

TVI.003/2017

March 3, 2017

Subject : Notice of the Annual General Shareholders' Meeting No.24/2017

Attention : Shareholders of Thaivivat Insurance Public Company Limited

Attachments

1. Minutes of the 23/2016 Annual General Meeting of Shareholders held on April 8, 2016
2. The Company's Statements of Financial Position for the year ended December 31, 2016
3. The 2016 Annual Report together with the Company's Statements of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2016 in CD-Rom
4. Summarized Profile of Directors Nominated
5. Definition of Independent Directors
6. Explanations on the Method of Granting Proxy, Effecting Registrations, Producing Documentation before Attending the Meeting, Regulations Concerning Meetings of Shareholders, and Voting
7. Profile of The Independent Directors whom are dominated to be a proxy from the shareholders
8. Procedures for Attending Annual Meeting of Shareholders
9. Company Article about General Meeting of Shareholders
10. Map of the Annual General Meeting of Shareholders Venue
11. Proxy Form A and B

The Board of Directors of Thaivivat Insurance Public Company Limited has called for the Ordinary Shareholder Meeting No.24/2017 to be held on April 10, 2017, at 3:00 p.m. at meeting room the 6 floor Thaivivat Insurance Building, 71 Din Daeng Road, Phaya Thai, Bangkok 10400, to consider the following matters:-

Agenda 1 To consider approval of the minutes of the general shareholders Meeting No.23/2016

Rationale: The Company held the annual general Shareholders meeting No.23/2016 on April 8, 2016, and the minutes of the meeting has been recorded and submitted to the Stock Exchange of Thailand and the Ministry of Commerce within the timeframe prescribed by laws. It was also disclosed in the company's website, details of which are shown in **enclosure 1**.

Opinion of the Board: The board considered that the shareholders should agreed to the recommendation the Minutes of the Annual General Shareholders' Meeting No. 23/2016 on April 8, 2016 that it was correctly recorded, and the Board also agreed to submit this report to shareholders for approval of the minutes.

Agenda 2 To consider and approve the Company's Performance for the year 2016.

Rationale: The Company's Performance for the year 2016 can be found in the Company's Annual Report and the Board of Directors' Report which was attached to this invitation letter in CD-Rom format (**enclosure 3**) and can be summarized as follows;

	<u>2016</u>	<u>2015</u> (Restated)	Unit: Million Baht <u>Change %</u>
Underwriting Income	2705.36	2,527.88	7.02
Underwriting and Operating Expenses	(2821.75)	(2,605.62)	8.29
Loss from underwriting	(116.38)	(77.74)	49.71
Investment Income	141.77	99.16	42.97
Profit before Income Tax	25.39	21.42	18.51



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THAIVIVAT INSURANCE PCL

Income Tax Revenue	(0.29)	0.90	132.69
Net Profit	25.10	22.32	12.42

Opinion of the Board: The board considered and agreed that the acknowledgement of the Company's results on performance for the year 2016.

Agenda 3 To consider approval of the audited Balance Sheet and the Profit and Loss Statement for the year ended December 31, 2016.

Rationale: Article 37 of the Articles of Association stipulates the Board of Directors must cause the Balance Sheet and the Profits and Loss Statement to be made at the end of the accounting years of the company, for submission to the annual general meeting of shareholders for approval. The said financial statements are shown in the 2016 as per **enclosure 2**.

Opinion of the Board: The meeting should approve the said Balance Sheet and the Profit and Loss Statement for the year ended December 31, 2016 that have been considered by the Audit Committee and audited by the auditor.

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

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

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

Opinion of the Board: The Board deems that the shareholders should approve the appropriation of the dividend for the year 2016 from operating year 2016 and retained earnings at the rate of baht 0.05 (five satang) per share, totaling of 15,150,000 baht or payout ratio at 60 higher than dividend payout policy. The Company had fixed the record date on April 21, 2017 and the closing date of the share register book on April 24, 2017 for determining the right of shareholders to receive dividend in according with the section 225 of the Securities and Exchange Act. The payment would be made on May 9, 2017.

Agenda 5 To consider and approve Director's remuneration.

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

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

*No other compensation

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

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



Rationale: Article 14 of the Articles of Association stipulates that at every annual general meeting of shareholders, one-third of the total number of the directors shall vacate their office. In 2017, three directors are due to retire by rotation at the Annual General Meeting of the shareholders, two of them are independent directors. The Definition of Company's Independent Director (**Enclosure 5**), which qualifications **are same as** the minimum requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The names of Three directors who will retire by rotation are as follows;

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

The Company had invited all shareholders to nominate any qualified person to be elected as Company's Director as well as to propose any meeting agenda through the Company's website from November 19, 2016 to January 31, 2017. However, there was neither proposal of director nominee nor meeting agenda submitted to the Company.

The Board, therefore, proposes to re-elect Mrs. Pilai Piamphongsan, Mrs. Supaporn Burapakusolsri and Mr. Jiraphant Asvatanakul as directors for another term.

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

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

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

Rationale: The Audit Committee considers electing the auditor for 2017 and submits to the Board of Directors' for consideration in order to submit to the shareholders' meeting. The auditor are Miss Somjai Khunnaprasut and/or Miss Ratchada Yongsawasvanich and/or Mrs. Nonglak Pumnoi of EY Office Limited.

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

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



report for (Quarter 4)				
5. Fee for the review of other information.	70,000	-	-	-
Total	2,000,000	1,730,000	270,000	15.60

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

Name	CPA Registration No.	No. of year in audit service to the company
Miss Somjai Khunnaprasut	4499	2
Miss Ratchada Yongsawaswanich	4951	Nil
Mrs. Nonglak Pumnoi	4172	5

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

Agenda 8 Other business (if any)

The Company approval the record date and book closing are the Shareholder register book for the right to attend the Ordinary Shareholder Meeting No.24/2017 shall be recorded on March 15, 2017. Also, March 16, 2017 shall be the book closing date on which the shareholder list as specified in section 225 of the Securities and Exchange Act shall be complied.

Enclosed were documents as per the Appendices. The Company proposed the 2016 Annual Report and Financial Report in the form of CD. However, Shareholders who wish to get the reports in print is requested to contact the Investment Relations, Telephone 02-6950800 Ext. 5938 Fax 02-6950808 or Email: nantawan_aru@thaivivat.co.th

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

Yours faithfully,



(Mr. Jiraphant Asvatanakul)
Chief Executive Officer and President

**The Minutes of the 23 /2016 Annual Ordinary General Meeting of Shareholders
Held on April 8th, 2016
Thaivivat Insurance Public Company Limited**

The Meeting was convened on April 8th, 2016 at Thaivivat Insurance Building, 71 Din Daeng Road, Samsen Nai subdistrict, Phaya Thai District Bangkok, Thailand.

There were 41 shareholders holding 40,070,460 shares and 13 proxies holding 186,974,306 shares or a total of 54 persons, holding 227,044,766 shares or 74.93 % of the total units of issued and fully paid shares (303,000,000 shares) attended the meeting in person and by proxy which constituted the quorum as stipulated in Article 29 of the Company's Articles of Association.

The Meeting commenced at 3.03 p.m.

Mr. Phisit Setthawong is the Chairman of the meeting.

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

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

Shareholders having acknowledged the voting procedures.

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

1. Directors, There were 7 of the 9 Directors present in the meeting with the following names;

- | | |
|----------------------------------|---|
| 1) Mr. Chalaw Fuangaromya | Independent Director and Chairman |
| 2) Mr. Phisit Setthawong | Independent Director and Chairman of
The Audit Committee |
| 3) Mrs. Pranee Phasipol | Independent Director and Audit Committee |
| 4) Mr. Jiraphant Asvatanakul | Director and CEO |
| 5) Mr. Thawan Viranont | Director and Advisor of CEO |
| 6) Mrs. Sutepee Asvatanakul | Director and Senior Executive Vice President |
| 7) Mrs. Sunee Theravithayangkura | Director and Company Secretary |

2. Management Committee Members, There were 7 Management Committee Members present in the meeting with the following names;

- | | |
|---|---------------------------------------|
| 1) Mr. Suraphong Theravithayangkura | Executive Vice President |
| 2) Mr. Praphid Dhiraprayudti | Executive Vice President |
| 3) Mr. Krailoes Hanvivadhanakul | Executive Vice President |
| 4) Mr. Lucius Antoine Julien Maria Heijstee | Executive Vice President |
| 5) Miss Sirintr Nuntavoraset | Advisor of CEO |
| 6) Mrs. Duangkaew Viriyanusak | Senior Manager, Accounting Department |
| 7) Mrs. Luspan Teumtongchai | Senior Manger, Business Development |

3. Representatives from the EY Office Limited, the Company's external auditors, there was 2 representative present in the meeting with the following name;

- | | |
|----------------------------|-----------------------|
| 1) Miss Somjai Khunnapasut | Auditor |
| 2) Miss Siwaporn Kerdsin | Manager of Audit team |

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

Agenda 1: To certify the Minutes of the 22/2015 Annual Ordinary General

Meeting of Shareholders held on April 8, 2015 The Chairman proposed to the meeting to consider and approved the minutes of the 22/2015 Annual Ordinary General Meeting of Shareholders held on April 8, 2015.

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

RESOLUTION: The meeting unanimously certified the minutes of the 22/2015 Annual Ordinary General Meeting of Shareholders held on April 8, 2015 with the following numbers of votes:

- | |
|---|
| Approve ...227,044,766..... votes (100 %) |
| Disapprove-.....votes |
| Abstain-..... votes |

Agenda 2: To acknowledge the Company's Annual Report and the Board of Directors' Report for the Year 2015

Mr. Jiraphant Asvatanakul reported and high-lighted results of 2015 as compared to 2014, the detail as shown in Annual Report, can be summarized as follows:

Unit: Million Baht

	2015	2014	Change %
Total Income	2,471.11	2,299.89	7.44%
Total Underwriting Expense	(2,437.47)	(2,258.11)	7.94%
Profit (loss) from Underwriting	33.65	41.79	-19.48%
Profit from Investment	181.31	83.75	116.48%
Other Income	13.86	9.23	50.13%

Profit from Operation	228.82	134.77	69.78%
Other Contribution	(16.67)	(15.88)	5.02%
Corporate Income Tax	(33.18)	(20.03)	65.66%
Net Profit	178.97	98.86	81.02%

Other financial statements can be found in the Annual Report 2015 submitted to all shareholders along with the invitation letter in CD-ROM Format.

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

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

RESOLUTION: The meeting acknowledged the Company's Annual Report and the Board of Directors' Report for the year 2015.

Agenda 3: To consider approving the Company's Balance Sheet, the Profit and Loss Statement for the Year Ended December 31, 2015

The Chairman proposed that the meeting to approve the Balance Sheet and the Profit and Loss Statement as at December 31, 2015 the financial statements were disclosed in the Annual Report 2015 submitted to all shareholders along with the invitation letter in CD-Rom Format.

Mr. Jiraphant Asvatanakul informed to the meeting about The Company's financial statements at 31 December 2015 in details are as follow:

Assets

Total assets	4,589,944,316
Cash and cash equivalents	326,834,483
Investment assets	2,506,557,325
Premium receivables, net	426,393,578

Liabilities

Total liabilities	3,495,172,332
Loss reserves and outstanding claims	907,610,011
Premium reserve	1,574,100,477

Equity

Total equity	1,094,771,984
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The Company has Capital Adequacy Ratio of 327.03 records as 30 June 2015.

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

A shareholder asked: For what reasons did investments for sales increase at a 2-fold rate compared to last year?

Mr. Jiraphant: The main reason why investments for sales increased so much was due to the cut-off in bookkeeping on the 31st of December 2015.

A shareholder: About investments in trade: How is invested? If you use private funds, are the outcomes compared?

Mr. Jiraphant: The Company uses private funds for investment have several asset management companies care for the choice of private funds. Besides comparing outcomes and trends for investments, also the business partner status is considered.

Then the Chairman concluded the resolution as follows:

RESOLUTION: The meeting unanimously approved the company's balance sheet, profit and loss statement for the year ended December 31, 2015 with the following numbers of votes:

Approve ...227,044,766..... votes (100 %)

Disapprove-.....votes

Abstain-..... votes

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

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

Dividend payment	AGM 23/2016	AGM 22/2015	AGM 21/2014
Net Profit (Baht)	22,323,876	178,966,871	98,864,818
Earnings per share (Baht)	0.074	1.18	0.65
Number of share (share)	303,000,000	151,500,000	151,500,000
Dividend payment per share (Baht)	0.05	1.111112	0.32
Total dividend payment (Baht)	15,150,000	168,333,468	48,480,000
Stock dividend payment (Baht)	-	151,500,000	-
Cash dividend payment (Baht)	15,150,000	16,833,468	48,480,000
Dividend payout ratio	68%	94%	49%

Opinion of the Board: The Board deemed that the shareholders should approve the appropriation of the dividend for the year 2015 from operating year 2015 and retained earnings at the rate of Baht 0.05 (five satang) per share, totaling of 15,150,000 Baht. The Company had fixed the record date on April 21, 2016 and the closing date of the share register book on April 22, 2016 for determining the right of shareholders to receive dividend in according with the section 225 of the Securities and Exchange Act. The payment would be made on May 4 , 2016.

The Chairman asked if there were any queries or comments regarding the allocation of net profit for dividend payment for the Year 2015. There was neither comment nor query; the Chairman then concluded the resolution as follows:



RESOLUTION: The meeting unanimously approved the allocation of net profit and approve to pay the dividend from operating year 2015 and retained earnings as 0.05 (five satang) per share with the following numbers of votes:

Approve ...227,044,766..... votes (100 %)

Disapprove-.....votes

Abstain-..... votes

Agenda 5: To fix the remuneration of the directors for the year 2016.

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

Details of Compensation	2016	2015	2014
1. Director's Bonus (Baht /Board)	3,480,000	3,480,000	3,300,000
Number of Directors (Person)	9	10	10
2. Audit Committee (Baht /Board)	640,000	640,000	600,000
Number of Directors (Person)	3	3	3
Meeting for attendant (Baht / Meeting / Person)			
1. The Board of Director			
- Chairman Mr. Chalaw Fuangaromya	20,000	20,000	20,000
- Director	15,000	15,000	15,000
2.The Audit Committee			
- Chairman Mr. Phisit Setthawong	15,000	15,000	15,000
- Committee Mrs.Pilai Piamphongsant Mrs.Pranee Phasipol	15,000	15,000	15,000

*No other compensation

The Chairman then asked if there were any queries or comments regarding the directors' remuneration for the year 2016. There was no query; the Chairman then concluded the resolution as follows:

RESOLUTION: The meeting unanimously approved the remuneration of the directors for the year 2016 an amount not exceeding Baht 4,120,000 per annum with the following numbers of votes:

Approve ...227,044,766..... votes (100 %)

Disapprove-.....votes

Abstain-..... votes

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

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

1. Mr. Phisit Setthawong Independent Director and Chairman of The Audit Committee
2. Mrs. Sutepee Asvatanakul Director and Senior Executive Vice President
3. Mrs. Sunee Theravithayangkura Director and Company Secretary

The Company had invited all shareholders to nominate any qualified person to be elected as Company's Director as well as to propose any meeting agenda through the Company's website from January 7, 2016 to February 15, 2016. However, there was neither proposal of Director nominee nor meeting agenda submitted to the Company.

The Board, therefore, propose to re-elect Mr. Phisit Setthawong , Mrs. Sutepee Asvatanakul and Mrs. Sunee Theravithayangkura as Directors for another term. The principles and procedures of recruiting Directors and curriculum vitae of 3 Directors, who retire by rotation are as per **enclosure 4**.

Furthermore Mrs. Sutepee Asvatanakul holding 4,725,384 shares and Mrs.Sunee Theravithayangkura holding 18,000 shares will abstain to vote for themselves. The Chairman asked the Meeting to consider and elect the directors one by one in place of those retired by rotation.

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

Mr. Phisit Setthawong
 Approve ...227,044,766..... votes (100 %)
 Disapprove-.....votes
 Abstain-..... votes

Mrs. Sutepee Asvatanakul
 Approve ...222,319,382.... votes (97.92%)
 Disapprove-.....votes
 Abstain4,725,384.....votes (2.08%)

Mrs. Sunee Theravithayangkura
 Approve227,026,766.. votes (99.99%)
 Disapprove-.....votes
 Abstain18,000.....votes (0.01%)

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

Mr. Jiraphant Asvatanakul reported this matter to the meeting that The EY Office Limited has been appointed, by the resolution of the 22/2015 Annual Ordinary General Meeting of shareholders, as the Company's auditor for the year 2015, which the auditors had completed their duty. The Audit Committee considers electing the auditor for 2016 and submits to the Board of Directors' for consideration in order to submit to the shareholders' meeting. The auditor are Mrs. Nonglak Pumnoi and/or Miss Somjai Khunnaprasut and/or Miss Ratchada Yongsawasvanich , of EY Office Limited .

The Audit Committee was of opinion that as EY Office Limited has worldwide network which is acceptable by many countries. Three Auditors from EY Office Limited have no relationship or entry into any transactions which may create the conflict of interest to the Company. In the meantime, the Selection Committee would like to propose subsidiary companies for the shareholders' acknowledgment. The term of appointment of the Company's auditor has been completed. The shareholders are invited to consider and appoint an External Auditor and also to fix the auditing fee for the year 2016. The EY Office Limited has quoted the auditing fee for the year 2016 in an amount of Baht 1,730,000 or an increase of 7.45 %, as per following details:-

	Unit : Baht			
	2016	2015	Change	%
1. Fee for the annual financial statements ending 31 December	780,000	660,000	120,000	18.18
2. Fee for review of interim financial statements (3 quarters)	450,000	450,000	15,000	-
3. Fee for review the Risk-Based Capital (RBC) report for (Quarter 2)	150,000	150,000	10,000	-
4. Fee for review the Risk-Based Capital (RBC) report for (Quarter 4)	350,000	350,000	10,000	-
Total	1,730,000	1,610,000	42,000	7.45

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

Name	CPA Registration No.	No. of year in audit service to the company
Mrs. Nonglak Pumnoi	4172	5
Miss Somjai Khunnaprasut	4499	2
Miss Ratchada Yongsawaswanich	4951	Nil

from EY Office Company Limited as the company's auditor. The 3 proposed auditors as well as EY Office Ltd. have no relationship or conflict of interest in the company and determine the auditor's fee at 1,730,000- Baht.

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

RESOLUTION: The Meeting resolved with unanimous votes that or Mrs. Nonglak Pumnoi and/or Miss Somjai Khunnaprasut and/or Miss Ratchada Yongsawasvanich, of The EY Office Limited be appointed as the Company's auditor for the year 2016, with the audit fee in amount of Baht 1,730,000.-with the numbers of voting shares as follows:

Approve ...227,044,766..... votes (100 %)

Disapprove-.....votes

Abstain-..... votes

Agenda 8 To Consider Other Matters

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

A rights protection volunteer, representing the Thai Investors Association asked: A part of the company's income depends on investments in the stock exchange. With a decreasing stock exchange, the company's income will also decrease, won't it?

Mr. Jiraphant: The Company invests in the capital market with ratios stipulated by the Office of Insurance Commission as in the announcement on investments in other enterprises. It stipulates that not more than 30% of the capital assets may be invested in equity instruments. The rest is composed of money deposited in bank accounts and government bonds.

The rights protection volunteer: I would like to know about progress with regards to the request for certification as a member of Thailand's Private Sector Collective Action Coalition Against Corruption, please.

Mr. Jiraphant: The Company is currently preparing a request for certification within this trimester.

A shareholder: The Company faced losses in the insurance business last year. Will the company gain profit with insurances this year?

Mr. Jiraphant: The reason that the turnover in insuring decreased last year was that the insurance market didn't grow. This was due to Thailand's economic situation and a decline of the total sales numbers of vehicles – and so the company had to care for its market share and could not increase insurance premiums. That is why we had to find new innovations to support service provision in order to attract customers beyond pricing strategies.

A shareholder: The Company largely invests in the financial market. Under the current conditions interests decrease, investments in the capital market also produce lower yields and the insurance market does not grow. Will these lower dividends next year?

Mr. Jiraphant: The financial market faces a trend of decreasing interest rates. The Thai General Insurance Association has now suggested to the Office of Insurance Commission to examine and modify regulations on investment so that they will become more suitable. As for the capital market with decreasing yields, the main reasons were due to adaption of fair values or mark to market issues.

A shareholder: I would like to know details about new products of the company. Which products do exist? What are the yields from the program for the rice field insurance in cooperation with the government?

Mr. Jiraphant: The turnover for the project for the rice field insurance in 2014 was quite good and 2015 is also expected to be good. The program has also Reinsurances for risk management.

A shareholder: How was the Pay per Used car insurance, a new product of the company, accepted?

Mr. Jiraphant: This new product, the Pay per Used car insurance was launched on the 18th of March 2016. The acceptance was as expected.

A shareholder: The Company heavily depends on investments. What is the expected returns?

Mr. Jiraphant: Investments are subject to fluctuations of the Thai and the world market. That is why the company chose to invest by established a private fund to employ the Asset Management company for investment management because they probably have more expertise.

A shareholder: There is a trend in the insurance business of more merger and acquisitions. Does the company have plans for M&A?

Mr. Jiraphant: The insurance business still grows as the insurance premiums to the Thai national income is still fairly low. Merger and acquisitions depend on several factors as well as suitability.

Since there were no other matters raised the Chairman informed the meeting that the 23rd of shareholders meeting had been held correctly and all agendas had been completed. There was neither further question nor other matter raised for consideration, the Chairman then declared the meeting closed and thanked all shareholders for attending the meeting.

The meeting adjourned at 15.48 p.m.

(Mr. Phisit Setthawong)
Chairman of the meeting

Form 56-2

THAIVIVAT INSURANCE PUBLIC CO., LTD.

ANNUAL REPORT 2016

1. General Information

Thaivivat Insurance Public Co., Ltd.

