style-type: none"> <li>• Business transaction based on good corporate governance</li> <li>• Perform duty honestly, carefully and to the best of one's ability as well as maintain the interest so that the enterprise is firm and sustainable, increasing a maximum value for shareholders and generating the greatest satisfaction to them</li> </ul>	<ul style="list-style-type: none"> <li>• Transparently, accurately and completely disclose data</li> <li>• Develop skills and knowledge necessary for a successful work performance</li> </ul>	<ul style="list-style-type: none"> <li>• Complaint</li> <li>• Shareholders' meeting</li> <li>• Meet analysts</li> </ul>
2. Employees	<ul style="list-style-type: none"> <li>• Equality in work performance</li> <li>• Sound morality and fairness</li> <li>• Continuous development of all levels of employees</li> <li>• Overseeing and maintaining the safety, health and environment for employees' work performance</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of fair remuneration and welfare</li> <li>• Constant development of all levels of employees</li> <li>• Creation of organization culture of a learning organization</li> <li>• Work Life Balance</li> </ul>	<ul style="list-style-type: none"> <li>• Employees' activities</li> <li>• A case of labor dispute</li> </ul>

Stakeholder	Policy	Strategy	Channel
3. Customers	<ul style="list-style-type: none"> <li>• A wide variety of products with customer centricity, besides standard quality and reasonable price</li> <li>• Honest and quick quality service in direct response to customers' demand, or higher than their expectation on a fair and moral basis</li> <li>• Provision of accurate data and information and knowledge to customers</li> </ul>	<ul style="list-style-type: none"> <li>• Design and development of products in support of access to basic insurance for personal lines business</li> <li>• Use information technology to raise convenience of access to products and claims services</li> <li>• Provide for a particular work unit for receiving customers' complaints and suggestions</li> </ul>	<ul style="list-style-type: none"> <li>• Customers' satisfaction</li> <li>• Complaints</li> </ul>
4. Business Partners	<ul style="list-style-type: none"> <li>• Perform in strict compliance with an agreement on an equal and fair basis</li> </ul>	<ul style="list-style-type: none"> <li>• Equality of selection and assessment of business partners and reception of fair remuneration for both sides</li> <li>• Provision of equal data and information</li> <li>• Keeping trading secrets</li> </ul>	<ul style="list-style-type: none"> <li>• Agreements</li> <li>• Business partners' satisfaction</li> </ul>
5. Competitors	<ul style="list-style-type: none"> <li>• Conduct fair competition under the framework of laws</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on competition for the quality of products and services for customers' benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Agreements</li> <li>• Information Exchange</li> </ul>
6. Creditors	<ul style="list-style-type: none"> <li>• Treat all creditors on a fair, equal and honest basis</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly honour a promise and commitment made to creditors</li> <li>• Management of funds so that they possess appropriate structure</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting</li> <li>• Annual Report</li> </ul>
7. The Environment	<ul style="list-style-type: none"> <li>• Support activities benefiting society</li> <li>• Energy conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Constant provision of support and assistance to localities in cooperation with other agencies</li> <li>• Campaign for energy use as well as decrease the use of energy and resources</li> </ul>	<ul style="list-style-type: none"> <li>• Complaints</li> <li>• Reception of opinions</li> <li>• Having a meeting with the government sector</li> </ul>
8. The Government Sector	<ul style="list-style-type: none"> <li>• Conduct a business transaction under the requirements of laws and maintain a good relationship with the regulator</li> </ul>	<ul style="list-style-type: none"> <li>• Performance in strict compliance with laws, rules, regulations and official standards, apart from giving full cooperation with the government sector and the regulator</li> </ul>	<ul style="list-style-type: none"> <li>• Give cooperation and support the government sector's activities</li> <li>• Providing data to regulators</li> </ul>

## Fair Business Transaction

The Company has carried out its business transactions on an equal, fair and honest basis, in strict compliance with the laws defined, apart from having business ethics based on the principle of good corporate governance.

To create fair business transactions, the Company has defined a guideline for overseeing stakeholders in its guidebook on rules of conduct and is strongly committed to a fair and equal treatment of stakeholders, ranging from its customers, business partners, shareholders, employees, competitors, creditors to the government sector, society and the environment, while not committing any acts violating or lessening stakeholders' rights, on a basis of fair reception of a financial return for their business transactions, without expecting other benefits derived from an operation not in line with the principle of good corporate governance. The Company's operations include the following:

- Be determined to generate satisfaction and confidence among customers as well as pay attention and be responsible to customers in order for them to receive quality products and services at a reasonable price, apart from the development to constantly raise the Company's standard of products and services, and strictly complying with the conditions and agreements made to customers so as to seriously and steadily maintain a good and sustainable relation with them. Similarly, customers' data will not be used for the benefit of the Company and people concerned.
- Select business partners, evaluate their performance and provide an opportunity for them to express their opinions and recommendations for mutual business transactions, all on an equal basis, apart from providing them with equal data and information and treating their secrets as strictly confidential.
- Be determined to perform with an excellent operating result so as to generate shareholders' satisfaction through the sound and continuous returns, maintenance of the Company's leadership in the non-life insurance industry with constant profit growth, and maintenance of its good reputation.
- Select and engage employees having skills and experiences pertinent to the Company's work, without regard to sex, race, religion or institutional difference as limitations to their participation in the Company's work. In addition, the Company will take care of its employees' remuneration and welfare schemes so that they are at an appropriate level, as well as provide them with an opportunity to fully develop themselves in order to be prepared to move forward.
- Compete commercially in conformity with international principles under the laws defined, based on an equal commitment to sound competition rules, while not violating business competitors' commercial secrecy with a dishonest and inappropriate method. Also not prevent others from entering a business competition and not damage business competitors' reputation or act in a way that is unfair to a competition.
- Treat all creditors on a fair, equal and honest basis and strictly honour a promise and commitment made to them. Also manage funds so that they possess proper structure to support the Company's business transactions and retain its creditors' confidence.
- Raise awareness of the Company's management and employees at all levels so that they fully realize the significance of self-practices that benefit society, support social activities and provide assistance to the underprivileged. Also create awareness in preserving natural resources and sustainably developing the environment.
- Carry out business transactions under the requirements of laws and give cooperation in providing data and information requested by the regulator, aimed at displaying the transparency and creating the confidence and trust in one another.
- Give priority to the transparency and take into account an honest practice by attaching to a performance based on international human rights principles. Also not violate the intellectual property rights or copyrights, while being against a corrupt practice of all forms to prevent taking benefits, both directly and indirectly, for oneself and others.

## Anti-Corruption Policy

The Company is determined to carry out its business transactions on a transparent, accurate and fair basis, in strict conformity with the principle of good corporate governance, besides fully and continuously realizing the significance of anti-corruption practice. As a consequence, the Company has displayed its determination to take part in the Collective Anti-Corruption (CAC).

The Company was approved by the Board of Directors' resolution on its 1/2015 meeting on February 27, 2015 to request for the certification to take part in the Collective Action Coalition (CAC).

The Company has formulated its anti-corruption policy and whistle-blowing policy, improved rules and regulations concerned, as well as prepared for a self-evaluation form relating to the anti-corruption measures and then submitted it to the CAC Committee. The Company was certified by the CAC Committee's meeting resolution on October 16, 2015, as a CAC member.

The anti-corruption policy stipulates that everyone in the Company, ranging from Board directors, management, employees to business partners, shall strictly abide by the defined policy, covering business transactions in all countries and sections relating to the Company. The policy also requires the Board to take charge of overseeing to ensure that any implementation is in compliance with the policy, while the policy itself has to be steadily verified. Additionally, the Company also has a whistle-blowing policy for employees, business partners or outsiders who have found an act involved with a corrupt practice to file a complaint via different channels, such as a letter or e-mail: [anti-corruption@bangkokinsurance.com](mailto:anti-corruption@bangkokinsurance.com), both of which will be sent directly to the head of Internal Audit Office. A complaint filed to the Company will be strictly treated as the most confidential, while it has a protective measure for those giving data or reporting a corrupt practice clue so that they will not get into trouble. The Company will treat all parties on a fair basis. If a person committing corruption is the Company's employee, he/she is subject to disciplinary punishment according to its rules and regulations, and may even be penalized by laws if his/her act is illegal.

#### **An Additional Guideline Relating to the Prevention of an Involvement in Corruption**

The Company has defined an additional guideline to prevent an involvement in corruption, consisting of 3 items as the following:

1. A procedure in an assessment of corruption risk
2. A practical guideline for overseeing and controlling to prevent and follow up risk incurred by corruption
3. A follow-up and evaluation of an implementation based on the guideline for preventing an involvement in corruption

##### **1. A procedure in an assessment of corruption risk**

The Company has provided for a risk management system appropriate for its business transaction, by identifying an event of a high risk of corruption which may occur from a business transaction, and making an evaluation of the level of risk, apart from defining a measure suitable to the risk evaluated and keeping an eye on an assessment of the implementation based on the risk management plan.

##### **2. A practical guideline for overseeing and controlling to prevent and follow up risk incurred by corruption**

The Company has defined a practical guideline for overseeing to prevent and follow up risk incurred by corruption, as summarized below.

1. Provide for an audit procedure, make an assessment of an internal control system and a risk management system covering significant work systems in order to prevent and follow up risk stemming from corruption, as well as provide recommendations in relation to a proper corrective guideline.

2. Provide a channel for receiving the report on data, clues or complaints of violation, and acts against the laws or the Company's code of ethics. Also have a policy on providing protection to those giving data or clues, and treating their data as confidential, apart from having a measure for an inspection for fact verification.

##### **3. A follow-up and evaluation of an implementation based on the guideline for preventing an involvement in corruption**

The Company has defined a follow-up and evaluation of an implementation based on a guideline for preventing an involvement in corruption as follows:

1. Assign the Internal Audit Office to have duties on the audit and assessment of systems of internal control by conducting an audit in line with an annual audit plan approved by the Audit Committee, and making a report on audit consequences to the Audit Committee.

2. Assign the Compliance Office to take charge of a steady assessment of corruption risk to ensure an effective implementation of the anti-corruption measure. An assessment result will be presented to the Company's Risk Management Committee, followed by a report to the Board of Directors.

3. If it is found that the data derived from complaints or audit consequences has evidence reasonable to believe that there are transactions or acts which may significantly affect the Company's financial standing and operating performance, as well as violations and acts against the laws or the Company's business ethics, the Audit Committee will report to the Board of Directors for acknowledgement, as well as an improvement and correction within the time the former thinks appropriate.

The Company has provided for a communication of its policies on anti-corruption and clue report by disseminating them via both the internal and external media, for instance, Intranet and the Company's website, annual report and newsletter in order for all of its management, employees and business partners to acknowledge and abide by. Furthermore, the Company has defined a training course on the anti-corruption practice for its new employees, aimed at providing knowledge of the Company's policy on and practical guideline for anti-corruption.

## Respect of Human Rights

The Company has an intention of treating its employees in compliance with the International Human Rights principle, with a respect for the value of human beings and not violating their basic rights, through an implementation of the following issues:

Core issue	Focused issue	Implementation
Employees' Rights and Participation	<ul style="list-style-type: none"> <li>• Give importance to a discussion</li> <li>• Employees' participation in collective negotiation</li> <li>• Rights to be equally informed of data and information both inside and outside the organization</li> <li>• Generate all levels of employees' relationship and participation</li> </ul>	<ul style="list-style-type: none"> <li>• The Company typically has all its employees acknowledge its work policy from the organization's senior executives early each year so that they move in the same direction.</li> <li>• Organize a party for all employees each year for their accord.</li> <li>• Have an annual organizational health survey which, in 2017, was called "Serm Sang Suk", in which employees can independently express, on a factual basis, their opinions on the Company with regard to themselves, to be used as data for an improvement and development in response to employees' demand, and for a creation of an incentive for them, besides having a summary of the result and reporting to all sections for their acknowledgement.</li> <li>• Prepare the Intranet system under the name BKI Connect, as a channel for employees to have quick and convenient access to the Company's data, rules and regulations and interesting data outside the Company, besides being a channel in which employees can express their opinions on the Company or conveniently exchange data among themselves, consisting of such items as MeIDEA2Solution, BKI Knowledge, Law and Regulation, HR News, Upcoming Events, News Update, Photo Releases, etc.</li> <li>• Have a variety of committees and working groups, with a representative from different sections taking part in an implementation.</li> </ul>

## Fair Treatment of Labour

The Company has a policy of treating all of its employees on a fair and equal basis for their benefit, while managing its personnel resources in strict conformity with laws and other requirements concerned, via an implementation of the following issues:

Core issue	Focused issue	Implementation
Employment	<ul style="list-style-type: none"> <li>• Perform in compliance with laws related to employment</li> <li>• Not use forced or child labor</li> <li>• No discrimination on employment</li> </ul>	<ul style="list-style-type: none"> <li>• Have fair treatment to labour and in strict compliance with related laws, for instance, the Labour Protection Act (No. 6, B.E. 2560), Labour Relations Act, B.E. 2518, Workmen's Compensation Act, B.E. 2537, Social Security Act, B.E. 2553, Provident Fund Act (No. 3, B.E. 2550), the Ministry of Labour's Declaration on Employees' Working Safety and Minimum Wage, Code of Civil Laws on Labour Engagement, etc.</li> <li>• Does not engage persons under 18 in employment.</li> <li>• Employees are employed without regard to sex, race or religion. They have an equal chance for a selection through a written examination and a competency-based interview in accordance with the Company's standard.</li> <li>• There is a clear and update determination of job description and interviewers are informed of it prior to a job interview.</li> </ul>
Development and Promotion of Employees	<ul style="list-style-type: none"> <li>• Have a Guideline for development of skills and training for an equal chance to make progress of employees without discrimination</li> </ul>	<ul style="list-style-type: none"> <li>• In 2017, the Company provided innumerable training courses to its staff, with an average of 4.72 training days per staff per year, concentrating on development of all staff's multi skills so that they have potential, knowledge, capability and skills in response to the Company's vision and annual goals, which are offered in different patterns to be in accordance with a learning organization, for instance, <ul style="list-style-type: none"> <li>- On-the-job training and coaching by one's superior and colleague</li> <li>- Self-learning via an E-learning system</li> <li>- Classroom training</li> <li>- Overseas training and study trip.</li> <li>- Job rotation.</li> <li>- Job transfer.</li> </ul> </li> <li>• The Company provides, constantly and every year, scholarships for a master's degree study to staff studying in the field supporting the Company's business transaction.</li> <li>• The Company presents awards by carrying out the "Happy Graduation" activity to congratulate on those who have completed their insurance course from CII and TII</li> <li>• The Company organizes a thank-you party for special speakers and presents an honorary certificate to staff</li> </ul>

Core issue	Focused issue	Implementation
		<p>selected from various sections to give a special talk.</p> <ul style="list-style-type: none"> <li>The Company also has a mentor system, in which more experienced staff act as mentors for new staff to guide the latter in the performance of their work to develop work potential, and an adjustment of their attitude and practices to be in line with the Company's culture, creating a friendly working atmosphere.</li> </ul>
Health and Safety	<ul style="list-style-type: none"> <li>Give priority to the health and safety in work performance of both the staff and employees</li> </ul>	<ul style="list-style-type: none"> <li>The Company has established the Safety, Health and Environmental Committee to define policies and oversee an implementation of activities regarding working safety of employees, contractors and outsiders who come in to work for or use the service on the Company's premises. The activities carried out in 2017 were, for example, the 5s activity, air quality measurement in the workplace, a sanitizer service in the office building, training on fire escape and a demonstration of use of extinguishers.</li> <li>Provide for employees to have knowledge and understanding of first aid when an accident arises in the workplace, including a possible illness, aimed at employees' knowing how to give first aid to themselves and others.</li> <li>In 2017, there were no accidents nor serious sickness.</li> </ul>
Welfare	<ul style="list-style-type: none"> <li>Oversee and give importance to staff's personal life and family for a balanced personal life and working life, feeling happy in their work performance.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has provided welfare based on the concept of Happy Workplace, an organization of happiness, to create Work Life Balance, having balanced working life, personal life and family, as the following: <ul style="list-style-type: none"> <li>Provide for the staff's annual physical examination from a service of Bumrungrad International Hospital, a leading local hospital.</li> <li>Provide for Aerobic dance, yoga, badminton court and football field to encourage and promote staff's exercise.</li> <li>Provide for the body care activity to solve the problem of office syndrome for staff, aimed at reducing the symptoms of inflamed muscle and an ache in various organs, resulting in staff's sound quality of life and performance efficiency.</li> </ul> </li> </ul>

Core issue	Focused issue	Implementation
		<ul style="list-style-type: none"> <li>- Provide training and workshop for employees on knowledge of “Happy Money” and “Happy Retirement” by Bangkok Life Assurance Public Company Limited, aimed at their ability to make an individual financial plan to achieve the goal defined, apart from provide training for employees on “Fighting Debt” so that they are aware of the personal debt management and an impact of a lack of the financial discipline.</li> <li>- Organize New Year’s Staff Party to repay their devotion to work throughout the previous year, aimed at staff’s relaxed working atmosphere and getting together.</li> <li>- Carry out activities helping students of provincial schools, with an aim to encourage staff to have a mind to help others without expecting anything in return, via the 10<sup>th</sup> Bhappy<sup>3</sup> activity on “Tam Si Tern Suk Phue Suka A Na Mai Hai Nong” at Ban Nong Prue Noi School in Prachin Buri, aimed at promoting sound hygiene for children living in provincial areas by recruiting the public-minded staff conducting such activities for children as demonstration and implementation of louse elimination, teeth-brushing and making pop-up card. Besides, there is also the “Promote Students’ Reading Habit” project supporting the reading habit of students in 4 provincial schools, via such activities as library arrangement and procurement of books appropriate for students’ age, storytelling and teaching students to make pop-up cards.</li> <li>- Carry out an activity to make a study tour, for the 5<sup>th</sup> year, for merit following the footsteps of Lord Buddha at the Holy Land in India and Nepal in order to have more access and faith in Buddhism, creating one’s peace of mind and ability to consciously adapt it to one’s work and personal life. Additionally, the 60 participants have learned from their 9-day-and-night stay together, causing an understanding and tolerance among themselves, which helps reduce the gap between each one of them and incur smoother work performance.</li> <li>- Organize, for 4 times, the “Mind Spa” activity at a meditation practice school outside the Company in order for staff to practice meditation and calm their mind.</li> <li>- Carry out the “The Artificial Funeral Flower”</li> </ul>



Core issue	Focused issue	Implementation
		<p>activity in order for employees to express their loyalty in the Royal Cremation Ceremony of His Majesty King Bhumibol Adulyadej.</p> <ul style="list-style-type: none"> <li>- The Company and its employees have hosted a merit-making ceremony of Kathin at Wat Wangperm-Phrapavana in Nakhon Ratchasima</li> <li>- Establish a provident fund which employees save and use during retirement, while they can select a maximum cumulative rate of 15 percent.</li> <li>- Have a loan for employees at a lower interest rate than that in the market to help them in such necessary incidents as house construction, house buying, and medical expenses of employees' father, mother, child, or spouse.</li> <li>- Constantly provide for a temperature measurement as well as fungi, bacteria and viruses sanitizer in its employees' workplace to ensure its cleanness and safety.</li> <li>- On each floor of the Company's offices, an open, beautiful and ventilated space has been provided which is good for relaxation after work, or a meeting among staff during an afternoon break at 3 p.m., with a free refreshment service all day, such as clean drinking water, tea and coffee.</li> </ul>

### Development of Products and Innovations

With the people's constantly changing lifestyle and the progress of continuously developed technology, the Company has ceaselessly developed its products and service innovations which can respond to all groups of customers' demand, with customer centricity and greatest benefit, apart from being in sound accordance with the current situation. In 2017, the Company developed the following products and service innovations:

- **BKI EsCard - A New Form of the Insured's Card**

The Company has introduced its BKI EsCard, which is a new form of the insured's card that can be carried away and searched for one's motor insurance data via a smart phone instead of previously getting the insured's card and motor insurance policy in the form of coverage documents. The insured just add their BKI EsCard in a Wallet application and then are able to search for their own motor insurance data anywhere and at all times and can immediately make a report on motor claims online. In addition, the Company also provides an automatic notification of a policy renewal, including reporting on its promotions and privileges which the insured can implement by themselves in all steps, aimed at their convenience and quickness.

- **CTA Asian Delight**

The Company has provided comfort to tourists with its comprehensive travel accident insurance policy “CTA Asian Delight”, via a distribution channel on the Company’s website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com), which is a special package for a trip to Japan, South Korea and Taiwan for a period not exceeding 15 days, providing worthy coverage as the following:

- Loss of life, permanent dismemberment, loss of sight, or total permanent disability incurred by an accident, with coverage amounting to Baht 1.0 million
- Medical expenses incurred by an accident or sickness, with maximum coverage of Baht 2.0 million
- Expenses on emergency medical treatment and/or expenses on a evacuation and repatriation, with coverage amount to Baht 1.0 million
- Loss of baggage and personal effects inside the baggage not exceeding Baht 5,000 per item, with coverage of Baht 20,000
- Third party liability, with coverage totaling Baht 1.0 million
- Flight delay, with coverage amounting to Baht 4,000
- Hospital visit, with coverage of Baht 50,000

- **Bangkok Insurance, in Cooperation with Rabbit Finance, Distribute of Cancer Insurance via an Online Channel**

The Company, in collaboration with Rabbit Finance, a leading Thai online insurance broker, has distributed cancer insurance, “Cancer Saver”, the first place in Thailand having distribution phases through an online system, apart from being cancer insurance paying a full premium of 100 percent as soon as cancer is detected, without defining the type and period of cancer. Customers can have access to one-stop online insurance, all completed in one step, and they just login the Rabbit Finance’s website at [www.finance.rabbit.co.th](http://www.finance.rabbit.co.th) through an easy registration method by only filling in personal details and answering just 5 health questions. Customers will immediately have coverage without having to get any health examination.

Package 1 - Smart Plan: When an insurance policy is renewed, the coverage will be raised while a premium is not increased. The benefit is easily obtained by customers who suddenly receive a lump sum. Moreover, when a doctor diagnoses cancer, full coverage will be paid over every period. The singularity of this package is a steady rise in double coverage, at the maximum, for a policy which is renewed.

Package 2 - Extra Care: Pay full coverage and receive a double special lump sum. This package focuses on cancer frequently found in each gender, for instance, breast cancer in female, or liver cancer in male. If the cancer is detected as defined, the insured extraordinarily obtain double normal coverage.

Package 3 - Cancer Lite: Derive a lump sum along with monthly compensation. Since cancer treatment may take a long time and the burden of monthly expenses may arise, this package will help relieve it because apart from receiving normal coverage, the insured will also obtain additional monthly compensation.

Package 4 - Plus 2 in 1: Increase coverage and pay double. An outstanding point of this package is in case of a policy renewal, coverage will be suddenly raised, and if the defined cancer is detected (cancer frequently found in each gender), an additional extra benefit of double normal coverage will be obtained.



- **Cooperate with Counter Service in Distribution of Comprehensive Travel Accident Insurance in 7-Eleven Stores**

The Company, together with Counter Service, has sold a foreign travel insurance policy, "A Comfort to Travelers" through a service point in 7-Eleven stores round the clock. Customers just use their smartcard ID card and phone number to buy insurance which provides all-inclusive and complete coverage, whether loss of life and organ, or medical expenses, apart from innumerable other coverage, for instance, a loss of baggage and personal effects, a baggage delay, trip cancellation or trip curtailment, third party liability, flight delay and aircraft hijacking, and emergency call charges expenses, all of which will make customers feel confident and comfortable when they travel abroad, whether for a touring purpose or on business. The coverage starts when customers leave their home till they travel back to Thailand, with a premium beginning at Baht 177 and consisting of 3 option plans, starting with coverage of Baht 500,000, Baht 1,000,000 and Baht 2,000,000, respectively, for an alternative travel period of 1-10 days, 11-20 days and 21-30 days.

#### **Responsibility to Customers and Business Partners**

- **Data Disclosure**

The Company has disclosed its data and information, activities and movements through such channels as BKL News, e-mail, annual report, and the Company's website at [bangkokinsurance.com](http://bangkokinsurance.com) and Facebook Bangkok Insurance in order for its customers and business partners to access its data at all times, for instance, the Company's operations, financial standing, new products, benefits and welfare, and activities.

For new customers interested to buy insurance, they can immediately download detailed documents of policies or monitor premiums via the Company's website at [bangkokinsurance.com](http://bangkokinsurance.com) for a consideration of the coverage detail prior to a decision to buy insurance.

- **Reception of Complaints and Recommendations**

The Company has established a Quality Control Center to be in charge of receiving, from all channels, complaints and listening to opinions and recommendations from customers and business partners, under its international standard quality management ISO 9001:2015. Similarly, the Company has made an External Customer Complaint Report, informing departments concerned, apart from the Quality Control Center's making a phone call and following up and enquiring about customers' satisfaction after obtaining the Company's service, for an improvement of the quality and development of more efficient working procedures and services, which can respond to customers' demand and provide them with the greatest satisfaction.

- **Implement Standards for Creating Secure Credit Card Payment**

To generate the confidence for its customers using a credit card to pay for premiums, the Company has implemented a measure for preventing a leak of credit card data in conformity with the Payment Card Industry Data Security Standard (PCI-DSS) defined by a group of major global companies providing a credit card service, such as Visa, Mastercard and JCB. Under this Standard, the Company has to perform based on the measure established to ensure that customers' credit card data is strictly and safely kept, while only the concerned officer can have access to such data, for example, the determination of employees' rights to access credit card data, examination of a criminal record of staff having to involve with credit card data, arrangement of a restricted area for keeping credit card data documents, and improvement of an IT system to prevent a cyber-attack. These measures will cover all channels in which the customer uses a credit card to make a payment, whether a payment of premiums at the counter of the Company's Accounting and Treasury Department and regional branches, or a payment via the Internet.

## Environmental Management Implementation

The Company has given considerable importance to environmental management to ensure that the operations under its management system will not have any adverse environmental impact on society and communities, as well as encouraging its employees to know the good use of energy. Additionally, the Company has fully realized its employees' safety and hygiene in the organization, and has assigned related departments to implement their activities in compliance with the principles and requirements defined by laws as the following:

### 1. Energy Management

Since the Company is determined to have efficient and sustainable energy management, it has defined a policy on energy conservation as a guideline for energy management and has carried out an activity on reducing energy use in line with the Ministry of Energy's policy for 2012, focusing on the maintenance of machinery so that it can perform with full efficiency to save energy, besides using modern technology to monitor energy use.

A working committee on the energy management has successfully implemented and coordinated the work in conformity with the policy defined, by rallying energy preservation for the Company's staff's awareness of the significance of collective energy conservation, apart from making a continuous dissemination of information and knowledge to staff. In 2017, the Company had a project for a sustainable diminution in energy use, as the following:

1.1 A project on a change in an air-conditioning system on leasers' 12<sup>th</sup> -22<sup>nd</sup> floors from a refrigerant system to a cold-water system by beginning to lay down, throughout the year, cold-water pipes on all floors of leasers. Now, it is in the phase of changing air-conditioners, which is a final phase. It is expected that the project will be fully completed at the end of March 2018.

1.2 A study of the project on a change in an insulation of cold-water pipes, aimed at diminishing a loss of coolness in the cold-water distribution pipe system within the building.

### 2. Hygienic and Environmental Management

For its management of water and water quality, the Company has applied technology on water quality preservation ozone to the storage and raise of drinking water quality by adequately installing drinking water filters. It has also steadily maintained and changed filtering equipment, as well as strictly monitoring, at each checking period, the quality of both drinking and non-drinking water based on the Metropolitan Waterworks Authority's standards, apart from daily checking the amount of water used, to control an appropriate and non-wasteful use of water resources.

For environmental conservation, there has been an inspection of a wastewater disposal system and wastewater quality to ensure that it has a standard value in accordance with the Ministry of Natural Resources and Environment's declaration prior to discharging it into public drain pipes, including submitting a monthly report to the government agencies concerned.

Besides, the Company has provided for training of its staff taking charge of wastewater disposal system management to ensure that the wastewater disposal is always up to standard.

### 3. Air Quality Management

The Company has measured the quality of air within the office every year to make sure that it is up to the standard defined. Similarly, the Company has also selected environment-friendly office equipment, such as a photocopier and a multifunction machine which decrease an emission of carbon dioxide into the atmosphere, apart from frequently providing a sanitizer service, etc.

Additionally, the staff have derived training relating to air quality management so that the office's air quality is up to standard.

### 4. Garbage Management

The Company has given priority to its 5s (clear up, convenient, clean, sanitary and habitual) activity and

has therefore consistently arranged it every year to promote sound hygiene and the most beneficial and efficient use of office resources in order to reduce the amount of garbage in the office, which has an impact on the pollution and atmosphere in the workplace. Likewise, rubbish bins have been provided to sort out different kinds of garbage before dumping, for example, general rubbish, recycled rubbish and wet rubbish, such as food and drinks, so that usable garbage or materials will be subsequently reused and/or recycled materials will be sold to purchasers.