Main business : Non-Life Insurance Business

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

Company registration : 0107536001427 (Former PCL. 216)

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

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

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

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

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

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

2. Financial Status and Operation Result

Important Financial Data

Financial Status and Operation Result

Statements of Financial Position

(Unit : Thousand Baht)

	2557	%	2558	%	2559	%
Cash and cash equivalents	143,698	3.30%	326,834	7.10%	228,895	4.70%
Accrued investment income	19,954	0.50%	7,840	0.20%	6,811	0.10%
Premium receivables	339,407	7.80%	426,054	9.30%	373,438	7.70%
Reinsurance assets	405,314	9.4%	418,192	9.1%	514,900	10.6%
Reinsurance from receivables contracts	38,077	0.8%	65,857	1.4%	19,113	0.4%
Investment assets						
Investment in securities						
Trading securities	189,449	4.40%	257,922	5.60%	255,051	5.20%
Available-for-sale investments	932,478	21.50%	1,847,235	40.20%	1,967,182	40.50%
Held-to-maturity investments	1,329,482	30.70%	397,681	8.70%	475,368	9.80%
Other investments	3,721	0.10%	3,721	0.10%	3,721	0.10%
Loans	10,971	0.30%	7,996	0.20%	7,381	0.20%
Property, buildings, equipments	241,402	5.60%	277,547	6.00%	288,056	5.90%
Intangible assets	9,181	0.20%	8,772	0.20%	7,381	0.20%
Deferred tax assets	47,696	1.10%	73,276	1.60%	80,928	1.70%
Other assets	619,018	14.30%	471,017	10.30%	625,462	12.90%
Total assets	4,329,848	100.00%	4,589,944	100.00%	4,853,687	100.00%
Income tax payable	4,051	0.10%	-	0.00%	178	0.00%
Due to reinsurers	353,762	8.20%	358,657	7.80%	480,105	9.90%
Insurance contract liabilities						
Loss reserves and outstanding claim	842,492	19.50%	907,610	19.80%	1,000,058	20.60%
Premium reserve	1,462,720	33.80%	1,574,100	34.30%	1,576,082	32.50%
Employee benefit obligations	135,801	3.10%	105,557	2.30%	109,931	2.30%
Other liabilities	429,720	9.90%	549,248	12.00%	582,756	12.00%
Equity	1,101,302	25.40%	1,094,772	23.80%	1,104,577	22.70%
Total liabilities and equity	4,329,848	100.00%	4,589,944	100.00%	4,853,687	100.00%

Statements of Comprehensive Income

(Unit : Thousand)

	2557	%	2558	%	2559	%
Income						
Net earned premium	2,232,673	90.40%	2,307,473	91.30%	2,462,076	91.00%
Fee and commission income	238,439	9.60%	220,410	8.70%	243,288	9.00%
Total income	2,471,112	100.00%	2,527,883	100.00%	2,705,364	100.00%
Expenses						
Underwriting						
Claim and loss adjustment expenses หนีบทบ	1,381,628	55.90%	1,515,154	59.90%	1,659,504	61.30%
Commission and brokerage expenses	520,721	21.10%	545,508	21.60%	546,870	20.20%
Other underwriting expenses	213,308	8.60%	211,133	8.40%	239,460	8.90%
Operating expenses	333,319	13.50%	333,823	13.20%	375,911	13.90%
Total underwriting expenses	2,448,976	99.10%	2,605,618	103.10%	2,821,745	104.30%
Profit (Loss) from underwriting	22,136	0.90%	(77,735)	(3.10%)	(116,381)	(4.30%)
Net investment income	100,002	4.00%	77,154	3.10%	59,021	2.20%
Gain (loss) on investments	10,778	0.40%	26,242	1.00%	51,712	1.90%
Fair value gain (loss) on investments	70,534	2.90%	(17,951)	(0.70%)	10,489	0.40%
Other income	13,855	0.60%	13,715	0.50%	20,550	0.70%
Profit (Loss) from operations	217,305	8.80%	21,425	0.80%	25,391	0.90%
Profit (loss) before income tax expenses	217,305	8.80%	21,425	0.80%	25,391	0.90%
Income tax revenue (expenses)	(34,208)	(1.40%)	899	0.10%	(294)	0.00%
Net profit (loss)	183,097	7.40%	22,324	0.90%	25,097	0.90%
Other comprehensive income						
Gain (loss) on changes in value of available-for-sale investments	61,564		(18,789)		(8,581)	
Income tax relating to components of other comprehensive income	(5,163)		3,763		8,403	
Income tax effect	(11,280)		3,005		36	
Other comprehensive income for the year (loss)	45,121		(12,021)		(142)	
Total comprehensive income for the year	228,218		10,303		24,955	

	2557	2558	2559
Net earnings per share (Baht)	0.60	0.07	0.08
Dividend per share (Baht)	0.56	0.05	0.05
Shares	151,500,000	303,000,000	303,000,000

Statements of Cash Flows

	2557	2558	2559
Cash flows from operating activities			
Direct premium written	3,118,595	3,074,914	3,310,865
Cash paid for reinsurance	(230,198)	(184,681)	(148,386)
Interest income	34,881	46,123	19,815
Dividend income	55,725	43,186	40,296
Investment income	5,575	4,063	3,074
Other income	6,379	7,480	16,129
Loss incurred on direct insurance	(1,625,663)	(1,602,361)	(1,710,347)
Loss adjustment expenses on direct insurance	(32,848)	(27,841)	(29,622)
Commission and brokerage on direct insurance	(529,268)	(532,430)	(561,194)
Other underwriting expenses	(103,740)	(117,012)	(145,082)
Operating Expenses	(596,524)	(481,575)	(609,349)
Income tax	(26,367)	(25,785)	(7,289)
Investment in securities	154,262	(705,663)	(381,434)
Loans	232	2,975	1,246
Deposits at Financial Institutions	(233,213)	757,652	150,672
Net cash used in operating activities	(2,172)	259,044	(50,607)
Cash flows from investing activities			
Property, buildings and equipment purchase	(44,124)	(59,938)	(32,258)
Equipment sales	645	863	76
Net cash used in investing activities	(43,479)	(59,075)	(32,182)
Cash flows from financing activities			
Dividend paid	(48,479)	(16,833)	(15,150)
Net cash used in financing activities	(48,479)	(16,833)	(15,150)
Net decrease in cash and cash equivalents	(94,130)	183,137	(97,939)
Cash and cash equivalents at beginning of year	237,828	143,698	326,834
Cash and cash equivalents at end of year	143,698	326,834	228,895

Financial Ratios

	2557	2558	2559
(1)' : LIQUIDITY RATIO			
1.1 Liquidity ratio	0.55	0.57	0.51
1.2 Premium receivable turnover ratio	42.84	44.08	44.56
(2)' Premium receivable turnover ratio			
2.1 Retention ratio	75.12	77.55	73.88
2.2 Loss ratio	55.91	59.94	61.34
2.3 Gross profit margin ratio	0.9	(3.08)	(4.3)
2.4 Gross profit to total revenues ratio	0.83	(2.96)	(4.09)
2.5 Underwriting expenses ratio	43.19	43.14	42.96
2.6 Return on investment ratio	6.95	3.01	4.13
2.7 Net written premium ratio	2.26	2.21	2.17
2.8 Net profit margin ratio	6.87	0.85	0.88
2.9 Return on shareholders ' equity ratio	18.1	2.03	2.28
(3)' EFFICIENCY RATIO			
3.1 Return on asset ratio	4.26	0.5	0.53
3.2 Assets turnover ratio	0.62	0.59	0.6
(4)' FINANCIAL RATIO			
4.1 Debt-to-shareholders' equity ratio	2.93	3.19	3.39
4.2 POLICY LIABILITY TO CAPITAL FUND	1.69	1.82	1.85
4.3 Unearned premium reserve to shareholders' equity ratio	1.03	1.15	1.07
4.4 Unearned premium reserve to asset ratio	28.41	29.37	26.44
4.5 Dividend payout ratio	91.94	67.86	60.37
(5)' Net earnings per share	0.6	0.07	0.08
(6)' Dividend per share	0.56	0.05	0.05
(7)' Book value per share	3.63	3.61	3.65

Analysis and Explanation of Management Department

Performance

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

Underwriting revenue and expense

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

Investment earnings

Besides the underwriting earnings, the company had a main investment earnings with investment ratio as the Office of Insurance Commission (OIC) announcement which had the investment amount as of year end 2016 shown in the Financial Statements and recorded as market price 2,709.15 million Baht that increased 194.60 million Baht from 2015.

In 2016, the company has the increase of investment earnings and return 42.61 million Baht or 42.97% from 2015 due to the current securities situation in 2015.

Investment Type	2016		2015	
	Amount (Million Baht)	Ratio(%)	Amount (Million Baht)	Ratio(%)
Cash	186	6.8%	336	13.4%
Bond	290	10.7%	62	2.5%
Fixed Income	295	10.9%	166	6.6%
Equity	371	13.7%	413	16.4%
Unit Trust	1,560	57.6%	1,530	60.8%
Other	7	0.3%	8	0.3%
Total	<u>2,709</u>	100%	<u>2,515</u>	100.0%

Financial Status

The company had total assets 4,853.69 million Baht that increased 5.75% from 2015; cash and cash equivalents 228.89 million Baht or 4.72% of total assets; investment assets included bank deposits, fixed income, equity, government bond and other investments 2,709.15 million Baht or 55.82%, reinsurance assets and premium receivables 907.45 million Baht or 18.70%, property, buildings, equipment and other assets 1,008.19 million Baht or 20.76%

For liabilities, the company had total liabilities 3,749.11 million Baht, increasing 7.27% from 2015. The main items of insurance contract liabilities included loss reserves, outstanding claim and premium reserves 2,576.14 million Baht, increasing 3.81% from 2015. Furthermore, the company had the reinsurance liabilities and other liabilities 1,172.97 million Baht, increasing 15.74% from 2015.

The company had equity 1,104.58 million Baht, increasing 0.90% from 2015. The company had profit from operations 25.10 million Baht and other comprehensive income in values of available-for-sale investments together with actuarial estimate of employee benefit obligation (0.14) million baht.

In 2016, the company had direct premium written 3,229.23 million Baht with growth rate 3.34% which was same as the growth rate of total non-life insurance business and the company had market share of comprehensive motor insurance '2016 in the 12th number.

Unit: Million Baht

	2016		2015		2014	
	Business	Thaivivat	Business	Thaivivat	Business	Thaivivat
1. Total direct premium written	212,000	3,229	209,278	3,125	205,247	3,049
% Growth	1.3%	3.34%	1.9%	2.5%	1.1%	5.5%
2. Fire	10,700	169	10,484	176	11,058	176
% Growth	2.0%	-4.16%	-5.2%	0.0%	-6.4%	5.4%
3. Marine	5,288	18	5,342	16	5,293	14
% Growth	-1.0%	9.45%	0.9%	14.3%	-0.1%	38.5%
4. Motor	122,000	2,337	120,423	2,367	117,903	2,278
% Growth	1.3%	-1.26%	2.1%	3.9%	-0.4%	-1.2%
5. Miscellaneous	74,011	706	73,027	566	70,993	581
% Growth	1.3%	24.71%	2.8%	-2.6%	5.2%	42.9%

Economic Situation

In 2016, Thailand's economy displayed a positive growth by 3.2 percent comparing to the previous year which expanded by only 2.9 percent. Key factors supporting such growth include continuously increasing governmental expenditures and investments and rising revenue from tourism sector due to higher number of foreign tourists which reaches as high as 32.2 million, which is an increase by 8 percent when compared to the previous year of only 29.8 million. Also, the country's exports value remained relatively stable as it is nearly equivalent to that of the year 2015. However; in spite of the positive growth in major markets namely USA, Japan and EU, the country's exports value in China and the Middle East continued to remain low. Meanwhile, the exports value of products that are dependent on oil price such as plastics and rubber products showed positive trend in line with rising oil price which jumped from US\$26 to US\$53 per barrel during the second half of the year after OPEC and non-OPEC countries led by Russia decided to established an agreement to cut down oil production for the time in 8 years. Also, the exports of seafood products such as canned and frozen seafood or frozen prawns showed a positive growth after dead prawns issue had been properly handled. Consumption rate, on the other hand, remained relatively low especially in the private sector due to low level of confidence among both agriculture and non-agriculture household sectors. In spite of positive yields after recovering from severe drought crisis which strikes at the beginning of the year, the declining agricultural

product prices had immensely affected the income of agricultural sector not to mention the passing of the late King Bhumibol Adulyadej which has brought tremendous grief among the Thai people. Fortunately, economic promotion measures implemented by the Government to boost the country's economy such as assisting the agricultural sector or low-income farmers, supporting SME entrepreneurs or real estate sector, including measures for boosting Thailand's tourism industry and economic, all of which are contributing factors which helped to drive the country's overall economy. Private investment, on the other hand, remained relatively low and mostly focused on certain industries such as renewable energy, trading, restaurant and real estate sectors.

New car distribution volume in the automobile industry had declined by 7 percent from 0.79 million units in 2015 down to 0.74 million units in 2016 and continued to be affected by first car scheme for the third consecutive year in spite of the modifications and new models introduced by various brands in hope to boost market demands. Motorcycles, on the other hand, showed positive sign of recovery for the first time in three

years with distribution volume of 1.7 million units, or an increase by 4 percent, in line with the economic promotion measures implemented in provincial areas.

Federal Open Market Committee (FOMC) passed a resolution to raise the interest rates level from 0.25 percent to 0.50 – 0.75 percent after having been initially raised at the end of 2015 as a result from strengthened labor market. The unemployment rate is below 5 percent, reflecting positive economic trend and signaling the third raise in interest rates which is to be expected in 2017. The Monetary Policy Committee (MPC) continued to fix the interest rates at 1.50 percent per annum in order to promote continuous economic recovery and at the same time maintaining price stability which is in line with the financial policy implemented in other countries namely EU and Japan which continue to execute expansionary monetary policy. Meanwhile, European Central Bank announced to extend the timeframe for bond purchase program, a program carried out as part of QE measure, from March 2017 to December 2017, including continuously implementing 0% interest rate which is the lowest rate in history in order to promote economic recovery whereas other countries such as Russia, Taiwan, Australia and New Zealand decided to further ease its financial policy. Nevertheless, the effectiveness of Thailand's QE measures on real economy is still limited. This is partially due to the fact that commercial banks have become more cautious on giving out loans due to the fear of NPLs especially when household debts remain at high level while commercial banks are experiencing high liquidity.

In respect to price stability, average inflation rate remained at 0.2 percent, which has increased from -0.9 percent in 2015 in line with current gas price. In regards to external stability, Thailand continues to gain surplus as the country's international reserves remain higher than short-term external debt by roughly 3.3 times whereas the exchange rates are still good for exports.

Securities Market Situation

Throughout 2016, SET Index had faced constant fluctuations due to declining gas price at the beginning of the year and 4G auction which resulted in higher-than-expected license value before economic recovery began to take place after European Central Bank decided to add more measures for economic promotion. The

increasing gas price together with positive GDP trend have allowed Thailand's SET Index to increase by 19.79 percent comparing to the year 2015 which closed at 1,542.94 points, including profit growth among registered companies positive economic expectations. Meanwhile, Forward P/E remained at 15.69 times whereas Dividend Yield and Net Buy equaling to 3.10 and Bt 77,927 million, in respective order, after three consecutive years. Investor confidence had also improved after the government sector announced additional economic promotion measures. The increasing gas price is another contributing factor that helped to create

positive trend for share prices in the energy sector. Meanwhile, the top three core industries with high level of fluctuations in terms of shares in comparison to SET Index in 2016 included agricultural industry (+57.78%), iron industry (+46.12%) and commercial industry (+40.98%). Daily average buying-selling value in 2016 rose by 22.1 percent to Bt 50,245 million per day comparing to the year 2015, which is the highest record since the opening of the Stock Market. Stable growth of the US economy together with positive response toward Trump's economic promotion policy has allowed Dow Jones Index to hit its new highest record of 20,000 points, leading to capital investment expansion in high-risk assets and brighter future for the global stock market.

Trend

According to the Bank of Thailand and World Bank, Thailand's economy is expected to grow by 3.2 percent in 2017 due to several contributing factors including tourism industry and investment continuity carried out under Transport Infrastructure Development Strategy 2015 – 2022 which comprises of 20 development projects totaling Bt 20 trillion. Meanwhile, Eastern Economic Corridor Development (EEC) carried out in

three provinces which included Chachoengsao Province, Chonburi Province and Rayong Province, including Special Border Economic Zone (Border SEZs) covering 10 provinces are expected to help drive private investments in response to special economic zone investment acceleration measures. Under these measures, additional investment benefits are provided, particularly tax benefits for promoting investments in 10 targeted industries are expected to be used as key factor in driving New Engine of Growth. At the same time, investment in technology and innovation for value creation shall also be emphasized in order to drive Thailand toward becoming "Thailand 4.0", enabling overall positive ecosystem for investments.

Key risks to be expected in 2017 would still be originating from China's significant economic slowdown as a result from the government's emphasis on reforming the economic structure rather than creating economic growth, causing declining commodity prices and preventing recovery in Thailand's exports industry not to mention low consumption rate in private sector due to high level of household debt which already exceeded 80 percent of the country's GDP. Meanwhile, public investments in transportation infrastructures whether it is land, water, air or railway transports, including public transports development in Bangkok and the expansion of Suvarnabhumi International Airport in order to connect between Thailand and neighboring countries are still facing delays. However, these projects remain as key factors in driving overall economic recovery for the country in the future. Additional risk factors to keep an eye on are insufficient global economic recovery to allow global market expansion, unclear trade barrier policy of the US which will potentially intensify the

pressure on global trading, England's decision to leave Brexit has raised concerns that other EU member countries might take the same footsteps and eventually endangering the future of EU and its sense of unity which has existed for over 60 years, including changes in economic policy due to the elections in many European countries such as France, Germany and Italy.

Improved economic stability of the US together with positive trend in the labor market and rapidly increasing inflation rate has led FED to make a clear stance by raising interest rates faster which further tightens global financial condition. In addition, US economic policy has shown high level of uncertainty while its execution of tax reduction measures and investment in infrastructure development projects tend to intensify under the rule of new government which might be beneficial to its trade partners in terms of exports. However, changes in the US trade and investment policies and its attitudes toward trade agreements might cause all of its production bases to be moved back to the US and therefore impacting Asia's exportation.

Regarding non-life insurance business trend in 2017, an increase in insurance premium by 2 percent can be expected which is nearly equivalent to that of the year 2016. Meanwhile, the government's rice insurance scheme have received more positive response from farmers as it can help to manage risks due to natural disasters and slight growth can be expected in new car market due to the fact that 1.1 million cars (1500 cc or below) purchased under first car scheme are about to reach the expiration of its 5-year term of no selling-buying of new cars which is expected to end in mid 2017, allowing some consumers to consider buying a new car. Also, under improved economic condition together with relatively low interest rates, positive growth in pickup truck and trailer markets can be expected. Meanwhile, public investment in the transportation system,

including investment in Special Border Economic Zone and free trade under the AEC framework will pay a vital role in the expansion of transportation sector. Motorcycle market trend in 2017, on the other hand, will experience no growth due to limitations in terms of the number of population and increasing ownership proportion. Decreasing trend in property insurance premium can be expected as many reinsurance companies decided to cut down the premium of its natural disaster insurance program in case of no severe natural disaster. Also, the government has decided to adopt health insurance program covering up to Bt 60,000 million in replacement of giving medical allowance as welfare for civil servants, which will likely boost the growth of non-life insurance industry by over 15 percent.

3. Revenue structure

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

Past 3 years of company's income

	2014	%	2015	%	2016	%
Insurance premium income	2,471.11	92.7	2,527.88	96.2	2,705.36	95.0
Investment income	181.31	6.8	85.44	3.3	121.22	4.3
Other income	13.86	0.5	13.72	0.5	20.56	0.7
Total income	2,666.28	100.0	2,627.04	100.0	2,847.14	100.0

Business operation of each product line

(1) Product or service characteristics

There are 4 main services of company as follows :

1. Motor insurance

1.1. Compulsory insurance

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

1. Fire insurance is making contract to receive disaster risk that the company agrees to pay compensation to the insured in case of the insured property is damaged from fire or lightning or gas explosion of household consumption and has coverage extension to water damage, explosion, riot, strike, hail, flood, earthquake, windstorm, and aircraft etc.
2. Marine and transportation insurance is making contract to receive disaster risk that the company agrees to pay compensation to the insured in case of the insured property is damaged from transportation.
3. Miscellaneous insurance includes several kinds of insurance such as personal accident insurance, travel accident insurance, health insurance, compensation indemnity insurance, critical illness insurance, contractor all risks insurance, burglary insurance, health insurance, global travel insurance etc.

(2) Marketing and competitive situation

A. Policy, important product characteristic and service

Competitive strategy to have rapid and convenient services as well as to create impression to the insured, advertise, use modern communication technology and provide staff training all time.

Advantage

- To operate the longest motor insurance business of all insurance companies in present which makes the company have experience for giving service to the insured and related person as well as to have the database of complete underwriting
- To have a long term relationship with customer base
- To have a company culture to understand customer and related person requirements which makes impression to the customer and related person in our services
- The company has a good customer base with risk distribution and a large amount of company fund that makes the company be able to handle risk in high level

Disadvantage

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

Target customers

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

B. Competitive situation

The total premiums 2016 of non-life insurance are 212,000 million Baht, it increases 1.3 percent from 2015. Non-life insurance business has been affected by the commodity price drop such as rice, rubber resulting the purchasing power of consumers that lead to severe competition in order to gain market share by decreasing insurance premium or giving high commission to stimulate agent and broker for sales increase as well as to maintain the renewal rate of motor and property insurances not less than 70% which have been accepted by reinsurers. The new products development is provided for corporate and individual through various channels in order to reach many potential customers such as agent, broker, bancassurance, telemarketing, convenient shops and online channel as well as technology to develop claim services through smart phone application.

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

No.	Class of Business		Year	Direct Premium (Unit : Million Baht)			
				2013	2014	2015	2016
			Sub Class				
1	Motor	1.1	Voluntary	103,560	102,515	104,111	105,464
		1.2	Compulsory	14,881	15,388	16,294	16,535
			Total	118,441	117,903	120,405	122,000
2	Fire	2	Fire	11,814	11,058	10,484	10,700
3	Misc.	3	Misc.	67,519	70,991	72,970	74,011
4	Marine	4	Marine	5,302	5,293	5,338	5,288
5	Grand Total			203,077	205,247	209,197	212,000

(3) Products or services

A. Sources of fund

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

1. Selling through Insurance Agent in Non-Life Insurance Act section 4 “Non-Life Insurance Agent means a person who is delegated by company to convince people to do the insurance policy ”.
2. Selling through Insurance Broker in Non-Life Insurance Act section 4 “Non-Life Insurance Broker means a person who advises or manages a person to do the insurance policy by expecting to get commission”.
3. Direct selling by the company employees.

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

The company has maintained the fund of operating non-life insurance not less than 30 million Baht

by considering the ratio of fund sufficiency. It calculates the company fund divided by the maintained fund not less than 140%. As of December 31, 2016, the company has the fund as accounting 1,104,576,756.01 Baht

C. Liquidity

Liquidity management for insurance premium of the company to the suitable loss ratio, in the year 2016 the loss ratio is 61.34% increasing from 2015 1.40%

4. Risk factors

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

1.Strategic Risk

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

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

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

2. Operational Risk

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

- People Risk such as lack of knowledge, skill, experience and responsibility; carelessness; insufficient staffs that cause human error, fraud of staff including fraud claim from customer or partner such as garage, hospital, etc.
- Process Risk such as deficient working system, weak internal operation process, structure organization of inter-control unit, responsibility division in approved person and paid , specification of approval limit. To mitigate the process risk, the company has reviewed its operating process and working manual continuously in order to make the operating process become more effective.
- Technology Risk such as inefficient computer system; incorrect, delay and pirated data.

The company invests in up to date hardware and software, sets to have security process, limits to information access for only authorized or approved person.

3. Liquidity Risk

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

- To assess the Financial status before appointment to be an agent and broker.
- To collect the motor insurance premium as the Cash Before Cover Principle.
- To create the tracking system for the overdue premium collection from an agent and broker.

4. Insurance Risk

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

- The company has the risk management systematically by starting underwriting, coverage, premium rate suitable to the risk.
- The company provides risk transfer to the reinsurance company that has stable status both domestic and international.
- The company has the correct and fast indemnity payment system according to the coverage, manages to have a low level of loss ratio in each type of insurance.

5. Market Risk

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

- To build the stable investment return in the long term higher than the inflation rate.
- The investment policy of company in asset allocation is the investment mix for diversification by giving the weight of investment of criteria as the Office of Insurance Commission that focuses on safety and careful investment. The company divides investment to different asset classes by considering the investor situation to accept risk on and risk off including decision to choose the asset diversification into low risk such as government bond, debenture, equity of the high stability company to have regular income and profit, not much fluctuation, liquidity and high dividend that help create a high level returns.
- The ways of investment management, to adjust investment plan to be consistent and timely in the worldwide equity market situation that has more connection. The upside inflation and interest trend in market fluctuation increase returns more than the market. To make more active management, adjust investment portfolio to the tactical asset allocation between asset and security selection in order to support changing of financial economy trend not more than 1 year or to have the event risk and adjust to the dynamic asset allocation 1-3 year in order to cope with the economic cycle change such as in the economic recovery period and no inflation problem that increase portfolio in equity investment.

6. Credit Risk

It is the risk of counter parties especially their deteriorate financial status, default risk such as

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

5. Shareholders

Major shareholders 10 lists (Data as of 22 April 2016)

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

(1) Dividend Payment Policy

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

Management Structure

names of Board of Directors and Executive Board

1. Mr. Chalaw Fuangaromya Independent Director, Chairman and Chairman of the Investment Committee *
2. Dr. Phisit Setthawong Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee *

- | | | |
|----|-------------------------------|--|
| 3. | Mrs. Pilai Piamphongsarn | Independent Director, Audit Committee and the
Nomination and Remuneration Committee * |
| 4. | Mrs. Pranee Phasipol | Independent Director, Audit Committee and
Investment Committee * |
| 5. | Mrs. Supaporn Burapakusolsri | Independent Director * |
| 6. | Mr. Jiraphant Asvatanakul | Director and the Investment Committee |
| 7. | Mr. Thawan Viranont | Director and the Nomination and Remuneration
Committee |
| 8. | Mrs. Sutepee Asvatanakul | Director and the Nomination and Remuneration
Committee |
| 9. | Mrs. Sunee Theravithayangkura | Director and Company Secretary |

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

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

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

The Board of Directors Qualifications

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

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

instead of the next Board of Directors meeting except the term of that Director left less than 2 months. The person who replaces that vacant position will be in the position just equal to the rest of term of that vacant position. The resolution of Board of Directors according to the first paragraph must combine with the vote not less than 3/4 of the rest of Directors.

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

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

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

Sub-Committees

1. The Audit Committee

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

Members of the Audit Committee are as follow:

- | | | |
|----|---------------------------|---------------------------------|
| 1. | Dr. Pisit Setthawong | Chairman of the Audit Committee |
| 2. | Ms. Pilai Piamphongsarn | Audit Committee |
| 3. | Ms. Pranee Phasipol | Audit Committee |
| 4. | Ms. Sirintr Nantaworaseth | Secretary |

Authority, duty, and responsibility of Audit Committee

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

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

- (A) Comment about correction and completion to be a reliable of company financial report.
- (B) Comment about the efficiency of Internal Control System
- (C) Comment about obey the law of Securities and Securities Exchange Market, SET regulations or the law related to the company business.
- (D) Comment about the proper of Accounting Auditor.
- (E) Comment about transaction that may have conflict of interest.
- (F) Counting of audit committee meeting and each audit committee participation.
- (G) Comment or overall observation that audit committee was received from perform according to the Charter.
- (H) Other transaction consider that share holder and general investor should be acknowledge under the scope of duty and responsibility delegated from the Board of Directors.

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

Education

Bachelor of Accountancy, Thammasat University

Certified Public Accountant (CPA)

Work Experience during the Past 5 Years

2012-2016 Director of Audit Department, Thaivivat Insurance Public Company Limited

2012-2016 Director of BSA Public Accountant Company Limited

2012-2016 Director of Abacus Business Company Limited

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

2. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of two Independent Directors and two Executive Directors, each of whom shall hold an office term three years. Nomination and Remuneration Committee has a specific meeting it is necessary but not less than once a year.

Members of the Nomination and Remuneration Committee are as follow:

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

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

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

1 Nomination

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

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

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

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

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

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

2 Remuneration

2.1 To review the suitability of current remuneration criteria.

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

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

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

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

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

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

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

3. Investment Committee

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

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

Scope of powers, duties and responsibilities of Investment Committee

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

4. Risk Management Committee

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

Scope of powers, duties and responsibilities of Risk Management Committee

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

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

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

Name / Age / Position / Date appointed

Mr. Chalaw Fuangaromya	Age 79 years
Independent Director	Date appointed April 5, 2012
Chairman	April 8, 2015
Chairman of the Investment Committee	May 12, 2016

Education / Training

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

Training Course in 2016 - None

Company Shareholding (%)

None

Family Relationship to Management

None

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

-2013present	Chairman of the audit Committee, Thai re Life Assurance PCL , Insurance
2015-2012	Chairman of the audit Committee, Thaivivat Insurance PCL. , Insurance
2012-2008	Chairman, Professional Waste Technology ((1999PCL, Professional Services

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

Listed Company- None

Limited Company - None

Special Activity - Committee, The Thai Tapioca Development Institute

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

Name / Age / Position / Date appointed

Mr. Mongkol Pawintra	Age 87 years
Independent Director	Date appointed June 2, 1999 - October 17,2016
The Audit Committee	February 23, 2009- April 5,2012
Vice Chariman	April 5,2012 - October 17,2016

Education / Training

- LL.B., Thammasat University
- Barrister at law, the Conservatory of Law, Bar Association of Thailand

Training Course in 2016 - None

Company Shareholding (%)

604,000 Shares - 0.21%

Family Relationship to Management

None

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

2014-2010	Director Grand Canal Land PCL. , Real Estate
-2010 Present	Director Bell Development Co., Ltd., Real Estate
2014-2001	Board of Director Charoen-Kris Enterprise Co., Ltd, Real Estate

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

Listed Company - None

Limited Company

Director - Bell Development Co., Ltd , Real Estate

Special Activity - None

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

Name / Age / Position / Date appointed

Mrs. Pilai Piumpongsarn Age 80 years
Indepent Director Date appointed June 2,1999
The Audit Committee February 23,2009
The Nomination and Remuneration Committee August 11, 2016

Education / Training

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

Training Course in 2016 - None

Company Shareholding (%)

None

Family Relationship to Management

None

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

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

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

Listed Company The audit committee , Crown Seal PCL. , Packaging

Limited Company

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

Special Activity - None

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

Name / Age / Position / Date appointed

Mr. Phisit Setthawong Age 72 years

Independent Director Date appointed October 28, 2005

The Audit Committee April 5, 2012 - April 8,2015

Chairman of the Audit Committee April 8, 2015

Chairman of the Nomination and Remuneration Committee August 11, 2016

Education / Training

B.A. Commerce and Accountancy (with honors), Chulalongkorn University

M.A. Economics, Michigan State University, U.S.A.

Ph.D. Economics, Michigan State University, U.S.A.

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

Training Course in 2016

- None

Company Shareholding (%)

None

Family Relationship to Management

None

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

-2012 - 2014 The audit committee, Thaivivat Insurance PCL. , Insurance

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

Listed Company - None

Limited company - None

Special Activity - None

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

Name / Age / Position / Date appointed

Mrs. Pranee Phasipol	Age 67 Years
Independent Director	Date appointed April 8,2015
The Audit Committee	April 8,2015
The Investment Committee	May 12,2016

Education / Training

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

Training Course in 2016

- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

Company Shareholding (%)

None

Family Relationship to Management

None

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

- 2014Present The audit committee, Dusit Thani PCL. , Tourism & Leisure
- 2012Present Independent Director , Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd. , Energy
- Present - Member of Foreign Business Commission, Ministry of Commerce
- Present - The audit committee The Support Arts and Crafts International Center of Thailand
- Present - Member of Life Insurance Fund Commission, Life Insurance Fund
- Present - Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Present - Qualified Person in Finance and Account, Office of the Civil Service Commission

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

Listed Company

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

Limited Company

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

Special Activity

Member of Foreign Business Commission, Ministry of Commerce

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

Member of Life Insurance Fund Commission, Life Insurance Fund

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

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

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

Name / Age / Position / Date appointed

Mrs. Supaporn Burapakusolsri Age 63 years
Independent Director Date appointed November 14,2016

Education / Training

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

Training Course in 2016

- Advance Audit Committee (AACP23/2016) , IOD

Company Shareholding (%)

None

Family Relationship to Management

None

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

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

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

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

2008 – 2012 Director Suvarnabhumi Airport Hotel Company Limited , Hotel

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

Listed Company

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

Limited Company

- None

Special Activity

- None

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

Name / Age / Position / Date appointed

Mr. Jiraphant Asvatanakul	Age	57 years
Director	Date Appointed	May 12,1986
The Investment Committee		May 12,2016

Education / Training

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

Training Course in 2016

Top Executives Program Class 22,Capital Market Academy

Company Shareholding (%)

8,781,128 shares 2.89%

Family Relationship to Management

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

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

1983- Present	President and CEO Thaivivat Insurance PCL. , Insurance
-1992Present	Director ,Member of the nomination and Remuneration Committee, Thai Reinsurance PCL. , Insurance
2016- Present	Independent Director , Member of the audit committee, Member of the nomination and Remuneration Committee , Vichitbhan Palmoil PCL., Agribusiness
-2000Present	Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd. , Insurance
-2010Present	Director T.I.I. Co., Ltd. (Thailand - Insurance Institute)
-2014Present	Director Thai General Insurance Association
-2014Present	Director, The Federation of Insurance Company in Thailand
-2014Present	Board Treasurer ,Thai Chamber of Commerce
2015-2014	Director The Re Life Assurance PCL. , Insurance
2014-2009	President Thai General Insurance Association

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

Listed Company

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

Limited Company

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

Special Activity

- Director, Thai General Insurance Association
- President, The Federation of Thai Insurance Organizations
- Board Treasurer , Thai Chamber of Commerce

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

Name / Age / Position / Date appointed

Mr. Thawan Viranont Age 68 years

Director Date Appointed April 29,1993

The Nomination and Remuneration Committee August 11,2016

Education / Training

- B.A. Law, Thammasart University

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

Training Course in 2016

None

Company Shareholding (%)

18,000 shares 0.01%

Family Relationship to Management

None

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

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

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

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

Listed Company

- None

Limited Company

- None

Special Activity

- None

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

Name / Age / Position / Date appointed

Mrs. Sutepee Asvatanakul	Age 56 years
Director	Date appointed June 18, 1986
The Nomination and Remuneration Committee	August 11, 2016

Education / Training

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

Training Course in 2016 - None

Company Shareholding (%)

4,725,384 shares 1.56%

Family Relationship to Management

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

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

-2004Present Senior Vice President and CFO , Thaivivat Insurance PCL., Insurance

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

Listed Company

- None

Limited Company

- None

Special Activity

- None

Company Secretary

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

Mrs. Sunee Theravithayangkura Age 64, % Holding = 0.006%

Director Appointed from 18 June 1986 – Present

Company Secretary Appointed from 14 August 2008 – Present

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

Sister-in-law of Mr. Jiraphant Asvatanakul

Education / Trainings

Bachelor of Law, Thammasat University

Diploma in Director Accreditation Program (DAP) (IOD)

Work Experience during the Past 5 Years

2012-2016 Director and Company Secretary, Director of Benefits Department

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

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

Head of Corporate Compliance Operation

Ms. Nanthawan Arunpiriyakul	Position	Benefits Department Manager
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Education

Bachelor of Law, Thammasat University

Master of Business Administration, Ramkhamhaeng University

Work Experience during the Past 5 Years

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

Scope of powers, duties and responsibilities

1. To ensure compliance with the laws

- 1.1 To be the central point for collecting the laws, rules and regulations of external agencies regulating non-life insurance business such as OIC, SEC and AMLO.
- 1.2 To be the central point in overseeing and ensuring legal compliance of every internal unit within the organization and informing them of any updated or newly issued laws, rules, regulations, orders and notifications, including preparing a summary of newly issued laws, rules and regulations.
- 1.3 To prepare Basic Legal Compliance Handbook in a form of database to provide updated information on important laws, rules and regulations for operational benefits and to be used a reference while carrying out the operations of various internal units within the organization.
- 1.4 To monitor and ensure that all internal operations are in compliance with relevant laws, rules and regulations.
- 1.5 To give advice, suggestion and opinions in relation to various laws, rules, regulations, policies or notifications pertaining to non-life insurance business.
- 1.6 To perform specific duties which included being the central point in ensuring compliance with laws in relation to anti-money laundering and combating the financing of terrorism (AML/CFT).
- 1.7 To support risk management operations concerning legal compliance by providing information and data gathered from monitoring legal compliance of internal units, including giving opinions and suggestions on the Company's internal control in relation to legal compliance in order to conduct analysis and prepare relevant risk management plan.

2. To coordinate with both external and internal agencies

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

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

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

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

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

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

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

Directors and Executives Compensation

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

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

Name	Position	Meeting Attendance	Attendance fee	Bonus	Total
Mr. Chalaw Fuangaromya	Independent Director, Chairman and Chairman of the Investment Committee	6/6	280,000	430,000	710,000
Dr. Phisit Setthawong	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee	6/6	180,000	530,000	710,000
Ms. Pilai Piamphongsarn	Independent Director, Audit Committee and The Nomination and Remuneration Committee	4/6	180,000	370,000	550,000
Ms. Pranee Phasipol	Independent Director, Audit Committee and Investment Committee	6/6	210,000	370,000	580,000
Mrs. Supaporn Burapakusolsri	Independent Director	1/6	15,000	-	15,000
Mr. Jiraphant Asvatanakul	Director and Investment Committee	6/6	-	210,000	210,000
Ms. Sutepee Asvatanakul	Director and The Nomination and Remuneration Committee	6/6	-	210,000	210,000
Mr. Thawan Viranont	Director and The Nomination and Remuneration Committee	6/6	-	210,000	210,000
Ms. Sunee Theravithayangkura	Director Company Secretary	3/6	-	210,000	210,000
Total			865,000	2,540,000	3,405,000

*No other compensation

B. Company Executive from Department Manager level onward of the company total 25 persons received compensation in term of 2016 salary and bonus 55,105,700 Baht

Human Resources

In 2016, we have all employee as 559 persons, compensation in the form of salary and bonus 264,415,136 Baht including provident fund 11,389,795 Baht.

The Share holding of Directors and Top Managements in 2016				
Name	Position	January	July	December
Mr. Chalaw Fuangaromya	Independent Director, Chairman and Chairman of the Investment Committee	-	-	-
Dr. Phisit Setthawong	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee	-	-	-
Mrs. Pilai Piamphongsant	Independent Director, Audit Committee and The Nomination and Remuneration Committee	-	-	-
Mrs. Pranee Phasipol	Independent Director, Audit Committee and Investment Committee	-	-	-
Mrs. Supaporn Burapakusolsri	Independent Director			
Mr. Jiraphant Asvatanakul	Director and Investment Committee	8,781,128	8,781,128	8,781,128
Mr. Thawan Viranont	Director and The Nomination and Remuneration Committee	18,000	18,000	18,000
Mrs. Sutepee Asvatanakul	Director and The Nomination and Remuneration Committee	4,752,384	4,725,384	4,725,384
Mrs. Sunee Theravithayangkura	Director and Company Secretary	18,000	18,000	18,000
Ms. Sirintr Nuntavoraset	Advisor of CEO	107,640	107,640	107,640
Mr. Suraphong Theravithayangkura	Senior Executive Vice President	476,040	476,040	476,040
Mr. Praphid Dhiraprayudti	Senior Executive Vice President	50,264	50,264	50,264
Mr. Krailoes Hanvivadhanakul	Executive Vice President	-	-	-
Mr. Lucius Antoine Julien Maria Heijstee	Executive Vice President	-	-	-
Mr. Thepphen Asvatanakul	Executive Vice President	12,600,000	12,600,000	12,600,000
Mr. Pimol Chantaveerakul	Vice President	-	-	-
Mr. Somkrit Suracheevakit	Vice President	-	-	-
Ms. Onanong Nonejuie	Vice President	623,805	623,805	623,805

6. Corporate Governance

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

1. Rights of Shareholders

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

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

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

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

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

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

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

In 2016, the Company held General Shareholders' Meeting on April 8, 2016. The meeting was attended by seven directors.

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

2. Equitable Treatment among Shareholders

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

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

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

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

The Company formulated Insider Trading Policy in order to prevent the use of internal information that may affect buying-selling of securities of the Company. This policy aims to prevent directors or executives from improperly using internal information to achieve personal interests or interests of others.

No directors, advisors, executives or staffs having gain advance knowledge of the Company's operating results either directly or indirectly, including relevant parties are allowed to buy or sell the Company's shares during the 60-day period prior to the disclosure of the Company's financial statements to the general public. Throughout the past year, the Company's directors and executives have strictly complies with such policy and no buying-selling of shares had been observed during such period. Moreover, executives or departments that have authorized access to internal information are prohibited from disclosing such information to external parties or irrelevant persons as per the details disclosed in Insider Trading Section.

3. Roles of Stakeholders

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

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

4. Information reveal and transparency

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

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

Company has defined a clear policy of committee compensation. The compensation will be at the same level in the industry and high enough to retain the member that has the qualification as required which was approved from the share holder meeting. In the part of compensation to the Executives will follow the principle and policy that defined by Board of Directors which related to the company performance outcome and performance of each Executives. Financial compensation was identified in the page 33-34 but not reveal

the compensation of the member that is the Executives in the part of being received from become other company committee because it is not the company information.

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

5. Responsibility of Board of Directors

There are 10 members of Board of Directors combined with 4 members that is executive, 1 members that is non-executive and 5 independent members. In the part of Chairman is independent member. No any relationship with the management part and the same person with President. For duty separation to define the policy of control and routine management, the company just only has the Executives committee and Audit committee which has assigned member and responsibility in detail at page 24-29

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

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

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

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

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

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

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

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

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

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

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

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

In 2016, the Board of Directors carried out an evaluation on its performance covering six main topics including Board of Directors' structure and qualifications; roles and responsibilities of the Board of Directors; Board of Directors' Meeting; roles and responsibilities of directors; relationship with the Management; and lastly self-development of directors and executive development. In respect to the evaluation method, each director independently scored each topic. Then, all the scores under each topic were added together and divided by the total number of directors. The overall average score was 4.56 points from a total of 5 points, or 91.34 percent. In addition, each Sub-Committee was separately evaluated based on three main topics including structure and qualifications of Sub-Committee, Sub-Committee's Meeting and lastly the roles and responsibilities of Sub-Committee. Identical evaluation procedure as that of the Board of Directors was applied. The overall evaluation results revealed an average score of 4.08 points from a total of 5 points, or 81.67 percent.

Nomination and Appointment of Directors and Executive

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

Director and Independent Director Qualifications

1. Director Qualifications

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

2. Independent Director Qualifications

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

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

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

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

4) 4. Being a director who does not have or has never had a business relationship with the Company, its parent company, subsidiary, associated company, , major shareholder or controlling person in a manner that may hinder the exercise of his or her independent judgment, and not being a person who is or has been a significant shareholder or controlling person or a person with business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless such characteristics have lapsed for at least two years before being appointed. The prescribed business relationship shall also include normal trading transactions for the purpose of business operations, rental or lease of immovable property, transaction related to assets or services, or granting or receiving financial assistance by receiving or giving loans, guarantee, using assets as debt collateral, including other similar acts that result in

the Company or the party thereof being liable to pay the other party by the rate of 3% or more of net tangible asset or Bt 20 million or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected transaction calculation specified in the Capital Market Supervisory Board Notification Re: Criteria on Undertaking Connected Transactions, mutatis mutandis, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

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

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

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

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

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

3. Audit Committee Qualifications

Members of the Audit Committee must have the following characteristics:

- 1) Completely met all independent director qualifications

2) Must not be a director who had been assigned by the Board of Directors to make decisions concerning the business operations of the Company, its parent company, subsidiary, associated company, same-level subsidiary or juristic person with potential conflict of interest.

3) Must not be a director of the parent company, subsidiary or same-level subsidiary that is a registered company.

4) At least one member of the Audit Committee must have adequate knowledge and experience to ascertain the integrity of the Company's financial statements.