#### 5. Incident Prevention Management

Apart from the environmental management, the Company has also given priority to the safety of its staff, customers, business partners and users of services within the Company's building, and has thus established the Safety, Health and Environmental Committee to ensure that the performance in all activities under the Company's supervision is safe and correct based on the principle of hygiene and safety, with departments concerned overseeing the activities or performance as follows:

5.1 Formulate a plan on the strict maintenance/inspection of machinery, the electrical system, fire alarm system, fire extinguishment system and other systems to enhance the efficiency of the prevention of an incident within the building.

5.2 Set up an Emergency Rescue Team (ERT) having passed a training for preparedness to preliminarily quell an incident and help victims.

5.3 Provide a training course on the knowledge of basic fire extinguishment to employees.

5.4 Provide a training course on first aid.

5.5 Monitoring annually the safety in the building in accordance with the Building Control Act.

5.6 Provide a training course on self-defense against a fire or an earthquake.

#### Participation in the Development of Communities, Society and the Environment

Bangkok Insurance Public Company Limited has attached to its management based on the principle of good corporate governance and is responsible to society. The Company has firm resolution to constantly lend support to activities for society and the environment, apart from giving priority to sustainable development which can be concretely evaluated, to rehabilitate communities, aimed at their self-help in the long term with a hope that the overall society may live happily and harmoniously together, with a sound quality of life and a balanced and sustainable growth.

In 2017, the Company had conducted activities supporting education, religion and art and culture, public health, relief of public disasters, development of communities and the environment, and development of the quality of life, with the following details.

##### Education

##### Bangkok Insurance Scholarship Project

The Company has, since 1994 to present, granted scholarships to outstanding but poor students for their university education, totaling Baht 96,592,807. In 2017, 145 scholarships were granted to students totaling Baht 8,216,560. The grants included tuition fees, as well as expenses for food, accommodation and others. Additionally, the Company also had a project on injecting ethics, righteousness and public mindedness into those students. In 2017, the following activities were carried out.

- Rural development volunteer camp aimed at encouraging BKI scholarship students to have a public mind to help society. In 2017, BKI scholarship students conducted their development volunteer camp activity by painting the kindergarten school building, painting and drawing cartoons inside the school library building, adjusting the landscape around the school library building and teaching students to make pop-up cards, while the Company provided a budget for the school library improvement and presented books to promote students' reading habit, amounting to Baht 165,782 at Ban Phontoom Nongsang school, Tambon Phon Sawan, Amphoe Phon Sawan, Nakhon Phanom.



#### [Contributions to Foundations under Royal Patronage](#)

- A contribution of Baht 4 million to the Ananda Mahidol Foundation as scholarships for students having academic capabilities to have an opportunity to further their studies at the highest level in a foreign country so as to apply the knowledge learned to the development of the country for its progress.
- A contribution of Baht 2.5 million to the Chai Pattana Foundation to implement the royal initiative projects assisting people in such aspects as education, the environment and social development.
- A contribution of Baht 1.5 million to the “Graduates Go Home” project as scholarships for students under Royal Patronage.

#### [Promote Students’ Reading Habit Project](#)

The Company has implemented its “Promote Students’ Reading Habit” project to present as royal merit to His Majesty King Bhumibol Adulyadej by donating books telling, in an easy-to-understand pattern, a story of events occurring throughout the King’s reign to 70 schools in the royally initiated education fund which are in poverty-stricken areas. In addition, the Company has selected 9 schools in the education fund in order to carry out the reading habit project, with its public-minded staff, together with school students, participating in such activities as an arrangement of reading habit corner for Father, storytelling, paper-folding teaching and pop-up card making. In 2017, the activity had already been conducted in 3 schools and it will be conducted in the 6 remaining schools in 2018.

#### [Public Health](#)

##### [Mobile Medical Unit Service](#)

The Company, in collaboration with the Sirindhorn National Medical Rehabilitation Institute, through the former’s executives and public-minded staff, has provided a mobile medical service, and assistance at different points, such as the registration and patient selection point, supporting those coming for an examination to various points, and preparing equipment for the production and repair of limbs and additional body equipment at Chao Phya Abhaibhubejhr in Amphoe Mueang, Prachin Buri on May 8, 2017.

#### [Make a Contribution to the Ramathibodi Foundation](#)

The Company has made a contribution of Baht 1 million to the Ramathibodi Foundation for the project of Chakri Naruebodindra Medical Institute of Mahidol University and has presented a van to Mahidol University for use in receiving a cadaver’s body.



## Make a Contribution for Construction of Banphaeo Eye Hospital

The Company has made a contribution of Baht 50,000 in support of the charity mini-concert, "Sing for Help 2017", which is harmonic singing by the Hot Chilli Choir by KruRodj band. Such donation is a contribution for the construction of Banphaeo Eye Hospital, apart from an establishment of a research center for the blind, with a support of the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen.

### Present Accident Insurance Policy for the Disabled

The Company has presented 20 personal accident insurance policies (microinsurance) for the disabled to the Department of Empowerment of Persons with Disabilities, with maximum coverage of Baht 2 million, during the signing ceremony of memorandum of cooperation agreement between the Office of Insurance Commission (OIC) and the Ministry of Social Development and Human Security, aimed at introducing a system of insurance promoting a sound quality of life for persons with disabilities, children and juveniles.

## Relief of Natural Disasters

[Donate to Help Disaster Victims Project](#)

In 2017, the Company provided assistance to disaster victims suffering floods as the following:

- Present 4,000 sets of survival bags to flood victims in Nakhon Si Thammarat, Phatthalung and Songkhla.
- Distribute 1,000 items of rice cookers to people in Tambon Kamnerd Nopprakhun and Tambon Pongprasart, Amphoe Bang Saphan, Prachuab Khiri Khan.
- Distribute 2,200 sets of survival bags and drinking water to people in Sakon Nakhon and Nakhon Phanom.
- Provide assistance to 9 schools suffering from floods in Sakon Nakhon by presenting books, learning equipment and book shelves.
- Distribute 500 sets of survival bags and 6,000 bottles of drinking water to flood victims in Amphoe Sena, Phra Nakhon Si Ayutthaya.

## Development of Communities and the Environment

### Bhappy<sup>3</sup> Project

The Company, in collaboration with Bumrungrad International Hospital and Bangkok Life Assurance Public Company Limited, has organized the “Bhappy<sup>3</sup>” project, with the aim to have staff of the 3 organizations carry out activities benefiting society and the environment, including creating unity and good relations among themselves.

In 2017, the 10<sup>th</sup> time “Ruam Rang Ruam Jai Kub Bhappy<sup>3</sup>” activity on “Tam Si Term Suk Phue Suka A Na Mai Hai Nong” was held and led by members of the 3 aforementioned organizations’ management and public-minded staff who made a site visit to draw cartoon pictures and paint around the school, improve the school playground, as well as collectively generate sound hygiene for students, such as helping eliminate lice, teaching how to brush one’s teeth correctly and training students to use their creative thinking to invent pop-up cards, apart from making a contribution of Baht 350,000 to the school in support of its education.



#### 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-color 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 2017, the Company promoted the occupation for one more group of villagers which was a basket-weaving group at Moo Ban Nong Ian Dong in Amphoe Kam Cha-ee, Mukdahan.

#### Support the Rajapruk Institute Foundation

The Company has supported the Rajchapreuk Institute Foundation’s activities since 1986 till now. It has made a contribution in support of tree preservation and reforestation activities and other aspects of the environment, including steadily having its public-minded staff take part in the foundation’s activities. In 2017, the Company made a contribution of Baht 150,000 and submitted personal accident insurance policies to the foundation’s staff and members who conducted activities for 3 times.

#### Lost and Found Project

The Company has supported the “Lost and Found” project of the FM 91.0 MHz for a campaign on raising the people’s awareness of honesty to themselves and others, including a rally on the people’s doing good and having a public mind in collecting precious lost things and returning them to the owners, and thinking of others’ feeling in the same way as when our own things are lost, which is in compliance with the Company’s policy on encouraging and emphasizing its staff’s adherence to the service based on the concept of “Your Caring Partner” throughout. Furthermore, the Company has also given priority to such a project, which is a starting point in building moral support for and seeing the value of good people in society, which will become an expanding force in endlessly performing good deeds in a wider circle for other people.

#### Religion, Art and Culture

##### Mind Spa Project

The Company has encouraged and opened an opportunity for all levels of its employees to participate in studying Dharma and practicing meditation to generate happiness and develop the quality of work and daily life. In 2017, the project was organized for 4 times at Sangtham, Pakchong, Nakhon Ratchasima.

##### Dharma for Executives Project

The Company has invited, for 3 times, a monk from Rama IX Golden Jubilee Temple to give a talk on an application of Dharma principles to personnel resources management, and mind training through meditation practice

In addition, the Company has also provided a training course to promote staff’s working ethics, such as 70-year Bangkok Insurance focusing on being an organization of sound morality and working ethics.





## Kathin

The Company's management, together with its employees, agents and business partners, had collectively organized a merit-making ceremony of Kathin for 2017 at Wat Wangperm-Phrapavana in Amphoe Pak Chong, Nakhon Ratchasima, with a total merit money of Baht 1,269,279.25.

## Rehabilitation of Archaeological Sites of Ban Promthintai Project

The Company has, since 2007 till now, given support to the Faculty of Archaeology, Silpakorn University in rehabilitating archaeological sites and preserving historical objects at archaeological sites of Ban Promthintai in Lop Buri. In 2017, a community museum of Ban Promthintai was established, the inside of which is divided into 4 zones, namely, zone 1: messages from the past, zone 2: economy of ancient age at Ban Promthintai, zone 3: belief activities of people and classes, and zone 4: belief rituals and messages from objects in the grave.

## Special Projects Marking Bangkok Insurance's 70<sup>th</sup> Anniversary

On the special occasion of the 70<sup>th</sup> anniversary of its operation, the Company conducted projects and activities focusing on giving importance to people's well-being in terms of sound hygiene, aimed at promoting a good quality of life of socially underprivileged people so that they have robust health and a better standard of living. These extraordinary projects and activities have an implementation plan from 2016 to 2018 and are in addition to other projects regularly implemented annually.

### 1. Clean Drinking Water for Students in Rural Areas Project

The Company has arranged the "Clean Drinking Water for Students in Rural Areas" project by installing a water filtering system for students in schools where drinking water is unhygienic, apart from supporting maintenance costs and filter element costs. Water filters have already been installed in 74 schools as the following:



Clean Drinking Water for Students in Rural Areas Project			Clean Drinking Water for Students in Rural Areas Project		
Order	School Name	Province	Order	School Name	Province
1	Ban Thai Charoen	Sakon Nakhon	20	Kok Kham Lian	Sa Kaeo
2	Ban Than Samai		21	Ban Nong Kan Na Jarn	
3	Udomsangvorn Vitthaya		22	Ban Kham Nang Oak	
4	Ban Muang Vitthaya		23	Ban Pong Phon	
5	Anubarn Kusumarn		24	Pracha Kaset Pattana	
6	Ban Nong Pla Tong (Pracha Vitthayakarn)		25	Wat Putthisarn	
7	Ban Chanpen		26	Ban Klong Manow	
8	Ban Nong Pla Noi		27	Ban Nong Wang	
9	Ban Non Kung		28	Ban Thod Wong Somboon	Buri Ram
10	Ban Thung Pho		29	Or Phor Por Klong Nam Sai Moo Kao	
11	Ban Kor		30	Ban Tabang Samakki	
12	Wat Pa Nong Nok Kod		31	Ban Kra Thum Jarn Samakki	
13	Ban Phon Paeng		32	Ban Kok Sawang	Uttaradit
14	Ban Ba Nok Tha		33	Ban Pa Narm	
15	Ban Na Koi		34	Ban Sao Dieu Anusorn	
16	Ban Non Charoensin		35	Wat Wang Yang	
17	Narathib-Proi Supin	Mukdahan	36	Wat Klong Na Pong	
18	Ban Sarm Kua		37	Ban Den Darn	
19	Ban Phon Sawang		38	Na Noi Vitthaya	

Clean Drinking Water for Students in Rural Areas Project		
Order	School Name	Province
39	Ban Nong Muang	Nakhon Ratchasima
40	Ban Huay Kan	
41	Nong Prue Dang "Sirirad Pakarn"	
42	Ban Pong Jed	Ratchaburi
43	Wat Nong Bua Kai	
44	Ban Nong Wua Dharm	
45	Ban San Sai	Chiang Mai
46	Ban Tong Kai	
47	Wat Pracha Kasem (Nam Sum-Huay Kwang)	
48	Wat Bang Saparn Prapun Chananusorn	Phitsanulok
49	Wat Dong Koi	
50	Wat Ban Noi	
51	Wat Ban Non Ma Lai	Buri Ram
52	Ban Non Ya Nang	
53	Ban Kok Yai	
54	Wat Ban Lard	Lop Buri
55	Ban Bang Li (Suk Rat Rad Bumrung)	
56	Ban Tha Muang	

Clean Drinking Water for Students in Rural Areas Project		
Order	School Name	Province
57	Wat Nam Kork	Rayong
58	Wat Ban Dorn	
59	Wat Koh Loi	
60	Wat Phrae	Nakhon Si Thammarat
61	Wat Rad Charoen Vararam	
62	Wat Wang Khri	
63	Ban Kud Ling Ngor Nong Kae	Udon Thani
64	Ban Yang Song	
65	Wat Phraphutthachai	Saraburi
66	Wat Na Yao (Sam Nak Ngarn Salark Kin Bang Song Khroi)	
67	Wat NathiKhomkhet	Surat Thani
68	Ban Kuan Yung	
69	Wat Wang Hin	Chanthaburi
70	Wat Nong Si Ngar	
71	Non Sung	Ubon Ratchathani
72	Prasit Vitthaya	
73	Ban Plub Pla	Ang Thong
74	Wat Kaenchan (Chan Aieng Thabthim Radbumrung)	

## 2. Toilet Construction for Schools in Rural Areas Project

The Company has had a policy of upgrading the cleanness standard of a toilet of schools in remote areas so that it is up to the standard, aimed at creating the values and urging students and young people to have a conduct on using a toilet properly, focusing on development with respect to cleanness, sufficiency and safety for a sound hygiene through a construction of toilets in schools. In this connection, toilets have already been constructed for 46 schools.



Toilet Construction for Schools Project		
Order	School Name	Province
1	Navarajchakij Vitthayanusorn	Mukdahan
2	Ban Khua Sung	
3	Moo Ban Pa Mai	
4	Muang Paluka Koraphum	
5	Ban Song	
6	Ban Nong Phug Thob Phon Peg	
7	Ban Luang Nua	Si Sa Ket
8	Krue Wai Vitthayakhom	
9	Mae Sarn Samakki	

Toilet Construction for Schools Project		
Order	School Name	Province
10	Kaset Pracha Ta Tuad	Sakon Nakhon
11	Ban Dhon Auw	
12	Ban Guan Bun	
13	Ban Aum Phai	
14	Ban Chiang Peng	
15	Ban Non Charoensin	
16	Ban Tha Tako Lang	Ratchaburi
17	Chumchon Ban Bor	
18	Pong Jed	

Toilet Construction for Schools Project		
Order	School Name	Province
19	Ban Phon Ngarm	Ubon
20	Muang Sam Sib (Amnuaypunya)	Ratchathani
21	Wat Ban Lard	Lop Buri
22	Ban Wang Ta In	
23	Hin Kong Vitthaya	Khon Kaen
24	Ban Nong Hin	
25	Ban Yang Song	Udon Thani
26	Kut Ling Ngor Nong Kae	
27	Ban Kra-arn	Songkhla
28	Ban Na Juak Tepa	
29	Wat Chulajindaram	Pathum Thani
30	Ban Tha Pa Sak	Lamphun
31	Ban Hua Phai	Tak
32	Wat Wang Yang	Uttaradit
33	Ban Klang	Phitsanulok
34	Wat Phraphutthachai	Saraburi

Toilet Construction for Schools Project		
Order	School Name	Province
35	Ban San Sai	Chiang Mai
36	Mae Tha Vitthayakom	Lamphun
37	Ban Plubpla	Roi Et
38	Ban Salangpan Bhunyerng	Surin
39	Ban Tabang Samakki	Buri Ram
40	Wat Wang Hin (Jiangbunjong-radnukroh)	Chanthaburi
41	Wat Mukthara	Nakhon Si Thammarat
42	Ban Kuan Sa Kaeo	Trang
43	Wat Khun Krathing	Chumphon
44	Wat Kaengchan (Chan Aieng Thabthim Radbumrung)	Samut Songkhram
45	Ban Bor Srang Narakornprasart	Chiang Mai
46	Ban Sa More Thong	Uthai Thani

### 3. Construction of Heart Disease Building Project

The Company made a contribution of Baht 35,000,000 for a construction of a “Heart Disease Building for the Land” for Sakon Nakhon Hospital in Sakon Nakhon in comprehensive support of patients in Sakon Nakhon and neighboring areas.

### 4. Mobile Medical Service

On the special occasion of Bangkok Insurance’s 70<sup>th</sup> anniversary, it continues to provide a mobile medical service in underprivileged areas lacking access to medical and health services. The Company, via its management and Bumrungrad International Hospital’s doctors and nurses, has provided a medical service, such as an examination and treatment of diseases, and a dental service, apart from distributing basic necessities to people coming for treatment and donated items, for villagers of various areas in Sakon Nakhon and Mukdahan, at Wat Suanpa Rimtharn in Mukdahan.



## 5. Ventilator Donations to Hospitals in Need

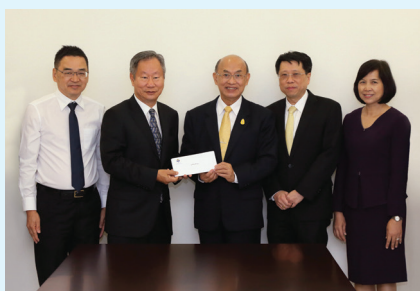
Since the Company fully realizes that, currently, hospitals throughout the country still lack necessary medical equipment, notably ventilators which are essential for sustaining one's body to overcome a critical period and expanding treatment for him/her to return to a normal life, it has arranged a project on providing ventilators to hospitals across the country. The Company has continuously submitted them since 2016 till 2018, totaling 44 ventilators, to the following hospitals:

Name of Hospital Submitted Ventilators		
Hospital	Province	Number (Machine)
Sakon Nakhon Hospital	Sakon Nakhon	2
Udon Thani Hospital	Udon Thani	1
Chaiyaphum Hospital	Chaiyaphum	2
Chiang Rai Prachanukroh Hospital	Chiang Rai	1
Chon Buri Hospital	Chon Buri	2
Warinchamrab Hospital	Ubon Ratchathani	1
Khon Kaen Hospital	Khon Kaen	5
Phraphutthabat Hospital	Saraburi	1
Sawanpracharak Hospital	Nakhon Sawan	2
Surin Hospital	Surin	1
Rayong Hospital	Rayong	2
Sena Hospital	Phra Nakhon Si Ayutthaya	1
Surat Thani Hospital	Surat Thani	3
Buddhachinaraj Hospital	Phitsanulok	2
Songkhla Hospital	Songkhla	1
Sungai Kolok Hospital	Narathiwat	2
Pakchongnana Hospital	Nakhon Ratchasima	1

Name of Hospital Submitted Ventilators		
Hospital	Province	Number (Machine)
Somdej Phrasangkaraj Ong Thi Sib Kao Amphoe Tha Muang Hospital	Kanchanaburi	1
Chumphon Khet Udomsakdi Hospital	Chumphon	1
Thungsong Hospital	Nakhon Si Thammarat	1
Maesot General Hospital	Tak	1
Sunpasitthiprasong Hospital	Ubon Ratchathani	1
Buddhasothorn Hospital	Chachoengsao	2
Somdej Phrayuppharaj Hospital	Sa Kaeo	1
Chandru Kanphaeng Sean Hospital	Nakhon Pathom	1
Ratchaburi Hospital	Ratchaburi	1
Phutthachinnaraj Hospital	Phitsanulok	1
Maharaj Nakorn Chiang Mai Hospital	Chiang Mai	1
Yala Hospital	Yala	1

## 6. Support the Foundation of Virtuous Youth

The Company distributed Baht 1 million to the Foundation of Virtuous Youth to use for conducting activities of schools with sound morality in compliance with royal consideration, concentrating on the development of teachers' potential relating to learning innovations and an integration of knowledge and virtue, aimed at developing righteousness and morality among students.



#### 7. Support the Sirindhorn National Medical Rehabilitation Institute

The Company has continuously made a contribution of Baht 1.0 million each year to Foundat for the Sirindhorn National Medical Rehabilitation Institute. In 2017, the Company supported a budget for the construction of a musical therapy building inside the Institute. In addition, the Company's management and public-minded staff took part in an activity of providing a mobile medical service of the Sirindhorn National Medical Rehabilitation Institute through giving assistance at different points, such as the registration and patient selection point, supporting those coming for an examination to various points, and preparing equipment for the production and repair of limbs and additional body equipment at Chao Phraya Apaipobeth Hospital in Amphoe Muang, Prachin Buri on May 8, 2017.

#### 8. 70<sup>th</sup> Anniversary Cancer Insurance Policy Project

The Company has arranged the "70<sup>th</sup> Anniversary Cancer Insurance Policy" by contributing part of its income from selling such cancer insurance as a contribution to the National Cancer Institute for utilization in its work performance. The Company made a contribution of Baht 1,250,000, derived from a sale of insurance in such project, to the National Cancer Institute Foundation on November 29, 2017.

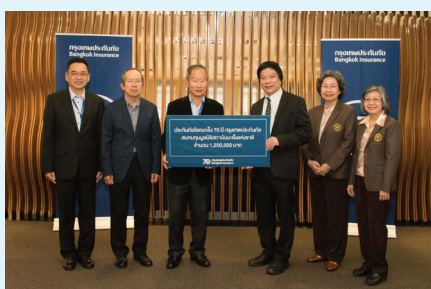
#### 9. Blood Donation to the Thai Red Cross Society Project

On the special occasion of its 70<sup>th</sup> anniversary, the Company has persuaded its management, employees, customers, business partners and the general public to donate blood, at its headquarters, to the Thai Red Cross Society, apart from persuading people in all regions of the country, carried out by 34 of the Company's regional branches, to donate blood so that there is enough blood for treatment of patients in hospitals nationwide, while part of it will be kept as a reserve for emergency use, with a target for a donation reception of 7,000,000 c.c. of blood. From 2016 to 2017, a total of 9,741,150 c.c. of blood was donated, which is beyond the target defined.

#### 10. Group Ordination Project

The Company has arranged the group ordination project to offer as royal merit to His Majesty King Bhumibol Adulyadej, with 33 members of the Company's management and employees taking part in the ordination and study of Buddhist disciplinary rules at Rama IX Golden Jubilee Temple between March 18-24, 2017, besides making a trip to practice Dharma at Wat Doi Dharmajedi in Amphoe Kok Srisuphan, Sakon Nakhon between March 25 - April 6, 2017, totaling 21 days. Furthermore, on the occasion of Asalha Bucha Day, the Company's management and employees who participated in the group ordination have volunteered to assist in various affairs at Wat Doi Dharmajedi and Wat Suanparimthan, for instance, taking care of monk groups coming from other temples to join an event organized on Asalha Bucha Day, arranging a resting place for monks, doing culinary work, overseeing cleanness in the temple vicinity, etc.

All of the above-mentioned activities have arisen out of the Company's public-minded staff's concerted efforts and cooperation, all having the same goals and objectives of having society overall living happily and harmoniously, as well as having sustainable and sound quality of life, under the Company's encouragement and support of its employees to take "Your Caring Partner" into consideration, apart from being quality people and having sound morality and righteousness. Additionally, the Company firmly believes that its business transactions with responsibility to all groups of stakeholders, such as the Company's customers, business partners, shareholders, competitors, employees, and society at large, is a significant foundation leading to the Company's stable and sustainable business growth throughout.





# 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 Tdvc. Col. Plengsakdi Prakaspesat, Committee Chairman, and Miss. Potjane Thanavarani and Mr. Chor.nun Petpaisit, Committee Members.

In 2017, the Audit Committee convened 4 meetings, attended by the President, Executive Vice President of Accounting and Treasury Department and Company Secretary, and First Vice President of Internal Audit Office. It further convened another 2 meetings with independent auditors without the attendance of the Company's management to implement duties assigned by the Board of Directors as summarized below:

**1. Reviewing 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 Thai Financial Reporting 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 Internal Audit Office for 2017, examined the report on audit consequences based on the plan, as well as made suggestions for the efficiency and effectiveness of the Internal Audit Office'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 Miss Rachada Yongsawadvanich and/or Miss Somjai Khunapasut and/or Mrs. Ratana Jala of EY Office Limited as auditors for the year 2017, with the remuneration of Baht 2,430,000.

**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 regular transactions. 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.



(Tdvc. Col. Plengsakdi Prakaspesat)  
Chairman of the Audit Committee

# REPORT OF THE REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee has been assigned the duty to ensure that the Company has an appropriate structure of the Board of Directors, as well as the appropriate number of its members necessary for the Company to carry on its business activities and objectives, select a suitable and qualified person to supersede a Board member, the Chief Executive Officer and President in case of completing his term, resignation or other reasons. The Committee has also been assigned to ensure that the Company has well-defined compensation policies and benefits for its directors and officers to perform their duties effectively and efficiently. Realizing that the nomination of competent persons to the Company's key positions has efficiently helped advance the achievement of its vision and policies, coupled with the fact that proper remuneration is a factor generating an incentive for one to perform effectively, the Board of Directors, in 2017, had appointed one director to replace the director who resigned to the Board to oversee the Company's administration, apart from generating the operating performance benefiting shareholders and all groups of stakeholders, through the nomination of the Company's outsiders.

The Remuneration and Nomination Committee has performed duties assigned to it in a prudent, cautious and reasonable manner, taking into account the remuneration based on both internal and external factors, compared to the Company's defined targets. As a consequence, for consideration of Board members' remuneration in 2017, the remuneration was defined at the shareholders' meeting at Baht 12,500,000, equal to that in the previous year.

In 2017, the Remuneration and Nomination Committee convened 2 meetings and disclosed the remuneration of the Company's Board members and management in the Company's annual report for transparency of an examination.



(Mr. Singh Tangtaswas)

Chairman of the Remuneration and Nomination Committee

# REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Bangkok Insurance Public Company Limited's Board of Directors has given considerable importance to the principle of corporate governance since it realizes that a corporate governance system ensures organizational management that is transparent, accurate, fair and examinable. As a consequence, the Company's business transactions are based on the principle of ethics and good corporate governance in parallel with responsibilities to society and the environment, aimed at the efficient and effective development of the Company's management, generating confidence and trust among shareholders, investors, stakeholders and all parties concerned, leading to business prosperity and progress, together with the Company's participation in sustainable social development.

The Company's Board of Directors has assigned the Corporate Governance Committee, comprising 3 members, to have duties on providing recommendations to the Board concerning a guideline for good corporate governance, apart from verifying the Company's Board and Management's overseeing and performance to ensure that they are based on the principle of good corporate governance and in compliance with the SET requirements and ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

In 2017, the Corporate Governance Committee had arranged meetings to follow up the Company's performance on good corporate governance, risk management, responsibilities to society and the environment, as well as sustainable development. A summary of its activities is listed below.

1. To consider and review the Company's policy on good corporate governance so that the Company's business transaction is in line with the SET's principles of good corporate governance, including the recommendations and suggestions from the IOD's Corporate Governance Assessment Report, which has been improved to be in accordance with the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

2. To consider and review the application of the SEC's practices based on the principle of good corporate governance for listed companies for 2017 to the Company's business context, aimed at the Company's business transactions having long-term sound operating results and generating sustainable value.

3. To consider and review the Company's ethics of business transactions, aimed at being a strict performance guideline for the Company's Board directors, executives and employees, apart from the training on knowledge of the Company's ethics of business transactions for all levels of the Company's employees.

4. To consider the performance consequence of the Company's risk management through a review of the policy on risk management in order to submit it to the Office of Insurance Commission (OIC), a review of risk index, a consideration of the organization's risk management evaluation consequence, verification of the data on financial ratio used in the advance risk warning signal system, and verification of the fund maintenance based on the risk level.

5. Consider the performance consequence of the Company's responsibilities to society and the environment by providing recommendations on carrying out activities to help society and the environment, which is part of good corporate governance displaying the Company's responsibilities to society and the environment, which should get support and a rally for further public relations.

With a strong determination and intention of its performance based on transparency and fairness, for the greatest benefit to all groups of stakeholders, the Company received in 2017 an assessment from the Thai Investors Association a score of 100 out of a total of 100, or Excellence and Appropriate as an Example, in a quality evaluation of the Company's shareholders' general meeting (AGM Checklist) in 2017.

The Company's Corporate Governance Committee is determined to develop its good corporate governance system in order to promote and boost the standard of the Company's good corporate governance principle so that it is universally acceptable.



(Mr. Virasak Sutanthavibul)

Chairman of the Corporate Governance 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 effective internal control system as well as an appropriate and efficient risk management 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, 2017. 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, operational consequences and cash flows in accordance with financial statements standards.