Director and Independent Director Nomination Process

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

Rights of Minor Shareholders Concerning the Appointment of Directors

To ensure the protection of rights and equitable treatment among minor shareholders, the Company therefore allows the shareholders to nominate persons who possessed the required knowledge and abilities as well as meeting the defined qualifications to be considered for appointment as director in advance and shall notify all shareholders via the communication channel provided by SET and the Company's website www.thaivivat.co.th. Nomination Criteria and related forms are also disclosed on the Company's website.

Executive Nomination Process

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

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

Insider Trading

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

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

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

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

4. All directors, advisors, executives and staffs from manager level or above who buy or sell shares of the Company must notify Legal Department regarding such buying or selling within the following day in order to be further reported to the SEC or directly report to the SEC within 3-day period starting from the date of acquisition or disposition of such shares. The securities holding of each member of the Board including the executives and the Auditor of the Company must always be reported at each Board of Directors' Meeting. Throughout the year 2016, the Company had strictly followed the defined regulation.

Account Auditor compensation

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

Accounting has the compensation of account auditor totally as 1,880,000.- Baht with the following detail:

1. Annual audit fee 780,000.- Baht
2. Three quarters accounting review 450,000.- Baht
3. RBC transaction audit second quarter 150,000.- Baht
4. Annual RBC report review fee 350,000.- Baht

5. Reinsurance contract review as TFRS 4 standard 150,0000.- Baht

Other services : None

Compliance with good corporate governance policy

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

7. Social Responsibility

Social Responsibility

Thaivivat Insurance Public Company Limited prepared this Corporate Social Responsibility Report for the year 2016 to reflect its policy, strategy, thinking process and its business operation in the capacity as a finance institution which contributed to the development of Thai society in terms of financial stability for Thai people and Thai business through insurance business transaction of the Company as well as the disclosure of its operating results to interested parties, not only in the financial aspect, but also in the aspect of social and environmental issues. The Company had the policy of running its business under the ethical principles and good business governance, taking into account the social and environmental responsibility at the distant and immediate level. It therefore plunged into the CSR-in-process and the CSR-after-process continually.

Guidance for Reporting

This Report covered the operation in 2016. The information was compiled from its previous operations, particularly, centering on its operation at the head office, the principal office, to lay down the policy, strategies and the operations as a whole of the Company. Moreover, mentions were of the guidelines for development of the company and its personnel to be ready for the responsibility according to the mission assigned as well as the data in relation to its internal operations along the CSR line concerned.

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

Criteria for Reporting Content Selection

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

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

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

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

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

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

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

Engagement with the Stakeholders

Stakeholder	Expectation	Practice	Contact Channel
Customer	<ul style="list-style-type: none"> - Well-defined products that are able to provide the required protection and are highly understandable - Excellent sale and after-sale service quality - Fair compensation - A highly stable insurance company capable of paying compensation when an incident occur 	<ul style="list-style-type: none"> - Sales promotion - Excellent sale and after-sale service quality - Provide protection as per the given insurance policy - Develop high quality products that can serve customer demands - Deliver fair, accurate and quick compensation payment - Manage insurance related risk in accordance with regulation of Office of Insurance Commission (OIC) 	<ul style="list-style-type: none"> - Satisfaction Survey - Provide channel (s) for comments/suggestions - Head Office and Branches - Customer Relations Tel. 02 695 0777 - Claim Hotline Tel. 02 695 0700 - Website: thaivivat.co.th - Facebook: www.facebook.com/thaivivat

Trade Partner	<ul style="list-style-type: none"> - Follow the trade agreement - Increase the quantity/value of products and services 	<ul style="list-style-type: none"> - Conduct business with fairness - Equitable and fair treatment among all trade partners - Strict compliance with trading terms and conditions including the established agreement - Select appropriate trade partner that demonstrates ethics, professionalism and good reputation - Establish clear procurement procedure 	<ul style="list-style-type: none"> - Policy and Code of Business Ethics - Site visit and evaluation - Website: thaivivat.co.th
Personnel	<ul style="list-style-type: none"> - Fair compensation - Follow Code of Ethics in relation to labor - Ensure safety of life and properties - Offer opportunity for knowledge development and professional career path - Balance between work and life 	<ul style="list-style-type: none"> - Support skills and knowledge training - Has a policy on providing appropriate staff compensation and welfare and equivalent to that of other businesses of similar nature - Career stability and good career path - Pleasant and safe working environment - Activities for building corporate bond 	<ul style="list-style-type: none"> - Communicate with personnel regarding staff welfare - Satisfaction Survey - Meetings by function - Complaints Handling Unit, HR Department - Directly raise complaint to the Management - E-mail: hrdept@thaivivat.co.th
Shareholder	<ul style="list-style-type: none"> - Business growth - Good corporate governance - Rights and equality of shareholders - Anti-corruption - Access to accurate information 	<ul style="list-style-type: none"> - Long-term and continuous returns - Conduct business based on the principles of good governance and corporate governance - Disclose reports as per defined schedule and the regulation of SET 	<ul style="list-style-type: none"> - Annual Report - Shareholders' Meeting - Contact Investor Relations Tel.1231 ext. 5938 - E-mail: nantawan_aru@thaivivat.co.th - Website: thaivivat.co.th/th/investor_contact.php
Competitor	<ul style="list-style-type: none"> - Compete in business with a sense of morality 	<ul style="list-style-type: none"> - Compete with morality - Must not seek trade secrets of competitors through unacceptable means - Must not damage the reputation of competitors through discredits 	<ul style="list-style-type: none"> - Website: thaivivat.co.th
Creditor	<ul style="list-style-type: none"> - Prompt debt payment - Compliance with the defined terms and conditions 	<ul style="list-style-type: none"> - Strictly follow debt payment deadline and the agreement terms and conditions - Comply with the terms and conditions in relation to guarantee and capital management - In case of failure in following the agreed 	<ul style="list-style-type: none"> - Contact Finance Department Tel. 1231 - Website: thaivivat.co.th

		<p>terms and conditions which resulted in defaults,</p> <p>the Company shall immediately notify the creditor in advance and shall completely disclose all information to jointly seek proper solution</p> <p>- Ensure appropriate capital management structure existed to maintain creditor confidence</p>	
Debtor	<ul style="list-style-type: none"> - Compliance with relevant requirements and conditions - Interest rates are in accordance to the law 	<ul style="list-style-type: none"> - Strict follow the agreement terms and conditions - In case debtor fails to follow the agreed terms and conditions which resulted in default, the Company will negotiate with that debtor in order to seek fair and reasonable solution 	<ul style="list-style-type: none"> - Contact Finance Department Tel.1231 - Website: thaivivat.co.th
Society and Environment	<ul style="list-style-type: none"> - Conduct business with responsibility - Carry out community development - Legal compliance - Cooperate in government projects 	<ul style="list-style-type: none"> - Recognize and demonstrate accountability toward the economic, social and environmental impacts resulting from the Company's business operations - Conduct business based on the principle of good corporate governance and under the supervision of government agencies - Support, assist and participate in various social and community development activities 	<ul style="list-style-type: none"> - Contact the Company Tel. 1231 - Website: thaivivat.co.th - Contact the Company's Secretary Office

GOOD CORPORATE GOVERNANCE AND FAIR BUSINESS OPERATION

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

Thaivivat Insurance PLC took into account equality, fairness, avoidance of taking unfair advantage and the honesty in running the insurance business through protection of the interest in collaboration with persons involved who would be treated fairly in the course doing business by strict compliance with the law

and rules jointly formulated; espousing business ethics in doing business, not demanding for, not receiving and distributing any interest in bad faith in trading with the trading partners according to the principles of good governance.

Corporate Governance Related Agencies

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

Moreover, an internal audit unit was set up as an independent organization, to report directly to the Audit Committee and the Company's Board of Directors, to have the duty to audit, review internal activities, operations within the company; to provide counseling, propose opinions and advice on remedying, improving the operation properly and efficiently. As regards the report on good governance, it was already reported in the Form of Items of Annual Data 2014 (Form 56-1) on the heading of "Management." And on website www.thaiviat.co.th

ANTI-CORRUPTION

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

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

Based on recent audit results, Thaivivat Insurance Public Company Limited had fulfilled the requirements of Private Sector Collective Action Coalition Against Corruption Council by having fully

developed and adopted Anti-Corruption Policy and Code of Conduct for Anti-Corruption throughout the organization, allowing the Company to become an official member of Collective Action against Corruption on October 18, 2016. Since Private Sector Collective Action against Corruption is under the support of the Thai Government and Office of the National Anti-Corruption Commission (NACC), the Company therefore worked closely with the government sector as well as civil society and mass media sector in setting transparency and anti-corruption standard within the business industry, including taking part in developing the country.

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

Letter	Nantawan Arunpiriyakul, Compliance Section Thaivivat Insurance PLC 71 Din Daeng Road, Samsen Nai Sub-district, Phya Thai District, Bangkok 10400
E-letter	Nantawan_aru@thaivivat.co.th
Telephone	0 2695 0800

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

Disclosure of Information and Reports

The company was aware of the data of the company that it had effect on the decision-making of investors and interested parties of the Company, it therefore emphasized the disclosure of correct, complete, reliable key information about the company to the public; both of the financial information and non-financial information according to the requirements of the SET and as per the Notification of the Office of Insurance

Commission (OIC) Re: Criteria, Method and Conditions in Relation to Disclosure of Statements of Financial Position and Operating Results of Non-Life Insurance Company B.E. (2008) 2551 which requires accurate, complete and on-time disclosure of relevant information to ensure equitable information access among all shareholders. Apart from disclosure of information within the organization and among relevant organizations, the general public as well as the stakeholders can also access the Company's information via the Company's website.

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

- The Articles of Association
- Corporate Governance Handbook and Principles
- Code of Business Ethics
- Important Financial Information and Financial Statements (yearly and quarterly)
- Annual Registration Statement (Form 56-1)
- Annual Report
- CSR Report
- Shareholders' Meeting Notices and Minutes
- Anti-Corruption Policy
- Code of Conduct for Anti-Corruption
- Notice for Non-Acceptance of Gifts
- Laundering Prevention and Suppression Policy

RESPONSIBILITY TO CONSUMERS

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

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

The Company's Indemnity Capability Upon Claiming

The stability of an insurance company is highly crucial to maintaining the credibility of its insurance products. As a type of financial institution, insurance companies can directly affect the insurer as well as the overall economy of the country, particularly in terms of its indemnity capability. Bearing this in mind, Thaivivat Insurance Public Company Limited realizes the importance of maintaining the financial position required by laws and the regulations of relevant regulators such as OIC. In 2016, the Company's capital adequacy ratio (CAR) reached over 300%, marking its high level of indemnity capability.

Service in compensation

The company has formulated a policy in relation to the payment of compensation to ensure speedy, timely service in this aspect and capable of helping the people substantially by considering to pay the compensation within 14 days. This is for speedy response to the need of the insured in timely manner in strict compliance with the terms and conditions of the agreement made with the customer as to preclude a lawsuit that might be damaging to the company.

The company has introduced innovation and new technologies to be adapted to the insurance service work with application of e-claim system to the service in full management of compensation to enhance the efficiency, facilitating the speed for the customer who met with the accident, thus increasing the potential of providing service of the peril survey staff, enabling them to print out a repair order at the point of accident throughout 24 hours. Moreover, the company has opened 26 branches to provide service in compensation countrywide including the repair notice service for the insured of motor car insurance in the motor car service center which joins the project for the convenience of the insured to claim for indemnity and to provide advice and assistance to the insured.

Thaivivat Application

Upon having observed the diverse trends in mobile phone usage since 2014, the Company has continuously developed Insurance Apps for mobile phone to deliver more comprehensive insurance service to customers until the present days. During the past year, the Company introduced Claim Hotline Service to be used as the most direct channel of contact that comes with online tracking that allows the staffs to locate the incident site using GPS, enabling higher customer convenience and quicker service. The system also helps to locate the nearest hospitals and garages specified in the agreement, including premium payment function upon insurance policy renewal and supports both iOS and Android systems. In 2016, Thaivivat "Prepaid Car Insurance" has been added to the Application.

Development of "Thaivivat Prepaid Car Insurance"

In 2016, the Company launched a new product under the name of "Thaivivat Prepaid Car Insurance" covering insurance programs +3 +2 land can be used together with Mobile Insurance Application. The product allows the insurer to accept or cancel insurance coverage whenever they desired in order to help them

save money by paying premium only when they are actually driving, allowing more precise premium rate and consistency with the actual usage. Thaivivat Prepaid Car Insurance does not only provide an alternative choice for consumers but is also an innovative product of motor insurance industry.

Development of Diverse Purchase and Premium Payment Channels

In respect to service improvement, the Company has added additional channels for customer to conveniently access its insurance products and constantly improves the quality of existing insurance services. The Company offers diverse purchase channels to ensure highest convenience for customers. This includes insurance agents and brokers, counter service at department stores and convenient stores nationwide as well as the Company's website thaivivat.co.th. Certified by the Department of Business Development, the Company guarantees completely safety in terms of online purchase and payment. Through this system, the insurer is given a wide range of options for payment namely credit card, bank counters and mobile payment. In 2016, the Company opened a new branch at Don Muang Airport to accurately serve the needs of those insurers who travel within the country.

Other services

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

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

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

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

Claim Service Center can be reached at 02-695-0800 24 hours every day.

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

Products and Services for Community and Social Development

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

By realizing the importance of insurance and insurance service accessibility, the Company therefore introduces micro-insurance program as alternative choice for consumers and focuses on minimizing damages from road accidents in line with its motor insurance program which is the Company's core product. These had been carried out under "Excellent Service Program" which took place during the 2016 New Year and Songkran Festival as per the following details:

Micro-insurance

Thaivivat Insurance PLC had carried out the work for community and social development in accordance with the policy of the Office Insurance Commission (OIC) in the Insurance Development Plan No 3 (2016-2020). In particular, on the part of enhancing confidence, the awareness of the importance of insurance and the access to the insurance system by the people at all level. Since suitable insurance plays a role in the stability of the quality of life of the people which is the participation in important development of Thai society.

The company has provided service in insurance in various, distinct formats taking into account the needs of the people which are changing in tandem with social and economic situation. The company also envisions the importance of access to the insurance system by the public at all levels. The company therefore has a policy to promote micro-insurance with simplified coverage, economic premium rate. All level of the public can access micro-insurance easily thanks to comprehensive distribution channels. Key micro-insurance products of Thaivivat for 2016 are the following:

1. Cancer Micro-insurance

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

insurance amount of 70,000 Baht and 2. “Jai Pum Plus Micro-Insurance for Cancer” covering all types of cancer except malignant melanoma and skin cancer.

2. Rice Insurance for the 2016 harvest year

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

3. “200” micro-insurance

Thaivivat Insurance PLC is an insurance company participating in the “Insurance coverage 200 policy” project in collaboration with the Office Insurance Commission (OIC). The insurance coverage 200 is a personal accident micro-insurance to provide coverage to the insured in the event of death, loss of limbs, eyesight, complete disability due to accident. The coverage is 1 year with premium of mere 200 Baht for the insured aged 20 – 60 years having the objective to provide opportunity to the people at all level to by insurance policy at affordable price.

4. Crop Insurance based on Weather Index

This insurance program provides coverage for crop (corn) damages due to drought (Livestock Corn Feed Insurance) by using Weather Index as criteria. Under this insurance program which provides coverage at the premium rate of 100 Baht per Rai, farmers will be entitled to damage claims in the event that the insured crops had been damaged by drought during insurance period. This is to help minimize damages upon farmers due to increase in production cost or decrease in crop yields by forecasting damages in accordance to agricultural principle. In 2016, Thaivivat Insurance paid indemnity to farmers under Livestock Corn Feed Insurance program totaling 6,111,610 Baht.

“Excellent Service” Program during New Year and Songkran Festival

Both public and private sectors recognizes the significance of road accidents, particularly when Thailand is ranked among the top countries having the highest rate of road accidents in the world. This brings not only losses of life and property but also prevents the country from becoming fully developed. In response, numerous campaigns and projects has been continuously carried out to minimize the number of road accidents

as well as losses of life due to road accidents. Among this, car insurance plays a vital role in non-life insurance industry. For this reason, the Company therefore initiated a campaign called “Excellent Service during New Year and Songkran Festival 2016” by working together with Department of Highways and Expressway Authority of Thailand in order to facilitate both the citizens and government officials were assigned on duty to assure road safety during the special holidays, including providing car insurance service during New Year and Songkran season during which the number of commuters traveling on public roads its at the highest not to mention highest risk of road accidents.

“Excellent Service during New Year and Songkran Festival 2016” involves the following activities:

1. Accident inspection team and operational team had been allocated at various checkpoints in every province nationwide to ensure prompt service. Also, the number of customer service staffs was added, especially in areas with heavy traffic, along main road where there are large number of commuters and at major tourist destinations, totaling 58 service points. A total of 452 cases were handled during Songkran Festival alone.
2. The Company worked closely with Pak Chong Highway Station in facilitating commuters and government officials at resting area of Highway Police by offering cool drinks and mobile toilet service at Pak Chong Checkpoint 1, Pak Chong District, Nakhon Ratchasima Province.
3. The Company teamed up with Pak Chong Highway Station 1 in organizing booth and promoting Drive Safe Campaign to help reduce road accidents during Songkran Festival 2016. The event took place at Flood Relief Center by Miracle of Life Foundation under the patronage of HRH Princess Ubonrat Ratchakanya Siriwatthana Phannawadi, Nong Sarai Sub-district, Pak Chong District, Mitraphab Road on April 8, 2016
4. During New Year of 2016, Thaivivat Insurance Public Company Limited Saraburi Branch was used as a resting area where commuters can take a break to use to toilets or have some drinks

Personnel Benefits

Personnel are valuable resource who must be cared for and their ability upgraded for readiness to perform the duty efficiently. The Company therefore attaches importance to the development of staff at all levels as to enhance the knowledge, ability, skill, creating good attitudes by attaching the importance to developing the body of knowledge by means of both internal training within the company and with various external organizations. Moreover, the company has yet introduced a policy in determining fair remuneration with assessment of work performance at least twice a year and to follow up on salary rate movement as to formulate correct, suitable salary in terms of incentive and welfare benefits.

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

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

Welfare for Better Quality of Life

● Staff Provident Fund

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

● Loan welfare

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

● Financial Aids for Personnel and Family Members

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

● Medical treatment

Besides taking out social security insurance for every member of staff to accommodate the entitlement to medical treatment in accordance with the labor law, the Company has arranged for the availability of a nurse team from Chula Hospital to provide first-aid care and diagnosis for referral in the case of serious illness as welfare for members of the staff on every working day at the company's principal office at which most of the employees of Thai Viva Insurance PLC are working.

● Accident insurance

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

● Health Insurance

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

Employees' benefits and Development

Thaivivat Insurance Public Company Limited provides training to develop the proficiency of staffs constantly to improve insurance knowledge and other required skills for insurance operation and services. In 2016, organizational restructuring had been carried out by clearly separating Personnel Development Department from HR Department to ensure better personnel development efficiency.

Each year the Company begins by providing knowledge training to newcomers under a program called "Organization and Products Training" during the orientation session to achieve clear understanding regarding organizational culture, to build proper mindset and the Company's expectations from its personnel. On June 18, 2016, the Company welcomed a total of 47 newcomers. Apart from previously mentioned training program, the Company also provide personnel competency building according to the requirements of each position and function. In 2016, important trainings carried out by the Company include:

- **Building Proper Mindset in Driving Operational Success and Fostering Teamwork**

This training program aims to develop relevant knowledge and result-oriented skills, to create motivation through positive mindset, to share some problem-solving, decision-making and motivation techniques and to promote positive communication as well as necessary communication skills for development. The program was joined by 75 personnel from Assistant Manager Level and above. Most importantly, this year's session was kindly hosted by Dr. Vilas Duang Kamnerd, Specialized Instructor in Aviation Industry Management Master Program, Kasembundit University.

Apart from in-house trainings, the Company also encourages its personnel to join other relevant knowledge and skills development trainings held by external organizations. The Company would select representative from each relevant department and function as deemed appropriate. Currently, the Company's personnel from each function had undergone through trainings by an average of 11 hours per person.

Employment Opportunity for the Disabled

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

In 2016, the Company accepted 3 new recruits with physical disabilities to join the team which include:

Mr. Terdsak Thongdee	Hearing Impairment
Mr. Kajornpob Panthurat	Hearing Impairment
Mr. Yanyong Khamying	Hearing Impairment

As a result, the Company now has a total of 6 personnel with physical disabilities on its team as per the following details:

Visual Impairment	1 person
Hearing Impairment	4 persons
Mobility Impairment	1 person

Labor Relations Activity

The Company regularly organized Labor Relations Activity each year with the aim to strong good bonds between personnel and various departments within the organization, including fostering teamwork and good communication skills and promoting regular exercise among the personnel. This is to build a sense of ownership among the personnel.

In 2016, the Company had organized Walk Rally 2016 at Hotel Fountain Tree Resort, Khao Yai, Nakhon Ratchasima Province which lasted 2 days 1 night, totaling 2 batches as per the following details:

Batch No.1 from October 1 - 2, 2016 totaling 255 participants

Batch No.2 from October 8 - 9, 2016 totaling 232 participants

Safety at work

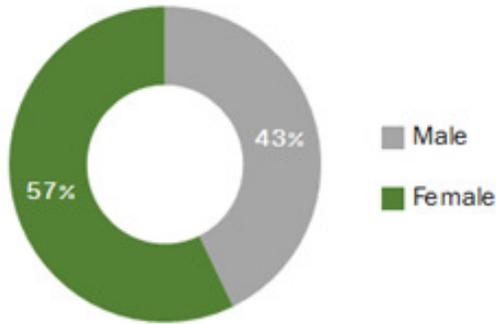
Thaivivat Insurance PLC is concerned for the well-being and safety of its personnel. It is deemed that the said matter reflects on a good quality of life and is one of the factors that promote work performance with efficiency, with confidence in engaging in various activities. The company makes an advance preventative planning correctly and appropriately.