(Tdv. Col. Plengsakdi Prakaspesat)

Chairman

# REPORT OF INDEPENDENT AUDITOR

To the Shareholders of Bangkok Insurance Public Company Limited

## Opinion

I have audited the accompanying financial statements of Bangkok Insurance Public Company Limited (“the Company”), which comprise the statement of financial position, in which the equity method is applied, as at 31 December 2017, and the related statements of comprehensive income, changes in owner’s equity and cash flows, in which the equity method is applied, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and also audited the separate financial statements of Bangkok Insurance Public Company Limited for the same period.

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

## Basis for Opinion

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

## Key Audit Matters

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

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

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

## *Gross premium written*

In 2017, the Company had gross premium of Baht 15,941 million written. The Company accepted insurance from retail customers through brokers and agents and there have been a large number of insurance policies written. Calculation and recognition of gross premium written as earned revenue were dependent upon the information technology (IT) systems. I therefore focused on examining that gross premium written was correctly recognised as actually incurred.

I assessed and tested, on a sampling basis, the IT controls relevant to calculation and recognition of gross premium written. I checked, on a sampling basis, key data in reports relevant to insurance premium and reviewed the insurance policies and endorsement transactions occurring during the accounting period and after the reporting period-end. In addition, I performed analytical procedures on disaggregate gross premium written by insurance types, and tested key manual adjustments made through journal vouchers.

### *Loss reserves*

As at December 31, 2017, the Company had loss reserves of Baht 6,422 million (included as a part of insurance contract liabilities), representing 26 percent of total liabilities. Loss reserves included both claims incurred and reported and claims incurred but not yet reported. Such reserves were calculated using actuarial method, which involved certain assumptions that required the management to exercise a high level of considerable judgment in estimation of such reserves. I therefore focused on adequacy of loss reserves.

I assessed and tested, on a sampling basis, the operation of the Company's internal controls relevant to recognition of loss reserves. I assessed and tested, on a sampling basis, key assumptions and calculation of loss reserves. I checked, on a sampling basis, claim data against documents of major claims. I performed analytical procedures on frequency of claims and average loss per claim. Furthermore, I involved the experts to perform an independent actuarial review of certain model points used in calculation of loss reserves.

### *Allowances for doubtful accounts and impairment*

As at December 31, 2017, the Company had outstanding balances of premium receivables, reinsurance assets (loss reserves refundable from reinsurers), and reinsurance receivables totaling Baht 5,979 million (before allowances for doubtful accounts and impairment of Baht 66 million), representing 10 percent of total assets. In estimating allowances for doubtful accounts and impairment on such assets, the management is required to exercise judgement on certain assumptions used in calculation of losses that may be incurred on irrecoverable debts and assets. I therefore focused on adequacy of such allowances.

I assessed and tested, on a sampling basis, the operation of internal controls of the Company in relation to recording of collections from the brokers, agents and reinsurers, the calculation and recognition of allowance for doubtful accounts. Furthermore, I tested, on a sampling basis, data and method used in calculation of allowance for doubtful accounts, calculation of aging status and calculation of such allowances.

### *Allowance for impairment on investments*

As at December 31, 2017, the Company had investments in associates and general investments, stated at cost less allowance for impairment in the separate financial statements, totaling Baht 844 million. In consideration of allowance for impairment, the management is required to exercise a high level of considerable judgment in selection of valuation methods and assumptions used for valuation such as discounted rate, growth rate, expected future revenue and so on. Such fair value assessment related to an estimation of future cash flows each entity would generate, which were uncertain. I therefore focused on adequacy of allowance for impairment on investments.

I assessed the valuation models used by the Company's management and tested, on a sampling basis, key assumptions used in valuation by comparing the applied discounted rates with industry's information and comparing the expected cash flows with historical financial performance and industry's trend and tested the fair value calculation.

### *Other Information*

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Responsibilities of Management and those Charged with Governance for the Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 21 February 2018

# STATEMENTS OF FINANCIAL POSITION

As at December 31, 2017 and 2016

(Baht'000)

Assets	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Cash and Cash Equivalents	6	399,584	412,484	399,584	412,484
Premium Receivables - net	7	2,401,046	2,301,968	2,401,046	2,301,968
Accrued Investment Income		94,695	54,217	94,695	54,217
Reinsurance Assets - net	8	5,487,396	4,886,344	5,487,396	4,886,344
Reinsurance Receivables - net	9	239,202	131,231	239,202	131,231
Investment Assets					
Investments in Securities - net	10	47,819,625	45,656,858	47,819,625	45,656,858
Loans	11	1,359,308	1,427,371	1,359,308	1,427,371
Investments in Associates	12.1	214,936	207,373	134,395	134,395
Investment Properties - net	13	169,666	186,896	169,666	186,896
Premises and Equipment - net	14	1,007,214	1,157,711	1,007,214	1,157,711
Intangible Assets - net	15	226,579	277,358	226,579	277,358
Other Assets					
Land and Building Leasehold Rights - net		48,954	53,968	48,954	53,968
Others		634,575	578,824	634,575	578,824
<b>Total assets</b>		<b>60,102,780</b>	<b>57,332,603</b>	<b>60,022,239</b>	<b>57,259,625</b>

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

As at December 31, 2017 and 2016

(Baht'000)

Liabilities and Owners' Equity	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Liabilities</b>					
Insurance Contract Liabilities	17	13,762,343	13,480,672	13,762,343	13,480,672
Due to Reinsurers	18	2,051,516	1,931,712	2,051,516	1,931,712
Income Tax Payable		112,218	132,440	112,218	132,440
Employee Benefit Obligations	19	351,203	318,971	351,203	318,971
Deferred Tax Liabilities	16.1	5,039,465	4,773,816	5,023,357	4,759,221
Other Liabilities					
Premiums Received in Advance		1,802,396	1,705,263	1,802,396	1,705,263
Commission Payables		333,857	381,759	333,857	381,759
Accrued Expenses		635,001	515,149	635,001	515,149
Liabilities under Finance Lease Agreements	20	65,007	68,685	65,007	68,685
Others		804,332	770,407	804,332	770,407
<b>Total Liabilities</b>		<b>24,957,338</b>	<b>24,078,874</b>	<b>24,941,230</b>	<b>24,064,279</b>
<b>Owners' Equity</b>					
Share Capital	21				
Registered, Issued and Paid up 106,470,000 Ordinary Shares of Baht 10 each		1,064,700	1,064,700	1,064,700	1,064,700
Share Premium		1,442,500	1,442,500	1,442,500	1,442,500
Retained Earnings					
Appropriated					
Statutory Reserve	22	106,470	106,470	106,470	106,470
Other Reserve		3,100,000	3,100,000	3,100,000	3,100,000
Unappropriated		6,381,857	5,472,712	6,317,424	5,414,329
Other Component of Owners' Equity		23,049,915	22,067,347	23,049,915	22,067,347
<b>Total Owners' Equity</b>		<b>35,145,442</b>	<b>33,253,729</b>	<b>35,081,009</b>	<b>33,195,346</b>
<b>Total Liabilities and Owners' Equity</b>		<b>60,102,780</b>	<b>57,332,603</b>	<b>60,022,239</b>	<b>57,259,625</b>

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



# STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2017 and 2016

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2017	2016	2017	2016
<b>Profit or Loss:</b>					
<b>Revenues</b>					
Gross Premium Written		15,940,907	16,031,324	15,940,907	16,031,324
Less: Premium Ceded to Reinsurers		(4,982,377)	(4,935,501)	(4,982,377)	(4,935,501)
Net Premium Written		10,958,530	11,095,823	10,958,530	11,095,823
Add (Less): Unearned Premium Reserves (Increased) Decreased from Prior Year		82,786	(34,241)	82,786	(34,241)
Net Earned Premium		11,041,316	11,061,582	11,041,316	11,061,582
Commission and Brokerage Fee Income		1,063,698	1,023,441	1,063,698	1,023,441
Shares of Profits from Investments in Associate Accounted for under the Equity Method	12.2	12,018	8,719	-	-
Investment Revenue		1,139,395	1,125,896	1,143,851	1,125,896
Gains on Investments		124,136	69,834	124,136	69,834
Other Income		180,075	168,305	180,075	168,305
<b>Total Revenues</b>		<b>13,560,638</b>	<b>13,457,777</b>	<b>13,553,076</b>	<b>13,449,058</b>
<b>Expenses</b>					
Gross Claims		8,249,798	7,056,051	8,249,798	7,056,051
Less: Claim Recovery from Reinsurers		(2,551,927)	(1,492,752)	(2,551,927)	(1,492,752)
Commission and Brokerage Expenses		2,100,216	2,161,996	2,100,216	2,161,996
Other Underwriting Expenses		1,920,334	1,806,551	1,920,334	1,806,551
Operating Expenses	24	986,582	1,012,932	986,582	1,012,932
Investment Expenses		89,715	87,336	89,715	87,336
Finance Costs		3,618	3,768	3,618	3,768
<b>Total Expenses</b>	25	<b>10,798,336</b>	<b>10,635,882</b>	<b>10,798,336</b>	<b>10,635,882</b>
<b>Profits before Income Tax Expenses</b>		<b>2,762,302</b>	<b>2,821,895</b>	<b>2,754,740</b>	<b>2,813,176</b>
Less: Income Tax Expenses	16.2	(359,205)	(396,107)	(357,693)	(394,363)
<b>Profits for the Years</b>		<b>2,403,097</b>	<b>2,425,788</b>	<b>2,397,047</b>	<b>2,418,813</b>

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

For the years ended December 31, 2017 and 2016

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2017	2016	2017	2016
<b>Other Comprehensive Income:</b>					
Items to be Recognised in Profit or Loss in Subsequent Periods:					
Gains (Losses) on Revaluation of Available - for - sale Investments		1,228,210	(2,842,663)	1,228,210	(2,842,663)
Add (less): Income Taxes		(245,642)	568,533	(245,642)	568,533
Items to be Recognised in Profit or Loss in Subsequent Periods - Net of Income Taxes		982,568	(2,274,130)	982,568	(2,274,130)
Items not to be Recognised in Profit or Loss in Subsequent Periods:					
Actuarial Gains (Losses)		(4,236)	4,242	(4,236)	4,242
Add (Less): Income Taxes		847	(849)	847	(849)
Items not to be Recognised in Profit or Loss in Subsequent Periods - Net of Income Taxes		(3,389)	3,393	(3,389)	3,393
<b>Other Comprehensive Income (Loss) for the Years</b>		979,179	(2,270,737)	979,179	(2,270,737)
<b>Total Comprehensive Income for the Years</b>		3,382,276	155,051	3,376,226	148,076
<b>Earnings Per Share:</b>	27				
Basic Earnings Per Share					
Profits for the Years		22.57	22.78	22.51	22.72

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

# STATEMENTS OF CASH FLOWS

For the years ended December 31, 2017 and 2016

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2017	2016	2017	2016
<b>Cash Flows from (Used in)</b>					
<b>Operating Activities</b>					
Direct Premium Written		15,392,125	15,401,688	15,392,125	15,401,688
Cash Paid for Reinsurance		(1,841,990)	(2,123,062)	(1,841,990)	(2,123,062)
Interest Income		265,852	360,433	265,852	360,433
Dividend Income		836,832	793,164	836,832	793,164
Other Investment Revenue		144,951	141,901	144,951	141,901
Other Income		28,721	22,466	28,721	22,466
Losses Incurred on Direct Insurance		(7,067,454)	(6,989,769)	(7,067,454)	(6,989,769)
Commissions and Brokerages on Direct Insurance		(1,995,364)	(1,998,233)	(1,995,364)	(1,998,233)
Other Underwriting Expenses		(2,150,902)	(2,052,149)	(2,150,902)	(2,052,149)
Operating Expenses		(863,454)	(730,052)	(863,454)	(730,052)
Investment Expenses		(63,022)	(60,657)	(63,022)	(60,657)
Income Taxes		(358,179)	(381,090)	(358,179)	(381,090)
Investments in Securities		(570,883)	(514,673)	(570,883)	(514,673)
Loans		68,063	400,306	68,063	400,306
Deposits at Financial Institutions		(220,920)	(507,257)	(220,920)	(507,257)
<b>Net Cash Provided by Operating Activities</b>		<b>1,604,376</b>	<b>1,763,016</b>	<b>1,604,376</b>	<b>1,763,016</b>
<b>Cash Flows from (Used in)</b>					
<b>Investing Activities</b>					
Cash Flows from					
Premises and Equipment		7,250	4,189	7,250	4,189
Cash from Investing Activities		7,250	4,189	7,250	4,189
Cash Flows Used in					
Premises and Equipment		(99,717)	(209,322)	(99,717)	(209,322)
Intangible Assets		(34,246)	(94,609)	(34,246)	(94,609)
Cash Used in Investing Activities		(133,963)	(303,931)	(133,963)	(303,931)
<b>Net Cash Used in Investing Activities</b>		<b>(126,713)</b>	<b>(299,742)</b>	<b>(126,713)</b>	<b>(299,742)</b>

For the years ended December 31, 2017 and 2016

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2017	2016	2017	2016
Cash Flows from (Used in) Financing Activities					
Dividends Paid	28	(1,490,563)	(1,357,493)	(1,490,563)	(1,357,493)
Net Cash Used in Financing Activities		(1,490,563)	(1,357,493)	(1,490,563)	(1,357,493)
Net Increase (Decrease) in Cash and Cash Equivalents		(12,900)	105,781	(12,900)	105,781
Cash and Cash Equivalents at Beginning of the Years		412,484	306,703	412,484	306,703
Cash and Cash Equivalents at End of the Years		399,584	412,484	399,584	412,484

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

# STATEMENTS OF CHANGES IN OWNERS' EQUITY

For the years ended December 31, 2017 and 2016

Financial Statements in which the Equity Method is Applied	Note	Issued and Paid-up Share Capital	Share Premium
Balance as at January 1, 2016		1,064,700	1,442,500
Dividend Paid	28	-	-
Profit for the Year		-	-
Other Comprehensive Income (Loss) for the Year		-	-
Balance as at December 31, 2016		1,064,700	1,442,500
Balance as at January 1, 2017		1,064,700	1,442,500
Dividend Paid	28	-	-
Profit for the Year		-	-
Other Comprehensive Income (Loss) for the Year		-	-
Balance as at December 31, 2017		1,064,700	1,442,500

Separate Financial Statements	Note	Issued and Paid-up Share Capital	Share Premium
Balance as at January 1, 2016		1,064,700	1,442,500
Dividend Paid	28	-	-
Profit for the Year		-	-
Other Comprehensive Income (Loss) for the Year		-	-
Balance as at December 31, 2016		1,064,700	1,442,500
Balance as at January 1, 2017		1,064,700	1,442,500
Dividend Paid	28	-	-
Profit for the Year		-	-
Other Comprehensive Income (Loss) for the Year		-	-
Balance as at December 31, 2017		1,064,700	1,442,500

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

(Baht'000)

Retained Earnings			Other Component of Equity	Total
Appropriated		Unappropriated	Revaluation Surplus on Available-for-Sale Investments-Net of Income Taxes	
Statutory Reserve	Other Reserve			
106,470	3,100,000	4,401,023	24,341,477	34,456,170
-	-	(1,357,492)	-	(1,357,492)
-	-	2,425,788	-	2,425,788
-	-	3,393	(2,274,130)	(2,270,737)
106,470	3,100,000	5,472,712	22,067,347	33,253,729
106,470	3,100,000	5,472,712	22,067,347	33,253,729
-	-	(1,490,563)	-	(1,490,563)
-	-	2,403,097	-	2,403,097
-	-	(3,389)	982,568	979,179
106,470	3,100,000	6,381,857	23,049,915	35,145,442

(Baht'000)

Retained Earnings			Other Component of Equity	Total
Appropriated		Unappropriated	Revaluation Surplus on Available-for-Sale Investments-Net of Income Taxes	
Statutory Reserve	Other Reserve			
106,470	3,100,000	4,349,615	24,341,477	34,404,762
-	-	(1,357,492)	-	(1,357,492)
-	-	2,418,813	-	2,418,813
-	-	3,393	(2,274,130)	(2,270,737)
106,470	3,100,000	5,414,329	22,067,347	33,195,346
106,470	3,100,000	5,414,329	22,067,347	33,195,346
-	-	(1,490,563)	-	(1,490,563)
-	-	2,397,047	-	2,397,047
-	-	(3,389)	982,568	979,179
106,470	3,100,000	6,317,424	23,049,915	35,081,009

# NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2017 and 2016

## 1. Corporate Information

Bangkok Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand, and listed on the Stock Exchange of Thailand. The Company’s major shareholder is Bangkok Bank Public Company Limited whereby as at December 31, 2017 and 2016, such major shareholder held 9.97% of the issued and paid-up ordinary shares of the Company. The Company is principally engaged in the provision of non-life insurance. The Company’s registered office is located at No. 25, Bangkok Insurance Building, South Sathon Road, Tung Ma Ha Mek, Sathon, Bangkok.

## 2. Basis for Preparation of Financial Statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of non-life insurance companies dated March 4, 2017.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding a summary of significant accounting policies.

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

### 2.1 The Financial Statements in which the Equity Method is Applied

The Company has prepared the financial statements, in which equity method is applied, which have presented investments in associates under the equity method.

### 2.2 Separate Financial Statements

The Company has prepared its separate financial statements, which have presented investments in associates under the cost method.

## 3. New Financial Reporting Standards

### 3.1 Financial Reporting Standards that Became Effective in the Current Year

During the year, the Company have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, one standard that directly relevant to the Company changes to key principles, which are summarised below.

#### TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment and if an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively. Hence, the management decided to continue its accounting treatment on its investments in associates under the cost method in the separate financial statements and therefore there is no impact on these separate financial statements.



### 3.2 Financial Reporting Standard that will Become Effective in the Future

During the year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The management of the Company believes that the revised financial reporting standards will not have any significant impact on the Company's financial statements when they are initially applied.

## 4. Significant Accounting Policies

### 4.1 Revenue Recognition

#### (a) Gross Premium Written

Gross premium written consists of direct premium and reinsurance premium less premium of the canceled policies and premium refunded to the policy holders and is adjusted by unearned premium reserves.

Direct premium is recognised as revenue when the insurance policy comes into effect. For long-term insurance policies with a coverage period of longer than 1 year, premiums are recorded as premiums received in advance and will be gradually recognised as revenue on a yearly basis over the coverage period.

Reinsurance premium is recognised as revenue 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 revenue over the period in which the related services are rendered.

#### (c) Investment Revenues

Interest on investments, both in the form of lending or investing in debt securities and deposits, is recognised as revenue on an accrual basis. Interest on loans is recognised as revenue over the term of the loans based on the amount of outstanding principal. No accrual is made for loans with interest default over six continuous months. Interest on investments in debt securities is recognised as revenue on the effective interest rate over the investment holding periods. Interest on deposits is recognised as revenue over the term of deposits on an accrual basis.

Dividends on investments are recognised as revenues when the right to receive the dividend is established.

#### (d) Gains (Losses) on Investments

Gains (losses) on investments are recognised as revenue or expense on the transaction dates.

### 4.2 Expenses Recognition

#### (a) Premium Ceded to Reinsurers

Premium ceded to reinsurers are recognised as expenses when the insurance risk is transferred to another reinsurer at amount per policy.

#### (b) Gross Claims

Gross claims consist of claims and losses adjustment expenses of direct insurance and reinsurance for both reported and not reported claims, which include the amounts of claims, related expenses, and loss adjustments of current and prior period claims incurred during the year, less residual value and other recoveries (if any) and claims refundable from reinsurers.

Gross claims 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 refundable from reinsurers are recognised as deduction item against gross claims when claims are recorded by the condition in the relevant reinsurance contract.

(c) Commission and Brokerage Expenses

Commission and brokerage expenses are expended when incurred.

(d) Other Underwriting Expenses

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

(e) Operating Expenses

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

#### 4.3 Product Classification

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

The Company classifies contracts based on assessment of the significance of the insurance risk at inception of contract, for each contract. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime. A contract classified as an investment contract at inception can be reclassified as an insurance contract after inception if the insurance risk becomes significant.

#### 4.4 Cash and Cash Equivalents

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

#### 4.5 Premium Receivables and Allowance of Doubtful Accounts

Premium receivables from direct insurance are stated at their net realisable values. The Company sets up an allowance for doubtful accounts based on the estimated loss that may incur in collection of the premium receivables, on the basis of collection experiences, analysis of debtor aging and a review of current status of the premium receivables as at the end of the reporting periods.

#### 4.6 Reinsurance Assets

Reinsurance assets are stated at the amounts of insurance reserves refundable from reinsurers, which consist of (a) loss reserves and (b) unearned premium reserves that are estimated based on related reinsurance contracts in accordance with insurance reserve calculation law.

The Company sets up an allowance for impairment, of reinsurance assets based on losses that may be incurred due to irrecoverable, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting periods. Increase (decrease) in an allowance for impairment is recorded as an increase (a decrease) to expenses during the years in profit or loss.

#### 4.7 Reinsurance Receivables and Due to Reinsurers

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

Amounts due from reinsurers consist of reinsurance premium ceded receivable, accrued commission and brokerage income, claims and various other items receivable from reinsurers. The Company records allowance for doubtful accounts for reinsurance receivables based on the estimated losses that may be incurred due to uncollectible, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting periods.

- (b) Due to reinsurers are stated at the outstanding balance of amounts due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of outward premium payables and other reinsurance payables to reinsurers, excluding claims.

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

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

#### 4.8 Investment Assets

- (a) Investments in Securities

Available-for-sale investments are stated at fair value. Changes in the fair value of these investments are recorded in other comprehensive income, and will be recorded in profit or loss when the investments are disposed of.

Held-to-maturity investments are recorded at amortised cost. The premium/discount is amortised/ accreted by the effective interest rate method with the amortised/ accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities, which are classified as general investments, are stated at cost net of allowance for impairment (if any).

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

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 revaluation surplus or deficit on available-for-sale investments in owners' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised in profit or loss. The weighted average method is used for computation of the cost of an investment.

The Company records purchases and sales of investments in equity securities on trade dates and records purchases and sales of investments in debt securities on settlement dates.

(b) Loans

Loans are stated at net realisable value. Allowance for doubtful accounts on loans 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. Increase (decrease) in allowance for doubtful accounts is recognised as expenses in statements of income.

(c) Investment in Associates

Investments in associates as presented in the financial statements, in which the equity method is applied, is recorded initially at cost and adjusted to reflect the proportionate share of the associate's operating results and is deducted by dividend income.

Investments in associates as presented in the separate financial statements is stated at cost net of allowance for impairment (if any). Loss on impairment is recorded as an expense in profit or loss.

(d) 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 impairment loss (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful life of 30 years (over the lease period). Depreciation of the investment properties is recognised as expense in profit or loss.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.9 Premises and Equipment and Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (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 and 33 years (over the lease period)
Condominium units	- 20 years
Furniture, fixture and office equipment	- 3 years, 4 years and 5 years (over the lease period)
Motor vehicles	- 4 years and 5 years (over the lease period)

Depreciation is recognised in profit or loss. No depreciation is provided for land and construction in progress.

An item of premises 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 accumulated amortisation and allowance for impairment (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. No amortisation is provided for computer softwares under development.

Intangible assets with finite useful lives, which are computer softwares, have the economic lives of 3, 5 and 10 years.

#### 4.11 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 in profit or loss 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.

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 estimations 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.

#### 4.12 Insurance Contract Liabilities

Insurance contract liabilities consist of loss reserve and premium reserves.

##### (a) Loss Reserves

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

Outstanding claim provision are 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 end of the reporting periods for both reported and not reported losses including loss adjustment expense. The different of the calculated outstanding claim provision which are higher than the loss reserve that recognised into financial statement, the Company has additionally provided reserves for claims incurred but not yet reported (IBNR).

##### (b) Premium Reserves

Premium reserves are the higher amounts of unearned premium reserves and unexpired risk reserves. As at the end of the reporting periods, the Company compares the amounts of unexpired risk reserves with unearned premium reserves, and if the amount of unexpired risk reserves is higher than that of the unearned premium reserve, the difference is recognised to present the amounts of unexpired risk reserves in the financial statements.

(1) Unearned Premium Reserves

Unearned premium reserves are calculated based on direct premium before deducting premium ceded as follows:

- |  |  |
|--|--|
| - Fire, marine, transportation (hull), motor and miscellaneous                             | - Monthly average basis (the one-twenty fourth basis)  |
| - Transportation (cargo), travelling accident with coverage periods of not over six-months | - 100% of premiums as from the effective date of the inforce policies over the insurance coverage period |
| - Bail bond  | - 70% of premiums as from the effective date of the inforce policies over the insurance coverage period  |

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as direct insurance, that transfer insurance risk to reinsurer throughout the coverage period of insurance contract.

(2) Unexpired Risk Reserves

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

#### 4.13 Employee Benefits

(a) Defined Contribution Plan

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.

(b) Defined Benefit Plan and Other Long-term Employee Benefits

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. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised recognised immediately in other comprehensive income and adjusted directly to retained earnings and those arising from other long-term benefits are recognised immediately in profit and loss.

#### 4.14 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.

#### 4.15 Long-term Leases

Leases of equipment and vehicles which transfer substantially all the risks and rewards of ownership to the Company, as a lessee, are classified as finance lease. 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 lower of useful life of the leased asset or the lease periods.

Leases of buildings and equipment which do not transfer substantially all the risks and rewards of ownership to the Company, as the lessee, are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

#### 4.16 Foreign Currencies

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

Transactions in foreign currency are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting periods. Gains and losses on exchange are recorded as revenues or expenses in profit or loss.

#### 4.17 Income Taxes

Income tax expenses represent the sum of corporate income taxes currently payable and deferred income taxes.

##### (a) Current Income Taxes

Current income taxes are 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.

##### (b) Deferred Income Taxes

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

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

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

The Company records deferred income taxes directly to equity if they relate to items that are recorded directly to equity.

#### 4.18 Related Party Transactions

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

They also include associated companies, individuals or enterprises 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.



#### 4.19 Fair Value Measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

#### 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:

##### 5.1 Allowances for Doubtful Accounts and Impairment

In determining allowances for doubtful accounts and impairment on premium receivables, reinsurance assets, and reinsurance receivables, 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.

##### 5.2 Allowance for Impairment on Investments

The Company sets aside allowance for impairment on available-for-sale investments, general investments and investments in associates 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.

##### 5.3 Premises and Equipment and 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 circumstance changes.

In addition, the management is required to review premises and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that its 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.

#### 5.4 Intangible Assets and Allowance for Impairment

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, including the choice of a suitable discount rate used in calculation of the present value for those cash flows.

#### 5.5 Deferred Tax Assets

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

#### 5.6 Loss Reserves

At the end of the reporting periods, the Company has to estimate loss reserves taking into account two parts, which are the claims incurred and reported, and the claims incurred but not yet reported (IBNR), the latter of which require actuarial technique such as the Chain Ladder and Bornheutter-Ferguson methods in estimation of reserves. The main assumptions underlying such techniques relate to historical experience, including the development of claim estimates, losses incurred and paid, average costs per claim and number of claims, etc. However, such estimates are forecasts of future outcomes, and actual results could differ.

#### 5.7 Unexpired Risk Reserves

Unexpired risk reserves are calculated using an actuarial method, based on the best estimate of the claims expected to incur over the remaining coverage period of the insurance contracts. Estimating the reserves requires the management to exercise judgment, with reference to historical data and the best estimate available at the time.

#### 5.8 Provisions for Employee Benefits

Provisions for employee benefit are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary incremental rate, mortality rate and staff turnover rate, based on their best knowledge of current events and arrangements.

#### 5.9 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.

#### 5.10 Litigation

The Company has contingent liabilities as a result of litigation claims. 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 periods.

#### 5.11 Recognition and Derecognition of Assets and Liabilities

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

#### 5.12 Fair Value of Financial Instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The inputs to these models are taken from observable markets, and include consideration of credit risk (the Company and its counterparty), liquidity risk, correlation and longer-term volatility of financial instruments. Changes in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

## 6. Cash and Cash Equivalents

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Cash on Hand	2,579	2,851
Deposits at Banks with No Fixed Maturity Date	127,005	149,633
Deposits at Banks with Fixed Maturity Date	270,000	260,000
Total Cash and Cash Equivalents	399,584	412,484

As at December 31, 2017 and 2016, saving deposits and fixed deposits carried interests at the rates between 0.38 and 1.35 percent per annum and 0.05 and 1.00 percent per annum, respectively.

## 7. Premium Receivables

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

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Not yet due	1,837,931	1,698,669
Overdue Not Longer than 30 days	201,205	288,854
Overdue 31 days to 60 days	95,178	111,378
Overdue 61 days to 90 days	59,088	85,243
Overdue 91 days to 1 year	207,644	117,823
Overdue Longer than 1 year	22,411	22,982
Total	2,423,457	2,324,949
Less: Allowance for Doubtful Accounts	(22,411)	(22,981)
Premium Receivables - Net	2,401,046	2,301,968

For premium receivables due from agents and brokers, the Company has stipulated the collection guidelines in accordance with the Premium Collection Law whereby the Company has taken legal proceedings with agents and brokers on a case by case basis for overdue premiums.