- Most importance is preventive action has been taken and a campaign to impart knowledge has been launched in the matter of fire prevention and fire drill is carried out every year, including the preparedness check on fire equipment and fire alarm system have been carried out regularly. This is to ensure that the personnel are informed of practical guidelines and to face up to the real situation that may happen. On December 17, 2016, fire protection training was organized and hosted by special guest speakers from Sutthisan Fire Station, Fire Brigade Division 3, Department of Disaster Prevention and Mitigation who shared some basic knowledge regarding fire emergency handling both in terms of theory and practice, followed by Fire Drill Exercise 2016 which took place on December 19, 2016 at Thaivivat Insurance Building under the supervision of professionals from Sutthisan Fire Station.

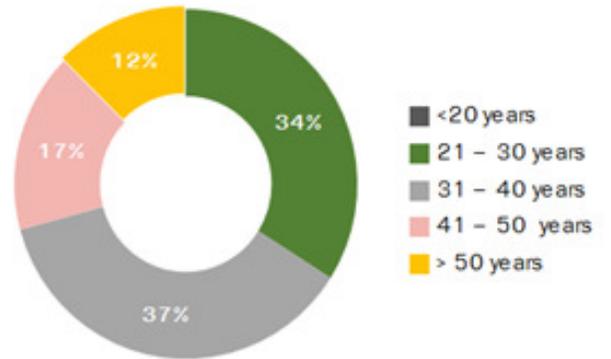
- Policy and Operational Practice for Operational Level Staffs and Claiming Officers in Relation to Safety
Personnel whose position involve the use of cars and motorcycle while on duty, including Claiming Officers and Policy Admin Officers must strictly follow the Company's rules and regulations in relation to personal safety (such as strict compliance with traffic rules, maintaining proper dress code with reflective tape specified by the Company, wearing helmet and seat belt) and the vehicle used (such as the Company's car which must undergo routine check, installing car camera, personnel GPS tracking). The Company also established disciplinary actions in case of violation of traffic laws. In 2016, only 1 accident had been observed and the injured person was a Policy Admin Officer, totaling 1 person, who suffered only minor injury and is now recovered.

An overview of the personnel of Thaivivat Insurance PLC

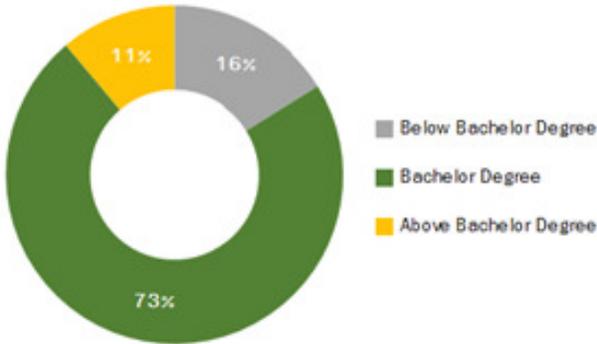
Personnel Proportion by Gender



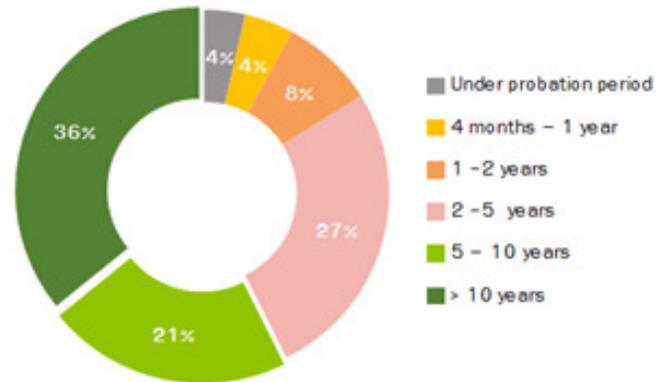
Personnel Proportion by Age



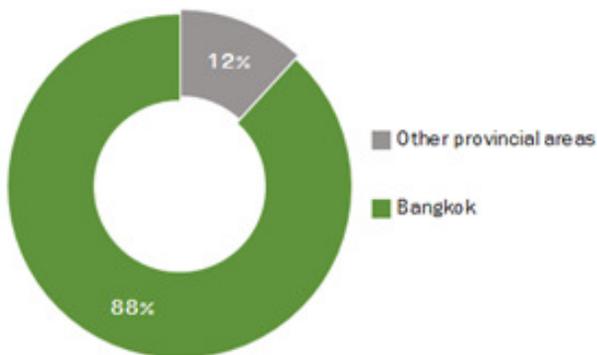
Personnel Proportion by Education



Personnel Proportion by Employment Period



Personnel Proportion by Province



Community and Social Development Activities

The Company is aware of the importance of community and social development by respecting and upholding the basic principles of human rights both in business process and community and social development activities. Apart from business process such as human resource management which is also the key to achieving business growth and sustainability, the Company also has a policy on ensuring fair and equal treatment among every group of personnel and stakeholders regardless of their color, race, gender, ethnicity, nationality, financial status and physical disability, including respecting and accepting differences in terms of view, society, environment, law and culture (For more details, see section “Personnel Benefits”). In 2016, the Company had carried out several community and social development activities through donations and charity as per the following details

Education Promotion Activity

The Company has continuously supported equal opportunity as per the basic principle of human rights among all social groups, especially the rights to basic education. This is because building competent human resource completed with required knowledge and skills and a keen sense of integrity is vital to driving national security and development. In 2016, the Company had provided educational supports as follow:

On October 2, 2016, the Company donated school supplies and other necessary items to Baan Boong Toey School located at Pak Chong District, Nakhon Ratchasima Province as they were lacked of educational personnel and school supplies. On October 9, 2016, the Company donated school supplies and other necessary items to Makutkhirivan School for the Blind located at Pak Chong District, Nakhon Ratchasima Province. Both activities were carried out as part of the “Walk Rally 2016” which was organized with the aim to form connections between corporate personnel, the Company and the society.

Charity for Social and Community Development in Various Aspects

Society and Community

In 2016, the Company gave charities to various organizations as per the following details:

- Charity for the construction of Princess Maha Chakri Sirindhorn Commemoration Building (Accident and Emergency Center), Wat Pasap Thawidhammaram, Nakhon Ratchasima Province.
- Charity for the construction of “Nawamin Bophit Building in Commemoration of the King’s 89th Birthday”, Faculty of Medicine, Siriraj Hospital, Mahidol University, Bangkok.
- Charity for “Ta Sai Jai Sa Aad”, a project initiated by Siriraj Foundation, Faculty of Medicine, Siriraj Hospital, Mahidol University, Bangkok.

Sports, Religion, Arts & Culture

In 2016, the Company provided funds to various organizations to support activities in relation to religion, arts & culture and sports as per the following details:

- Sponsor of CMU Marathon 2016, Chiang Mai University
- Key sponsor of The 1st TU Walk & Run 2016, Thammasat University (Rangsit Campus)
- “Pha Pa Sa Makee” at Wat Baan Nern Thaworn, Na Sanoon Sub-district, Sri Thep District, Phetchabun Province
- “Annual Pha Pa Sa Makee 2016” at Wat Bang Kluea, Bang Pa Gong District, Chachoengsao Province
- Support the construction of Buddha Image at Wat Kra Tum Rab, Pra Tab District, Nakhon Ratchasima Province
- Co-hosting “Pha Pa Sa Makee” at Wat Khao Wanchai Nawarat Dhudong Kammathan, Nakhon Ratchasima Province
- Co-hosting “Pha Pa Sa Makee” at Wat Mae Chan, Bangkok
- Luang Pho Yeun Kathin Ceremony at Wat Khao Sala Atuljanathajaro, Surin Province
- Royal Kathin at Wat Bang Phai, Nonthaburi Province
- Supporting the construction of temple building at Wat Nong Muang, Chaiyaphum Province
- Kathin Sa Makee at Wat Phra Hin Wanaram, Prachuabkhirikhan Province
- Kathin Sa Makee at Wat Nong Muang, Chaiyaphum Province
- Kathin Sa Makee at Wat Khao Wanchai Nawarat, Nakhon Ratchasima Province
- Kathin Ceremony at Phetchawararam, Phetchabun Province
- Kathin Sa Makee at Wat Nong Jig, Nakhon Nayok Province
- Co-hosting “Pha Pa Sa Makee” at Wat Khet Udomsakwanaram, Chumphon Province
- Pha Pa Sa Makee by the Mother’s Foundation, Pathom Phon Community as part of “The 4th Huang Yai Sai Jai Baan Kerd” Project

MANAGEMENT OF ENVIRONMENT

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

Energy Saving Promotion (by using LED Bulbs)

In 2016, the Company took part in Energy Conservation Promotion through DSM Bidding, a project carried out by Department of Alternative Energy Development and Efficiency, by promoting the use of LED Bulbs with the aim to encourage businesses to improve its energy consumption efficiency in order to reduce costs in relation to energy and increase competitive competency as part of concrete measure to cut down the country's energy import.

The Company had replaced all existing light bulbs with LED bulbs at Thaivivat Insurance Plc. Head Office, an 11-storey building located on Din Daeng Road, totaling 2,557 units as part of its action plan to improve energy consumption efficiency in office buildings which aims to save energy and operating costs in the long run. The total expense of this project after deducting funding from the Department of Alternative Energy Development and Efficiency is equal to 740,797.10 Baht. Once LED Bulbs replacement is completed which is expected to be at the beginning of 2017, it is expected that the project will help to cut down the Company's energy consumption by over 135,267.19kWh per year, or an equivalent to 608,702.36 Baht per year.

	Total Quantity	Yearly Energy Cost (Baht)
Existing bulbs	2,557	973,767.42
LED bulbs	2,557	365,065.06
<u>Saved by(Yearly)</u>		
	Energy	135,267.19 kWh
	Energy Cost	608,702.36 Baht

11. Internal Control and Risk Management

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

Control Environment

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

Risk Assessment

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

Control Activities

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

Monitoring activities

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

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

The Audit Committee Opinion

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

In the year 2016, Audit Committee has performed the duties as delegate by the company's Board of Directors and has the Internal Audit working unit operated as the scope, duty, and responsibility defined in the Internal Audit Operation Manual of company by the staff within the Internal Audit department at the Director level has experience in becoming the auditor for 30 years and start working with the company in the position of Accounting Department Manager for 10 years before taking the position of Audit Department Director in the year 1999 as the attachment 3

8. Related Transactions

None

9. Financial Statements

As attachment

Thaivivat Insurance Public Company Limited
Report and financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of Thavivat Insurance Public Company Limited

Opinion

I have audited the accompanying financial statements of Thavivat Insurance Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thavivat Insurance Public Company Limited as at 31 December 2016, 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 under the Royal Patronage of His Majesty the King 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.

Emphasis of matters

I draw attention to the matter as described in Notes 2 and 3.1 relating to the presentation of the Company's financial statements in accordance with the new format as specified in the Notification of the Office of Insurance Commission dated 4 March 2016, which became effective as from 1 January 2016 onwards, and the adoption of the revised and new financial reporting standards as issued by the Federation of Accounting Professions. My conclusion is not modified in respect of these matters.

Key Audit Matters

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

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

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

Insurance premiums recognition

In 2016, the Company had revenue from insurance premium amounting to Baht 3,230 million, which were derived from retail insured and had a large number of policies. The insurance premiums are collected from variety customers and insurance premiums amount rely on the processing of information technology system. I therefore focused the recognition of insurance premiums with respect to the amount and appropriate timing.

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

Insurance contract liabilities - claim reserves and outstanding claims

Insurance contract liabilities - claim reserves and outstanding claims account is highly significant to the financial statements. As at 31 December 2016, the Company had claim reserves and outstanding claims amounted to Baht 1,000 million (representing 27 percent of total liabilities). Claim reserves and outstanding claims include both claims incurred and reported and claims incurred but not reported, which were calculated by the Company's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves so I addressed the adequacy of claim reserves and outstanding claims as a key audit matter. In addition, such claim reserves and outstanding claims are directly relevant to the claim reserves and outstanding claims refundable from reinsurers which were also calculated by the Company's management using actuarial techniques. As at 31 December 2016, the Company had claim reserves and outstanding claims refundable from reinsurers amounting to Baht 116 million.

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

Allowance for premium receivables, claim reserves refundable from reinsurers, receivables from reinsurance contracts and claim receivables from litigants

Allowance for premiums receivables, claim reserves refundable from reinsurers, receivables from reinsurance contracts and claim receivables from litigants which are estimated based on losses expected to be incurred when debtors are unable to repay. The losses were estimated from past collections experience, aging profile and current status of outstanding receivables. The management is therefore required to exercise considerable judgement in determining and recording the allowance for losses expected to be incurred when debtors are unable to repay. In addition, the allowance for such receivables is significant since as at 31 December 2016, the Company had balances of premium receivables, claim reserves refundable from reinsurers, receivables from reinsurance contracts and claim receivables from litigants totaling Baht 740 million (representing for 15% of total assets), and had allowance for these receivables amounting to Baht 30 million. Therefore, I addressed the adequacy of the allowance for doubtful accounts for receivables as a key audit matter.

I gained an understanding of the internal controls relevant to collection of these receivables, the calculation and recording of allowance for such receivables by making enquiry of management, gaining an understanding and assessed the information and methods used by the Company in calculating the allowance. In addition, I tested, on a sampling basis, the calculation of debtor or aging and allowance for these receivables.

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. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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.

The engagement partner on the audit resulting in this independent auditor's report is
Miss Somjai Khunapasut

Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 27 February 2017

Thaivivat Insurance Public Company Limited**Statements of financial position****As at 31 December 2016**

			(Unit: Baht)	
	Note	31 December 2016	31 December 2015 (Restated)	1 January 2015
Assets				
Cash and cash equivalents	6	228,894,842	326,834,483	143,697,595
Premium receivables	7	373,438,176	426,054,185	339,406,695
Accrued investment income		6,811,253	7,840,025	19,954,062
Reinsurance assets	8	514,900,410	418,191,706	405,314,068
Reinsurance from receivables contracts	9	19,112,519	65,857,349	38,076,641
Investment assets				
Investments in securities	10	2,701,321,914	2,506,557,325	2,455,130,182
Loans	11	7,380,528	7,996,179	10,970,820
Property, buildings and equipment	12	288,055,820	277,547,361	241,402,337
Intangible assets - computer software	13	7,381,302	8,772,340	9,181,275
Deferred tax assets	14	80,927,799	73,276,287	47,695,847
Other assets	15	625,462,585	471,017,076	619,018,248
Total assets		4,853,687,148	4,589,944,316	4,329,847,770

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

Thaivivat Insurance Public Company Limited
Statements of financial position (Continued)
As at 31 December 2016

(Unit: Baht)

	Note	31 December 2016	31 December 2015 (Restated)	1 January 2015
Liabilities and equity				
Liabilities				
Insurance contract liabilities	16	2,576,140,340	2,481,710,488	2,305,212,168
Due to reinsurers	17	480,104,794	358,657,203	353,761,808
Income tax payable		178,364	-	4,050,996
Employee benefit obligations	18	75,194,822	77,089,053	74,893,944
Other liabilities	19	617,492,072	577,715,588	490,626,595
Total liabilities		3,749,110,392	3,495,172,332	3,228,545,511
Equity				
Share capital				
Registered				
20				
303,000,000 ordinary shares of Baht 1 each (31 December 2015: 303,000,000 ordinary shares of Baht 1 each and 1 January 2015: 151,500,000 ordinary shares of Baht 1 each)				
		<u>303,000,000</u>	<u>303,000,000</u>	<u>151,500,000</u>
Issued and paid-up				
303,000,000 ordinary shares of Baht 1 each (31 December 2015: 303,000,000 ordinary shares of Baht 1 each and 1 January 2015: 151,500,000 ordinary shares of Baht 1 each)				
		303,000,000	303,000,000	151,500,000
Premium on share capital		163,800,007	163,800,007	163,800,007
Retained earnings				
Appropriated - statutory reserve				
	21	30,300,000	30,300,000	20,000,000
Unappropriated				
		514,867,659	498,198,502	651,497,298
Other components of equity - surplus on changes in value of available-for-sale investments				
	10.3	92,609,090	99,473,475	114,504,954
Total equity		1,104,576,756	1,094,771,984	1,101,302,259
Total liabilities and equity		4,853,687,148	4,589,944,316	4,329,847,770
		-	-	-

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

.....
Directors
.....

Thaivivat Insurance Public Company Limited
Statements of comprehensive income
For the year ended 31 December 2016

		(Unit: Baht)	
	Note	2016	2015
			(Restated)
Profit or loss:			
Income			
Gross premium written		3,229,683,365	3,125,705,031
Less: Premium ceded to reinsurers		(843,531,608)	(701,753,327)
Net premium written		2,386,151,757	2,423,951,704
Add (less): Unearned premium reserves (increase) decrease			
from prior year		75,924,536	(116,478,457)
Net earned premium		2,462,076,293	2,307,473,247
Fee and commission income		243,288,457	220,409,549
Investment income		59,020,862	77,153,756
Gain on investments		51,711,660	26,242,447
Gain (loss) on fair value adjustment of investments		10,488,732	(17,951,385)
Other income		20,550,308	13,714,966
Total income		2,847,136,312	2,627,042,580
Expenses			
Claims and loss adjustment expenses		1,987,110,058	1,881,771,688
Less: Claim recovered from reinsurers		(327,605,666)	(366,617,605)
Commission and brokerage expenses		546,869,893	545,507,888
Other underwriting expenses		239,459,816	211,133,162
Operating expenses	22	375,911,189	333,822,898
Total expenses		2,821,745,290	2,605,618,031
Profit before income tax		25,391,022	21,424,549
Income tax revenue (expenses)	14	(293,972)	899,327
Profit for the year		25,097,050	22,323,876

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

Thaivivat Insurance Public Company Limited
Statements of comprehensive income (continued)
For the year ended 31 December 2016

		(Unit: Baht)	
	Note	2016	2015
			(Restated)
Other comprehensive income:			
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods			
Loss on changes in value of available-for-sale investments		(8,580,481)	(18,789,349)
Add: Income tax effect	14.2	1,716,096	3,757,870
Net other comprehensive income to be reclassified			
to profit or loss in subsequent periods (loss)		(6,864,385)	(15,031,479)
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods			
Actuarial gain		8,402,621	3,763,494
Less: Income tax effect	14.2	(1,680,524)	(752,699)
Net other comprehensive income not to be reclassified			
to profit or loss in subsequent periods		6,722,097	3,010,795
Other comprehensive income for the year			
- net of income tax (loss)		(142,288)	(12,020,684)
Total comprehensive income for the year		24,954,762	10,303,192
Earnings per share	25		
Basic earnings per share		0.08	0.07

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

Thaivivat Insurance Public Company Limited**Statements of cash flows****For the year ended 31 December 2016**

	(Unit: Baht)	
	2016	2015
		(Restated)
Cash flows from (used in) operating activities		
Direct premium written	3,310,865,363	3,074,914,083
Cash paid for reinsurance	(148,386,420)	(184,681,247)
Interest income	19,815,393	46,123,060
Dividend income	40,295,722	43,186,033
Other investment income	3,073,690	4,063,180
Other income	16,128,948	7,480,355
Claim incurred on direct insurance	(1,710,347,426)	(1,602,361,124)
Loss adjustment expenses on direct insurance	(29,621,573)	(27,841,120)
Commission and brokerage on direct insurance	(561,194,217)	(532,429,845)
Other underwriting expenses	(145,081,874)	(117,012,414)
Operating expenses	(609,349,485)	(481,575,024)
Income tax	(7,288,650)	(25,784,603)
Investments in securities	(381,434,145)	(705,663,333)
Loans	1,245,658	2,974,641
Deposits at financial institutions	150,672,286	757,651,884
Net cash from (used in) operating activities	(50,606,730)	259,044,526
Cash flows from (used in) investing activities		
Purchases of property, buildings and equipment	(32,258,425)	(59,937,551)
Disposals of equipment	75,504	863,380
Net cash used in investing activities	(32,182,921)	(59,074,171)
Cash flows from (used in) financial activities		
Dividend paid	(15,149,990)	(16,833,467)
Net cash used in financial activities	(15,149,990)	(16,833,467)
Net increase (decrease) in cash and cash equivalents	(97,939,641)	183,136,888
Cash and cash equivalents at beginning of year	326,834,483	143,697,595
Cash and cash equivalents at end of year	228,894,842	326,834,483

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

Thaivivat Insurance Public Company Limited
Statements of changes in equity
For the year ended 31 December 2016

(Unit: Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity - surplus on changes in value of available-for-sale	Total
				Appropriated - statutory reserve	Unappropriated	investments	
Balance as at 1 January 2015		151,500,000	163,800,007	20,000,000	651,497,298	114,504,954	1,101,302,259
Profit for the year		-	-	-	22,323,876	-	22,323,876
Other comprehensive income for the year (loss)		-	-	-	3,010,795	(15,031,479)	(12,020,684)
Total comprehensive income for the year (loss)		-	-	-	25,334,671	(15,031,479)	10,303,192
Unappropriated retained earnings transferred to statutory reserve	21	-	-	10,300,000	(10,300,000)	-	-
Dividend paid during the year	26	151,500,000	-	-	(168,333,467)	-	(16,833,467)
Balance as at 31 December 2015		<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>498,198,502</u>	<u>99,473,475</u>	<u>1,094,771,984</u>
Balance as at 1 January 2016		303,000,000	163,800,007	30,300,000	498,198,502	99,473,475	1,094,771,984
Profit for the year		-	-	-	25,097,050	-	25,097,050
Other comprehensive income for the year (loss)		-	-	-	6,722,097	(6,864,385)	(142,288)
Total comprehensive income for the year (loss)		-	-	-	31,819,147	(6,864,385)	24,954,762
Dividend paid during the year	26	-	-	-	(15,149,990)	-	(15,149,990)
Balance as at 31 December 2016		<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>514,867,659</u>	<u>92,609,090</u>	<u>1,104,576,756</u>
		-	-	-	-	0	0

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

Thaivivat Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2016

1. General information

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

2. Basis for preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies B.E. 2559 dated 4 March 2016, which became effective as from 1 January 2016 onwards. Such format of the financial statements has been changed and as a result items in the statements of financial position, comprehensive income and cash flows of the prior year, presented as comparative information, have needed reclassified to be consistent with the current year’s classifications. In addition, the statement of financial position as at 1 January 2015 is also presented as comparative information.

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

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year 2016, the Company has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which became effective for fiscal year beginning on or after 1 January 2016. 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. The Financial Reporting Standards that has key changes in principle and directly relates to the Company are as follows:

TFRS 4 (revised 2015) Insurance Contracts

The objective of Thai Financial Reporting Standard No. 4 (TFRS 4) is to specify the financial reporting for insurance contracts issued by any entity (including reinsurance contracts) and the reinsurance contracts held by an entity, and to make limited improvements to accounting for insurance contracts until the second phase of the project on insurance contracts is completed. In particular, this standard requires disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and prohibits provisions for possible claims under contracts that are not in existence at the end of the reporting period. In addition, it requires insurers to test for the adequacy of recognised insurance liabilities and perform an impairment test for reinsurance assets, and require insurers to keep insurance liabilities in the statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets. This standard temporarily exempts insurers from some requirements of other standards, including the requirement to consider the framework in selecting accounting policies for insurance contracts.

In addition to stipulating the treatment of insurance contracts, this financial reporting standard also deals with the nature of insurance contracts and requires the disclosure of additional information for insurance contracts related to the assets, liabilities, revenues and expenses recognised in the financial statements, and the nature and scope of the insurance risk arising from insurance contracts.

The first time adoption of this standard has no significant impact on the Company's financial statements, since the Company's management has already reviewed the classification of insurance contracts (including reinsurance contracts) and reinsurance contracts held by the Company and concluded that all of its insurance contracts meet the definition of insurance contracts under this standard. Furthermore, the stipulations on recording of claim reserves, liability adequacy testing for recognised insurance liabilities, impairment testing for reinsurance assets and recording insurance contract liabilities have no impact on the Company's financial statements since the Company has always implemented these before this standard became effective.

3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believes that the revised financial reporting standards and interpretations and new accounting treatment guidance 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) Premium income

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

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

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

(b) Commission and brokerage fees income

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

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

(c) Investment income

Interest and dividend income

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

Interest income on loan

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

(d) Gain (loss) on investments

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

4.2 Expenses recognition

(a) Ceded premium

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

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

(b) Claim and loss adjustment expenses

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

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

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

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

(c) Commission and brokerage expenses

Commission and brokerage are expended when incurred.

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

(d) Other underwriting expenses

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

(e) Operating expenses

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

4.3 Product classification

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

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

4.4 Cash and cash equivalents

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

4.5 Premium receivables and allowance for doubtful accounts

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

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

4.6 Reinsurance assets

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

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

4.7 Reinsurance receivables and due to reinsurers

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

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

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

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

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

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

4.8 Investments in securities

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

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

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

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

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

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

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

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

4.9 Loans and allowance for doubtful accounts

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

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

4.10 Property, buildings and equipment and depreciation

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land.

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

4.11 Intangible assets and amortisation

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

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

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

4.12 Impairment of assets

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

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

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

4.13 Insurance contract liabilities

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

(a) Claim reserves and outstanding claims

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

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

(b) Premium reserves

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

(1) Unearned premium reserve

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

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

(2) Unexpired risk reserve

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

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

4.14 Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

4.15 Provisions

Provisions are recognised when the Company 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.

4.16 Long-term lease

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

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

4.17 Foreign currencies

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

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

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

4.18 Income tax

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

Current tax

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

Deferred tax

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

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

At each reporting period, the Company 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 asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

4.19 Related party transactions

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

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

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities. In case of no active market of an identical asset or liability or when a quoted market price is not available, the Company 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 period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

5.1 Recognition and derecognition of assets and liabilities

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

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

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

5.3 Impairment of investments in securities

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

5.4 Property, buildings and equipment/Depreciation

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

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

5.5 Intangible assets and amortisation

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 and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.6 Deferred tax assets

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

5.7 Loss reserves and outstanding claims

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

5.8 Unexpired risk reserve

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

5.9 Post-employment benefits under defined benefit plans

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

5.10 Leases

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

5.11 Litigation

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

5.12 Fair value of financial instruments

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

6. Cash and cash equivalents

	(Unit: Baht)	
	2016	2015
Cash on hand	7,160,496	2,414,209
Deposits at banks with no fixed maturity date	218,435,457	136,604,369
Deposits at banks and certificate of deposit with fixed maturity date	3,298,889	187,815,905
Cash and cash equivalents	<u>228,894,842</u>	<u>326,834,483</u>

As at 31 December 2016, saving deposits and fixed deposits carried interest between 0.25% and 0.75% per annum (2015: between 0.75% and 3.00% per annum).

7. Premium receivables

The balances as at 31 December 2016 and 2015 of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)	
	2016	2015
Not yet due	313,609,226	359,635,226
Not over 30 days	32,536,083	36,430,893
Over 30 days to 60 days	11,116,255	13,515,151
Over 60 days to 90 days	5,116,527	5,651,687
Over 90 days	14,169,291	15,115,263
Total premium receivables	376,547,382	430,348,220
Less: Allowance for doubtful accounts	(3,109,206)	(4,294,035)
Total premium receivables, net	<u>373,438,176</u>	<u>426,054,185</u>

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

8. Reinsurance assets

	(Unit: Baht)	
	2016	2015
Insurance reserves refundable from reinsurers		
Claim reserves and outstanding claims	116,933,537	98,130,572
Unearned premium reserves	397,966,873	320,061,134
Reinsurance assets	<u>514,900,410</u>	<u>418,191,706</u>

9. Receivables from reinsurance contracts

	(Unit: Baht)	
	2016	2015
Amounts due from reinsurers	<u>19,112,519</u>	<u>65,857,349</u>
Receivables from reinsurance contracts	<u>19,112,519</u>	<u>65,857,349</u>

As at 31 December 2016 and 2015, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	2016	2015
Not yet due	10,246,384	51,683,565
Not over 1 year	8,526,171	14,077,882
Over 1 year to 2 years	339,964	95,902
Total amounts due from reinsurers	<u>19,112,519</u>	<u>65,857,349</u>

10. Investments in securities

10.1 Classified by type of investments

(Unit: Baht)

	2016		2015	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	271,693,053	254,070,659	285,052,833	256,709,565
Warrants	-	980,398	-	1,212,540
Total	271,693,053	255,051,057	285,052,833	257,922,105
Less: Unrealised loss	(16,641,996)	-	(27,130,728)	-
Trading investments, net	255,051,057	255,051,057	257,922,105	257,922,105
Available-for-sale investments				
Government and state enterprise				
debt securities	10,000,000	10,394,582	10,000,000	10,340,441
Private debt securities	280,141,486	284,315,549	150,093,940	155,960,001
Equity securities	40,056,668	112,529,198	51,242,927	150,995,574
Unit trusts	1,521,399,310	1,560,119,497	1,511,731,205	1,530,113,899
Total	1,851,597,464	1,967,358,826	1,723,068,072	1,847,409,915
Add: Unrealised gain	115,761,362	-	124,341,843	-
Less: Allowance for impairment	(176,283)	(176,283)	(176,283)	(176,283)
Available-for-sale investments, net	1,967,182,543	1,967,182,543	1,847,233,632	1,847,233,632
Held-to-maturity investments				
Government and state enterprise				
debt securities	289,905,071		61,587,132	
Private debt securities	841,000		841,000	
Deposits at financial institutions				
which amounts maturing in over				
3 months	185,462,593		336,093,806	
Total	476,208,664		398,521,938	
Less: Allowance for impairment	(841,000)		(841,000)	
Held-to-maturity investments, net	475,367,664		397,680,938	
Other investments				
Equity securities	3,720,650		3,720,650	
Other investments, net	3,720,650		3,720,650	
Total investments in securities	2,701,321,914		2,506,557,325	

10.2 Classified by remaining period of debt securities

Investment in debt securities as at December 2016 and 2015 have period to maturity as follow:

(Unit: Baht)

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

(Unit: Baht)

	2015				
	Period to maturity				Total
	Overdue	Within 1 year	1 - 5 years	Over 5 years	
<u>Available-for-sale investments</u>					
Government and state enterprise					
debt securities					
State enterprise bonds	-	-	10,000,000	-	10,000,000
Private debt securities					
Debentures	93,940	15,000,000	105,000,000	30,000,000	150,093,940
Total	93,940	15,000,000	115,000,000	30,000,000	160,093,940
Add : Unrealised gain	-	219,536	3,237,220	2,749,746	6,206,502
Total available-for-sale investments	93,940	15,219,536	118,237,220	32,749,746	166,300,442
<u>Held-to-maturity investments</u>					
Government and state enterprise					
debt securities					
Thai government bonds	100,000	1,011,767	20,331,540	15,143,825	36,587,132
State enterprise saving lotteries	-	25,000,000	-	-	25,000,000
Total	100,000	26,011,767	20,331,540	15,143,825	61,587,132
Private debt securities					
Private enterprises bonds	841,000	-	-	-	841,000
Less: Allowance for impairment	(841,000)	-	-	-	(841,000)
Total	-	-	-	-	-
Deposit at financial institutions which					
amounts maturing in over 3 months					
Deposit at banks	-	336,009,688	84,118	-	336,093,806
Total	-	336,009,688	84,118	-	336,093,806
Total held-to-maturity investments	100,000	362,021,455	20,415,658	15,143,825	397,680,938

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

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Balance - beginning of the year	99,473,475	143,131,192
Changes during the year		
Gain (loss) on revaluation during the year	53,864,900	(12,390,190)
Gain on sales recognised in profit or loss during the year	(37,577,013)	(6,399,159)
Balance - end of the year	115,761,362	124,341,843
Less: Income tax	(23,152,272)	(24,868,368)
Balance - end of the year, net of income tax	92,609,090	99,473,475

10.4 Investments subject to restriction

As at 31 December 2016 and 2015, the Company had pledged the following assets as collateral.

	(Unit: Baht)	
	2016	2015
Pledged as bail bond in cases where insured drivers have been charged with criminal offense	1,560,097	1,321,713
Deposit at bank which pledged for		
Bank overdraft	3,000,000	3,000,000
Bank guarantee	10,853,382	11,589,247
Total	15,413,479	15,910,960

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

11. Loans

As at 31 December 2016 and 2015, loans and accrued interest are provided to employees in accordance with employee's benefits plan. The balances are aged by principal and interest receivables as follows:

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

(Unit: Baht)

Outstanding period	2015						
	Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	5,728,141	-	2,268,038	-	7,996,179	-	7,996,179
Overdue							
Over 12 months	3,201,091	1,137,894	-	-	3,201,091	1,137,894	4,338,985
Total	8,929,232	1,137,894	2,268,038	-	11,197,270	1,137,894	12,335,164
Less: Allowance for doubtful accounts	(3,201,091)	(1,137,894)	-	-	(3,201,091)	(1,137,894)	(4,338,985)
Loans, net	5,728,141	-	2,268,038	-	7,996,179	-	7,996,179

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

The Company has set the criteria for loans granted to employees, which include term of repayment and applicable interest rate. The Company charges interest on such loan at the rate of 5.5% per annum, 8.5% per annum on the first consecutive loan and an additional 2.0% per annum on further consecutive loans. The Company has determined the credit limit of each project as follows:

Project	Collateral	Credit line
General loan	Personal guarantees	- Not exceeding 4 times monthly salary, with a limit of Baht 50,000
Housing loan	Land and/or construction thereon	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 70% of the appraisal value of the land - Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the land and construction thereon
Housing maintenance loan	Personal guarantees and/or securities	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the housing

12. Property, buildings and equipment

(Unit: Baht)

	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost						
As at 1 January 2015	162,665,780	181,207,786	100,048,270	102,786,517	84,577,555	631,285,908
Additions	22,712,000	16,318,000	1,982,543	7,917,905	11,007,103	59,937,551
Disposals	-	-	(7,134,359)	(3,955,344)	(15,913,518)	(27,003,221)
As at 31 December 2015	185,377,780	197,525,786	94,896,454	106,749,078	79,671,140	664,220,238
Additions	6,265,500	4,534,500	7,102,230	5,641,195	8,715,000	32,258,425
Disposals	-	-	(5,979,612)	(9,381,073)	(10,055,000)	(25,415,685)
As at 31 December 2016	191,643,280	202,060,286	96,019,072	103,009,200	78,331,140	671,062,978
Accumulated depreciation						
As at 1 January 2015	-	145,130,074	90,558,615	90,435,708	63,759,174	389,883,571
Depreciation for the year	-	3,126,486	3,280,812	7,568,617	8,953,231	22,929,146
Accumulated depreciation on disposals	-	-	(7,073,384)	(3,984,745)	(15,081,711)	(26,139,840)
As at 31 December 2015	-	148,256,560	86,766,043	94,019,580	57,630,694	386,672,877
Depreciation for the year	-	3,429,666	2,998,322	6,445,688	8,800,786	21,674,462
Accumulated depreciation on disposals	-	-	(5,918,969)	(9,366,217)	(10,054,995)	(25,340,181)
As at 31 December 2016	-	151,686,226	83,845,396	91,099,051	56,376,485	383,007,158
Net book value						
As at 31 December 2015	185,377,780	49,269,226	8,130,411	12,729,498	22,040,446	277,547,361
As at 31 December 2016	191,643,280	50,374,060	12,173,676	11,910,149	21,954,655	288,055,820
Depreciation for the year						
2015						22,929,146
2016						21,674,462

As at 31 December 2016, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 290.2 million (2015: Baht 319.0 million).

13. Intangible asset - computer software

	(Unit: Baht)
	<u>Computer software</u>
Cost	
As at 1 January 2015	42,781,943
Additions	<u>1,422,100</u>
As at 31 December 2015	44,204,043
Additions	<u>340,001</u>
As at 31 December 2016	<u>44,544,044</u>
Accumulated amortisation	
As at 1 January 2015	33,600,668
Amortisation for the year	<u>1,831,035</u>
As at 31 December 2015	35,431,703
Amortisation for the year	<u>1,731,039</u>
As at 31 December 2016	<u>37,162,742</u>
Net book value	
As at 31 December 2015	<u>8,772,340</u>
As at 31 December 2016	<u>7,381,302</u>
Amortisation for the year	
2015	<u>1,831,035</u>
2016	<u>1,731,039</u>

As at 31 December 2016, certain computer software items have been fully amortisation but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 27.3 million (2015: Baht 27.3 million). In addition, as at 31 December 2016, the computer software has remaining useful lives approximately 6 years.

14. Deferred tax assets/Income tax expenses

14.1 Deferred tax assets

As at 31 December 2016 and 2015, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	31 December		Change in deferred tax assets/ liabilities that are recognised in profit or loss for the years ended 31 December	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for doubtful accounts	7,318,937	10,701,640	(3,382,703)	(797,851)
Unearned premium reserves	44,730,820	56,891,732	(12,160,912)	12,646,560
Provision for claim incurred but not yet reported and outstanding claims	33,691,739	9,707,327	23,984,412	5,944,563
Loss on changes in value of trading securities	3,328,400	5,426,146	(2,097,746)	3,590,277
Post employee benefit obligations	15,038,964	15,417,810	1,301,677	1,191,720
Total	104,108,860	98,144,655		
Deferred tax liabilities				
Gain on changes in value of available-for-sale securities	23,152,272	24,868,368		
Gain on exchange rate	28,789	-	(28,789)	-
Total	23,181,061	24,868,368		
Deferred tax assets, net	<u>80,927,799</u>	<u>73,276,287</u>		
Total change			<u>7,615,939</u>	<u>22,575,269</u>

14.2 Income tax expenses

The income tax expenses for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Current income tax:		
Corporate income tax charge	7,909,911	21,643,922
Adjustment for corporate income tax expenses of prior year	-	32,020
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>(7,615,939)</u>	<u>(22,575,269)</u>
Income tax expenses (revenue) as reported in the statements of comprehensive income	<u>293,972</u>	<u>(899,327)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Deferred tax relating to:		
Loss on changes in value of available-for-sale investments	(1,716,096)	(3,757,870)
Actuarial gain	1,680,524	752,699

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2016	2015
Accounting profit before income tax expenses	25,391,022	21,424,549
Applicable corporate income tax rate	20%	20%
Income tax at the applicable tax rate	5,078,204	4,284,910
Adjustment in respect of current income tax of prior year	-	32,020
Effect of exempted income and non-deductible expenses	(4,784,232)	(5,216,257)
Income tax expenses (revenue) as reported in the statements of comprehensive income	293,972	(899,327)

15. Other assets

	(Unit: Baht)	
	2016	2015
Claim receivables from litigants, net	200,624,755	205,149,839
Advance payment of ceded premium	144,163,026	121,269,686
Deposits on rice field insurance scheme	129,694,643	46,980,202
Prepaid commission expenses	54,318,385	49,038,326
Receivable from sale of investments	49,517,705	248,651
Cash equivalents which subject to restrictions	8,023,048	8,064,121
Others	39,121,023	40,266,251
Total other assets	625,462,585	471,017,076

As at 31 December 2016, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 8.0 million (2015: Baht 8.1 million) as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence.

16. Insurance contract liabilities

(Unit: Baht)

	2016		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	983,445,199	107,936,976	875,508,223
- Provision for claim incurred but not reported	16,613,461	8,996,561	7,616,900
Premium reserves			
- Unearned premium reserves	1,576,081,680	397,966,873	1,178,114,807
Total	<u>2,576,140,340</u>	<u>514,900,410</u>	<u>2,061,239,930</u>

(Unit: Baht)

	2015		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	882,508,472	83,516,113	798,992,359
- Provision for claim incurred but not reported	25,101,539	14,614,459	10,487,080
Premium reserves			
- Unearned premium reserves	1,574,100,477	320,061,134	1,254,039,343
Total	<u>2,481,710,488</u>	<u>418,191,706</u>	<u>2,063,518,782</u>

During the years 2016 and 2015, the management of the Company entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, insurance contract liabilities disclosures have been made on both a gross and net basis in order to provide a comprehensive set of disclosures.

16.1 Claim reserves and outstanding claims

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Balance - beginning of the year	907,610,011	842,491,575
Claim incurred and loss adjustment expenses for the year	1,998,972,004	1,822,288,488
Changes in claim reserves and outstanding claims	(17,698,990)	16,638,820
Changes in claim reserves and assumptions	29,482,462	18,201,310
Claim and loss adjustment expenses paid during the year	(1,918,306,827)	(1,792,010,182)
Balance - end of the year	<u>1,000,058,660</u>	<u>907,610,011</u>

As at 31 December 2016, the Company has claim reserves and outstanding claims under reinsurance contracts of Baht 0.6 million (2015: Baht 0.8 million).

16.2 Unearned premium reserves

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Balance - beginning of the year	1,574,100,477	1,462,720,593
Premium written for the year	3,229,683,365	3,125,705,031
Premium earned for the current year	(3,227,702,162)	(3,014,325,147)
Balance - end of the year	<u>1,576,081,680</u>	<u>1,574,100,477</u>

16.3 Claims development table

(a) Gross claims table

(Unit: Million Baht)

Reporting year / Accident year	2011	2012	2013	2014	2015	2016	Total
Claim provision:							
- as at accident year / Reporting year	1,341	1,309	1,662	1,773	1,684	1,820	
- Next one year	1,420	1,172	1,484	1,653	1,645		
- Next two years	992	1,150	1,556	1,599			
- Next three years	980	1,154	1,531				
- Next four years	984	1,173					
- Next five years	1,017						
Ultimate claim reserves	1,017	1,173	1,531	1,599	1,645	1,820	8,785
Cumulative payment to date	978	1,155	1,509	1,584	1,587	1,217	8,030
Net	39	18	22	15	58	603	755
Adjusted claim incurred but not reported							207
Unallocated loss adjustment expenses							38
Total claim reserves and outstanding claims before reinsurance							1,000

(b) Net claims table

(Unit: Million Baht)

Reporting year / Accident year	2011	2012	2013	2014	2015	2016	Total
Claim provision:							
- as at accident year / Reporting year	1,017	1,080	1,317	1,403	1,346	1,494	
- Next one year	1,036	993	1,173	1,321	1,314		
- Next two years	937	967	1,239	1,287			
- Next three years	925	972	1,213				
- Next four years	930	991					
- Next five years	963						
Ultimate claim reserve	963	991	1,213	1,287	1,314	1,494	7,262
Cumulative payment to date	926	974	1,193	1,277	1,280	983	6,633
Net	37	17	20	10	34	511	629
Adjusted claim incurred but not reported							216
Unallocated loss adjustment expenses							38
Total claim reserves and outstanding claims net of reinsurance							883

16.4 Methodology and assumptions

The methodology and assumptions adopted for the gross and net valuations of insurance liabilities (claim reserves and outstanding claims) are presented as follows:

(a) Estimation method for best estimate of claims liabilities

Direct and Inward Facultative Business

There are three main actuarial methods have been applied in determining the best estimate of claims liabilities as follows.

- (i) Chain Ladder method (CL) based on both claims paid and claims incurred
- (ii) Bornhuetter-Ferguson method (BF) based on both claims paid and claims incurred
- (iii) Expected Loss Ratio method (ELR)

The Company mostly relies on the Chain Ladder method on claims incurred to derive the best estimate of claims liabilities. The BF and ELR methods are also used where appropriate.

Net claims data provided to the Company is net of salvage and subrogation and proportional reinsurance, but gross of non-proportional reinsurance. Hence, to determine the best estimate of net direct and facultative business, the Company deducted the XOL recovery outstanding case reserves as provided by the Company from ultimate net claims projection.

Inward Treaty Business

The Company employed a simple approach in estimating the IBNR reserves for inward treaty. This approach assumes that the IBNR requirements for the inward treaty business would be similar in proportion (as a percentage of outstanding case reserves) to the direct and inward facultative business.

(b) Estimation of relevant expenses

There are 4 types of expenses relevant to determining insurance contract liabilities, as follows:

2.1 Allocated Loss Adjustment Expenses - ALAE

Since the ALAE are not included in claims paid triangles, a separate ALAE valuation is made, using the proportion of loss adjustment expenses to claims paid to determine an ALAE rate in triangles and ultimate claims projection.

2.2 Unallocated Loss Adjustment Expenses - ULAE

In determining the allowance for future ULAE (which is equivalent to Claims Handling Expenses), the Company derived assumptions from an estimate made using the Kittel method, with ULAE ratio computed separately for motor and non-motor classes.

The Company noted that for the purposes of this valuation, the gross outstanding liabilities exclude outstanding liabilities arising from the severe floods in 2011. For premium liabilities, the ULAE ratio was applied to the gross URR to obtain the Claims Handling Expenses for premium liabilities.