## 8. Reinsurance Assets

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Insurance Reserves Refundable from Reinsurers		
Loss Reserves	3,345,545	2,807,288
Unearned Premium Reserves	2,148,429	2,124,623
Total	5,493,974	4,931,911
Less: Allowance for Impairment	(6,578)	(45,567)
Reinsurance Assets - Net	5,487,396	4,886,344

As at December 31, 2017 and 2016, Insurance reserves refundable from reinsurers included insurance reserves refundable from reinsurers due to flood situation in 2011 amounting to Baht 31.5 million and Baht 145.0 million, respectively.

## 9. Reinsurance Receivables

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Amounts Deposited on Reinsurance	37,092	37,689
Amounts Due from Reinsurers	239,405	205,543
Total	276,497	243,232
Less: Allowance for Doubtful Accounts	(37,295)	(112,001)
Receivables on Reinsurance Contracts - Net	239,202	131,231

As at December 31, 2017 and 2016, amounts due from reinsurers were classified by aging as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Not over 12 months	211,910	167,278
Overdue from 1 year to 2 years	7,766	10,377
Overdue longer than 2 years	19,729	27,888
Total amounts due from reinsurers	239,405	205,543
Less: Allowance for doubtful accounts	(37,295)	(112,001)
Amounts due from reinsurers - net	202,110	93,542

## 10. Investments in Securities

### 10.1 Classified by Type of Investment

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	2017		2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Available-for-sale investments</b>				
Government and state enterprise securities	1,954,375	1,964,880	1,894,340	1,901,523
Private sector debt securities	1,313,391	1,337,918	1,092,028	1,115,813
Equity securities	6,977,968	35,755,330	6,568,477	34,121,693
Total	10,245,734	39,058,128	9,554,845	37,139,029
Add: Unrealised gains	28,812,394	-	27,584,184	-
Total available-for-sale investments	39,058,128	39,058,128	37,139,029	37,139,029
<b>Held-to-maturity investments</b>				
Deposits at financial institutions which matured over 3 months	8,051,576		7,830,656	
Total held-to-maturity investments	8,051,576		7,830,656	
<b>General investments</b>				
Domestic equity securities	603,435		609,235	
Foreign equity securities	201,690		166,120	
Total	805,125		775,355	
Less: Allowance for impairment	(95,204)		(88,182)	
General investments - net	709,921		687,173	
Investment in securities - net	47,819,625		45,656,858	

On May 12, 2017, the Board of Directors Meeting No. 2/2017 of the Company resolved to approve the sale of 1,159,950 ordinary shares in EMCS Thai Company Limited, for Baht 50 per share, totaling Baht 58.0 million, to Thai Reinsurance Public Company Limited and the Company already received payment from sale of such investment on August 7, 2017.

## 10.2 Remaining Periods to Maturity of Debt Securities

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements as at December 31,							
	2017				2016			
	Period to maturity			Total	Period to maturity			Total
	1 year	1 - 5 years	Over 5 years		1 year	1 - 5 years	Over 5 years	
<b>Available-for-sale investment</b>								
Government and state enterprise securities	896,326	858,049	200,000	1,954,375	1,370,034	324,306	200,000	1,894,340
Private enterprise debt securities	360,078	953,313	-	1,313,391	148,148	893,880	50,000	1,092,028
<b>Total</b>	<b>1,256,404</b>	<b>1,811,362</b>	<b>200,000</b>	<b>3,267,766</b>	<b>1,518,182</b>	<b>1,218,186</b>	<b>250,000</b>	<b>2,986,368</b>
Add (less): Unrealised gains (losses)	8,689	26,806	(463)	35,032	7,448	30,443	(6,923)	30,968
<b>Total available-for-sale investments</b>	<b>1,265,093</b>	<b>1,838,168</b>	<b>199,537</b>	<b>3,302,798</b>	<b>1,525,630</b>	<b>1,248,629</b>	<b>243,077</b>	<b>3,017,336</b>
<b>Held-to-maturity investments</b>								
Deposits at financial institutions which mature over 3 months	8,051,576	-	-	8,051,576	7,830,656	-	-	7,830,656
<b>Total held-to-maturity investments</b>	<b>8,051,576</b>	<b>-</b>	<b>-</b>	<b>8,051,576</b>	<b>7,830,656</b>	<b>-</b>	<b>-</b>	<b>7,830,656</b>

## 10.3 Revaluation Surplus on Available-for-sale Investments

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2017	2016
Revaluation surplus on available-for-sale investments - beginning of the years	27,584,184	30,426,847
Gains (losses) on revaluation during the years	1,317,177	(2,797,440)
Gains on sales of available-for-sale investments during the years transferred to be recognised in profit or loss	(88,967)	(45,223)
Revaluation surplus on available-for-sale investments - end of the years	28,812,394	27,584,184
Less: Income taxes	(5,762,479)	(5,516,837)
Revaluation surplus on available-for-sale investments - net of income taxes	23,049,915	22,067,347

## 10.4 Investments subject to restriction

As at December 31, 2017 and 2016, the Company placed certain investments as a security with the Registrar and placed with the bank to secure bank overdraft facilities and others as required in the normal course of business of the Company as described in Note 30 to the financial statements.

## 11. Loans and Interest Receivables

As at December 31, 2017 and 2016, the balances of loans and interest receivables, classified by overdue years, were as follows:

(Baht'000)

Overdue years	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	December 31, 2017						
	Mortgaged Loans		Other Loans		Total		
	Principal	Accrued Interest	Principal	Accrued Interest	Principal	Accrued Interest <sup>(1)</sup>	Total
Not yet due	1,169,395	926	6,234	-	1,175,629	926	1,176,555
Overdue							
Less than 3 months	30,200	147	-	-	30,200	147	30,347
Longer than 12 months	153,479	-	-	-	153,479	-	153,479
Loans and interest receivables	1,353,074	1,073	6,234	-	1,359,308	1,073	1,360,381

<sup>(1)</sup> Shown as a part of "accrued investment income" in the statements of financial position

(Baht'000)

Overdue years	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	December 31, 2016						
	Mortgaged Loans		Other Loans		Total		
	Principal	Accrued Interest	Principal	Accrued Interest	Principal	Accrued Interest <sup>(1)</sup>	Total
Not yet due	1,264,559	1,009	3,380	-	1,267,939	1,009	1,268,948
Overdue							
3 - 6 months	108,494	2,493	-	-	108,494	2,493	110,987
7 - 12 months	848	-	-	-	848	-	848
Longer than 12 months	50,090	-	-	-	50,090	-	50,090
Loans and Interest receivables	1,423,991	3,502	3,380	-	1,427,371	3,502	1,430,873

<sup>(1)</sup> Shown as a part of "accrued investment income" in the statements of financial position

Credit limits granted to each employee under the Company's employee welfare plan are not exceeding 30 times of employee's salary and Baht 1,000,000 for personal guarantee loans with interest being charged at the rate of 3.0% per annum, and not exceeding 60 times of employee's salary and Baht 5,000,000 for mortgaged loans with interest being charged at the rate of 2.5% per annum.

As at December 31, 2017 and 2016, the balances of employee loans were Baht 53.9 million and Baht 39.8 million, respectively.



## 12. Investments in Associates

### 12.1 Details of Associates

Company's name	Nature of business	Country of incorporation	Paid-up Share Capital as at		Shareholding	
			December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Asia Insurance (Cambodia) Plc.	Non-life insurance	Cambodia	(USD) 7,000,000	(USD) 7,000,000	(%) 22.92	(%) 22.92
Asian Insurance International (Holding) Limited	Holding company	Bermuda	5,740,000	5,740,000	41.70	41.70
Bangkok Insurance (Lao) Company Limited	Non-life insurance	Lao	2,000,000	2,000,000	45.00	45.00

(Baht'000)

Company's name	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	December 31,		December 31,	
	2017	2016	2017	2016
Asia Insurance (Cambodia) Plc.	73,609	69,862	30,202	30,202
Asian Insurance International (Holding) Limited	113,599	109,468	72,054	72,054
Bangkok Insurance (Lao) Company Limited	27,728	28,043	32,139	32,139
Total	214,936	207,373	134,395	134,395

### 12.2 Shares of Profits (Losses) and Dividends Income

(Baht'000)

Company's name	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	Share of Profits (Losses) from Investments in Associates for the Years Ended December 31,		Dividend Received During the Years Ended December 31,	
	2017	2016	2017	2016
Asia Insurance (Cambodia) Plc.	8,202	10,343	4,455	-
Asian Insurance International (Holding) Limited	4,131	(92)	-	-
Bangkok Insurance (Lao) Company Limited	(315)	(1,532)	-	-
Total	12,018	8,719	4,455	-

## 12.3 Financial Information of Associates

### Summarised Information from Statements of Financial Position

(Million Baht)

	Asia Insurance (Cambodia) Plc.		Asian Insurance International (Holding) Limited		Bangkok Insurance (Lao) Company Limited	
	December 31,		December 31,		December 31,	
	2017	2016	2017	2016	2017	2016
Total assets	398.9	415.6	211.9	232.3	105.7	76.4
Total liabilities	(58.8)	(59.5)	-	-	(50.3)	(13.7)
Net assets	340.1	356.1	211.9	232.3	55.4	62.7
Shareholding percentage (%)	22.9	22.9	41.7	41.7	45.0	45.0
Shares of net assets of the associates	78.0	81.6	88.4	96.9	24.9	28.2
Carrying values based on the equity method	73.6	69.9	113.6	109.5	27.7	28.0

### Summarised Information from Statements of Comprehensive Income or Loss

(Million Baht)

	Asia Insurance (Cambodia) Plc.		Asian Insurance International (Holding) Limited		Bangkok Insurance (Lao) Company Limited	
	For the years ended December 31,		For the years ended December 31,		For the years ended December 31,	
	2017	2016	2017	2016	2017	2016
Revenue	104.7	108.9	0.5	0.3	19.1	13.6
Profit (loss) for the years	40.8	45.1	(0.0)	(0.2)	(3.5)	(2.9)
Total comprehensive income (loss) for the years	40.8	45.1	(0.0)	(0.2)	(3.5)	(2.9)

As at December 31, 2017 and 2016, the Company recorded investment in an associate under the equity method (in the financial statements in which the equity method is applied) based on the financial information, as prepared by the associate's management. However, the Company obtained the 2016 financial statements of the associate, which were audited by the associate's auditor, and showed the amounts that are not significantly different from the financial information prepared by the associate's management used in equity accounting in that year.

## 13. Investment Properties

The investment properties of the Company, which are offices for rent, as at December 31, 2017 and 2016 were presented below.

(Baht' 000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Cost	533,653	533,653
Less: Accumulated depreciation	(363,987)	(346,757)
Net book value	169,666	186,896

Reconciliations of the net book value of investment properties for the years ended December 31, 2017 and 2016 were presented below.

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the years ended December 31,	
	2017	2016
Net book value at beginning of the years	186,896	204,173
Depreciation charged	(17,230)	(17,277)
Net book value at end of the years	169,666	186,896

The fair values of the investment properties as at 31 December 2017 and 2016 were stated below:

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Office building for rent	206.0	241.7

The fair values of the investment properties were appraised by an independent valuer using the income approach. The key assumptions used in such appraisal are yield rate, inflation rate, long-term vacancy rate and long-term growth rate in rental fee, etc.

Revenues and expenses related to investment properties were recognised in profit or loss as below:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2017	2016
Rental income	142,899	141,267
Direct operating expenses which generated rental income	69,328	66,368
Direct operating expenses which did not generate rental income	-	289
Total expenses	69,328	66,657

#### 14. Premises and Equipment

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	Land	Buildings	Condo-minium units	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
<b>Cost</b>							
January 1, 2016	206,132	828,306	8,751	1,512,544	138,694	72,268	2,766,695
Additions	-	-	-	180,012	29,427	28,464	237,903
Disposals	-	-	-	(39,376)	(23,803)	-	(63,179)
Transfers in (out)	-	-	-	57,249	-	(57,249)	-
December 31, 2016	206,132	828,306	8,751	1,710,429	144,318	43,483	2,941,419
Additions	-	-	-	79,588	19,102	19,208	117,898
Disposals	-	-	-	(20,232)	(24,505)	-	(44,737)
Transfers in (out)	-	-	-	35,302	-	(35,302)	-
December 31, 2017	206,132	828,306	8,751	1,805,087	138,915	27,389	3,014,580
<b>Accumulated depreciation</b>							
January 1, 2016	-	506,054	8,524	984,411	65,893	-	1,564,882
Depreciation for the year	-	27,807	197	226,467	26,494	-	280,965
Depreciation for the disposals	-	-	-	(38,475)	(23,664)	-	(62,139)
December 31, 2016	-	533,861	8,721	1,172,403	68,723	-	1,783,708
Depreciation for the year	-	27,340	-	215,891	25,006	-	268,237
Depreciation for the disposals	-	-	-	(20,176)	(24,403)	-	(44,579)
December 31, 2017	-	561,201	8,721	1,368,118	69,326	-	2,007,366
<b>Net book value</b>							
December 31, 2016	206,132	294,445	30	538,026	75,595	43,483	1,157,711
December 31, 2017	206,132	267,105	30	436,969	69,589	27,389	1,007,214
<b>Depreciation for the year:</b>							
2016							280,965
2017							268,237

As at December 31, 2017 and 2016, certain equipment items were fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 1,024.4 million and Baht 851.9 million, respectively.

As at December 31, 2017 and 2016, the Company had vehicles under finance lease agreements with net book values amounting to Baht 62.1 million and Baht 65.4 million, respectively.

## 15. Intangible Assets

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	Computer softwares	Computer softwares under development	Total
<b>Cost</b>			
January 1, 2016	430,395	43,681	474,076
Addition	77,490	2,212	79,702
Transfer in (out)	19,390	(19,390)	-
December 31, 2016	527,275	26,503	553,778
Addition	18,319	3,640	21,959
Disposals/ Write off	(31,238)	-	(31,238)
Transfer in (out)	26,503	(26,503)	-
December 31, 2017	540,859	3,640	544,499
<b>Accumulated amortisation</b>			
January 1, 2016	200,958	-	200,958
Amortisation	50,480	-	50,480
December 31, 2016	251,438	-	251,438
Amortisation	72,738	-	72,738
Amortisation for the disposals	(6,256)	-	(6,256)
December 31, 2017	317,920	-	317,920
<b>Allowance for impairment loss</b>			
December 31, 2016	24,982	-	24,982
December 31, 2017	-	-	-
<b>Net book value</b>			
December 31, 2016	250,855	26,503	277,358
December 31, 2017	222,939	3,640	226,579
<b>Amortisation for the years</b>			
2016			50,480
2017			72,738

As at December 31, 2017 and 2016, certain computer softwares were fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets amounted to Baht 124.7 million and Baht 111.1 million, respectively.

## 16. Deferred Tax Asset/Liabilities and Income Tax Expenses

### 16.1 Deferred Tax Assets/Liabilities

As at December 31, 2017 and 2016, the components of deferred tax assets and liabilities consisted of tax effects arising from the following transactions.

(Baht'000)

	Financial Statements in which the Equity Method is Applied as at December 31,		Changes in Deferred Tax Assets and Liabilities for the Year Ended December 31,	
	2017	2016	2017	2016
Deferred tax assets arose from:				
Allowance for impairment on investments	19,041	17,636	1,404	(3,495)
Premium reserves	161,664	167,238	(5,574)	12,708
Loss reserves of claims incurred and reported	403,861	428,915	(25,054)	(37,241)
Loss reserves of claims incurred but not yet reported	66,265	69,120	(2,855)	9,708
Provision for long-term employee benefits	80,384	64,785	15,599	5,587
Others	8,050	10,912	(2,862)	(1,407)
Total	739,265	758,606		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	5,762,479	5,516,837	(245,642)	568,533
Actuarial gains	143	990	847	(849)
Shares of profits from investments in associates	16,108	14,595	(1,512)	(1,744)
Total	5,778,730	5,532,422		
Deferred tax liabilities	5,039,465	4,773,816		
Total changes			(265,649)	551,800
Changes are recognised:				
- in profit or loss			(20,854)	(15,884)
- in other comprehensive income			(244,795)	567,684
			(265,649)	551,800

(Baht'000)

	Separate Financial Statements as at December 31,		Changes in Deferred Tax Assets and Liabilities for the Year Ended December 31,	
	2017	2016	2017	2016
Deferred tax assets arose from:				
Allowance for impairment on investments	19,041	17,636	1,404	(3,495)
Premium reserves	161,664	167,238	(5,574)	12,708
Loss reserves of claims incurred and reported	403,861	428,915	(25,054)	(37,241)
Loss reserves of claims incurred but not yet reported	66,265	69,120	(2,855)	9,708
Provision for long-term employee benefits	80,384	64,785	15,599	5,587
Others	8,050	10,912	(2,862)	(1,407)
Total	739,265	758,606		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	5,762,479	5,516,837	(245,642)	568,533
Actuarial gains	143	990	847	(849)
Total	5,762,622	5,517,827		
Deferred tax liabilities	5,023,357	4,759,221		
Total changes			(264,137)	553,544
Changes are recognised:				
- in profit or loss			(19,342)	(14,140)
- in other comprehensive income			(244,795)	567,684
			(264,137)	553,544

## 16.2 Income Tax Expenses

Income tax expenses for the years ended December 31, 2017 and 2016 were made up as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2017	2016	2017	2016
Current income taxes:				
Corporate income tax charge	(338,351)	(380,223)	(338,351)	(380,223)
Deferred income taxes:				
Deferred income taxes relating to origination and reversal of temporary differences	(20,854)	(15,884)	(19,342)	(14,140)
Income tax expenses reported in profit or loss	(359,205)	(396,107)	(357,693)	(394,363)



Reconciliations between income tax expenses and the product of accounting profits for the years ended December 31, 2017 and 2016 and the applicable tax rate were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2017	2016	2017	2016
Accounting profits before income tax expenses	2,762,302	2,821,895	2,754,740	2,813,176
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(552,460)	(564,379)	(550,948)	(562,635)
Net tax effect on tax-exempted revenues and non tax-deductible expenses	194,669	168,289	194,669	168,289
Others	(1,414)	(17)	(1,414)	(17)
Income tax expenses reported in profit or loss	(359,205)	(396,107)	(357,693)	(394,363)

#### 17. Insurance Contract Liabilities

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2017		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	6,024,121	(3,272,231)	2,751,890
Claims incurred but not reported and unallocated loss adjustment expenses	398,061	(66,736)	331,325
Premium reserves			
Unearned premium reserves	7,340,161	(2,148,429)	5,191,732
Total	13,762,343	(5,487,396)	8,274,947

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2016		
	Insurance contract liabilities	Reinsurance on liabilities	Net
Loss reserves			
Claims incurred and reported	5,717,487	(2,743,279)	2,974,208
Claims incurred but not reported	364,044	(18,443)	345,601
Premium reserves			
Unearned premium reserves	7,399,141	(2,124,623)	5,274,518
Total	13,480,672	(4,886,345)	8,594,327

The Company entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management. However, insurance contract liabilities disclosures have been made on both gross and net basis.

#### 17.1 Loss Reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2017	2016
Beginning balances	6,081,531	6,683,116
Claim incurred during the years	8,453,995	7,156,501
Change in loss reserves of claimed incurred in prior years	(140,592)	(151,777)
Changes in assumptions in calculating loss reserves	620	(11,773)
Claims and loss adjustment expenses paid during the years	(7,973,372)	(7,594,536)
Ending balances	6,422,182	6,081,531

As at December 31, 2017 and 2016, the Company, which is a reinsurer under the reinsurance contracts, had loss reserves under such contracts totaling Baht 246.7 million and Baht 403.5 million, respectively.

As at December 31, 2017 and 2016, loss reserves included loss reserves incurred as a result of the flood situation in 2011 amounting to Baht 46.3 million and Baht 177.3 million, respectively.

#### 17.2 Claims Development Table

##### (a) Gross Claims Table

(Million Baht)

Accident year/Reporting year	Prior to 2012	2012	2013	2014	2015	2016	2017	Total
Loss reserves:								
- as at accident year		8,244	5,097	6,854	7,101	7,157	8,454	
- Next one year		9,127	5,562	7,359	7,382	7,407		
- Next two years		8,584	5,928	6,846	6,947			
- Next three years		8,397	5,709	6,693				
- Next four years		8,334	5,672					
- Next five years		8,259						
Cumulative claim estimates		8,259	5,672	6,693	6,949	7,362	8,754	
Cumulative payments		(8,185)	(5,645)	(6,520)	(6,561)	(6,495)	(4,922)	
Total	674	74	27	173	388	867	3,832	6,035
Inward treaty								270
Unallocated loss adjustment expenses								117
Total gross loss reserves								6,422

## (b) Net Claims Table

(Million Baht)

Accident year/Reporting year	Prior to 2012	2012	2013	2014	2015	2016	2017	Total
Loss reserves:								
- as at accident year		3,554	4,251	5,082	5,414	5,415	5,724	
- Next one year		3,784	4,521	5,267	5,720	5,549		
- Next two years		3,712	4,500	5,119	5,389			
- Next three years		3,701	4,283	4,983				
- Next four years		3,566	4,261					
- Next five years		3,546						
Cumulative claim estimates		3,546	4,261	4,983	5,390	5,500	5,963	
Cumulative payments		(3,544)	(4,258)	(4,956)	(5,289)	(5,101)	(4,012)	
Total	213	2	3	27	101	399	1,951	2,696
Inward treaty								270
Unallocated loss adjustment expenses								117
Total net loss reserves								3,083

## 17.3 Assumption

Assumptions used in measurement of assets, liabilities, revenues, and expenses incurred on insurance contracts are summarised below;

## (a) Assumptions of claims experience

At the end of the reporting periods, the Company estimates loss reserves using historical experience and actuarial technique, which is a standard that is generally accepted. In estimation of loss reserves, they are classified as gross (before reinsurance) and net (after reinsurance) reserves, by accident year, and duration of claim development. The Company uses the higher value between those determined from the Payment Method and the Incurred Method but excluding disaster losses. However, in calculation using the above-mentioned data, the management is required to exercise judgement to exclude all large claims in order to eliminate the fluctuations in loss development factor but include certain relevant large claims on a case-by-case basis where appropriate.

## (b) Assumptions of related expenses

The Company estimates the unallocated loss adjustment expenses (ULAE) based on Claim Department's incurred expenses, for example, salaries, employee benefits, and technology costs, which is set as a ratio of ULAE to claims paid.

#### 17.4 Unearned Premium Reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2017	2016
Beginning balances	7,399,141	7,271,856
Premium written during the years	15,940,906	16,031,324
Premium earned during the years	(15,999,886)	(15,904,039)
Ending balances	7,340,161	7,399,141

#### 17.5 Unexpired Risk Reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2017	2016
Beginning balances	4,279,482	4,320,167
Estimated claims for the years	3,287,671	2,855,251
Risk expired during the years	(3,226,285)	(2,895,936)
Ending balances	4,340,868	4,279,482

#### 18. Due to Reinsurers

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2017	2016
Amounts withheld on reinsurance	1,045,802	1,019,925
Amounts due to reinsurers	1,005,714	911,787
Total due to reinsurers	2,051,516	1,931,712

## 19. Employee Benefit Obligations

Changes in employee benefit obligations, which were compensations on employee retirement, for the years ended December 31, 2017 and 2016 were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2017	2016
Employee benefit obligations at beginning of the years	318,971	295,278
Included in profit or loss:		
Current service costs	28,565	31,229
Interest costs	12,759	11,811
Included in other comprehensive income or loss:		
Actuarial (gains) losses arising from:		
- Demographic assumptions changes	5,472	2,886
- Experience adjustments	(1,236)	(7,128)
Benefits paid during the years	(13,328)	(15,105)
Employee benefit obligations at end of the years	351,203	318,971

As at December 31, 2017 and 2016, the Company expected to pay Baht 11.2 million and Baht 12.9 million, respectively, of long-term employee benefits over the next 1-year period.

As at December 31, 2017 and 2016, the weighted average durations of the liabilities on long-term employee benefits were 11.4 years and 11.7 years, respectively.

The key assumptions used for actuarial calculation on the valuation dates were summarised below:

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
	(%)	(%)
Discount rates	4.0	4.0
Future salary incremental rate	6.0	6.0
Employee turnover rates	1.6 - 24.0	1.2 - 25.0
(depending on age)		

The results of sensitivity analysis based on key assumptions were summarised below:

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	Increase (decrease) in employee benefit obligations as at December 31, 2017		Increase (decrease) in employee benefit obligations as at December 31, 2016	
	+1%	-1%	+1%	-1%
Discount rate	(45.8)	53.7	(32.4)	38.2
Future salary incremental rate	49.8	(43.3)	34.8	(30.2)
Employee turnover rate	(17.6)	19.5	(12.9)	14.3

## 20. Liabilities under Finance Lease Agreements

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2017	2016
Liabilities under finance lease agreements	70,996	75,768
Less: Deferred interest expenses	(5,989)	(7,083)
Total	65,007	68,685
Less: Portion due within one year	(21,868)	(21,316)
Liabilities under finance lease agreements - net of current portion	43,139	47,369

As at December 31, 2017 and 2016, the Company 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 on an average of 4 - 5 years.

As at December 31, 2017 and 2016, Future minimum lease payments required under the finance lease agreements were as follows:

(Baht'000)

	Financial statements in which the equity method is applied and Separate financial statements		
	December 31, 2017		
	within 1 year	1 - 5 years	Total
Future minimum lease payments	24,815	46,181	70,996
Deferred interest expenses	(2,947)	(3,042)	(5,989)
Present value of future minimum lease payments	21,868	43,139	65,007

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2016		
	within 1 year	1 - 5 years	Total
Future minimum lease payments	24,556	51,212	75,768
Deferred interest expenses	(3,240)	(3,843)	(7,083)
Present value of future minimum lease payments	21,316	47,369	68,685

## 21. Share Capital

As at December 31, 2017 and 2016, the Company's registered, issue and paid-up share capital consisted of 106,470,000 ordinary shares with a par value of Baht 10 each.

## 22. Statutory Reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

## 23. Segment Information/Major Customers

### 23.1 Segment information reporting

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Chief Operating Decision Maker has been identified as Chairman.

For management purposes, the Company is organised into business units based on its products, which consisted of Fire, Marine and transportation, Motor, and Miscellaneous.

The Chief Operating Decision Maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss, total assets and total liabilities and on a basis consistent with that used to measure operating profit or loss, total assets and total liabilities in the financial statements.



(Baht'000)

	Financial Statements in which Equity Method is Applied				
	For the year ended December 31, 2017				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting revenues</b>					
Gross premium written	1,553,268	427,816	6,101,856	7,857,967	15,940,907
Less: Premium ceded to reinsurers	(474,985)	(224,071)	(175,099)	(4,108,222)	(4,982,377)
Net premium written	1,078,283	203,745	5,926,757	3,749,745	10,958,530
Add (less): Unearned premium reserves (increased) decreased from prior year	14,895	(3,380)	256,797	(185,526)	82,786
Earned premium	1,093,178	200,365	6,183,554	3,564,219	11,041,316
Commission and brokerage fee income	219,127	78,421	45,531	720,619	1,063,698
<b>Total underwriting income</b>	<b>1,312,305</b>	<b>278,786</b>	<b>6,229,085</b>	<b>4,284,838</b>	<b>12,105,014</b>
<b>Underwriting expenses</b>					
Net claims	161,464	30,616	3,975,314	1,530,477	5,697,871
Commission and brokerage expenses	355,953	45,514	887,104	811,645	2,100,216
Other underwriting expenses	250,115	62,977	760,392	846,850	1,920,334
<b>Total underwriting expenses</b>	<b>767,532</b>	<b>139,107</b>	<b>5,622,810</b>	<b>3,188,972</b>	<b>9,718,421</b>
<b>Profit from underwriting</b>	<b>544,773</b>	<b>139,679</b>	<b>606,275</b>	<b>1,095,866</b>	<b>2,386,593</b>
Shares of profits from investments in associates					12,018
Investment revenue					1,139,395
Gains on investments					124,136
Other income					180,075
Operating expenses					(986,582)
Investment expenses					(89,715)
Finance costs					(3,618)
<b>Profit before income tax expenses</b>					<b>2,762,302</b>
Less: Income tax expenses					(359,205)
<b>Profit for the year</b>					<b>2,403,097</b>

(Baht'000)

	Financial Statements in which Equity Method is Applied				
	For the year ended December 31, 2016				
	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting revenues</b>					
Gross premium written	1,604,620	379,618	6,607,605	7,439,481	16,031,324
Less: Premium ceded to reinsurers	(526,349)	(184,498)	(206,944)	(4,017,710)	(4,935,501)
Net premium written	1,078,271	195,120	6,400,661	3,421,771	11,095,823
Add (less): Unearned premium reserves (increased) decreased from prior year	(9,962)	2,281	84,143	(110,703)	(34,241)
Earned premium	1,068,309	197,401	6,484,804	3,311,068	11,061,582
Commission and brokerage fee income	201,205	76,386	54,437	691,413	1,023,441
<b>Total underwriting income</b>	<b>1,269,514</b>	<b>273,787</b>	<b>6,539,241</b>	<b>4,002,481</b>	<b>12,085,023</b>
<b>Underwriting expenses</b>					
Net claims	60,564	33,222	4,137,773	1,331,740	5,563,299
Commission and brokerage expenses	400,695	43,312	964,753	753,236	2,161,996
Other underwriting expenses	260,115	70,090	678,678	797,668	1,806,551
<b>Total underwriting expenses</b>	<b>721,374</b>	<b>146,624</b>	<b>5,781,204</b>	<b>2,882,644</b>	<b>9,531,846</b>
<b>Profit from underwriting</b>	<b>548,140</b>	<b>127,163</b>	<b>758,037</b>	<b>1,119,837</b>	<b>2,553,177</b>
Shares of profits from investments in associates					8,719
Investment revenue					1,125,896
Gains on investments					69,834
Other income					168,305
Operating expenses					(1,012,932)
Investment expenses					(87,336)
Finance costs					(3,768)
<b>Profit before income tax expenses</b>					<b>2,821,895</b>
Less: Income tax expenses					(396,107)
<b>Profit for the year</b>					<b>2,425,788</b>

The following table presented the Company's operating segment assets and liabilities as at December 31, 2017 and 2016.