2.3 Maintenance Expenses

A percentage of historical maintenance expenses to historical gross earned premiums each year was applied onto the gross UPR to obtain the maintenance expense reserves for the premium liabilities at the end of the year.

2.4 Reinsurance Cost

Allowance for future costs of reinsurance is estimated based on the ratio of excess of loss reinsurance XOL premiums divided by net written premiums then applied to the net UPR.

17. Due to reinsurers

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Outward premium payable	376,343,664	290,400,647
Amounts withheld on reinsurances	103,761,130	68,256,556
Total due to reinsurers	<u>480,104,794</u>	<u>358,657,203</u>

18. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, was as follows:

	(Unit: Baht)	
	2016	2015
Provision for employee benefits at beginning of year	77,089,053	74,893,944
Included in profit or loss		
Current service cost	5,527,129	5,467,315
Interest cost	2,389,761	2,621,288
Total item included in profit or loss	7,916,890	8,088,603
Included in other of comprehensive income		
Actuarial loss arising from		
Demographic assumptions changes	(309,261)	-
Financial assumptions changes	(6,066,901)	(843,296)
Experience adjustments	(2,026,459)	(2,920,198)
Total item included in other comprehensive income	(8,402,621)	(3,763,494)
Benefits paid during the year	(1,408,500)	(2,130,000)
Provision for employee benefits at end of year	75,194,822	77,089,053

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2016 and 2015 were as follows:

	(Unit: Baht)	
	2016	2015
Claims and loss adjustment expenses	3,458,921	3,594,536
Other underwriting expenses	2,118,564	2,453,439
Operating expenses	2,339,405	2,040,628
Total expenses recognised in profit or loss	7,916,890	8,088,603

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 14.1 years and the Company expects to pay Baht 0.2 million of long-term employee benefits during the next year (2015: 14.8 years and Baht 1.4 million respectively).

Principal actuarial assumptions at the valuation date were as follows:

	(Unit: % per annum)	
	2016	2015
Discount rate	3.4	3.1
Salary increase rate	5.0	5.5
Staff turnover rate (depending on age)	0.0 - 12.0	0.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 are summarised below.

	(Unit: million Baht)	
	Rate increase 0.5%	Rate decrease 0.5%
Discount rate	Liabilities decrease 3.3	Liabilities increase 3.6
Salary increase rate	Liabilities increase 3.7	Liabilities decrease 3.4
Staff turnover rate	Liabilities decrease 0.7	Liabilities increase 0.7

19. Other liabilities

	(Unit: Baht)	
	2016	2015
Premium received in advance	286,207,495	258,371,694
Accrued commissions	82,497,015	91,627,452
Accrued operating expenses	52,788,086	35,911,998
Payables on purchase of investments	11,322,460	-
Commission received in advance	65,891,436	52,645,980
Other payable	36,888,846	61,201,298
Others	81,896,734	77,957,166
Total other liabilities	<u>617,492,072</u>	<u>577,715,588</u>

20. Share capital

On 8 April 2015, the Annual General Meeting of the Company's shareholders approved an increase of the Company's registered capital from Baht 151.5 million to Baht 303.0 million by newly issued the ordinary shares in amount of 151.5 million shares with the par value at Baht 1.0 per share to support the stock dividend payment. The Company registered the increase in the Company's registered capital with the Ministry of Commerce on 28 April 2015.

21. Statutory reserve

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

During 2015, the Annual General Meeting of the Company's shareholders approved the allocation of Baht 10.3 million of the net profit for the year 2014 to the statutory reserve.

22. Operating expenses

	(Unit: Baht)	
	2016	2015
Personnel expenses which are not expenses for underwriting and claims	84,537,226	81,394,514
Property and equipment expenses which are not expenses for underwriting	76,030,450	81,336,626
Taxes and duties	1,494,373	1,820,134
Bad debts and doubtful accounts (reversal)	(4,393,483)	1,286,202
Other services expenses	136,809,469	96,076,306
Advertising and promotion expenses	49,492,654	37,011,853
Other operating expenses	31,940,500	34,897,263
Total operating expenses	<u>375,911,189</u>	<u>333,822,898</u>

23. Expenses by nature

	(Unit: Baht)	
	2016	2015
Net claims and loss adjustment expenses	1,534,843,927	1,393,163,060
Commissions and brokerage expenses	546,869,893	545,507,888
Personnel expenses	298,321,802	291,576,627
Other underwriting expenses	145,130,705	117,562,072
Other service expenses	136,809,469	96,076,306
Premises and equipment expenses	76,030,450	81,336,626
Advertise and promotion expenses	49,492,654	37,011,853
Other operating expenses	31,940,500	34,897,263
Other expenses	2,305,890	8,486,336
	<u>2,821,745,290</u>	<u>2,605,618,031</u>

24. Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by the employees on a monthly basis at rate of 5% of the employees' basic salaries, and by the Company on a monthly basis at rate of 7.5% of the employees' basic salaries. The fund is managed by a fund manager which has been approved by the Ministry of Finance. The contributions for the year 2016 amounting to approximately Baht 11.4 million (2015: Baht 11.1 million) were recognised as expenses.

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares as a result of the increase in share capital arising from the issue of stock dividend as though it had issued the stock dividend at the beginning of the reporting periods.

26. Dividend paid

Dividend declared during the year 2016 and 2015 consists of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2015 (Cash dividends)	Annual General Meeting of the shareholders on 8 April 2016	15.15	0.05
Final dividends for 2014 (Cash dividends at Baht 0.11 per share and stock dividend of 1 existing share per 1 stock dividend)	Annual General Meeting of the shareholders on 8 April 2015	168.33	1.11

27. Related party transactions

During the years, the Company had significant business transactions (related by way of common directions and shareholding) with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Baht)

	2016	2015	Pricing policies
Thai Reinsurance Plc.			
Premium ceded	160,741,477	148,044,121	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission income	65,129,859	61,186,615	As stated in the agreement upon normal commercial terms
Claims refunded	23,877,837	22,362,961	As actually incurred, in proportions per agreement
Reinsurance premium written	41,674	63,343	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Commission expenses	11,368	61,809	As stated in the agreement upon normal commercial terms
Claim expenses	177,029	-	As actually incurred
Dividend income	366,952	-	As declared
Road Accident Victims Protection Co., Ltd.			
Contribution expenses	10,329,877	10,938,244	12.25% of premium written received from insurers under the Public Protection of Traffic Injury Act B.E. 2535
Other income	7,478,195	6,450,342	As stated in the agreement upon normal commercial terms
Dividend income	-	3,518,150	As declared
T.I.I. Co., Ltd.			
Dividend income	20,250	20,250	As declared
J&A Jewelry Co., Ltd.			
Premium written	84,660	84,660	Normal commercial terms for underwriting

As at 31 December 2016 and 2015, the Company had the following significant balances of assets and liabilities with its related parties:

	(Unit: Baht)	
	2016	2015
Thai Reinsurance Plc.		
Receivables from reinsurance contracts	9,793,193	15,010,377
Investments in equity securities	7,632,605	10,054,490
Due to reinsurers	82,466,736	65,148,777
Road Accident Victims Protection Co., Ltd.		
Investments in equity securities	3,518,150	3,518,150
Other liabilities	2,432,167	2,824,822
T.I.I. Co., Ltd.		
Investments in equity securities	202,500	202,500
Vichitbhan Palmoil Plc.		
Investments in equity securities	147,000	167,000

Directors and management's remuneration

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses to their directors and management as below.

	(Unit: Baht)	
	2016	2015
Short-term employee benefits	75,581,931	72,473,711
Post-employment benefits	5,574,372	5,822,419
Total	<u>81,156,303</u>	<u>78,296,130</u>

28. Assets pledged and assets reserved with the Registrar

As at 31 December 2016 and 2015, the following assets have been pledged and reserved with the Registrar in accordance with the Non-life Insurance Act.

(Unit: Million Baht)

	2016		2015	
	Amortised cost	Fair value	Amortised cost	Fair value
Asset pledged				
Government bonds	15.1	16.1	15.1	16.2
Total	15.1	16.1	15.1	16.2
Assets reserved				
Government bonds	150.3	150.4	-	-
Deposit at banks which amounts maturing in over 3 months	-	-	100.0	100.0
Certificate of deposits	80.0	80.0	130.0	130.0
Private debt securities	50.0	53.5	30.0	32.2
Total	280.3	283.9	260.0	262.2
Total	295.4	300.0	275.1	278.4

29. Contribution to the General Insurance Fund

(Unit: Baht)

	For the years ended 31 December	
	2016	2015
Accumulated contribution at the beginning of the year	40,148,883	32,336,526
Contribution during the year	8,073,072	7,812,357
Accumulated contribution at the end of the year	48,221,955	40,148,883

30. Commitments and contingent liabilities

30.1 Operating lease commitments

The Company has entered into several lease agreements of office building space. The terms of the agreements are 3 years. As at 31 December 2016 and 2015, future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

(Unit: Million Baht)

	2016	2015
Payable:		
Within 1 year	0.8	0.3
Over 1 year and not over 5 years	2.0	0.4

30.2 Bank guarantees

As at 31 December 2016, there were outstanding bank guarantees of Baht 0.4 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business (2015: Baht 0.8 million).

30.3 Litigation

As at 31 December 2016, the Company has been sued as insurer for damages totaling approximately Baht 54.5 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 18.5 million, with the recoverable portion from reinsurers amounting to Baht 2.8 million. The Company's management believes that such reserve is adequate (2015: Baht 76.2 million, Baht 21.9 million and Baht 2.8 million, respectively).

31. Segment information

The Company is principally engaged in the provision of all types of non-life insurance products and for the purpose of underwriting and operation management, the Company has divided into business units that correspond to the types of insurance product offered i.e. Fire, Marine and transportation, Motor and Miscellaneous. The operating segment information presented below is consistent with the internal reports that the Company's Chief Operating Decision Maker (who is granted authority by the Board of Directors) regularly receives and reviews for use in making decisions about the allocation. The Chairman of the Executive Board has been identified as Chief Operating Decision Maker, with decisions passing through the Board of Directors.

Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company's operating segments for the years ended 31 December 2016 and 2015.

Segment revenue and profit information of the Company for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Baht)

	For the year ended 31 December 2016				Total
	Fire	Marine and transportation	Motor	Miscellaneous	
Underwriting income					
Gross premium written	169,128,506	17,541,751	2,336,668,803	706,344,305	3,229,683,365
Less: Premium ceded to reinsurers	(124,331,886)	(6,861,677)	(327,245,302)	(385,092,743)	(843,531,608)
Net premium written	44,796,620	10,680,074	2,009,423,501	321,251,562	2,386,151,757
Add (less): Unearned premium reserves (increase) decrease from prior year	2,653,004	654,924	90,095,698	(17,479,090)	75,924,536
Net earned premium	47,449,624	11,334,998	2,099,519,199	303,772,472	2,462,076,293
Fee and commission income	58,941,322	816,039	111,081,326	72,449,770	243,288,457
Total underwriting income	106,390,946	12,151,037	2,210,600,525	376,222,242	2,705,364,750
Underwriting expenses					
Claims and loss adjustment expenses	5,508,254	6,338,104	1,500,017,970	147,640,064	1,659,504,392
Commission and brokerage expenses	38,778,114	1,639,930	413,602,945	92,848,904	546,869,893
Other underwriting expenses	6,061,527	958,494	193,601,516	38,838,279	239,459,816
Total underwriting expenses					
before operating expenses	50,347,895	8936,528	2,107,222,431	279,327,247	2,445,834,101
Profit from underwriting before operating expenses	56,043,051	3,214,509	103,378,094	96,894,995	259,530,649
Operating expenses					(375,911,189)
Loss from underwriting					(116,380,540)
Investment income					59,020,862
Gain on investments					51,711,660
Gain on fair value adjustment of investments					10,488,732
Other income					20,550,308
Profit before income tax expenses					25,391,022
Income tax expenses					(293,972)
Profit for the year					25,097,050

(Unit: Baht)

For the year end 31 December 2015

	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Premium written	176,717,954	16,026,478	2,366,506,716	566,453,883	3,125,705,031
Less: Premium ceded	(125,375,494)	(5,095,502)	(287,244,959)	(284,037,372)	(701,753,327)
Net premium written	51,342,460	10,930,976	2,079,261,757	282,416,511	2,423,951,704
Less: Unearned premium reserves					
(increase) decrease from prior year	1,947,361	(793,406)	(104,904,396)	(12,728,016)	(116,478,457)
Earned premium	53,289,821	10,137,570	1,974,357,361	269,688,495	2,307,473,247
Fee and commission income	52,767,002	329,934	101,150,190	66,162,423	220,409,549
Total underwriting income	106,056,823	10,467,504	2,075,507,551	335,850,918	2,527,882,796
Underwriting expenses					
Claims and loss adjustment expenses	25,501,084	358,066	1,344,465,757	144,829,176	1,515,154,083
Commission and brokerage expenses	39,690,374	1,181,278	419,191,356	85,444,880	545,507,888
Other underwriting expenses	6,476,186	685,567	169,989,735	33,981,674	211,133,162
Total underwriting expenses before operating expenses	71,667,644	2,224,911	1,933,646,848	264,255,730	2,271,795,133
Profit from underwriting before operating expenses	34,389,179	8,242,593	141,860,703	71,595,188	256,087,663
Operating expenses					(333,822,898)
Loss from underwriting					(77,735,235)
Investment income					77,153,756
Gain on investments					26,242,447
Loss on fair value adjustment of investments					(17,951,385)
Other income					13,714,966
Profit before income tax expenses					21,424,549
Income tax revenue					899,327
Profit for the year					22,323,876

Segment assets and liabilities of the Company as at 31 December 2016 and 2015 are as follows:

(Unit: Baht)

	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total
Assets						
As at 31 December 2016	213,157,101	2,636,008	659,399,356	413,729,990	3,564,764,693	4,853,687,148
As at 31 December 2015	204,494,182	2,929,074	680,319,849	333,714,873	3,368,486,338	4,589,944,316
Liabilities						
As at 31 December 2016	345,131,532	8,693,610	2,240,548,494	816,994,503	337,742,253	3,749,110,392
As at 31 December 2015	373,014,504	7,084,102	2,199,088,653	623,617,300	292,367,773	3,495,172,332

Geographic information

The Company is operated its business in Thailand only, as a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customer

For the years ended 31 December 2016 and 2015, the Company has premium written from three major brokers in amounting of Baht 1,570.3 million and Baht 1,580.6 million, respectively.

32. Non-life insurance company's risks and risk management policy

32.1 Insurance risk

Insurance risk refers to the risk resulting from fluctuations in the frequency, the severity and the timing of damage deviations from assumptions that are used to determine premium rates, calculation of reserves and underwriting.

The Company risk management policy is to selectively accept loss risk business with good insurance loss records, and not to retain limit per risk in excess of the OIC regulation.

In cases where its risk capacity is limited, the Company has arranged the transfer of risk to reinsurance companies which have stable financial positions, and capacity and expertise in both treaty reinsurance and facultative reinsurance, in order to reassure customers.

In addition, the Company has the following policies.

- The guidelines for sums insured, coverage and terms of insurance that are appropriate to the level of risk.
- The provision of reinsurance support as needed, in case of the Company cannot accept the full sum insured due to the requirements of the OIC, allowed to retain risk not excess of 10 percent of the Company's capital.
- Selects highly rated reinsurers with a credit rating of at least A, according to the creditor ratings of S&P and A.M. Best.
- Assigned responsible persons for each stage, from reviewing the accuracy of the underwriting to authorisation to approve underwriting based on the sum insured.

As at 31 December 2016 and 2015 concentration of insurance contract liabilities segregated by insurance type are shown below.

(Unit: Million Baht)

	2016			2015		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
Fire	87.1	59.3	27.8	91.0	60.5	30.5
Marine and transportation	3.2	0.6	2.6	3.7	0.5	3.2
Motor	1,151.8	160.9	990.9	1,231.0	150.0	1,081.0
Personal accident	14.8	4.3	10.5	15.5	4.3	11.2
Miscellaneous	319.2	172.9	146.3	232.9	104.8	128.1
Total	1,576.1	398.0	1,178.1	1,574.1	320.1	1,254.0

(Unit: Million Baht)

	2016			2015		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	14.3	9.2	5.1	48.9	8.5	40.4
Marine and transportation	4.2	0.3	3.9	2.5	0.1	2.4
Motor	867.4	65.3	802.1	747.5	45.4	702.1
Personal accident	15.8	5.2	10.6	10.5	4.7	5.8
Miscellaneous	98.4	36.9	61.5	98.2	39.4	58.8
Total	1,000.1	116.9	883.2	907.6	98.1	809.5

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation of claim liabilities, which will impact the claims liabilities both before and after reinsurance. The risk may occur because the frequency or severity of losses, or loss adjustment expenses are not in line with expectations.

As at 31 December 2016, the impact on the best estimate of insurance liabilities of the changes in key variables is shown in the following table.

(Unit: Million Baht)

	2016				
	Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
Ultimate loss ratio in latest accident year	+5%	101	94	(94)	(75)
Ultimate loss ratio in latest accident year	-5%	(101)	(82)	82	66
ALAE ratio	+10%	1	1	(1)	(1)
ALAE ratio	-10%	(1)	(1)	1	1
ULAE ratio	+10%	4	4	(4)	(3)
ULAE ratio	-10%	(4)	(4)	4	3

32.2 Financial instruments and risk management policy

The Company's financial instruments principally comprise cash and cash equivalents, reinsurance assets, receivables from reinsurance contracts, investments in securities, loans to and claim receivables from litigants, insurance contract liabilities and due to reinsurers. The financial risks associated with these financial instruments and how they are managed is described below.

32.2.1 Credit risk

Credit risk is the risk of default by counter party that inability to comply with the terms of a financial instruments such as reinsurers or debtors. If a customer is unable to fulfill an agreement, it affects the Company's revenue and operations. The Company manages the risk by uses credit rating at lease "A" as the basis for selecting reinsurers and makes loans to staff in accordance with the Office of Insurance Commissions rules. The Company also has an audit system and constantly monitors counterparties in order to mitigate credit risk.

32.2.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position.

a. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rate.

The Company manages interest rate risk through an emphasis on stable long term investments offering long-term returns exceeding inflation, and analysis of the type of investment to match cash flows.

As at 31 December 2016 and 2015, significant financial assets classified by type of interest rate are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Baht)

	2016							Interest rate (% per annum)
	Fixed interest rates				Floating interest rate	Non- interest bearing	Total	
	Remaining periods to repricing dates or maturity dates							
	Overdue	Within 1 year	1 - 5 years	Over 5 years				
<u>Financial assets</u>								
Cash and cash equivalents	-	3.3	-	-	218.4	7.2	228.9	0.50 - 3.20
Premium receivables	-	-	-	-	-	373.4	373.4	-
Reinsurance assets								
- claim reserves	-	-	-	-	-	116.9	116.9	-
Receivables from reinsurance contracts	-	-	-	-	-	19.1	19.1	-
Investments in securities								
Government and state enterprise debt securities	-	160.3	125.0	15.0	-	-	300.3	1.42 - 5.00
Private debt securities	0.1	50.1	212.4	21.7	-	-	284.3	1.89 - 5.35
Deposits at financial institutions	-	185.4	-	-	-	-	185.4	1.70 - 3.25
Equity securities	-	-	-	-	-	1,931.3	1,931.3	-
Loans	-	0.1	3.4	3.9	-	-	7.4	5.50 - 12.50
Claim receivables from litigants	-	-	-	-	-	200.6	200.6	-
<u>Financial liabilities</u>								
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	-	1,000.1	1,000.1	-
Due to reinsurers	-	-	-	-	-	480.1	480.1	-

(Unit: Baht)

2015

	Fixed interest rates							Interest rate (% per annum)
	Remaining periods to repricing dates or maturity dates				Floating interest rate	Non-interest bearing	Total	
	Overdue	Within 1 year	1 - 5 years	Over 5 years				
Financial assets								
Cash and cash equivalents	-	187.8	-	-	136.6	2.4	326.8	0.75 - 3.00
Premium receivables	-	-	-	-	-	426.1	426.1	-
Reinsurance assets								
- claim reserves	-	-	-	-	-	98.1	98.1	-
Receivables from reinsurance contracts	-	-	-	-	-	65.9	65.9	-
Investments in securities								
Government and state enterprise debt securities	0.1	26.0	30.7	15.1	-	-	71.9	1.00 - 5.00
Private debt securities	0.1	15.2	108.0	32.7	-	-	156.0	3.30 - 5.35
Deposits at financial institutions	-	336.0	0.1	-	-	-	336.1	0.50 - 3.20
Equity securities	-	-	-	-	-	1,942.6	1,942.6	-
Loans	-	0.1	3.6	4.3	-	-	8.0	5.50 - 12.50
Claim receivables from litigants	-	-	-	-	-	205.1	205.1	-
Financial liabilities								
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	-	907.6	907.6	-
Due to reinsurers	-	-	-	-	-	358.7	358.7	-

b. Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from deposit at banks in foreign currencies. The Company does not utilise forward foreign currency contracts to mitigate its exposure to foreign currency risk since it has determined that such risk has no significant effect to the financial statements.

As at 31 December 2016 and 2015, the balances of financial assets denominated in foreign currencies are summarised bellows.

Foreign currency	Financial assets		Average exchange rate	
	2016	2015	2016	2015
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.05	-	35.66	-
LAK	70.26	-	0.0004	-

c. Equity position risk

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

As at 31 December 2016 and 2015, the Company has risk from its investments in securities of which the price will change with reference to market conditions.

The Company manages equity risk arising from fluctuations in market prices through a diversification of asset allocations in order to disperse risk, with investments weighted in accordance with the guidelines of the OIC, with an emphasis on conservative, safe investments. The Company has a framework that divides investments based on asset class and the Company elects to invest in securities of blue chip companies with stable revenues and earnings, high liquidity and that pay high dividends, which helps to generate strong returns.