(Baht'000)

	Financial Statements in which the Equity Method is Applied						
	Fire	Marine and transportation	Motor	Miscellaneous	Total segments	Unallocated	Total
<b>Assets</b>							
As at December 31, 2017	644,824	245,622	759,939	6,330,753	7,981,138	52,121,642	60,102,780
As at December 31, 2016	718,721	218,169	933,041	5,406,723	7,276,654	50,055,949	57,332,603
<b>Liabilities</b>							
As at December 31, 2017	3,349,900	354,963	5,024,734	8,819,113	17,548,710	7,498,628	24,957,338
As at December 31, 2016	3,441,908	339,952	5,574,198	7,578,961	16,935,019	7,143,855	24,078,874

### 23.2 Geographic Information

The Company operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### 23.3 Major Customers

In 2017 and 2016, the Company had no major customer contributing revenue of 10 percent or more of the Company's total revenues.

## 24. Operating Expenses

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the years ended December 31,	
	2017	2016
Personnel expenses	429,830	412,905
Premises and equipment expenses	370,627	384,468
Taxes and duties	1,940	712
Bad debts and doubtful accounts (reversal)	(129,316)	(2,084)
Other operating expenses	313,501	216,931
Total operating expenses	986,582	1,012,932

## 25. Expenses by Nature

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the years ended December 31,	
	2017	2016
Net claims	5,314,786	5,192,863
Commissions and brokerage expenses	2,100,216	2,161,996
Other underwriting expenses	535,187	502,555
Personnel expenses	1,151,241	1,081,019
Premises and equipment expenses	781,693	782,831
Other operating expenses	910,621	909,403
Investment expenses	974	1,447
Finance costs	3,618	3,768
Total	10,798,336	10,635,882

## 26. Provident Fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by 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 years ended December 31, 2017 and 2016, the Company recognised the contributed Baht 56.9 million and Baht 54.6 million, respectively, to the fund.

## 27. Earnings Per Share

Basic earnings per share is calculated by dividing profits for the years (excluding other comprehensive income or loss) by the weighted average number of ordinary shares in issue during the years.

## 28. Dividends Paid

Dividends declared during the years ended December 31, 2017 and 2016 were as follow:

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
The third interim dividend for 2017	Meeting No. 4/17 of Board of Directors on November 10, 2017	319.4	3.00
The second interim dividend for 2017	Meeting No. 3/17 of Board of Directors on August 11, 2017	319.4	3.00
The first interim dividend for 2017	Meeting No. 2/17 of Board of Directors on May 12, 2017	319.4	3.00
Final dividend for 2016	Annual General Meeting No. 24 of the Shareholders on April 28, 2017	532.3	5.00
Total dividend for the period 2017		1,490.5	14.00

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
The third interim dividend for 2016	Meeting No. 4/16 of Board of Directors on November 11, 2016	319.4	3.00
The second interim dividend for 2016	Meeting No. 3/16 of Board of Directors on August 15, 2016	319.4	3.00
The first interim dividend for 2016	Meeting No. 2/16 of Board of Directors on May 13, 2016	319.4	3.00
Final dividend for 2015	Annual General Meeting No. 23 of the Shareholders on April 22, 2016	399.3	3.75
Total dividend for the year 2016		1,357.5	12.75

## 29. Related Party Transactions

### 29.1 Nature of Relationship

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
Asia Insurance (Cambodia) Plc.	Non-life insurance	Associate
Asian Insurance International (Holding) Limited	Holding company	Associate
Bangkok Insurance (Lao) Co., Ltd.	Non-life insurance	Associate
Bangkok Bank Pcl.	Banking	Related by way of having common directors and shareholding
Bangkok Aviation Fuel Services Pcl.	Energy and Utilities	Related by way of having common directors and shareholding
Asia Plus Group Holdings Pcl.	Securities	Related by way of having common directors and shareholding
Fuel Pipeline Transportation Co., Ltd.	Energy and Utilities	Related by way of having common directors and shareholding
Thai Indo Kordsa Co., Ltd.	Manufacture of Textiles	Related by way of having common directors and shareholding
Asia Insurance (Investments) Limited	Holding company	Related by way of having common directors and shareholding
Bangkok Life Assurance Pcl.	Life insurance	Related by way of having common directors and shareholding
Thai Orix Leasing Co., Ltd.	Finance	Related by way of having common directors and shareholding
Thai Reinsurance Pcl. <sup>(2)</sup>	Insurance	Related by way of shareholding
Thaire Life Assurance Pcl. <sup>(1)</sup>	Life insurance	Related by way of shareholding
AIOT Bangkok Insurance Pcl.	Non-life insurance	Related by way of shareholding
Charoong Thai Wire and Cable Pcl. <sup>(2)</sup>	Electrical products	Related by way of shareholding
Furukawa Metal (Thailand) Pcl. <sup>(2)</sup>	Electrical products	Related by way of shareholding
Bumrungrad Hospital Pcl.	Health care services	Related by way of shareholding
Bangkok Glass Co., Ltd. <sup>(2)</sup>	Packaging	Related by way of shareholding
Sorachai Vivatn Co., Ltd.	Property development	Related by way of shareholding
EMCS Thai Co., Ltd. <sup>(3)</sup>	Professional services	Related by way of shareholding
Bangpa-in golf Co., Ltd. <sup>(2)</sup>	Entertainment and Leisure	Related by way of shareholding
Thai Metal Processing Co., Ltd. <sup>(2)</sup>	Electronic parts	Related by way of shareholding
Asia Sermkij Co., Ltd. <sup>(2)</sup>	Finance	Related by way of shareholding
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company

<sup>(1)</sup> This entity had been considered a related party until March 10, 2016, which was the date they started to have percentage of cross-shareholding of less than 10% of the issued and paid-up share capital.

<sup>(2)</sup> This entity had been considered a related party until June 16, 2017, which was the date when there was no more common director and percentage of cross-shareholding was also less than 10% of the issued and paid-up share capital.

<sup>(3)</sup> This company had been ceased to be the Company's related party since August 7, 2017, the date on which the Company sold all its entire investment in such company.

## 29.2 Significant Related Party Transactions

During the years ended December 31, 2017 and 2016, 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)

	For the years ended December 31,		Pricing policy
	2017	2016	
<b>Revenues</b>			
Premium written	498,816	485,297	Normal commercial terms for underwriting
Fee and commission income	106,160	163,239	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Interest income <sup>(1)</sup>	88,435	108,778	Similar rates as financial institutions and related companies offer to their general customers
Dividend income <sup>(1)</sup>	609,242 <sup>(4)</sup>	589,189	The declared amount
Rental income <sup>(2)</sup>	1,685	2,007	Same rates the Company offered to its general customers
<b>Expenses</b>			
Premium ceded to reinsurers	356,970	528,490	Normal commercial terms for reinsurance depending on types of insurance and reinsurance contracts
Net claims (reversal)	(189,907)	(227,518)	As actually incurred
Commissions and brokerages	34,362	38,399	Normal commercial terms for underwriting
Management fee for private fund <sup>(3)</sup>	282	312	Similar rates the related party offered to its general customers
Fee for trading securities <sup>(3)</sup>	565	315	Similar rates which the related party offered to general customers

<sup>(1)</sup> Presented in "Net investment revenue" in statements of comprehensive income

<sup>(2)</sup> Presented in "Other income" in statements of comprehensive income

<sup>(3)</sup> Presented in "Operating expenses" in statements of comprehensive income

<sup>(4)</sup> Included dividend income from associates as already disclosed in Note 12.2 to the financial statements

### 29.3 Outstanding Balances

As at December 31, 2017 and 2016, the Company had the following significant balances with its related companies.

(Baht'000)

	December 31,	
	2017	2016
<b>Transactions with associates</b>		
General investments - equity securities	80,541	72,978
<b>Transactions with related companies</b>		
Deposits at financial institutions	5,301,523	6,038,766
Premium receivables	21,129	32,920
Accrued interest receivables - debentures (including in accrued investment income)	151	151
Reinsurance assets		
Amounts deposited on reinsurance	5,622	5,116
Amounts due from reinsurers	14,259	9,953
Available-for-sale investments		
Equity securities	30,166,833	29,645,183
Debentures	102,990	104,936
General investments - equity securities	471,658	692,474
Loans	-	258,978
Other assets		
Deposits and golf club membership fees	37,565	37,919
Due to reinsurers		
Amounts withheld on reinsurance	106,248	114,884
Amounts due to reinsurers	32,128	38,556
Insurance contract liabilities		
Loss reserves	-	7
Other Liabilities		
Liabilities under finance lease agreements	486	920
Accounts payable on purchases of securities	1,672	209



#### 29.4 Directors' and Key Management's Benefits

During the years ended December 31, 2017 and 2016, the Company had employee benefit expenses incurred on their directors and key management as below.

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the years ended December 31,	
	2017	2016
Short-term benefits	93.5	89.0
Post-employment benefits	(0.4)	6.5
Total	93.1	95.5

#### 30. Assets Subject to Restriction and Commitment

As at December 31, 2017 and 2016, the Company had the following assets placed with the Registrar as securities and insurance reserves in accordance with the Non-life Insurance Act and as placed with the bank as collateral.

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31,			
	2017		2016	
	Cost	Fair value	Cost	Fair value
<b>Placed as securities</b>				
Government bonds	14.0	14.1	14.0	14.6
<b>Placed as insurance reserves</b>				
Ordinary shares	35.2	169.8	35.2	152.6
Government bonds	766.0	778.6	856.0	863.0
Debentures	250.0	259.3	150.0	156.1
	1,051.2	1,207.7	1,041.2	1,171.7
<b>Placed to secure bank overdraft facilities</b>				
Deposited at financial institutions	30.0	30.0	30.0	30.0
<b>Placed to secure performance bonds</b>				
Government and state enterprise bonds	49.3	50.6	204.1	204.1
<b>Placed to secure bank guarantees</b>				
Deposited at financial institutions	20.0	20.0	20.0	20.0

### 31. Contribution to the General Insurance Fund

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the years ended December 31,	
	2017	2016
Accumulated contribution at the beginning of the years	236,601	197,902
Contribution during the years	38,416	38,699
Accumulated contribution at the end of the years	275,017	236,601

### 32. Commitments and Contingent Liabilities

#### 32.1 Operating lease commitments

The Company entered into several lease agreements in respect of the lease of land and office building space. The terms of the agreements are 33 years for land and more than 3 years for office building space.

As at December 31, 2017 and 2016, future minimum lease payments required under those non-cancellable operating lease contracts were as follows.

(Million Baht)

Payable	December 31,	
	2017	2016
Within 1 year	24	25
Over 1 year and not over 5 years	102	98
Over 5 years	118	145

#### 32.2 Capital Commitments

As at December 31, 2017 and 2016, there were outstanding capital commitments contracted for decoration, construction building, and computer software development amounting to Baht 12.7 million and Baht 42.2 million, respectively.

#### 32.3 Litigation

As at December 31, 2017 and 2016, the Company had litigation claims totaling approximately Baht 2,351.0 million and Baht 2,146.9 million, respectively, as an insurer. The outcomes of the cases have not yet been finalised whereby the maximum responsibility of such claims limits at the lower of the sum insured or the sum sued totaling Baht 1,317.9 million and Baht 1,482.8 million, respectively. However, the Company has considered and estimated for losses that may arise from those cases amounting to approximately Baht 428.2 million and Baht 429.4 million, respectively, which were already recognised in "Insurance contract liabilities" in the statements of financial position as at those dates.

### 33. Risks of Non-Life Insurance Company

#### 33.1 Insurance Risk

The Company gives a high priority to insurance risk since accepting insurance is the Company's core business. Therefore, the Company set a policy to underwrite insurance prudently and in line with the real insurance risk, a policy to manage claim promptly and on a fairness basis, and a policy to have insurance ceded in line with other types of risk such as credit risk, taking into accounts creditability of reinsurer, which shall have credit rating not less than the Company's determined policy and concentration risk, taking into accounts the proportion of product mix and the reinsurance concentration not to be exceeding the settling limit.

Concentration of insurance contracts liabilities segregated by insurance type were shown below.

(Baht'000)

	December 31, 2017					
	Gross premium reserves	Outward premium reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	786,522	(230,379)	556,143	622,580	(262,134)	360,446
Marine and transportation	124,386	(62,557)	61,829	173,571	(107,212)	66,359
Motor	3,135,291	(85,902)	3,049,389	1,847,926	(40,848)	1,807,078
Miscellaneous	3,293,963	(1,769,592)	1,524,371	3,778,105	(2,928,773)	849,332
Total	7,340,161	(2,148,429)	5,191,732	6,422,182	(3,338,967)	3,083,215

(Baht'000)

	December 31, 2016					
	Gross premium reserves	Outward premium reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	842,300	(271,262)	571,038	739,576	(268,335)	471,241
Marine and transportation	111,887	(53,438)	58,449	182,155	(101,082)	81,073
Motor	3,408,341	(102,155)	3,306,186	2,102,714	(50,481)	2,052,233
Miscellaneous	3,036,613	(1,697,768)	1,338,845	3,057,086	(2,341,824)	715,262
Total	7,399,141	(2,124,623)	5,274,518	6,081,531	(2,761,722)	3,319,809

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in calculating for both gross and net loss reserves, profit before income taxes, and owner's equity. The risk may occur because the frequency and severity of damage, or loss adjustment expenses may not be as expected.

(Million Baht)

	December 31, 2017				
	Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before taxes	Increase (decrease) in owner's equity
Average claim expenses	+10 %	845.4	572.4	(572.4)	(457.9)
Average claim expenses	-10 %	(845.4)	(572.4)	572.4	457.9
Average number of claim	+10 %	845.4	572.4	(572.4)	(457.9)
Average number of claim	-10 %	(845.4)	(572.4)	572.4	457.9

(Million Baht)

	December 31, 2016				
	Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before taxes	Increase (decrease) in owner's equity
Average claim expenses	+10 %	715.7	541.5	(541.5)	(433.2)
Average claim expenses	-10 %	(715.7)	(541.5)	541.5	433.2
Average number of claim	+10 %	715.7	541.5	(541.5)	(433.2)
Average number of claim	-10 %	(715.7)	(541.5)	541.5	433.2

### 33.2 Risk Management

#### (a) Credit risk

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

The Company has 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 risk. In addition, 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 risk and also possesses an efficient process of closely following up its outstanding premiums from the insured, agent and broker, apart from requiring the agent and broker to submit collateral within the specified credit limit allowed by the Company.

Concentrations of the credit risk with respect to secured loans are considered low 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 Company will consider its debtors' financial status and ability to pay debt based on a sound credit analysis standard. Meanwhile, loan to value will be determined so that it is not beyond the legal limit, apart from following up a cash flow in which a payment is made in each month, and debtors' consistency of debt payment.

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

(b) Interest Rate Risk

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

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.

The Company has closely followed up the determination of the policy interest rates of the Bank of Thailand, direction of a change in the United States' Federal Reserve's interest rates, and return rates in the debt securities market in order to define the investment duration in accordance with the fluctuation of interest rates. 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.

As at December 31, 2017 and 2016, significant assets and liabilities classified by type of interest rate were summarised in the table below;

(Baht'000)

	December 31, 2017						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Maturity date or repricing date						
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	270,000	-	-	127,005	2,579	399,584	0.38 - 1.35
Investments in securities							
Government and state enterprise securities	899,427	865,916	199,537	-	-	1,964,880	1.34 - 4.50
Private enterprise debt securities	365,666	972,252	-	-	-	1,337,918	2.21 - 4.71
Equity securities	-	-	-	-	36,465,250	36,465,250	-
Deposits at financial institutions	8,051,576	-	-	-	-	8,051,576	1.25 - 2.00
Loans	-	-	53,891	1,305,417	-	1,359,308	4.00 - 7.00
Assets under insurance contracts							
Premium receivables	-	-	-	-	2,401,046	2,401,046	-
Reinsurance assets - loss reserves	-	-	-	-	3,338,967	3,338,967	-
Reinsurance receivables	-	-	-	-	239,202	239,202	-
Liabilities under insurance contracts							
Insurance contract liabilities - loss reserves	-	-	-	-	6,422,182	6,422,182	-
Due to reinsurers	-	-	-	-	2,051,516	2,051,516	-

(Baht'000)

	December 31, 2016						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Maturity date or repricing date						
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	260,000	-	-	149,633	2,851	412,484	0.05 - 1.00
Investments in securities							
Government and state enterprise securities	1,376,320	334,067	191,136	-	-	1,901,523	1.49 - 4.50
Private enterprise debt securities	149,310	914,562	51,941	-	-	1,115,813	2.52 - 4.71
Equity securities	-	-	-	-	34,808,865	34,808,865	-
Deposits at financial institutions	7,830,656	-	-	-	-	7,830,656	1.25 - 2.00
Loans	-	-	39,828	1,387,543	-	1,427,371	4.00 - 7.00
Assets under insurance contracts							
Premium receivables	-	-	-	-	2,301,968	2,301,968	-
Reinsurance assets - loss reserves	-	-	-	-	2,761,722	2,761,722	-
Reinsurance receivables	-	-	-	-	131,231	131,231	-
Liabilities under insurance contracts							
Insurance contract liabilities - loss reserves	-	-	-	-	6,081,531	6,081,531	-
Due to reinsurers	-	-	-	-	1,931,712	1,931,712	-

## (c) 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.

The Company may use financial instruments to prevent exchange rate risks, for instance, Cross Currency and Interest Rate Swap, Interest Rate Swap, and Foreign Exchange Forward, in order to minimize the risks in accordance with the market situation and in line with the regulator's requirements. Furthermore, the Company has also developed its information technology system so as to be used to evaluate the level of investment risk through various assessment methods and models, for example, Value at Risk, Sensitivity Analysis, and Stress Test to ensure that the Company still has financial standing flexible enough to counter the damage which may occur.

As at December 31, 2017 and 2016, the balances of assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Assets as at December 31,		Liabilities as at December 31,		Average exchange rate as at December 31,	
	2017	2016	2017	2016	2017	2016
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 foreign currency unit)	
US dollar	416.4	331.5	382.6	324.6	32.641	35.784
HK dollar	6.4	14.7	-	-	4.174	4.613
Indonesian rupiahs	1.8	1.9	-	-	0.002	0.003
English euro	0.6	-	1.5	1.2	38.975	37.707
Japanese yen	0.2	0.2	-	-	0.289	0.307

#### (d) Equity Position Risk

Equity position risk is the risk that change in the market prices of equity securities will result in fluctuations in revenues and in the value of financial assets.

The Company will choose to invest in equity securities of which the issuers possess robust financial status and an ability to make a profit, with steady growth potential, as well as in the business deriving the benefits of the government policy. Additionally, the Company will mostly occupy equity instruments for its long-term investments, which will be able to reduce price volatility of equity instruments.

As at December 31, 2017 and 2016, the Company had risk from its investments in equity securities of which the price would change with reference to market conditions.

#### (e) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss.

The Company has allocated a portion of investment as a bank deposit with high liquidity, which is reserved for operating expenses, while the deposit is defined to be due in each period, in conformity with a demand for spending in accordance with a plan for the cash flow management, financial reception and payment based on an obligation established. As to the other portion, the Company has allotted investment in stocks required by the market, with high liquidity and an ability to be realized as cash conveniently, as well as at the value approximate to the fair value.

Counting from the financial position date, the periods to maturity of assets and liabilities held as at December 31, 2017 and 2016 were as follows:

(Baht'000)

	December 31, 2017					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b>Financial assets</b>						
Cash and cash equivalents	129,584	270,000	-	-	-	399,584
Investments in securities	-	9,316,669	1,838,168	199,538	36,465,250	47,819,625
Loans	-	830,280	171,858	357,170	-	1,359,308
<b>Assets under insurance contracts</b>						
Premium receivables	-	2,401,046	-	-	-	2,401,046
Reinsurance assets - loss reserves	-	1,994,814	1,344,153	-	-	3,338,967
Reinsurance receivables	-	239,202	-	-	-	239,202
<b>Liabilities under insurance contracts</b>						
Insurance contract liabilities - loss reserves	-	3,836,833	2,585,349	-	-	6,422,182
Due to reinsurers	-	2,051,516	-	-	-	2,051,516

(Baht'000)

	December 31, 2016					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b>Financial assets</b>						
Cash and cash equivalents	152,484	260,000	-	-	-	412,484
Investments in securities	-	9,356,286	1,248,629	243,077	34,808,866	45,656,858
Loans	-	641,044	324,494	461,833	-	1,427,371
<b>Assets under insurance contracts</b>						
Premium receivables	-	2,301,968	-	-	-	2,301,968
Reinsurance assets - loss reserves	-	1,157,590	838,728	765,404	-	2,761,722
Reinsurance receivables	-	131,231	-	-	-	131,231
<b>Liabilities under insurance contracts</b>						
Insurance contract liabilities - loss reserves	-	3,548,528	2,533,003	-	-	6,081,531
Due to reinsurers	-	1,931,712	-	-	-	1,931,712



### 33.3 Fair Value of Financial Assets

As of December 31, 2017 and 2016, the Company had the following financial assets that were measured at fair value or cost but fair value are disclosed by using different levels of inputs as follows:

(Baht'000)

	December 31, 2017				
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>					
Investments in securities					
Government and state enterprise securities	1,964,880	-	1,964,880	-	1,964,880
Private enterprise debt securities	1,337,918	-	1,337,918	-	1,337,918
Equity securities	35,755,330	34,857,100	898,230	-	35,755,330
<b>Financial asset for which fair value are disclosed</b>					
Cash and cash equivalent	399,584	399,584	-	-	399,584
Investment in securities					
Held-to-maturity investments	8,051,576	8,051,576	-	-	8,051,576
Other investments - net	709,921	-	-	2,346,704	2,346,704
Loans	1,359,308	-	-	1,313,080	1,313,080
Investment properties - net	169,666	-	-	205,999	205,999

(Baht'000)

	December 31, 2016				
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>					
Investments in securities					
Government and state enterprise securities	1,901,523	-	1,901,523	-	1,901,523
Private enterprise debt securities	1,115,813	-	1,115,813	-	1,115,813
Equity securities	34,121,693	33,227,492	894,201	-	34,121,693
<b>Financial asset for which fair value are disclosed</b>					
Cash and cash equivalent	412,484	412,484	-	-	412,484
Investment in securities					
Held-to-maturity investments	7,830,656	7,830,656	-	-	7,830,656
Other investments - net	687,173	-	-	2,341,790	2,341,790
Loans	1,427,371	-	-	1,377,316	1,377,316
Investment properties - net	186,896	-	-	241,701	241,701

The fair value hierarchy of financial assets presents according to Note 4.19 to financial statements. During the years, there were no transfers within the fair value hierarchy.

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

(a) Financial assets which have short-term maturity, including cash and cash equivalents, are presented at fair value, which approximate their carrying values as stated in the statements of financial position.

(b) Investments in equity securities are presented at fair value, which is derived from market price. In case of non-marketable equity securities, the fair value is determined using price per book value or discount cash flow techniques discounted by the Weighted Average Cost of Capital (WACC) appropriate to each security, except for investment units, which are not listed on the Stock Exchange of Thailand, their fair values are determined using the net asset value per unit announced by the fund managers.

(c) Investments in debts securities are presented at market prices or determined using the yield curve as announced by the Thai Bond Market Association.

(d) Long-term loans are presented at fair value, which is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

(e) Investment properties are presented at fair values, which are appraised by an independent valuer using the income approach. The key assumptions used in such appraisal are yield rate, inflation rate, long-term vacancy rate and long-term growth rate in rental fee.

#### 34. Capital Management

The primary objectives of the Company's capital management are to ensure that it 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.

#### 35. Approval of Interim Financial Statements

These financial statements were authorised for issue by the Company's Executive Directors on February 21, 2018.

# COMPANY'S FINANCIAL STATUS

## Assets

As at December 31, 2017, the Company's total assets amounted to Baht 60,102.8 million, an increase of Baht 2,770.2 million, or 4.8 percent, over 2016. Significant components of the assets are described below.

- Investments in securities rose by Baht 2,162.8 million, or 4.7 percent, to Baht 47,819.6 million, compared to 2016. Investments in securities are comprised of available-for-sale investments of Baht 39,058.1 million, or 65.0 percent of the total assets, held-to-maturity investments (deposits at financial institutions with amounts maturing in due 3 months) of Baht 8,051.6 million, or 13.4 percent of the total assets, and other investments of Baht 709.9 million, or 1.2 percent of the total assets.

- Net reinsurance assets totaled Baht 5,487.4 million, a rise of Baht 601.1 million, or 12.3 percent, over 2016.
- Premium due and uncollected rose by Baht 99.1 million, or 4.3 percent, to Baht 2,401.0 million, compared to 2016.
- Loans fell by Baht 68.1 million, or 4.8 percent, to Baht 1,359.3 million, compared to 2016.
- Property, premises and equipment, including real estate for net investments declined by Baht 167.7 million, or 12.5 percent, to Baht 1,176.9 million, compared to 2016.
- Cash and cash equivalents decreased by Baht 12.9 million, or 3.1 percent, to Baht 399.6 million, over 2016.

## Liabilities

The Company's total liabilities at 2017 year-end rose by Baht 878.5 million, or 3.6 percent, to Baht 24,957.3 million, compared to 2016. Significant elements of liabilities include the following:

- Insurance contract liabilities grew by Baht 281.7 million, or 2.1 percent, to Baht 13,762.3 million, compared to 2016.
- Due to reinsurers increased by Baht 119.8 million, or 6.2 percent, to Baht 2,051.5 million, over 2016.
- Deferred tax liabilities rose by Baht 265.6 million, or 5.6 percent, to Baht 5,039.5 million, compared to 2016.
- Other liabilities comprised premium received in advance of Baht 1,802.4 million, a rise of Baht 97.1 million, or 5.7 percent, compared to 2016, and accrued expenses of Baht 635.0 million, an increase of Baht 119.9 million, or 23.3 percent, over 2016

## Owners' Equity

The Company's owners' equity at 2017 year-end rose by Baht 1,891.8 million, or 5.7 percent, to Baht 35,145.5 million, over 2016. Important components of the owners' equity are listed below.

- Unappropriated retained earnings amounted to Baht 6,381.9 million, a rise of Baht 909.1 million, or 16.6 percent, compared to 2016.
- Other comprehensive income for the year (a surplus on revaluation of investments in securities for sale based on income taxes) grew by Baht 982.6 million, or 4.5 percent, to Baht 23,049.9 million, compared to 2016.

## Assets Quality

### Debtors (Premium receivables)

As at December 31, 2017, premium receivables had increased by Baht 99.1 million, or 4.3 percent, to Baht 2,401.1 million, over 2016. They can be classified by aging as follows:

(Million Baht)

Overdue	2017			2016		
	From the Insured	From Agent and Broker	Total	From the Insured	From Agent and Broker	Total
Not Yet Due	669.7	1,168.2	1,837.9	559.6	1,139.1	1,698.7
Overdue not longer than 30 days	102.7	98.5	201.2	153.7	135.2	288.9
Overdue 31 days - 60 days	32.2	63.0	95.2	37.2	74.2	111.4
Overdue 61 days - 90 days	37.9	21.2	59.1	32.3	52.9	85.2
Overdue 91 days - 1 year	87.9	119.8	207.7	40.5	77.3	117.8
Overdue longer than 1 year	5.7	16.7	22.4	2.9	20.1	23.0
Total overdue	936.1	1,487.4	2,423.5	826.2	1,498.8	2,325.0
Less: Allowance for Doubtful Accounts	(5.7)	(16.7)	(22.4)	(2.9)	(20.1)	(23.0)
Premium Receivables - Net	930.4	1,470.7	2,401.1	823.3	1,478.7	2,302.0

Debtors, within a grace period and overdue less than 30 days, for premium receivables amounted to Baht 2,039.1 million, representing 84.1 percent of the uncollected total premium of Baht 2,423.5 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, which allow the uncollected premium's value estimation ratio to meet the requirement of OIC.

For the premiums expected to be bad debts, the Company has provided an allowance for doubtful accounts, in accordance with the Company's 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, 2017, the Company's total loans dropped by Baht 68.1 million, or 4.8 percent, to Baht 1,359.3 million. They were mortgage loans or those having a person as collateral security. Out of the Company's total loan amount, Baht 142.0 million, or 10.4 percent, was housing loans, while the remaining Baht 1,217.3 million, or 89.6 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:

(Million Baht)

Outstanding Period	2017			2016		
	Principal		Total	Principal		Total
	Mortgage	Others		Mortgage	Others	
Current	1,169.4	6.2	1,175.6	1,264.6	3.4	1,268.0
Overdue						
Less than 3 months	30.2	-	30.2	-	-	-
3 - 6 months	-	-	-	108.5	-	108.5
7 - 12 months	-	-	-	0.8	-	0.8
Over 12 months	153.5	-	153.5	50.1	-	50.1
Total	1,353.1	6.2	1,359.3	1,424.0	3.4	1,427.4

#### Investments in Securities

The overall global economy in 2017 experienced a continuous expansion, with the global trade condition and private sector's consumption extending in the same direction in the principal regions, such as the United States, European Union, Japan and China, particularly the United States, which had a trend of strong expansion, causing an adjustment of a higher U.S. Fed Fund rate three times from 0.75 percent at the end of 2016 to 1.5 percent in December 2017. Nevertheless, a low level of inflation rate in each region resulted in the central banks across the world finding it unnecessary to make an adjustment of higher policy interest rates, coupled with foreign investment capital still flowing into the Asian region, being another factor making interest rates still being continuously at a low level.

The Thai economy in 2017 had a trend of gradual recovery, with an apparently steady extension in the latter half of the year, and with the foreign sector being a principal driving force, for instance, expanding exports, both in commodities and exporting regions, in line with an increasing demand of the global market, and the tourism sector deriving an advantage from the government's relaxing measures, such as an exemption of visa fee and other tourism-stimulating measures. In addition, the government's spending continued to play a role as a driving force for the economy, stemming from a gradual reimbursement in various public projects, for example, investment in communication infrastructure projects of the government sector, including economy-stimulating via tax reduction measures at year-end, influencing the private sector's improved consumption. Nonetheless, the low-level inflation rate also resulted in low interest rates, apart from an ongoing inflow of foreign capital, causing a continuous and lasting adjustment of a lower return rate of short-term government bonds.

For the Company, its overall investment income in 2017 had risen, compared to the previous year. The interest and dividends grew by Baht 13.5 million, or 1.2 percent, to Baht 1,139.4 million. A return from investment capital increased by Baht 54.3 million, or 77.8 percent, to Baht 124.1 million. Therefore, the total investment income in 2017 grew by Baht 80.5 million, or 6.3 percent, to Baht 1,365.9 million. When combined with a return from the underwriting, the Company's net return in 2017 amounted to Baht 2,403.1 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 2017 financial statements, which were displayed as a surplus on revaluation of investments amounting to Baht 23,049.9 million, a rise of Baht 982.6 million, or 4.5 percent, compared to 2016.

When classified in detail, as at December 31, 2017, the Company's investment capital for significant securities included the following: bonds amounted to Baht 1,954.4 million, with a fair value of Baht 1,964.9 million, while listed securities including warrant totaled Baht 4,877.9 million, with a fair value of Baht 33,303.5 million, and unlisted securities equaled Baht 805.1 million, with a fair value of Baht 709.9 million. Similarly, the investment capital in associated companies totaled Baht 214.9 million.

The investment capital in investments in funds amounted to Baht 2,100.0 million, with a fair value of Baht 2,451.8 million, which were classified into investments in funds, debt securities funds, equity securities funds and real estate funds, trust for real estate investments and infrastructure funds.

## Liquidity

### Cash Flows

As at December 31, 2017, the Company's cash and cash equivalents dropped by Baht 12.9 million, or 3.1 percent, to Baht 399.6 million. The Company's net cash on its activities were as follows:

(Million Baht)

	2017	2016
Net Cash from (used in) Operating Activities	1,604.4	1,763.0
Net Cash from (used in) Investing Activities	(126.7)	(299.7)
Net Cash from (used in) Financing Activities	(1,490.6)	(1,357.5)
Increase (Decrease) in Net Cash and Cash Equivalents	(12.9)	105.8

- Net cash from operating activities totaled Baht 1,604.4 million, which came mainly from direct premium written and interest and dividend investment income.
- Net cash used in investing activities totaled Baht 126.7 million, which was mainly used in property, premises and equipment, including non-existent assets.
- Net cash used in financing activities totaled Baht 1,490.6 million, which was used in shareholders' 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 2017, the Company's major investment expenses were on building rehabilitation, and office equipment and decoration, and an information technology system which were aimed at improving the Company's modern outlook and efficiency of customer services.

In 2017, the Company's investment expenses on property, premises and equipment amounted to Baht 92.5 million, and non-existent assets of Baht 34.2 million.

## Sources of Funds

As at December 31, 2017, the Company's liabilities were Baht 24,953.9 million, while owners' equity was Baht 35,145.5 million. Thus, the debt to equity ratio was 0.7 times. In 2017, the Company's total liabilities had risen by Baht 878.5 million, or 3.6 percent, compared to 2016, due to an increase in insurance contract liabilities, deferred tax liabilities, due to reinsurers and accrued expenses. Owners' equity increased by Baht 1,891.8 million, or 5.7 percent, over 2016. A significant factor was a rise in unappropriated retained earnings of Baht 909.1 million, or 16.6 percent, and an increase in the owners' equity's other components, which experienced a rise of Baht 982.6 million, or 4.5 percent, in a return from evaluation of net investment capital from income taxes, compared to 2016.

# FINANCIAL RATIO

		2017	2016	2015
Liquidity Ratio				
Current Ratio	(Times)	0.69	0.68	0.63
Receivable Turnover	(Times)	6.78	7.22	7.11
Collection Period	(Days)	53.11	49.83	50.65
Profitability Ratio				
Retention Rate	(%)	99.25	100.31	99.78
Loss Ratio	(%)	51.61	50.29	50.57
Profit Margin	(%)	12.78	13.88	13.58
Underwriting and Operation Expenses Ratio	(%)	35.75	35.82	35.92
Return on Investment	(%)	2.94	2.84	2.70
Net Premium Ratio	(Times)	0.32	0.33	0.36
Net Profit Margin	(%)	19.22	19.54	18.68
Return on Equity	(%)	7.03	7.17	7.50
Efficiency Ratio				
Return on Assets	(%)	4.70	4.84	4.90
Fixed Assets Turnover	(Times)	9.92	9.03	9.06
Total Assets Turnover	(Times)	0.21	0.21	0.22
Financial Ratio				
Debt to Equity Ratio	(Times)	0.71	0.72	0.72
Policy Liability to Capital Fund	(Times)	0.39	0.41	0.41
Equity/Net Premium Income	(Times)	3.21	3.00	3.08
Equity/Net Outstanding Claims	(Times)	5.47	5.47	5.16
Equity/Assets	(Times)	0.58	0.58	0.58
Unearned Premium Reserve to Equity	(Times)	0.21	0.22	0.21
Unearned Premium Reserve/Total Assets	(%)	12.21	12.91	12.27
Payout Ratio	(%)	62.03	61.46	54.55
Per Share				
Par Value	(Baht)	10.00	10.00	10.00
Book Value	(Baht)	330.10	312.33	323.62
Basic Earnings	(Baht)	22.57	22.78	22.00
Dividends	(Baht)	14.00	14.00	12.00
Growth Rate				
Premium Written	(%)	(0.56)	1.03	0.56
Underwriting Income	(%)	(9.10)	1.57	(0.77)
Investment Revenue	(%)	6.26	4.21	5.76
Profits Before Income Tax Expenses	(%)	(2.11)	2.77	2.05
Income Tax Expenses	(%)	(9.32)	(1.85)	2.71
Net Profits	(%)	(0.94)	3.56	1.94
Total Assets	(%)	4.83	(3.24)	12.31

# 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 12 and 29 of the financial statements for the year 2017, the Company would like to reveal additional information for cross-over transaction as follows:

(Million Baht)

Transaction with Related Party	Related Party	Relationship	2017	2016
Investment in Associated Companies	Disclosure in Note 12	-	214.9	207.4
Investments in Listed Securities	Disclosure in Note 29	-	30,166.8	29,645.2
Investment in Non-Listed Securities	Disclosure in Note 29	-	471.7	692.5
Premiums Written	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	289.9	245.5
Premium Due and Uncollected	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	18.4	20.1
Interest Income *	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	79.3	88.6
Dividend Income	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	221.6	221.6
Bank Deposits	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	5,301.5	6,038.8

\* 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

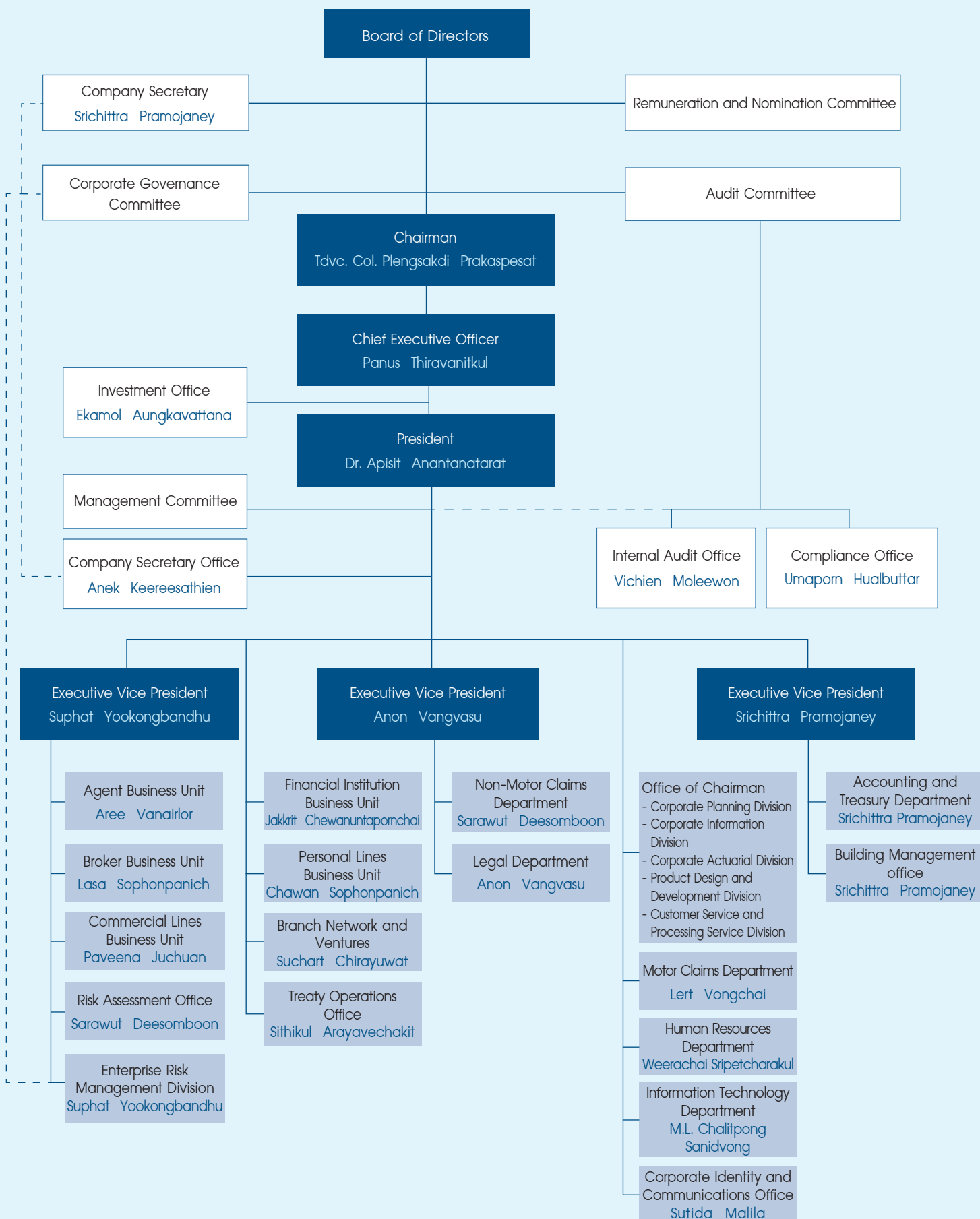
The Company has internal control systems at various levels based on the type of interrelated items, which are implemented in accordance with the law, regulations and policy of the Company that comply with other courses of business. In order to avoid any conflict of interest in making interrelated items, 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.

# ORGANIZATION STRUCTURE



# MANAGEMENT STRUCTURE

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

1. The Board of Directors and 3 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 9 committees, which directly report to the Management, consisting of the Risk Management Committee, the Sustainable Development Committee, the Investment Committee, the Insurance and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee.

## 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 5 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.

### Names of the Board of Directors

The Board of Directors (as at December 31, 2017) comprises 12 members as the following:

1. Executive directors consist of 2 members.
2. Non-executive directors consist of 10 members, 9 of whom are independent directors, amounting to more than one-third of all Board members.

The names of the Board of Directors, including their meeting attendance and remuneration in 2017 are given below.

Name - Position	No. of Attendance / Invitation				Annual Remuneration (Baht) ****
	1	2	3	4	
1.) Executive Directors					
1. Mr. Panus Thiravanitkul Director and Director of the Corporate Governance Committee and Chief Executive Officer	4/4	-	-	-	720,000
	-	-	-	2/2	90,000
2. Dr. Apisit Anantanatarat Director and President	4/4	-	-	-	720,000
2.) Non-Executive Directors					
3. Mr. Voravit Rojrapitada Director	4/4	-	-	-	720,000
4. Mr. Toshimi Kobayashi Independent Director (Appointed on August 11, 2017)	1/1	-	-	-	180,000
2.1) The Audit Committee*					
5. Tdvc. Col. Plengsakdi Prakaspesat (Appointed on August 11, 2017) and Independent Director and Chairman of the Audit Committee	2/2	-	-	-	720,000
	2/2	-	-	-	360,000
	-	6/6	-	-	360,000

Name - Position		No. of Attendance / Invitation				Annual Remuneration (Baht) ****
		1	2	3	4	
6. Miss Potjaneee Thanavaranit	Independent Director and	4/4	-	-	-	720,000
	Director of the Audit Committee	-	6/6	-	-	360,000
7. Mr. Chor. nun Petpaisit	Independent Director and	4/4	-	-	-	720,000
	Director of the Audit Committee	-	6/6	-	-	360,000
2.2) The Remuneration and Nomination Committee**						
8. Mr. Singh Tangtaswas	Independent Director and	4/4	-	-	-	720,000
	Chairman of the Remuneration and Nomination Committee	-	-	1/1	-	90,000
9. Mr. Suvarn Thansathit	Independent Director and	4/4	-	-	-	720,000
	Director of the Remuneration and Nomination Committee	-	-	1/1	-	90,000
10. M.R. Supadis Diskul	Independent Director and	4/4	-	-	-	720,000
	Director of the Remuneration and Nomination Committee	-	-	1/1	-	90,000
2.3) The Corporate Governance Committee***						
11. Mr. Virasak Sutanthavibul	Independent Director,	4/4	-	-	-	720,000
	Chairman of the Corporate Governance Committee and	-	-	-	2/2	90,000
	Director of the Remuneration and Nomination Committee	-	-	1/1	-	90,000
12. Mrs. Ninthira Sophonpanich	Independent Director and	4/4	-	-	-	720,000
	Director of the Corporate Governance Committee	-	-	-	2/2	90,000
Mr. Chai Sophonpanich	Chairman (Resigned on June 16, 2017)	2/2	-	-	-	720,000
Mr. Shota Mori	Independent Director (Resigned on May 11, 2017)	1/1	-	-	-	180,000
Total		4 Times	6 Times	1 Times	2 Times	11,070,000

Notes: Meeting Attendance/Number of Meeting Invitations

- 1 The Board of Directors' meeting.
  - 2 The Audit Committee's meeting in 2017: the Audit Committee convened 6 meetings, 4 of which were attended only by its members, and 2 of which were attended by the independent auditor and without the attendance of the Company's Management.
  - 3 The Remuneration and Nomination Committee's meeting.
  - 4 The Corporate Governance Committee's meeting.
- \* The Audit Committee, consisting of 3 independent members who are non-executive directors, was appointed by the Board's resolution on November 14, 2014, and effective from November 17, 2014, for a three-year term. The Committee's term will be due on November 16, 2017. The Committee members, comprising Tdvc. Col. Plengsakdi Prakaspesat, Miss Potjaneer Thanavarant and Mr. Chor.nun Petpaisit, was appointed by the Board's resolution on November 10, 2017, and effective from November 17, 2017, for another three-year term. The Committee's term will be due on November 16, 2020. Each of the 3 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 15, 2016, and effective from August 18, 2016, for a three-year term. The Committee's term will be due on August 18, 2019.
- \*\*\* The Corporate Governance Committee was appointed by the Board's resolution on February 28, 2014, and effective from February 28, 2014, for a three-year term. The Committee's term was due on February 27, 2017. The Board's resolution on February 24, 2017 had extended the term of Mr. Virasak Sutanthavibul, Mrs. Nintira Sophonpanich and Mr. Panus Thiravanitkul, for another three-year term. Their term was effective from February 28, 2017 and will be due on February 27, 2020.
- \*\*\*\* The Board Directors' Remuneration for 2017 was approved by shareholders' 24<sup>th</sup> general meeting on April 28, 2017, in the amount not exceeding Baht 12,500,000.

### 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, policy on anti-corruption, and policy on whistle blowing, all 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

1. 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.

2. 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.

3. 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.

4. In consideration of the 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.

5. The Board may ask the Chairman or the Company Secretary for additional explanations and examination of relevant documents.

6. 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 directors who are authorized to bind the Company to any decision are two out of the three directors, namely Mr. Panus Thiravanitkul, Mr. Voravit Rojrapitada or Dr. Apisit Anantanatarat, who must sign together and affix the Company's seal.

## 2. Management Committee

### Management Committee

The Management Committee consists of executive directors and executives appointed by the Company's 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.

### Name of the Management Committee

The term "The Company's Management Committee", as defined in the Office of Securities and Exchange Commission'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 Chief Executive Officer. The Management Committee (as at December 31, 2016) is comprised of 14 executive members whose names are listed below.

### Name of the Management Committee

- |                                   |                                      |
|-----------------------------------|--------------------------------------|
| 1. Mr. Panus Thiravanitkul        | Director and Chief Executive Officer |
| 2. Dr. Apisit Anantanatarat       | Director and President               |
| 3. Mr. Anon Vangvasu              | Executive Vice President             |
| 4. Mr. Suphat Yookongbandhu       | Executive Vice President             |
| 5. Mrs. Srichittra Pramojaney     | Executive Vice President             |
| 6. Mr. Jakkrit Chewanuntapornchai | Senior Vice President                |

7. Mr. Suchart Chirayuwat	Senior Vice President
8. Mr. Aree Vanairlor	Senior Vice President
9. Mr. Lert Vongchai	Senior Vice President
10. Miss Paveena Juchuan	Senior Vice President
11. Mr. Chawan Sophonpanich	Senior Vice President
12. Miss Lasa Sophonpanich	Senior Vice President (Appointed on January 1, 2017)
13. Mr. Weerachai Sripetcharakul	Senior Vice President (Appointed on February 16, 2017)
14. M.L. Chalitpong Sanidvong	Senior Vice President (Appointed on April 3, 2017)

#### 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.
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.

### 3. The Company Secretary

The Company's Board of Directors' meeting (No.2/2015) held on May 15, 2015, passed a resolution appointing Mrs. Srichittra Pramojaney, who is currently the Company's Executive Vice President and has been working with the Company since 2006, as the Company Secretary, effective from June 1, 2015, in order 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 secretary is a qualified person besides having comprehensive knowledge and capability to perform his or her duty and assume the position. 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 for 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 the Company's 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.

#### 4. Remuneration for Directors and Management

##### 4.1 Remuneration in the Form of Money

(a) In 2017, the Company paid the Board's attendance fee to the Board directors, totaling Baht 11,070,000. 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 12,500,000, has been approved by shareholders' meeting. Details of remuneration criteria are given below.

The Board of Directors	The Board's Attendance Fee (Baht/Person/Time)
Chairman of the Board of Directors	360,000
The Board Directors	180,000
The Audit Committee	90,000
The Remuneration and Nomination Committee	90,000
The Corporate Governance Committee	90,000

(b) As at December 31, 2017, the Company's executive directors comprised 14 members, who were paid a total remuneration of Baht 82,442,173 consisting of salary, bonus, motor and telephone expenses, as well as a contribution to the social security fund. Out of 14 executive directors, two are executive members. The paid remuneration does not exceed the amount which has been approved by directors and shareholders and it was taken into consideration based on such factors as the executives' performance and the Company's operations such as insurance premium's growth, the Company's income, the asset growth compared to the other insurance companies in the country, the potential of business development, the improvement of performance efficiency, and the development of the Company's staff. The Board directors' and Chief Executive Officer's short-term remuneration comprises salary, bonus, telephone expenses and a contribution to the social security fund, while the long-term remuneration comprises the provident fund.

##### 4.2 Other Remuneration

In 2017, other remuneration, such as provident fund, totaling Baht 11,174,644, was paid to 14 Company executive directors and executive members.

Accordingly, in 2017, a total remuneration, both in the form of money (as in 4.1 - b) and others (as in 4.2), of Baht 93,616,817 was paid.



## 5. Personnel

### Total Employees

As at December 31, 2017, the Company had a total of 1,495 employees, comprising 1,087 employees working on the Company's core business lines, and 408 employees working on supporting business lines.

The number of employees working on each core business line is listed below.

Type of Core Business	Number of Employees (Person)
Agent Business Unit	77
Broker Business Unit	75
Commercial Lines Business Unit	77
Financial Institution Business Unit	78
Personal Lines Business	72
Branch Network and Ventures	287
Treaty Operations Office	12
Risk Assessment Office	12
Non-Motors Claims Department	56
Motor Claims Department	341
<b>Total</b>	<b>1,087</b>

### Total Remuneration and Characteristic of Remuneration for Employees

In 2017, the Company's employees were paid a total remuneration of Baht 1,078,112,124 consisting of salary, bonus, employer's contributions to the social security fund, overtime, motor and telephone expenses, provident funds and severance pay upon retirement. The paid remuneration was taken into consideration based on such factors as the insurance premium's growth, the Company's income, the country's economic condition, the cost of living, and the individual employee performance's assessment through a performance measurement tool called Performance Fact Sheet. The Performance Fact Sheet is comprised of key performance indicators (KPIs), projects and assignments, the consequences of which have been defined to be in conformity with the Company's goals, including consideration of the outcome of employees' performance competency, focusing on their working behavior which is in compliance with the Company's knowledge-based culture.

### Policy on Personnel Development

In an era when Thailand has to move toward Thailand 4.0, the Company has increasingly to give priority to its personnel development at all levels in response to changing circumstances which have occurred rapidly. In 2017, the Company had altered a guideline for its personnel development through an introduction of a learning and development module of 70:20:10, which meant on-the-job learning for 70%, mentoring/coaching for 20%, and classroom training for 10%. In this connection, there has been an improvement for more intensive on-the-job learning, besides arranging the Training by Position, aimed at the Company's staff's acknowledgement of a guideline for self-development from an initial stage of their work performance with the Company, and of what to develop to move up to a higher position. The guideline for self-development has to be in compliance with the organization's Competency and focuses on staff development encouraging them to have BKI Spirit, comprising "Cool", making them have modern thinking; "Agile", enabling them to appropriately adapt themselves; and "Friendly", urging them to be friendly with people around them, including the environment, apart from being a integrity corporation. The Company has carried on the late King Bhumibol's resolution, encouraging both its management and employees to know and understand the development of an integrity organization, and to be prepared to practice it as an example of the development of quality performance in parallel with morality, emphasizing an obvious integrity corporation. In 2017, the Company had focused on 3 principal integrities, namely honesty, economy and having disciplines, and integrated myriad types of development as the following:

1. The in-house training is a major guideline necessary for all levels of employees, starting from new ones, to receive knowledge and skills which are the core and essential for work performance, for instance, insurance business knowledge, management knowledge, knowledge of how to develop and increase the work performance efficiency, including knowledge and skills needed to enhance employees' potential in order to move up to a higher position. In 2017, the Company provided for a total of 133 in-house training courses.

- For insurance courses, the Company has improved various courses in line with their practicality, for example, courses on General Insurance, and Basic Insurance, both of which are classified by insurance products, and Basic Insurance Package and Application, which provides staff working on core business lines with knowledge and understanding of insurance products, and training before starting work in their respective departments. The Company has also provided training in the form of Insurance Camp, in which the trainees obtain more knowledge and understanding of the substance of insurance and claims payment processes, both in theory and practice. In addition, the Company has provided for its staff to learn about new products, aimed at extending customer bases, through courses on Trade Credit Insurance, D&O Liability Insurance and so on. For training of its executives, the Company has provided for a course on Insurance Business Simulation, which simulates insurance business in the form of business games so that trainees may experiment on the insurance business transaction like in a real situation.

- For management courses, the Company has created different courses appropriate for each level of staff, which are in accordance with and relate to a series of knowledge, ranging from senior executives to specialists as follows:

Executive Development Program (EDP)	for senior executives
Advance Management Program (AMP)	for intermediate executives
Leadership Management Program (LDP)	for junior executives
Business Development Program (BDP)	for specialists

Besides, there are also a number of supplementary courses such as Strategic Thinking, which is provided to executives so that they will have a strategic viewpoint via business game activities, and HR Management for Manager, provided to junior executives so that they may understand their role and duties in the management of their subordinates in conformity with the Company's direction.

- Concerning courses on the efficiency and potential development, the Company has offered a course on ISO 9001 and ISO 27001, with which the Company was certified, with a hope that its employees will have knowledge and understanding of such systems as well as provide services of the international standard permanently. In addition, a course on development of excellent leadership in terms of EQ is provided to junior executives, aimed at their proper emotional expressions and good examples for subordinates.

2. The external training is a form of training by external institutions, in which the Company encourages its employees to have an opportunity for the training and development of needed knowledge and skills which will generate new experience and viewpoint for them. In 2017, the Company provided its staff with a total of 283 training courses, consisting of 265 courses in the country and 18 courses abroad.

3. The Company also provides scholarships to its staff to study for a master degree in order for them to have knowledge necessary to perform their work. In 2017, the Company had 2 staff getting a scholarship to do their master in the country.

To generate its personnel in support of the future growth, the Company has constantly provided for a development program for its branch executives. The participants will be able to develop multi-skills needed to perform their work as branch executives. Besides, they also have an opportunity to perform real work to create experiences which can be actually applied in the future. Similarly, the Company still arranges its staff's learning of myriad skills via job rotation, job transfer and so on, in order for them to learn new work and develop their own career path.

4. Apart from the above-mentioned patterns of the organization's knowledge management, the Company has also encouraged its employees to share their knowledge and experience to the Company and its staff through the following patterns.

- Knowledge Sharing: The Company has its executives who are going to retire transfer knowledge derived from their long working experiences to the Company's staff through the "Special Knowledge Transfer" activity.
- Tea Time Talk Show: The Company's staff who have taken part in the training or seminar abroad transfer their knowledge to younger staff via pleasant activities to create sound learning environment.
- Knowledge Plus: It is an activity used as a communication channel for the Company to communicate good issues to its employees every 4 months, aimed at generating their accurate knowledge and understanding, besides being able to communicate it correctly with other people.

In 2017, the Company provided an average of 4.72 day/staff/year, while the budget spent on the Company's staff training and development amounted to over Baht 9.8 million. This aims at generating the personnel who possess knowledge and skills appropriate for work performance and in support of changes which may occur in the future.

# SHAREHOLDINGS STRUCTURE

## Breakdown of Shareholdings

As at November 24, 2017 (The Record Date)

Issued and Fully Paid-up Share Capital: Baht 1,064.7 Million

Class of Share: Ordinary Shares at Baht 10 per Share

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 10,000	1,707	73.36	3,096,210	2.91
10,001 - 50,000	389	16.72	8,783,320	8.25
50,001 - 150,000	133	5.71	11,421,145	10.73
150,001 Up	98	4.21	83,169,325	78.11
	2,327	100.00	106,470,000	100.00

Thai Shareholders 97.89% Non - Thai Shareholders 2.11%

## Major Shareholders and Numbers of Shareholdings

as at November 24, 2017 (The Record Date) for the right to attend the meeting and to receive the dividend payment.

Name	Number of Shares As at Nov 24, 2017	%
1. Bangkok Bank Public Co., Ltd.	10,613,194	9.97
2. HWIC ASIA FUND *	6,752,114	6.34
3. Mr. Chai Sophonpanich **	3,473,026	3.26
4. Chin Sophonpanich Foundation	3,370,934	3.17
5. C.R. Holding Co., Ltd.	3,332,934	3.13
6. AIOI INSURANCE CO.,LTD.	2,989,599	2.81
7. Mr. Choedchu Sophonpanich	2,604,017	2.45
8. Mr. Chatri Sophonpanich	2,514,033	2.36
9. Mr. Niti Osathanugrah	2,224,362	2.09
10. Mr. Charn Sophonpanich	2,197,977	2.06
11. Aberdeen Small Cap Fund	1,797,000	1.69
12. HWIC Asia Fund A/C Class C2 Shares *	1,696,191	1.59
13. Glory Hope Limited *	1,658,517	1.56
14. VAYUPAK FUND 1 Krung Thai Asset Management Public Co., Ltd.	1,589,203	1.49
15. VAYUPAK FUND 1 MFC Asset Management Public Co., Ltd.	1,589,203	1.49
16. Aberdeen Growth Fund	1,412,913	1.33
17. Rabil Holding Co., Ltd.	1,406,071	1.32
18. Bangkok Rinvest Co., Ltd.	1,282,100	1.20
19. Thai Reinsurance Public Co., Ltd.	1,233,541	1.16
20. Aberdeen Long Term Equity Fund	1,198,480	1.13

Remarks: \* Shareholders in the 2, 12 and 13 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 665,746 Shares

**Shareholding of the Board of Directors**, as at November 24, 2017 (The Record Date) for the right to attend the meeting and to receive the dividend payment.

Name	Number of Shares As at Nov 24, 2017	Number of Shares As at Nov 25, 2016	Change
1. Tdvc. Col. Plengsakdi Prakaspesat	-	-	-
2. Miss Potjanee Thanavaranit	-	-	-
3. Mr. Chor.nun Petpaisit	-	-	-
4. Mr. Singh Tangtaswas	153,600	153,600	-
5. Mr. Suvarn Thansathit	-	-	-
6. M.R. Supadis Diskul	-	-	-
7. Mr. Virasak Sutanthavibul	-	-	-
8. Mrs. Ninthira Sophonpanich <sup>*1</sup>	2,949	2,949	-
9. Mr. Panus Thiravanitkul <sup>*2</sup>	41,547	35,247	6,300
10. Mr. Toshimi Kobayashi	-	-	-
11. Mr. Voravit Rojrapitada	68,140	68,140	-
12. Dr. Apisit Anantanatarat	4,613	4,613	-
Mr. Chai Sophonpanich <sup>*3</sup> (Resigned as from June 16, 2017)	3,473,026	3,473,026	-
Mr. Shota Mori (Resigned as from May 11, 2017)	-	-	-

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

- \*<sup>1</sup> Spouse - Mr. Chartsiri Sophonpanich 2,949 shares
- \*<sup>2</sup> Spouse - Mrs. Suporn Thiravanitkul 5,600 shares
- \*<sup>3</sup> Spouse - Mrs. Nuchanart Sophonpanich 665,746 shares

**Shareholding of Management Committee**, as at November 24, 2017 (The Record Date) for the right to attend the meeting and to receive the dividend payment:

Name	Number of Shares As at Nov 24, 2017	Number of Shares As at Nov 25, 2016	Change
1. Mr. Panus Thiravanitkul* <sup>1</sup>	41,547	35,247	6,300
2. Dr. Apisit Anantanatarat	4,613	4,613	-
3. Mr. Anon Vangvasu* <sup>2</sup>	50,455	48,655	1,800
4. Mr. Suphat Yookongbandhu* <sup>3</sup>	61,009	61,009	-
5. Mrs. Srichitra Pramojaney	3,560	3,560	-
6. Mr. Jakkrit Chewanuntapornchai	-	-	-
7. Mr. Suchart Chirayuwat	-	-	-
8. Mr. Aree Vanairlor	3,395	3,395	-
9. Mr. Lert Vongchai	1,596	1,596	-
10. Miss Paveena Juchuan	-	-	-
11. Mr. Chawan Sophonpanich	438,181	438,181	-
12. Miss Lasa Sophonpanich (Appointed on January 1, 2017)	465,425	450,925	14,500
13. Mr. Weerachai Sripetcharakul (Appointed on February 16, 2017)	-	-	-
14. M.L. Chalitpong Sanidvong (Appointed on April 3, 2017)	-	-	-

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

- \*<sup>1</sup> Spouse - Mrs. Suporn Thiravanitkul 5,600 Shares
- \*<sup>2</sup> Spouse - Mrs. Thunyaporn Vangvasu 15,015 Shares
- \*<sup>3</sup> Spouse - Mrs. Warunee Yookongbandhu 43,399 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 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:

(Baht/Share)

Shareholders' Meeting Time/Year	Year of Paymen	Dividend and Stock Dividend					Total
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Stock Dividend	
21/2014	2013	2.75	2.75	2.75	3.75	4.00*	16.00
22/2015	2014	2.75	2.75	2.75	3.75	-	12.00
23/2016	2015	2.75	2.75	2.75	3.75	-	12.00
24/2017	2016	3.00	3.00	3.00	5.00	-	14.00
25/2018	2017	3.00	3.00	3.00	5.00**	-	14.00**

Remarks: \* For the shareholders' 21<sup>st</sup> general meeting on April 25, 2014, the Company was approved by the meeting to increase its paid-up capital from Baht 760.5 million to Baht 1,064.7 million, by issuing shares to be paid as stock dividends to shareholders at the rate of 5 existing shares per 2 shares of stock dividend. In case of a share fraction, a dividend payment is made, in the portion of this share fraction, to shareholders at Baht 4 per share.

\*\* The final dividend payment for the year 2017 is still uncertain and it has to be approved by the shareholders at the 25<sup>th</sup> general meeting of shareholders.

# PRINCIPLES OF GOOD CORPORATE GOVERNANCE

## 1. The Policy on Good Corporate Governance

The Bangkok Insurance Public Company Limited Board of Directors fully realizes the significance of good corporate governance based on transparency, accuracy and fairness, generating the greatest benefit for all stakeholders, and has thus defined the policy on good corporate governance so that the Company's Board of Directors, management and all employees will use it as a standard for the best performance of work under their responsibility. This, of course, will result in the Company's business having a standard, fair and transparent management system generating income and increasing the long-term value for investors, apart from creating confidence among all parties of stakeholders and supporting and promoting the Company's sustainable growth of competitiveness.

**The Section on Shareholders' Rights** The Company has a policy on supporting the shareholders' fundamental rights, for instance, the right to purchase, sell or transfer shares; right to receive the Company's profit share; right to obtain sufficient data and information so as to attend shareholders' general meeting to appoint or discharge a Board director; right to appoint an auditor and review an issue affecting the Company, for example, the allocation of dividends, determination or revision of the Company's requirements or memorandum of association for reducing or increasing the capital and approval of a special item, and right to know, at an appropriate time, the regulations and methods of attending the meeting, and adequate data and information for consideration in each meeting agenda prior to the meeting, apart from having an opportunity to ask Board directors questions both during the meeting and by submitting questions in advance.

**The Section on Equal Treatment of Shareholders** The Company's encouragement of equal treatment of all shareholders are, for instance, its policy on providing an opportunity to the minority of shareholders to nominate, at an appropriate time, the Board's director in advance, giving an opportunity to a shareholder who cannot attend a meeting to exercise his/her rights by giving a mandate to another person to attend the meeting and vote on his/her behalf, and giving an opportunity to the minority of shareholders to add a meeting agenda in advance prior to the shareholders' meeting day; determination of measures preventing the Company's Board directors and executives from using insider information to seek any advantage for themselves or others illegally, including determination of Board directors' and executives' disclosure of data on their stakeholding and that of other concerned people.

**The Section on Consideration of Stakeholders' Role** The Company has defined a policy for each group of stakeholders such as customers, employees, business partners, shareholders or investors, communities, society or the government sector, including competitors. The determination of the policy on corporate social responsibility, particularly the issues having a direct impact on the Company's business transactions, is aimed at generating confidence among parties concerned that the Company's business performance has taken into account social and environmental factors based on sustainable development, has a performance guideline which does not violate intellectual properties or copy rights, a policy on anti-corruption practices and notification of a suspicion of corrupt practices and protection of suspicion reporters' rights, and provision of a channel for each group of stakeholders to give suggestions and comments or file a complaint to the Company's Board of Directors.

**The Section on Data Disclosure and Transparency** The Company has a policy on accurate, complete, adequate, reliable and timely disclosure of significant data and information relating to the Company so that the shareholders are equally informed of it. The important data the Company has to disclose includes shareholders structure, financial situation and the Company's operations, Board of Directors and executives, report on the Company's purchase-sale/possession of securities, report on Board directors' stakeholding, determination of those responsible for data disclosure to shareholders, investors and securities analysts, and arrangements of an Investors Relations to equally and fairly communicate with related outsiders, apart from those responsible for disseminating data and information of the Company's performance and returns to the public through various media and the Company's website.

**The Section on the Board of Directors' Responsibilities** The Company has defined the qualifications of its Board directors, independent directors and directors of the Audit Committee. The Company's Board of Directors consists of directors possessing vision, leadership, knowledge, expertise, experiences, specific capabilities and a variety of skills useful to the Company, besides defining the structure of the Board as well as its roles, duties and responsibilities, the Board's meeting, and the sub-committees.

In 2017, the Company's Board made a self-evaluation on its work performance. 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 4.88, representing 97.60 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.

Details of the Company's policy on good corporate governance may be viewed on its website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com).

### 1.1 Investment Governance Policy

The Company has carried out its business transactions with responsibility and transparency based on the principle of good corporate governance and has paid attention to its shareholders, customers, business partners, employees and the regulator, apart from being truly responsible to society and the environment, focusing on the Company's sustainable growth. The Company also realizes the significance of the principle of good investment governance. As a consequence, in 2017, the Company had declared its acceptance of practices in conformity with the Investment Governance Code (I Code), through an approval of the Company's Board of Directors. In addition, the Company has formulated its Investment Governance Policy so that its Board, management and employees concerned with the work performance will use it as a guideline for their performance with responsibility, decision making, and efficient investment follow-up, besides taking part in overseeing the companies in which the Company has invested, in order that they carry out their business transactions based on Environment, Social and Governance (ESG), which will result in a sound and sustainable return

## 2. Sub-Committees

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

1. Committees which directly report to the Board, comprise 3 committees, namely the Audit Committee, the Remuneration and Nomination Committee and the Corporate Governance Committee.

2. Committees which directly report to the Management Committee\*, consists of 9 committees, namely (1) the Risk Management Committee, (2) the Sustainable Development Committee, (3) the Investment Committee, (4) the Underwriting and Claims Committee, (5) the Information Technology Committee, (6) the Safety, Health and Environmental Committee, (7) the Information Security Management Committee, (8) the High Loss or Complicated Claims Committee and (9) the Procurement on Building Management Committee.

Note \* - The committees order (1) - (6) were appointed by the resolution of the Board of Directors' meeting on February 25, 2011.  
 - The committee order (7) was appointed by the resolution of the Company's management's meeting and made into the Company's declaration (2013/008) dated February 1, 2013.  
 - The committee order (8) was appointed by the resolution of the Company's management's meeting on August 15, 2016.

The 8 committees were recently additionally improved by the resolution of the Company's management's meeting and made into the Company's declaration (2017/025) dated December 25, 2017, entitled "the Appointment of Committees", which became effective from January 2018 onward.

For the committee order (9), it was appointed by the resolution of the Company's management's meeting and made into the Company's declaration (2017/025) dated December 25, 2017, entitled "the Appointment of Committees", which became effective from January 2018 onward.

### 1. Committees Directly Reporting to the Board

The Company's Board of Directors has appointed 3 committees, which directly report to the Board, comprising the Audit Committee, the Remuneration and Nomination Committee and the Corporate Governance Committee. In this regard, Board directors and executives have been appointed as members of the 3 committees in order to help consider significant work cautiously and in compliance with the Company's policy on good corporate governance and the OIC's laws and regulations. Each committee has a three-year term and includes the following components and scope of duties and authority.

#### 1.1 The Audit Committee

The Audit Committee (as at December 31, 2017) is comprised of 3 independent Board directors, namely,

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|--------------------------------------|---|
| 1. Tdvc. Col. Plengsakdi Prakaspesat | Chairman, Independent Director and<br>Chairman of the Audit Committee |
| 2. Miss Potjanee Thanavaranit        | Independent Director and Director of the Audit Committee              |



3. Mr. Chor.nun Petpaisit Independent Director and Director of the Audit Committee

Each director of the Audit Committee has skills, knowledge, understanding and working experiences in accounting and finance. All 3 directors of the Audit Committee possess sufficient knowledge and experience to verify the reliability of the Company's financial statements.

#### The Scope of Duties and Authority of the Audit Committee

The Audit Committee has the following scope of duties and authority.

1. To verify the Company's financial statements to ensure that they are completely, accurately and reliably established in accordance with Thai Accounting Standards, while significant data is sufficiently disclosed.

2. To verify and make an assessment of the Company's systems of internal control, internal audit and risk management to ensure their appropriateness, effectiveness and compactness, based on the framework accepted by international standards, including defining the Internal Audit Office's duties, responsibilities, authority and independence, and an approval for the appointment, reshuffle and employment termination of the head of the Internal Audit Office.

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, Non-Life Insurance Act, the OIC requirements, and other laws related to the Company's business.

4. To consider a selection and proposal for an appointment and employment termination of an independent person who acts as the independent 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 provide recommendations to the Management for its efficient and effective overseeing of the Company's operations, and report to the Board of Directors for an improvement within the time the Audit Committee sees appropriate, in the case the Audit Committee has found or become suspicious of the following transactions or acts.

(a) Transactions with conflicts of interest.

(b) Malfeasance, abnormality or significant deficiency in the internal control system.

(c) Violation of laws on non-life insurance or other laws related to the Company's business.

7. To prepare the Audit Committee's 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) An opinion on the Company's adequacy and effectiveness of 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.

8. To verify a self-evaluation form relating to anti-corruption measures to ensure that the Company possesses effective anti-corruption systems as reported in the IOD's self-evaluation form.

9. 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 The Remuneration and Nomination Committee

The Remuneration and Nomination Committee (as at December 31, 2017) comprises 4 members, namely,

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

2. Mr. Suvarn Thansathit Independent Director and Director of the Remuneration and Nomination Committee

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|------------------------------|--|
| 3. M.R. Supadis Diskul       | Independent Director and Director of the Remuneration and Nomination Committee |
| 4. Mr. Virasak Sutanthavibul | Independent Director and Director of the Remuneration and Nomination Committee |

The committee chairman and at least one of its members have to be 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**

The scope of duties and authority of the Remuneration and Nomination Committee includes the following.

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 Board of Directors, 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**

This is a specific purpose meeting which is convened when necessary but shall be no less than once a year.

### **1.3 The Corporate Governance Committee**

The Corporate Governance Committee (as at December 31, 2017) comprises 3 members, who are directors and/or executives, namely,

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|------------------------------|--|
| 1. Mr. Virasak Sutanthavibul | Independent Director and<br>Chairman of the Corporate Governance Committee |
| 2. Mrs. Nintira Sophonpanich | Independent Director and<br>Director of the Corporate Governance Committee |
| 3. Mr. Panus Thiravanitkul   | Director and<br>Director of the Corporate Governance Committee             |

The committee chairman has to be an independent director.

#### **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**

This is a specific purpose meeting which is convened when necessary but shall be no less than once a year.

## **2. Committees Directly Reporting to the Management Committee**

The Company's Management Committee has appointed 9 committees, which directly report to the Management, consisting of the Risk Management Committee, the Sustainable Development Committee, the Investment Committee, the Underwriting and Claims Committee, the Information Technology Committee, the Safety, Health and

Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee. In this regard, the Management Committee members have been appointed to the 9 committees to help verify significant issues so as to enable the Company's performance and activities to go in compliance with the OIC's laws and regulations and be implemented efficiently. Each committee has the following components and scope of duties and authority.

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

1. To define, consider and review the risk management framework, as well as risk management policy and scope so that they cover various types of principal risks which may have an impact on the Company's income, fund, reputation or existence.

2. To oversee and support the Company's implementation of its risk management in line with its strategies and business transaction goals.

3. To evaluate the adequacy of the Company's risk management measures and risk management efficiency.

4. To arrange for a meeting in order to follow up the risk status, apart from the progress of risk management and the provision of recommendations for what has to be improved or modified so that they go in accordance with the defined risk management framework and policy, and strategies and report it to the Board for acknowledgement at least once every three months.

5. To support the performance of the Enterprise Risk Management Division so as to fulfill the organization's risk management goals.

**2.2 The Sustainable Development Committee** comprises at least 7 executives from various business units, each having a two-year term and at least one meeting every month, with the following scope of duties and authority.

1. To oversee and support the implementation of activities promoting the Company's sustainable culture, such as BKK Spirit (Cool, Agile, Friendly) and the culture "Your Caring Partner".

2. To oversee and support the implementation of CSR activities under the guideline of sustainable development, in cooperation with the Bangkok Insurance Foundation, in order to perform connectively and fulfill the Company's CSR goals.

3. To consider and encourage the Company's performance supporting its responsibilities to society and the environment.

4. To consider new activities or projects affecting the organization development to keep pace with the Company's alteration and sustainable development.

5. To define the direction of formulating a plan to increase the performance efficiency and a plan for personnel development so that they are in compliance with the Company's strategic plan, besides providing suggestions on presenting a work plan of business units.

6. To consider presenting to have the Company nominate for awards organized by external agencies, and control them till the goal is accomplished.

7. To make a report on the performance consequence to the Management Committee at least once every six months.

**2.3 The Investment Committee** is composed of at least 3 executives, each having a two-year term and at least one meeting every three months, 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 and other business transaction policies appropriate and flexible to changing situations, with a consideration of risks and related laws, before presenting it to the Board for consideration 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 in an amount of over Baht 200 million per investment, but not exceeding Baht 800 million. If it is over Baht 800 million per investment, it has to be presented to the Board for further consideration for approval.

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.

6. To have another duty to oversee other business transactions of which the duties and responsibilities are defined in the same manner as those of the Investment Committee.

**2.4 The Underwriting and Claims Committee** comprises at least 3 executives, each having a two-year term and at least one meeting every three months, 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 policy on underwriting, reinsurance and claim management appropriate and flexible to changing conditions, with a consideration of risks and related laws, before presenting them to the Management Committee.

2. To consider for approval of a guideline for defining premium rates.

3. To consider for approval of rules and orders and practice procedures of the Company's underwriting, reinsurance and claims consideration.

4. To consider for approval of the scope of authority of underwriting and claims.

5. To verify and adjust the policy on underwriting, reinsurance and claims management so that it is appropriate for changing circumstances.

**2.5 The 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 the information technology and work system, with the following scope of duties and authority.

1. To define the policy and strategy on the utilization of the information technology in the work performance and support of the Company's strategy.

2. To consider for approval of the new work plans or projects relating to the use of the information technology in support of the work performance.

3. To consider for approval, in principle, of the work plans or projects, including the budget concerned with the information technology.

4. To consider for approval of the procurement on the information technology work to generate the greatest benefit to the organization.

5. To follow up the success of the utilization of the information technology in various projects or work plans.

6. To review the policy and strategy on the use of the information technology in the work performance if they are not in accordance with the objectives

**2.6 The Safety, Health and Environmental Committee** consists of 12 members, including 1 representative of the employer, 5 representatives of the superior level, and 6 representatives of operational employees, each having a two-year term and at least one meeting every two months, 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 suggestion to the employer on the measure or guideline for improvement so that it is in compliance with the law on work safety and/or work 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 work safety standards of a manufacturing establishment, and present them to the employer.

5. To formulate policies and annual work plans on projects or activities on safety, hygiene and working environment in order to prevent and reduce accidents, hazards or illness stemming from work, or work 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. 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.

9. To perform other duties related to safety, hygiene and working environment, as assigned by the employer.

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

11. To make a report on the performance consequence to the Management Committee at least twice a year.

**2.7 The Information Security Management Committee** is composed of at least 3 executives, each having a two-year term and at least one meeting every two months, having knowledge, expertise and understanding of an information system within the organization, with the following scope of duties and authority.

1. To define the policy, objectives, structure and duties and responsibilities regarding information security.
2. To encourage the organization to give priority to the fulfillment of objectives of information security, practices in conformity with the policies and laws, including a necessity for a steady improvement and development of information security within the organization.
3. To support resources for the system establishment, utilization and management, inspection and review, maintenance, including an improvement of the information security management system.
4. To make a report on the performance consequence to the Management Committee at least twice a year.

**2.8 The High Loss or Complicated Claims Committee** performs in the form of a committee and comprises executives having authority on making judgment on a complaint filed to the Company, with those responsible from claims payment unit, underwriting unit, legal unit and compliance unit, each having a two-year term, with the following scope of duties and authority.

1. To scrutinize and make judgment on complicated issues or ones having high damages of Baht 50 million and over. A complaint consideration has to be completed within 30 days, starting from the date the complaint is filed or additional documents are provided (if any).
2. To make a report on the performance consequence to the Management Committee at least once a year.

**2.9 The Procurement on Building Management Committee** comprises at least 3 executives, each having a two-year term and at least one meeting every three months, with the following scope of duties and authority.

1. To define the policy and strategy on the overall procurement on the building management, including a review of the policy so that it fulfills the Company's goals.
2. To consider for approval, in principle, the work plans and projects, including the budget concerned with the building management, besides following up the success of those work plans and projects.
3. To consider for approval, in due time, of general expenses and those for specific or routine work/projects, in an amount of over Baht 500,000.
4. To consider for approval of the determination of the rent of office buildings and the investment relating to the rented buildings.

### **3. The Nomination and Appointment of Senior Executives**

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. In this connection, appropriate qualifications and nomination procedures for a selection of a new Board director and senior executive, including minor shareholders' rights to appoint Board directors, are defined as follows:

#### **1. Qualifications and Procedure for Nominations of the Board Directors and Independent Directors**

##### **1.1 Qualifications of Directors**

The Company's Board directors, without regard to their gender, possess comprehensive knowledge, experience and specific capability 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 greatest 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 the management or party having authority to control the Company or affiliated companies.

4. Have no or did not use to have 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 relation with the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders or the party having authority to control of 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 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 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.
5. Be able to sufficiently devote their time and express opinions in the performance of their work as the Audit Committee directors.

#### **1.2 Procedure for Directors and Independent Directors Nomination**

To appoint a new director of the Board replacing 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' general 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 5 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](http://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 top 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.

#### **Data on Transaction Related to Business Relations or Provision of Occupational Services between Independent Directors and Companies, Affiliated Companies, Associated Companies or a 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".

#### **The Company's Board of Directors' Requirements on a Succession Plan and Development of Executives**

The Company's Board of Directors has assigned the Remuneration and Nomination Committee to be responsible for selecting a qualified person appropriate for assuming the position of the Chief Executive Officer and



the President, by nominating an insider first or an outsider in case of necessity, including taking charge of formulating a plan for a succession by reducing the risk or impact of a lack of successors as much as possible. Consequently, there has to be a plan for steadily developing successors in order to be prepared for the qualifications for a succession to a higher position via the following policy.

1. The Remuneration and Nomination Committee gives a policy on selecting the qualifications of a successor of the Chief Executive Officer and the President to the Chief Executive Officer for consideration and implementation.

2. The Chief Executive Officer define the qualifications, knowledge, capability and competency of a successor of the Chief Executive Officer, the President, including the senior executives of departments, based on the organization structure.

3. The President has a duty on making an assessment of the knowledge, ability and consequence of performance according to competency of departments' senior executives, apart from formulating an individual development plan in accordance with the principle of personnel development, through controlling and overseeing to ensure that there is complete development in compliance with the plan defined, and making an evaluation of the development progress by providing a concrete feedback.

4. The Chief Executive Officer reports the consequence of development of executives who are successors of the Chief Executive Officer and the President to the Remuneration and Nomination Committee every time there is an annual meeting of the Remuneration and Nomination Committee. The report will be presented to the Company's Board of Directors at its annual meeting.

#### Appointment of Executives

The Company's Board has assigned the Remuneration and Nomination Committee to consider an appointment of the Chief Executive Officer and the President and to propose for approval to the Board at its annual meeting, while the Board will subsequently propose for approval to the shareholders' annual general meeting.

For an appointment of head of departments based on the organization structure, it is the duty of the Company's Chief Executive Officer and/or President to make a selection and appointment later.

#### 4. The Overseeing of Operating Performance of Affiliated Companies and Associated Companies

For overseeing the operating performance of affiliated companies and associated companies, the Company possesses only 3 associated companies. To oversee its associated companies' operating performance, the Company has appointed some people as the associated companies' board directors. The Company's Board of Directors will nominate board directors to its associated companies and propose to the Chairman of the Board for approval. Those appointed as associated companies' board directors have duties to perform to the best advantage of the companies. Similarly, they have to get approval from the Company's Board prior to making a resolution on a significant issue, at the same level as that which has to derive approval from its Board if carried out by the Company itself.

#### 5. 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 or related people, before the data is revealed to the general public. Besides, the Company's Board directors, executives and employees, informed of data substantial to securities price alteration, are forbidden to purchase or sell the Company's stocks during the period defined until such insider information is revealed to the general public and it is beyond twenty-four hours starting from the date the data is displayed. In the case of violations of disciplinary rules and regulations, the Company will rule on their penalties in accordance with its policy.

The Company has 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, have been defined so that the Board, management and the people concerned will strictly comply with them. This is 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.



## 6. Remuneration for the Auditor

In 2017, the Company paid remuneration to its auditor as follows:

1. Remuneration for audit of annual financial statements and review of quarterly financial statement	1,880,000 Baht
2. Remuneration for review of a Risk-Based Capital (RBC) report for 2017 and audit in accordance with a jointly agreed method of the second quarterly RBC report for 2017	550,000 Baht
3. Other service expenses	- Baht
Total	<u>2,430,000 Baht</u>

## 7. Practices Based on the Policy on Good Corporate Governance

In 2017, the Company had performed in compliance with its policy on good corporate governance as the following:

### 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' general meeting; right to give a mandate to any person to attend the meeting instead and vote on his/her 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 his service 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, normally held once a year, is regarded as a good opportunity for shareholders to exercise their rights in making a decision regarding the Company's performance on various 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. In these cases, the extraordinary shareholders' meeting will be convened.

- The Company will, 14 days in advance of every meeting, send out invitation letters to all shareholders, informing them of the date, time and place of the meeting, meeting agenda and the Board's recommendations, together with the necessary documents and information to guide their decisions on voting on significant issues. In this regard, the Company will disseminate the news in an invitation letter for the meeting through the SET and the Company's website.

- In the case 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, all 13 directors of the Company's Board, including the chairman of a sub-committee, and the Company's Management Committee attend the meeting in order to answer shareholders' questions on related issues.

- The Company also facilitates registration in advance. Before a meeting the Company secretary will inform the shareholders of the practice method for shareholders' general meeting, including the method of vote counting. Furthermore, the Company also arranges for the minority of shareholders to act as observers for vote counting.

- 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.

- For a report on shareholders' general meeting, there is a notification of the names of directors attending the meeting and taking a leave of absence, and recording of an explanation of the practice method of vote casting for each agenda and the method of score result presentation to shareholders prior to the meeting, including giving them an opportunity to raise issues or ask questions but nobody asks questions. Similarly, voting results for each

agenda of shareholders' meeting, whether agreed, or disagreed or abstention, are also recorded.

In 2017, the Company held a general meeting of shareholders on April 28, 2017, at 2.00 p.m. at room 1105, on the 11<sup>th</sup> floor of the Bangkok Insurance Building, 25 Sathon Tai Road, Sathon, Bangkok. All the 13 Board directors attended the meeting, while the meeting proceeded absolutely in accordance with the policy defined. Through the procedure of holding shareholders' meeting in a manner that promotes an equal exercise of every shareholder's rights, the Thai Investors Association gave a full score of 100 in a quality evaluation of the Company's shareholders' general meeting for 2017.

## 2. The Section on Equality of Shareholders

The Company realizes the significance of every shareholder and attempts to generate the equality among all groups of shareholders, whether major or minor, institution investors or foreign shareholders, particularly minor shareholders, as the following:

- The Company informs of the meeting and meeting agenda and the Board's recommendations to the SET and disseminate them on the Company's website 30 days in advance of shareholders' general meeting.
- At the meeting, the Company Secretary has informed shareholders of regulations used in the meeting, phases of vote casting, including the right to vote based on each category of share.
- The Company prepares invitation letters for shareholders' general meeting, together with the necessary documents in the English language to be submitted to foreign 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, prior to the meeting, a new director who is of high proficiency and appropriate for appointment as a Board member.
- In order to have control over the use of insider information, access to the Company's information is limited to those directly concerned with the work performance only. A policy on the use of insider information for Board directors, executives and employees, informed of data substantial to stocks price alteration, has been defined for their implementation. The Company has also 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 quarterly report to the Company's Board for its acknowledgement, have been defined so that they will be strictly complied with.

## 3. The Section on Stakeholders' Rights

The Company is fully cognizant of its stakeholders' rights and obviously defines its treatment of each group of stakeholders since it 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. A guideline for the Company's treatment classified by group of stakeholders is summarized below.

### 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 business information will be disseminated to them accurately, completely and transparently in conformity with generally accepted standard.

### Employees

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

	<p>on development of the Company's employees, including a budget spent in 2017, is revealed 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. provident 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.</p>
Customers	<p>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.</p>
Business Partners	<p>The Company treats its business partners fairly in evaluating their performance. In this connection, the Company has clearly defined the criteria for selecting its business partners and an assessment of their performance in its performance manual in order for all employees to use it as a guideline for 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.</p>
Competitors	<p>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 seeking any business competitor's secrets through a dishonest or inappropriate method, or damaging its reputation for the Company's 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.</p>
Creditors	<p>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. If the conditions agreed upon cannot be honoured or there is a cause of default on its payment, the Company will notify its creditors in advance without concealing the fact so as to jointly find quick and fair solutions, apart from seeking for the capital management with appropriate structure to support the Company's business performance and retain the confidence among its creditors.</p>
Society and Environment	<p>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, as well as the Company has granted scholarships to poor students at the university level, developed the museum at the archaeological sites of Ban Promthintai in Lopburi, promoted students' reading habit, renovated the 100-Year Building of the Foundation for Assisting the Disabled, apart from offering 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 have been continuously implemented for the true and sustainable benefit to society.</p> <p>On a special occasion of the 70<sup>th</sup> anniversary of its operation, the Company has conducted projects and activities consisting of the donation of ventilators to provincial hospitals in need, support of a construction of a "Heart Disease Building" for Sakon Nakhon Hospital in Sakon Nakhon, support of the Sirindhorn National Medical Rehabilitation Institute, and the "Toilet Constructions for Schools in Rural Areas" project covering 70 schools. Details of activities performed in 2017 can be viewed on the Company's website at <a href="http://www.bangkokinsurance.com">www.bangkokinsurance.com</a>.</p>
The Government Sector	<p>The Company has strictly carried out its business transactions under the requirements defined by laws, rules and regulations concerned, apart from cooperating and</p>

Practices According  
to Human Rights  
Principles

maintaining a good relation with the government agencies and the regulator, through providing accurate, complete and sufficient data and information requested by them in order to display its transparency, as well as generating mutual confidence and trust.

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 anti-corruption for its Board directors, management and employees to strictly abide by it by banning them from demanding, practicing or accepting corrupt practices of all forms, exploiting their authority, whether directly or indirectly, to seek any advantage for themselves or others, offering unlawful interests to any other person as an incentive, accepting or giving gifts or giving a reception beyond necessity, besides forbidding them to lend their support in the form of money or other benefits, whether directly or indirectly, to political parties, and to donate money or provide financial support to other people or agencies as a channel for paying a bribe. Additionally, the Company has also steadily provided training to all its new employees, while the Internal Audit Office has inspected and made an assessment of the implementation in compliance with the Company's anti-corruption policy.

Communications  
with Stakeholders  
and Receiving Complaints

The Company has also arranged for channels to provide convenience to each group of stakeholders to communicate or file a complaint on matters that may cause damage to the Company, acts violating laws, orders, regulations and code of ethics, including frauds and corruption, to its Board of Directors through the Audit Committee, the Company secretary, the Internal Audit Office and Quality Control Center. The complaints may be directly filed verbally or in writing, sent as a letter via an e-mail or the Company's website. Details of the method of complaint filing can be studied from the Company's policy on a report on corrupt practice clues revealed on its website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com).

#### 4. Data Disclosure and Transparency

The Company's Board has given priority to the information disclosure since it is a matter affecting the decision of investors and stakeholders, and thus has had a policy for the Company to disclose both its financial and non-financial data, as defined by the SEC, SET and other government agencies. Data disclosure focuses on transparency, accuracy, completeness and timelessness, through press conferences and 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.

1. Disclosure of financial and non-financial data accurately, completely and in time.
2. Preparation for a report on the Board of Directors' responsibility for financial statements.
3. Preparation for a summary report on the policy on good corporate governance, code of corporate conduct, policy on risk management and CSR policy as approved, as well as the consequence of performance based on those policies.

4. Disclosure of audit remuneration and remuneration for other services provided by the auditor.
5. Disclosure of the roles and duties of the Board and sub-committees, numbers of meetings and meeting attendance of each Board director in the previous year.
6. The constant training and development of occupational knowledge of the Board.
7. Data disclosure on the Company's website and updating data listed below.
  - (a) The Company's vision and mission.
  - (b) The type of the Company's business transactions.
  - (c) A name list of the Board directors and executives.
  - (d) The Company's financial statements and a report on its operations both at present and of the year before.
  - (e) The annual report presentation form (Form 56-1) and the annual report, which can be downloaded.
  - (f) The shareholding structure of major shareholders and the proportion of shareholding.
  - (g) Invitation letters for shareholders' general meeting.
  - (h) A report on shareholders' general meeting.
  - (i) The Company's rules and regulations.
  - (j) The policy on good corporate governance.
  - (k) The code of ethics for the Company's Board directors and employees.
  - (l) The policy on anti-corruption.
  - (m) The policy on a report on corrupt practices clues (whistle blowing)
  - (n) The organization's structure.
  - (o) The data on contacting sections or persons responsible for Investor Relations work.

#### 4.1 Policy on Good Corporate Governance and Its Implementation Consequences

Throughout 2017, the Company performed in accordance with its policy on good corporate governance, except that it does not limit the number of companies in which its Board directors and senior management members may hold office, including an independent director's consecutive office term, because it is afraid that it will lose an opportunity of getting quality people to sit on the Board. However, the Board has constantly reviewed the number of companies in which each Board member holds office. In the case a Board director's term of office is renewed, the Board has cautiously scrutinized the necessity, as well as his/her skill, experience and specialized expertise benefiting the Company.

#### 4.2 Remuneration for Directors and Management

It has been reported in Remuneration for Directors and Management section in "the 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 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, the Corporate Governance 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 Investor Relations 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 Stakeholders' Rights in "Society and Environment"

### 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 [www.bangkokinsurance.com](http://www.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, giving approval to and annually reviewing 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, the Remuneration and Nomination Committee, and the Corporate Governance Committee. In 2017, the Board had reviewed, improved and approved the Company's vision, missions and strategies.

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 6 times. 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 [www.bangkokinsurance.com](http://www.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.

Details of the Company's code of ethics can be viewed on the Company's website at [www.bangkokinsurance.com](http://www.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 Board 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

It has been reported in the section "Control over the Use of Insider Information".

#### (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. Furthermore, the Company also possesses work units taking charge of auditing and evaluating all departments' performance so that it is in compliance with practice procedures, laws and orders, including all sections' risk management as the following:

**The Internal Audit Office**, which directly reports to the Audit Committee, is in charge of auditing all sections' performance, apart from the accuracy and reliability of the Company's accounting data and financial statements so that their performance is in accordance with the Company's policy, declarations, rules and regulations, and laws, besides monitoring the accuracy and appropriateness of its work system and information control system so as to assess the efficiency and security of the work system.

**The Compliance Office**, which directly reports to the Audit Committee, takes charge of the determination of a guideline for all departments' performance in compliance with laws, an assessment of the appropriateness of the Company's performance approach, including following up immediately when the deficiency or inappropriateness is detected, besides making an analysis and study on the problem, providing advice on laws, regulations, requirements and practices to ensure all departments' performance in conformity with laws, and steadily overseeing and following up the matter.

**Enterprise Risk Management Division**, which directly reports to the Executive Vice President, is in charge of defining the strategy and guideline for the Company's risk management operation, along with the Risk Management Committee, determining the framework and guideline for risk management, apart from establishing KPIs together with other departments and giving suggestions and recommending steps of risk management operations to the Company's all departments.

Additionally, the Company's Board of Directors has assigned the Risk Management Committee to be responsible for defining the policy on risk management, while such a policy on risk management will be annually presented to the Board for a consideration for approval. Similarly, the Risk Management Committee will follow up the Company's risks so that they are at an acceptable level, including reviewing the sufficiency and efficiency of the Company's performance in line with its policy and procedure on risk management, and communicating with concerned staff for their acknowledgement. The report on risk management consequence to the Board of Directors has to be made at least once a year.

In 2017, the Risk Management Committee had reviewed the policy on risk management and presented it to the Board for a consideration for approval on February 24, 2017, and submitted it to the Office of Insurance Commission (OIC) on March 17, 2017.

#### 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 2017, 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 Chairman of the Board of Directors 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 2017, 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. In 2017, the Company had arranged examiners of vote counting at the shareholders' meeting. 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 2017, for each of the Board of Directors' meetings, senior executives, namely, Director and Chief Executive Officer, Director and President, and Executive 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 Chief Executive Officer 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 2017, 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 2017 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' general meeting for approval. Furthermore, the Remuneration and Nomination Committee has annually made an assessment of the performance of the Company's head of department and senior executives in order to be used for the determination of their remuneration, and presentation to the Board for a consideration for approval.

In 2017, the Remuneration and Nomination Committee had made an evaluation of the performance of the Company's head of department and senior executives and presented it to the Board of Directors for a consideration for approval of the remuneration.



## 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, relating 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 submit documents and data beneficial to a new director's duty performance.

For 2017, the Company's Board directors had received development and training in the following courses.

Name	Position	Course
1. Tdvc Col. Plengsakdi Prakaspesat	Chairman and Chairman of the Audit Committee	- AC Hot Update in Response to Modern CG Moving toward Sustainability, the Federation of Accounting Professions
2. Dr. Apisit Anantanatarat	Director and President	- Leadership Program (CMA), Capital Market Academy Class 24/2017

# INTERNAL CONTROL AND RISK MANAGEMENT

## 1. Internal Control System

The Company has established an efficient and effective internal control and risk management system. The Company's Board of Directors and management have duties and responsibilities for arranging and preserving an internal control and risk management system which enables the Company's operating performance to fulfill its established goals and objectives.

The meeting of the Board of Directors (No.4/2017) held on November 10, 2017, with all three members of the Audit Committee in attendance, reviewed the efficiency of the internal control system using the SEC's assessment questionnaire as a guideline, which covered the following issues:

### Control Environment

1. The organization displays its attachment to the merit of integrity and ethics.
2. The Company's Board of Directors is independent of its management and is in charge of overseeing and developing an implementation of an internal control.
3. The Company's management has arranged the reporting line structure, and the determination of command authority and appropriate responsibilities to enable the organization to achieve its objectives under the Board of Directors' overseeing.
4. The organization reveals its determination to motivate, develop and preserve knowledgeable and capable employees.
5. The organization defines its employees' duties on and responsibilities for an internal control so as to fulfill its objectives.

### Risk Assessment

6. The organization obviously and adequately defines its objectives to enable the identification and assessment of various risks relating to its objective fulfillment.
7. The organization makes all-inclusive identification and analysis of all types of risks which may have an impact on its objective fulfillment
8. The organization has considered the opportunity for a possible corrupt practice in its risk assessment aimed at achieving its objectives.
9. The organization is able to identify and assess a change which may affect an internal control system.

### Control Activities

10. The organization has a control measure that helps reduce a risk of not achieving its objectives to an acceptable level.
11. The organization chooses and develops general control activities through a technological system in support of its objective fulfillment.
12. The organization carries out control activities via its policy which defines what is expected and implementation steps so that the policy defined can lead to an implementation.

### Information and Communication

13. The organization has related and quality data to enable an internal control to go on as defined.
14. The organization communicates internal data, including objectives of and responsibilities for an internal control so that it can go on as planned.
15. The organization communicates with external agencies relating to issues that may have an impact on an internal control.

### Monitoring Activities

16. The organization follows up and evaluates its internal control to ensure that an internal control still resumes completely and properly.
17. The organization timely evaluates and communicates the deficiency of an internal control upon the person responsible, including the Company's management and Board of Directors, as appropriate.

The Company's Board of Directors has reviewed the Company's internal control system and unanimously agreed that its internal control system and risk management is sufficient and appropriate, without any deficiency of its internal control system, having a control and protection of the Company's properties, as well as adequate personnel to efficiently implement the system.

## 2. The Audit Committee's Opinion

The Audit Committee has reviewed the efficiency of the Company's internal control system using the SEC's assessment questionnaire as a guideline, and has unanimously agreed as the Company's Board of Directors that the Company has established a proper and effective internal control system and efficient risk management, as well as having a sound control and protection of the Company's assets, apart from sufficient personnel to efficiently implement the system.

## 3. The Company's Head of Internal Audit Office and Compliance Office

The Company's Head of Internal Audit Office is under the supervision of Mr. Vichien Moleewon, whose qualifications the Audit Committee is of the opinion that are proper to perform his work efficiently, while the Company's Head of Compliance Office is under the supervision of Miss Umaporn Hualbuttar.

An appointment, dismissal or transfer of the Company's head of Internal Audit Office must be approved by the Audit Committee. Detailed data on the qualifications of the Company's head of Internal Audit Office and Compliance Office are as follows:

### Details of the Qualifications of the Company's Head of Internal Audit Office

#### Mr. Vichien Moleewon

Department	Internal Audit Office
Position	First Vice President
Education	B.B.A., Ramkhamhaeng University
Work Experience	<ul style="list-style-type: none"><li>- First Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)</li><li>- Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (May - Dec 2015)</li><li>- Vice President, Compliance Office, Bangkok Insurance Public Co., Ltd. (2014 - May 2015)</li><li>- Head of Compliance and Enterprise Risk Management Bangkok Insurance Public Co., Ltd. (2007 - 2014)</li></ul>
Training	<ul style="list-style-type: none"><li>- Anti-Corruption: The Practical Guide</li><li>- Integrated Risk Management &amp; Strategy</li><li>- Investment Strategy for Insurance Business</li><li>- GRC: Governance Risk Compliance</li></ul>

## Details of the Qualifications of the Company's Head of Compliance Office

Miss Umaporn Hualbuttar

Department

Compliance Office

Position

Vice President

Education

- B.Ac., Chulalongkorn University
- M.P.P.M., National Institute of Development Administration
- Certificate of Computer English Program, Sukhothai Thammathirat University
- Certified Professional Internal Auditor (CPIA)

Work Experience

- Vice President, Compliance Office, Bangkok Insurance Public Co., Ltd. (2015 - present)
- Vice President, Organization Risk Management, Bangkok Insurance Public Co., Ltd. (2015 - present)
- Vice President, Operations Audit, Bangkok Insurance Public Co., Ltd. (2014 - 2015)
- Head of Operations Audit, Bangkok Insurance Public Co., Ltd. (2007 - 2014)
- Assistant Vice President, Internal Audit Department, Bangkok Insurance Public Co., Ltd. (2004 - 2006)

Training

- Governance as a driving force for business sustainability
- Risk Oversight: High Priority of the Board
- KPI KRI and KCI and Risk Management
- Risk & Capital Management
- Organization Risk Management
- Anti-Money Laundering and Anti-Financial Support of Terrorism for Concerned Officials

# 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, 2017
Location: Head Office	Bangkok Insurance Building 25 Sathon Tai Road, Bangkok 10120 Tel. 0 2285 8888 Fax: 0 2610 2100 Accident Notification Tel. 1620 www.bangkokinsurance.com

## Branches

### Aranyaprathet

4-5 Thana Withi Road, Aranyaprathet, Aranyaprathet, Sa Kaeo 27120  
Tel. 0 3723 2673 Fax: 0 3723 2822

### Ayutthaya

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

### Chachoengsao

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

### Chanthaburi

555/7-8 Moo 5, Raksakchamun Road, Tha Chang, Mueang Chanthaburi, Chanthaburi 22000  
Tel. 0 3930 1412 Fax: 0 3930 1417

### Chiang Mai

102 Chiang Mai - Lampang Road, Chang Phueak, Mueang Chiang Mai, Chiang Mai 50300  
Tel. 0 5321 9182 Fax: 0 5322 3644

### Chiang Rai

124/9 Moo 4, Rim Kok, Mueang Chiang Rai, Chiang Rai 57100  
Tel. 0 5371 7291 Fax: 0 5371 7295

### Chonburi

209/22 Moo 3, Phraya Satcha Road, Samet, Mueang Chonburi, Chonburi 20000  
Tel. 0 3312 3545 Fax: 0 3312 3592

### Chumphon

168/1-2 Moo 5, Wang Phai, Mueang Chumphon, Chumphon 86000  
Tel. 0 7765 8734 Fax: 0 7765 8738

#### Hat Yai

830 Phetkasem Road, Hat Yai, Songkhla 90110

Tel. 0 7422 0961 Fax: 0 7423 2576

#### Hua Hin

66/115-116 Phetkasem Road, Hua Hin, Prachuap Khiri Khan 77110

Tel. 0 3252 2090 Fax: 0 3252 2099

#### Kanchanaburi

591 Saeng Chuto Tai Road, Pak Praek, Mueang Kanchanaburi, Kanchanaburi 71000

Tel. 0 3451 7565 Fax: 0 3462 3391

#### Kanchanaphisek

9/30 Moo 8, Kanchanaphisek Road, Bang Phai, Bang Khae, Bangkok 10160

Tel. 0 2865 3300 Fax: 0 2865 3311

#### Khon Kaen

345 Moo 4, Prachasamosorn Road, Nai Mueang, Mueang Khon Kaen, Khon Kaen 40000

Tel. 0 4324 1090 Fax: 0 4324 1095

#### La Salle

1043 La Salle Road, Bang Na, Bangkok 10260

Tel. 0 2745 8806 Fax: 0 2745 8817

#### Mae Sot

11/32-33 Sai-Asia Road, Mae sot, Mae Sot, Tak 63110

Tel. 0 5553 6517 Fax: 0 5553 6521

#### Mukdahan

81/6 Mukdahan - Don Tan Road, Si Bun Rueang, Mueang Mukdahan, Mukdahan 49000

Tel. 0 4261 4245 Fax: 0 4261 4249

#### Nakhon Pathom

176,178 Songphol Road, Lamphaya, Mueang Nakhon Pathom, Nakhon Pathom 73000

Tel. 0 3427 3055 Fax: 0 3427 3060

#### Nakhon Ratchasima

22/6 Mittraphab Road, Nai Mueang, Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000

Tel. 0 4424 5288 Fax: 0 4424 5500

#### Nakhon Sawan

49/52-53 Moo 5, Krairat Road, Nakhon Sawan Tok, Mueang Nakhon Sawan, Nakhon Sawan 60000

Tel. 0 5688 2341 Fax: 0 5688 2347

#### Nakhon Si Thammarat

6/33-34 Soi Twin Lotus, Pattanakarn Khukhwang Road, Nai Mueang, Mueang Nakhon Si Thammarat,

Nakhon Si Thammarat 80000

Tel. 0 7577 4636 Fax: 0 7577 4640

### **Pattaya**

131/27-28 Moo 9, Sukhumvit Road, Nong Prue, Bang Lamung, Chonburi 20150

Tel. 0 3841 1213 Fax: 0 3842 5209

### **Phitsanulok**

362/19 Moo 3, Mittraphab Road, Aranyik, Mueang Phitsanulok, Phitsanulok 65000

Tel. 0 5530 4291 Fax: 0 5530 4296

### **Phuket**

101/9 Moo 1, Chalerm Prakit Rama IX Road, Kathu, Phuket 83120

Tel. 0 7630 4055 Fax: 0 7630 4059

### **Rangsit**

52/18 Moo 2, Rangsit – Pathum Thani Road, Bang Phun, Mueang Pathum Thani, Pathum Thani 12000

Tel. 0 2567 1121 Fax: 0 2567 2180

### **Ratchaburi**

159/27-28 Phetkasem Road, Na Mueang, Mueang Ratchaburi, Ratchaburi 70000

Tel. 0 3232 8016 Fax: 0 3232 8017

### **Rayong**

313/6-7 Moo 5, Sukhumvit Road (Bypass 36), Choengnoen, Mueang Rayong, Rayong 21000

Tel. 0 3891 5818 Fax: 0 3891 5808

### **Roi Et**

295,295/1 Tawapiban Road, Nai Mueang, Mueang Roi Et, Roi Et 45000

Tel. 0 4351 2521 Fax: 0 4351 2530

### **Saraburi**

36/1 Moo 1, Dao Ruang, Mueang Saraburi, Saraburi 18000

Tel. 0 3671 3713 Fax: 0 3671 3718

### **Surat Thani**

84/25 Moo 2, Surat – Phunphin Road, Makham Tia, Mueang Surat Thani , Surat Thani 84000

Tel. 0 7727 3806 Fax: 0 7727 3805

### **Surin**

369/1-2 Moo 16, Salakdai, Mueang Surin, Surin 32000

Tel. 0 4455 8620 Fax: 0 4455 8662

### **Trang**

50/17-18 Moo 10, Trang – Palian Road, Khok Lo, Mueang Trang, Trang 92000

Tel. 0 7558 2848 Fax: 0 7558 2847

### **Ubon Ratchathani**

949/9 Chayangkun Road, Nai Mueang, Mueang Ubon Ratchathani, Ubon Ratchathani 34000

Tel. 0 4531 2081 Fax: 0 4531 2085

#### Udon Thani

154/6 Moo 2, Na Di, Mueang Udon Thani, Udon Thani 41000

Tel. 0 4293 1585 Fax: 0 4293 1610

#### Uttaradit

2/48 Charoentharn Road, Tha It, Mueang Uttaradit, Uttaradit 53000

Tel. 0 5541 6560 Fax: 0 5541 6564

#### Micro Branches

##### Kaset - Nawamin

111/19 Moo 4, Kaset - Nawamin Road, 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

##### Ko Samui

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

Accident Notification Tel. 1620

##### Krabi

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

Accident Notification Tel. 1620

##### Lampang

The Boutique, 171/1 Suksawat 1 Road, Phra Bat, Mueang Lampang, Lampang 52000

Accident Notification Tel. 1620

##### Lop Buri

JRD Grand Place Part., Ltd., 109/3 Moo 3, Pa Tan, Mueang Lop Buri, Lop Buri 15000

Accident Notification Tel. 1620

##### Narathiwat

Bangkok Insurance Public Co., Ltd., Agent Office, 366 Phichit Bamrung Road, Bang Nak, Mueang Narathiwat,

Narathiwat 96000

Accident Notification Tel. 1620

##### Pattani

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

Accident Notification Tel. 1620

##### Pran Buri

Bangkok Insurance Public Co., Ltd., Agent Office, 267 Moo 12, Phetkasem Road, Nongtatam, Pran Buri,

Prachuap Khiri Khan 77120

Accident Notification Tel. 1620



BKI Care Station

CentralFestival Phuket

Tel. 0 7624 8084, 08 1737 0053 Fax: 0 7624 8084

CentralPlaza Chaengwattana

Tel. 0 2835 3261, 08 1833 6402 Fax: 0 2835 3261

CentralPlaza Chiang Rai

Tel. 0 5317 9841, 08 1702 0610 Fax: 0 5317 9841

CentralPlaza Chonburi

Tel. 0 3805 3947, 08 1934 4416 Fax: 0 3805 3947

CentralPlaza Grand Rama IX

Tel. 0 2160 3808, 09 0197 3925 Fax: 0 2160 3808

CentralPlaza Khon Kaen

Tel. 0 4328 8136, 08 5485 7593 Fax: 0 4328 8136

CentralPlaza Lardprao

Tel. 0 2937 0187, 08 1172 9459 Fax: 0 2937 0187

CentralPlaza Phitsanulok

Tel. 0 5533 8485, 09 0197 3924 Fax: 0 5533 8485

CentralPlaza Pinklao

Tel. 0 2884 8282, 08 4751 7179 Fax: 0 2884 8282

CentralPlaza RAMA II

Tel. 0 2872 4060, 08 1373 8400 Fax: 0 2872 4060

CentralPlaza RAMA III

Tel. 0 2673 5512, 08 9967 7455 Fax: 0 2673 5512

CentralPlaza Ramindra

Tel. 0 2970 5726, 08 4360 7400 Fax: 0 2970 5726

CentralPlaza Rattanathibet

Tel. 0 2525 4566, 08 1875 0203 Fax: 0 2525 4566

CentralPlaza Surat Thani

Tel. 0 7760 2705, 08 1902 4875 Fax: 0 7760 2705

CentralPlaza Ubon Ratchathani

Tel. 0 4542 2400, 08 1172 9608 Fax: 0 4542 2400

CentralPlaza Udon Thani

Tel. 0 4292 1473, 08 4388 3129 Fax: 0 4292 1473

Central World

Tel. 0 2646 1850, 08 1833 6254 Fax: 0 2646 1850

Fashion Island

Tel. 0 2947 5670, 08 1373 7951 Fax: 0 2947 5670

Future Park Rangsit

Tel. 0 2958 0787, 08 1832 7767 Fax: 0 2958 0787

Paradise Park

Tel. 0 2047 0315, 08 5485 7592 Fax: 0 2047 0315

Silom Complex

Tel. 0 2632 0194, 08 9204 9798 Fax: 0 2632 0194

The Mall Bangkhae

Tel. 0 2454 5348, 08 4360 7375 Fax: 0 2454 5348

The Mall Bangkapi

Tel. 0 2363 3157, 08 4874 3926 Fax: 0 2363 3157

The Mall Ngamwongwan

Tel. 0 2550 1327, 08 9967 7451 Fax: 0 2550 1327

The Mall Thapra

Tel. 0 2477 7013, 08 4360 7380 Fax: 0 2477 7013

# LINES OF BUSINESS

## FIRE INSURANCE

- FIRE INSURANCE
- LEASEHOLD INSURANCE
- BUSINESS INTERRUPTION INSURANCE (FIRE)
- FIRE DWELLING HOUSE INSURANCE (MICROINSURANCE)

## MARINE INSURANCE

- MARINE CARGO INSURANCE
- MARINE HULL INSURANCE
- CARRIERS' LIABILITY INSURANCE

## MOTOR INSURANCE

- COMPULSORY MOTOR INSURANCE
- VOLUNTARY MOTOR INSURANCE

## MISCELLANEOUS INSURANCE

### PERSONAL INSURANCE

- GROUP ACCIDENT INSURANCE
- PERSONAL ACCIDENT INSURANCE
- STUDENT GROUP PERSONAL ACCIDENT INSURANCE
- TRAVEL ACCIDENT INSURANCE FOR INDIVIDUAL OR GROUP OF TOURISTS
- COMPREHENSIVE TRAVEL ACCIDENT INSURANCE
- HOSPITAL INCOME INSURANCE
- CANCER INSURANCE
- GROUP ACCIDENT AND HEALTH INSURANCE
- PERSONAL ACCIDENT AND HEALTH INSURANCE
- TRAVEL ACCIDENT INSURANCE FOR TOUR OPERATORS AND GUIDES
- BOAT PASSENGER PERSONAL ACCIDENT INSURANCE
- PA 200 (MICROINSURANCE)

### PROPERTY INSURANCE

- ACCIDENTAL DAMAGE (PROPERTY) INSURANCE
- BURGLARY INSURANCE
- ALL RISKS INSURANCE
- PLATE GLASS INSURANCE
- MONEY INSURANCE
- NEON-SIGN INSURANCE
- TERRORISM INSURANCE
- GOLD SHOP INSURANCE

- POLITICAL VIOLENCE FOR PROPERTY INSURANCE
- ELECTRICAL APPLIANCE EXTENDED WARRANTY INSURANCE
- MOTORCYCLE INSURANCE FOR LESSOR AND LESSEE

## ENGINEERING INSURANCE

- CONTRACT WORKS INSURANCE
- ERECTION ALL RISKS INSURANCE
- BOILER & PRESSURE VESSEL INSURANCE
- ELECTRONIC EQUIPMENT INSURANCE
- CONTRACTORS' PLANT ALL RISKS INSURANCE
- MACHINERY BREAKDOWN INSURANCE

## LIABILITY INSURANCE

- PUBLIC LIABILITY INSURANCE
- EMPLOYER'S LIABILITY INSURANCE
- MEDICAL MALPRACTICE LIABILITY INSURANCE
- MEDICAL MALPRACTICE INSURANCE (INSTITUTION)
- PROFESSIONAL LIABILITY INSURANCE FOR ARCHITECTS AND ENGINEERS
- DIRECTORS AND OFFICERS LIABILITY INSURANCE
- WORKMEN'S COMPENSATION INSURANCE
- GENERAL PUBLIC LIABILITY INSURANCE FOR THE CONTROLLED BUSINESS CATEGORY 3
- BUILDING INSPECTOR INSURANCE
- LEGAL LIABILITY INSURANCE FROM UNSAFE PRODUCT
- TRANSPORTATION OF HAZARD MATERIAL LIABILITY INSURANCE

## OTHER INSURANCE

- FIDELITY GUARANTEE INSURANCE
- BAIL BOND INSURANCE
- TRADE CREDIT INSURANCE
- EVENT CANCELLATION INSURANCE
- HOME MULTICOVER INSURANCE
- GOLFER'S INDEMNITY INSURANCE
- SHOP MULTICOVER INSURANCE
- AIRCRAFT HULL, SPARES AND LIABILITY INSURANCE
- AVIATION PERSONAL ACCIDENT INSURANCE
- SURETY BOND INSURANCE
- MOTOR ACCIDENT COMPENSATION INSURANCE
- DORMITORY INSURANCE
- JET SKI INSURANCE

# OTHER REFERENCE PERSONS

## Securities Registra

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building,

Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Tel. 0 2009 9000

Fax: 0 2009 9991

SET Contact Center: 0 2009 9999

e-mail: SETContactCenter@set.or.th

www.set.or.th/tsd

## Trustee

- None

## Auditor

Miss Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

33<sup>rd</sup> Floor, Lake Rajada Office Complex

193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110

Tel. 0 2264 0777

Fax: 0 2264 0789-90

e-mail: ernstyoung.thailand@th.ey.com

www.ey.com

## Legal Adviser

Manukit Law Office

59/6 Suapa Road, Bangkok 10100

Tel. 0 2221 3466

Fax: 0 2221 3191

## Financial Adviser

- None

## Principal Financial Institution

Bangkok Bank Public Co., Ltd.