32.2.3 Liquidity risk

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

The Company manages its liquidity risk through monitoring of whether the level of the Fund Solvency Ratio complies with the requirements by the Board of Directors, and monitoring of the daily liquidity position by the Financial Division to ensure that sufficient cash is available when needed. Moreover, the Company executes prudent financial decisions in the following areas:

- Financial evaluation for agent and broker selection process
- Cash Before Cover when selling motor insurance
- Establishment of a system monitoring late premium payments by agents and brokers

Counting from the financial position date, the periods to maturity of financial assets and liabilities held as at 31 December 2016 and 2015 are as follows:

(Unit: Million Baht)

	2016					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
Financial assets						
Cash and cash equivalents	-	3.3	-	-	225.6	228.9
Premium receivables	-	373.4	-	-	-	373.4
Reinsurance assets						
- claim reserves	-	84.2	32.7	-	-	116.9
Receivables from						
reinsurance contracts	-	19.1	-	-	-	19.1
Investments in securities						
Government and state						
enterprise debt securities	-	160.3	125.0	15.0	-	300.3
Private debt securities	-	50.1	212.5	21.7	-	284.3
Deposits at financial						
institutions	-	185.4	-	-	-	185.4
Equity securities	-	-	-	-	1,931.3	1,931.3
Loans	-	-	3.4	4.0	-	7.4
Claim receivables from						
litigants	-	200.6	-	-	-	200.6
Financial liabilities						
Insurance contract liabilities -						
claim reserves and						
outstanding claims	-	700.2	299.9	-	-	1,000.1
Due to reinsurers	-	480.1	-	-	-	480.1

(Unit: Million Baht)

	2015					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
Financial assets						
Cash and cash equivalents	-	187.8	-	-	139.0	326.8
Premium receivables	-	426.1	-	-	-	426.1
Reinsurance assets						
- claim reserves	-	72.5	25.6	-	-	98.1
Receivables from						
reinsurance contracts	-	65.9	-	-	-	65.9
Investments in securities						
Government and state						
enterprise debt securities	0.1	26.0	30.7	15.1	-	71.9
Private debt securities	-	15.3	107.9	32.8	-	156.0
Deposits at financial						
institutions	-	336.0	0.1	-	-	336.1
Equity securities	-	-	-	-	1,942.6	1,942.6
Loans	-	-	3.4	4.6	-	8.0
Claim receivables from						
litigants	-	205.1	-	-	-	205.1
Financial liabilities						
Insurance contract liabilities -						
claim reserves and						
outstanding claims	-	636.0	271.6	-	-	907.6
Due to reinsurers	-	358.7	-	-	-	358.7

32.3 Fair value measurement for financial instruments

As at 31 December 2016 and 2015, the Company had the following financial assets that were measured at fair value, and had financial assets and liabilities that were measured at cost but has to disclose fair value, using different levels of inputs as follows:

(Unit: Million Baht)

	2016				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Trading investments					
Equity securities	254.1	254.1	-	-	254.1
Warrants	1.0	1.0	-	-	1.0
Available-for-sale investments					
Government and state enterprise					
debt securities	10.4	-	10.4	-	10.4
Private debt securities	284.3	-	284.3	-	284.3
Equity securities	112.5	112.5	-	-	112.5
Unit trusts	1,560.1	140.9	1,419.2	-	1,560.1
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	228.9	228.9	-	-	228.9
Premium receivables	373.4	-	373.4	-	373.4
Reinsurance assets - claim reserves	116.9	-	116.9	-	116.9
Receivables from reinsurance contracts	19.1	-	19.1	-	19.1
Held to maturity investments					
Government and state enterprise					
debt securities	289.9	-	289.9	-	289.9
Deposits at banks with maturity					
period over 3 months	185.4	185.4	-	-	185.4
Other investments	3.7	-	-	228.6	228.6
Loans	7.4	-	-	7.4	7.4
Claim receivables from litigants	200.6	-	200.6	-	200.6
<u>Financial liabilities which fair value are disclosed</u>					
Insurance contract liabilities - claim					
reserves and outstanding claims	1,000.1	-	1,000.1	-	1,000.1
Due to reinsurers	480.1	-	480.1	-	480.1

(Unit: Million Baht)

	2015				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Trading investments					
Equity securities	256.7	256.7	-	-	256.7
Warrants	1.2	1.2	-	-	1.2
Available-for-sale investments					
Government and state enterprise					
debt securities	10.3	-	10.3	-	10.3
Private debt securities	156.0	-	156.0	-	156.0
Equity securities	150.8	150.8	-	-	150.8
Unit trusts	1,530.1	121.1	1,409.0	-	1,530.1
<u>Financial assets which fair value are disclosed</u>					
Cash and cash equivalents	326.8	326.8	-	-	326.8
Premium receivables	426.1	-	426.1	-	426.1
Reinsurance assets - claim reserves	98.1	-	98.1	-	98.1
Receivables from reinsurance contracts	65.9	-	65.9	-	65.9
Held to maturity investments					
Government and state enterprise					
debt securities	61.5	-	63.0	-	63.0
Deposits at banks with maturity					
period over 3 months	336.1	336.0	0.1	-	336.1
Other investments	3.7	-	-	145.0	145.0
Loans	8.0	-	8.0	-	8.0
Claim receivables from litigants	205.1	-	205.1	-	205.1
<u>Financial liabilities which fair value are disclosed</u>					
Insurance contract liabilities - claim					
reserves and outstanding claims	907.6	-	907.6	-	907.6
Due to reinsurers	358.7	-	358.7	-	358.7

The fair value hierarchy of financial assets and financial liabilities as at 31 December 2016 and 2015 presents according to Note 4.20 to financial statements.

The methods used for fair value measurement depends upon the characteristics of the financial instruments. The Company establishes the fair value of its financial instruments by adopting the following methods:

- (a) Financial assets maturing in the short-term, which consist of cash and cash equivalents and deposit at financial institutions, their fair value is estimated based on the book value presented in the statements of financial position.
- (b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.
- (c) For equity securities, their fair value is generally derived from quoted market prices. For investments in non-marketable equity securities, fair value is determined using valuation technique i.e. discounted future cash flow or book value.
- (d) The fair value of fixed rate loans is determined by discounting the expected future cash flows by using the current market interest rate.
- (e) The fair value of premium receivables, claim reserves in reinsurance assets, receivables from reinsurance contracts, claim receivables from litigants, due to reinsurers and claim reserves and outstanding claims in insurance contract liabilities is estimated based on the book value, since most of them are mature within one year.

33. Reclassification

The Company has presented the current year financial statements to conform with new Declaration of the OIC. Therefore, the Company reclassified certain items in prior year's financial statements for comparative purposes to consistent with current year's classification. The reclassification does not have impact to profit or equity as previously reported. The reclassification are summarised below.

	(Unit: Baht)	
	As at 31 December 2015	
	As reclassified	As previously reported
Statement of financial position		
Assets:		
Premium receivables	426,054,185	426,393,578
Reinsurance assets	418,191,706	483,709,662
Receivables from reinsurance contracts	65,857,349	-
Liabilities:		
Accrued employee benefit	-	105,556,755
Employee benefit obligations	77,089,053	-
Other liabilities	577,715,588	549,247,886

	(Unit: Baht)	
	For the year ended 31 December 2015	
	As reclassified	As previously reported
Statement of comprehensive income		
Profit or loss:		
Income		
Gross premium written	3,125,705,031	-
Premium ceded to reinsurers	(701,753,327)	-
Unearned premium reserves increase from prior year	(116,478,457)	-
Net earned premium	-	2,307,473,247
Expenses		
Claim and loss adjustment expenses	1,881,771,688	1,515,154,083
Claim recovered from reinsurers	(366,617,605)	-
Other underwriting expenses	211,133,162	183,177,286
Contribution to Road Accident Victims Protection Co., Ltd.	-	10,938,244
Contribution to the Office of Insurance Commission	-	8,312,357
Contribution to General Insurance Fund	-	7,812,357
Contribution to the Victims Compensation Fund	-	892,918

34. Capital management

The primary objectives of the Company's capital management are to maintain its ability to continue its business as a going concern, to provide a return to its shareholders and other related parties, maintain a balanced financial structure, and to maintain risk-based capital in accordance with Declaration of the OIC.

35. Events after the reporting period

On 27 February 2017, a meeting of the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for approval dividends in respect of the operating results for the year 2016, at Baht 0.05 per share, or a total of Baht 15.15 million. Payment is scheduled to be made on 9 May 2017.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2017.

**Biographies of the proposed Director
(Supporting document for consideration of agenda 6)**



Mrs. Pilai Piumpongsarn

Address	77 Charan Sanitwong 63 Road, Bang bamru, Bang Phlat, Bangkok 10700
Date of Birth	April 2, 1936
Age	82 years
Nationality	Thai
Present Position	Independent Director, Audit Committee, Nomination and Remuneration Committee

Education background / Training course

B.A. Commerce and Accountancy, Chulalongkorn University
 Certified Public Accountant (CPA) Thailand (CPA. No 2336)
 Certified Internal Auditor (CIA) with honors from The Institute of Internal Auditor, (CIA No.30861)

Work Experience

Assistant Governor of Finance and Accounting, Electricity Generating Authority of Thailand
 Director in charge of associated companies under The Electricity Generating PCL.
 Audit Committee, Metro Star Property Public Co., Ltd.
 Chairman of Audit Committee, Crown Seal Public Co., Ltd.
 Chairman, Audit and Management Consultant Co., Ltd

Position of Thaivivat Insurance Public Co., Ltd.

Director Position

Independent Director (as the company's definition of independent director)
 (appointment – renewal, June 2,1999– present)
 Audit committee
 (appointment – renewal, February 23,2009– present)
 Nomination and Remuneration Committee
 (appointment , August 11,2016– present)



Executive position none
Number of year being as director 18 years
Share holding in the company none
Legal matters in dispute No contentious case in past 5 years

Other current position

Chairman of Audit Committee, Crown Seal Public Co., Ltd.
 Chairman, Audit and Management Consultant Co., Ltd

Number of TVI share held None

- Being the directors / executives in other businesses which may generate conflict of interest with the Company. **No**
- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company **No**
- Having the relationship in the following nature to the Company or the Subsidiary Company or Juristic person which may have a conflict in current year or in the past 2 years **No**
 - (1) Being the director who participates in the management of works, employees and staff or being a consultant who receives monthly salary. **No**
 - (2) Being service provider for professional matter (such as auditors or legal advisor) **No**
 - (3) Having business relationship (such as buying/selling raw materials/goods/service, borrowing/lending) **No**

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment – renewal, June 2,1999)

	Presented	Held
2014	5	6
2015	4	6
2016	5	6

Meeting attendance for Audit committee (appointment – renewal, February 23,2009)

	Presented	Held
2014	4	4
2015	4	4
2016	5	5

**Biographies of the proposed Director
(Supporting document for consideration of agenda 6)**



Mrs. Supaporn Burapakusolsri

Address 31 Soi Muban Seri Villa Yaek 4, Nong Bon, Prawet District, Bangkok 10250
Date of Birth February 28, 1953
Age 64 years
Nationality Thai
Present Position Independent Director
Education background / Training course

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

Work Experience

2015 – Present Independent Director, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee, Chewathai Public Company Limited
 2015 – 2015 Independent Director, Chairman of the Audit Committee ,Chewathai Company Limited
 2008 – 2013 Senior Executive Vice President, Planning and Finance Chief Financial Officer (CFO) Airport of Thailand Public Company Limited
 2008 – 2012 Director Suvarnabhumi Airport Hotel Company Limited

Director position of Thaivivat Insurance Public Co., Ltd.

Director Position Independent Director (appointment , November 14, 2016 – Present)
Executive position None
Number of year being as director 5 Months
Share holding in the company None
Legal matters in dispute No contentious case in past 5 years

Other current position

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

- Being the directors / executives in other businesses which may generate conflict of interest with the Company No

- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company No

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment November 14,2016 – Present)

	Presented	Held
2016	1	1



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ไทยวิวัฒน์

**Biographies of the proposed Director
(Supporting document for consideration of agenda 6)**



Mr. Jiraphant Asvatanakul

Address	94/1 Sukhumvit 53 Road Khlong Tan Nuea, Vadhana, Bangkok 10110
Date of Birth	August 9, 1959
Age	57 years
Nationality	Thai
Present Position	Director , CEO and President , Investment Committee

Education background / Training course

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

Work Experience

- 1999 - 2000 Member of Voluntary Motor Insurance Tariff Committee, Department of Insurance, Ministry of Commerce
- 2001 - 2004 Director, Aberdeen Asset Management Public Co., Ltd.
- 2006 - 2007 Chief of Thailand Delegate In East Asian Insurance Congress
- 2008 - 2009 Chairman of Asean Insurance Council
- 2001 - 2009 Secretary, Thai General Insurance Association
- 2009 - 2013 President, Thai General Insurance Association
- 2008 - 2013 Director, Policy Protection Fund
- 2014 - 2015 Director The Re Life Assurance PCL.
- 1992- Present Director ,Member of the nomination and Remuneration Committee, Thai Reinsurance PCL.
- 2000- Present Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd.
- 2010-Present Director T.I.I. Co.,Ltd. (Thailand - Insurance Institute)
- 2014-Present Director Thai General Insurance Association



2014- Present President The Federation of ThaiInsurance Organizations
 2014-Present Board Treasurer ,Thai Chamber of Commerce
 2016- Present Independent Director , Member of the audit committee, Member of of the nomination and Remuneration Committee , Vichitbhan Palmoil PCL.

Director position of Thaivivat Insurance Public Co., Ltd.

Director Position Director (appointment – renewal, May 12, 1986 – Present)
 Investment committee (appointment , May 12,2016 – Present)

Executive position CEO and President

Number of year being as director 31 years

Share holding in the company 8,781,129 share , 2.90 % of total shares with voting rights

Legal matters in dispute No contentious case in past 5 years

Other current position

Director ,Member of the nomination and Remuneration Committee, Thai Reinsurance PCL.
 Independent Director , Member of the audit committee, Member of of the nomination and Remuneration Committee , Vichitbhan Palmoil PCL.
 Vice Chairman ,Chairman of The Investment Committee,Road Accident Victims Protection Co., Ltd.
 Director T.I.I. Co.,Ltd. (Thailand - Insurance Institute)
 Director Thai General Insurance Association
 President The Federation of ThaiInsurance Organizations
 Board Treasurer ,Thai Chamber of Commerce

Being the directors / executives in other businesses which may generate conflict of interest with the Company

Director ,Member of the nomination and Remuneration Committee, Thai Reinsurance PCL.
 Vice Chairman ,Chairman of The Investment Committee,Road Accident Victims Protection Co., Ltd.

Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company

Mrs. Sutepee Asvatanakul’s spouse (Managing Director)
 Brother in Law of Mrs. Sunee Theravithayangkura (Director and Company Secretary)

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment – renewal, May 12, 1986)

	Presented	Held
2014	6	6
2015	6	6
2016	6	6

Definition of Independent Director

Thaivivat Insurance Public Company Limited has specify the qualification of “Independent Director” **same as** the minimum requirement rules as per the Notification of Capital Market Supervisory Board Tor Jor. 4/2009 which are as under:

1. Holding share not more than 1 percent of total voting rights of the company, its parent company, subsidiary, associated company, major shareholder or controlling person of the company, which shall be inclusive of the shares held by any related persons.
2. Never or used to be an executive director, an employee, a staff member, a salary-based consultant, or a controlling person of the company, its parent company, subsidiary, associated company, subsidiary company in the same level, major shareholder or controlling person of the company, unless the foregoing status has ended for more than 2 years. This is not applied to the independent director who used to be a government officer or consultant of the government organization which hold the company’s shares as majority or a controlling person of the company.
3. Do not have any blood relation or any register by laws in term of father, mother, spouse, sibling and children, including the spouse of a child of the executive management, major shareholder, controlling person or the person who might be appointed to be management or the controlling person of the company or its subsidiary
4. Never or used to have business relationship with the company, its parent company, subsidiary, associated company, major shareholders or the controlling person of the company which may disrupt his or her independent discretion and never or used to be a substantial shareholder or a controlling person of any person who has business relationship with the company, its parent company, subsidiary, associated company, major shareholder or controlling person of the company, unless the foregoing relationship has ended for more than 2 years.
The aforementioned of the business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing asset as collateral, including any other similar actions, which result in the company or counterparty being liable to indebtedness payable to the other party in amount of 3 percent or more of the net tangible assets of the company or 20 million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transaction under the Notification of the Capital Market Supervisory Board concerning regulations in respect of an entering into connected transaction *mutatis*. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which such a business relationship with the person commences.
5. Never or used to be an auditor of the company, its parent company, subsidiary, associated company, major shareholder or controlling person and not being a substantial shareholder, controlling person or partner of an audit office which employ auditor of the company, its parent company, subsidiary, associated company, major shareholder or the controlling person of the company are belong to, unless the foregoing relationship has ended for more than 2 years.
6. Never or used to be any professional adviser, including a legal advisory and financial advisory who receives an annual service fee exceeding 2 million baht from the company, its parent company, subsidiary, associated company, major shareholder or controlling person of the company, and also not being a substantial shareholder, controlling person or partner of such professional adviser, unless the forgoing relationship has ended for more than 2 years.
7. Do not be the director who has been appointed as a representative of the company, major shareholder or the shareholder related to the company’s major shareholder.
8. Do not undertaking any business the nature of which is the same as that of the company and its subsidiaries and which, in any material respect, is competitive with business of the company and its subsidiaries or not being a substantial partner in the partnership or a director who is participate in the management, an employee, a staff member, a salary-based consultant or holding shares more than 1 percent of total voting rights of a company undertaking any business the nature of which is the same as that of the company and its subsidiaries and which, in any material respect, is competitive with business of the company and its subsidiaries.
9. Do not have any characteristics that cannot make the independent opinion regarding the company’s operation.



Documents and evidence required for registration of the shareholders meeting attendance:

Proxy and Voting Procedures in the Shareholders Meeting
and Shareholders Meeting Attendance Procedure

1. Proxy Procedure

The company has sent a proxy form as prescribed by the Department of Business Development, Ministry of Commerce, to any shareholder who is unable to attend the ordinary meeting of shareholders no. 24/2017 in person may appoint a proxy in accordance with the follows manners:

- 1) The shareholder may appoint any person according to its intention or appoint any independent directors of the company as a proxy by specifying name and details of the person to whom the shareholder wishes to grant a proxy. The shareholder can appoint only one proxy holder to attend the meeting;
- 2) A 20 Baht duty stamp shall be affixed, crossed out and dated the date of execution of such proxy for validly and legally binding effect;
- 3) submit a proxy form to the company's office within the 1st of April 2017 or at least thirty minutes before the commencement of the meeting so as to allow the company officers to verify such documents before the meeting starts. In any case, regardless of the number of the company's shares held by any shareholder, the shareholder shall not execute a proxy more than one copy or grant a proxy to several proxy holders.

2. Registration prior to the meeting

The company will start the registration of attendance no less than 1 hour prior to the commencement of the meeting or from 14.00 hours, at head office of THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED, located at 71, Dindaeng Road, Samsennai Sub-district, Phayathai District, Bangkok as shown in the map of the meeting venue enclosed.

3. Presentation of documents prior to the meeting

The meeting attendees shall present the following documents (as the case may be) prior to the meeting:

3.1 In case of individual

3.1.1 If the shareholder attends the meeting in person, the shareholder shall present a valid documents issued by governmental agencies, such as identification card, civil servant identification card, driving license or passport, and if there is any change of name-surname , document relating thereto shall be presented.

3.1.2 If the proxy holder attends the meeting, the following documents shall be presented:

- (1) any of proxy forms as enclosed with the notice of meeting signed by the proxy grantor and proxy holder;
- (2) copies of official documents of the shareholders issued by governmental agencies as specified in clause 3.1.1 with "certified true copy" by such shareholders;



(3) official documents of the proxy holders issued by the governmental agencies as specified in clause 3.1.1

3.2 In case of Juristic person

3.2.1 If the shareholders representative (director) attends the meeting in person,

(1) official documents of the shareholders representative issued by governmental agencies as specified in clause 3.1.1 for individual;

(2) copies of company registration certificate of the shareholders and certified true copies by the juristic person representative (director) and specified a statement indicating that such juristic person representative attending the meeting has been authorized to act on behalf on such shareholders in the capacity of juristic person;

3.2.2 If a proxy attends the meeting,

(1) any proxy forms as enclosed with the notice of meeting signed by juristic person representative (director) acting as proxy grantor and proxy holder;

(2) copies of company registration certificate of the shareholders and certified true copies by the juristic person representative (director) and specified a statement indicating that such juristic person representative who signed the proxy has been authorized to act on behalf of such shareholders in the capacity of juristic person;

(3) certified true copies of official documents of the juristic person representative (director) acting as a proxy grantor as specified in clause 3.1.1;

(4) official documents of the proxy holder issued by governmental agencies as specified in clause 3.1.1 for individual;

3.3 In case of the shareholder is a non-Thai nationality or a juristic person registered under foreign laws

The same set of documents as specified in previous section shall be prepared and presented. Any original documents which are not made in English shall be translated into English and certified correct translation by the shareholder or the juristic person representative as additional attachment.

4. Voting

4.1 Voting Rules

(1) Each shareholder is entitled to votes equal to the number of shares held. One share is equal to one vote. A vote shall be made as “approve”, “disapprove” or “abstain”. Partial vote is prohibited.

(2) In case of casting a vote by proxy, a proxy holder shall cast a vote in accordance with the intention of the shareholder as specified in the proxy only. If the proxy grantor has not specified its intention regarding a vote in the proxy, or it is specified unclearly, the proxy holder is entitled to determine and cast a vote on behalf of the proxy grantor.

(3) A resolution of the meeting shall comprise the following votes:

a) In normal case, a majority of vote shall be a resolution of the meeting.

b) In other cases where laws or Articles of Association of the company specify otherwise, it shall proceed with such provision. The chairman or any person designated by chairman shall inform shareholders in the meeting before casting a vote for each agenda.



(4) In case of equality of vote, the chairman of the meeting shall have a casting vote.

(5) Any shareholder who has special interest in any matter shall have no right to vote on such matter and the chairman of the meeting may request such shareholder to leave the meeting temporary.

(6) A secret vote shall be made if requested by at least 5 shareholders and the meeting has granted a resolution to do so. In this regard, the chairman of the meeting shall determine a procedure for secret vote and inform the meetings thereof before casting a secret vote.

4.2 Voting procedure for each agenda

The chairman or any person designated by chairman shall propose the shareholders to cast a vote for each agenda by show of hands, by asking the meeting that whether shareholder disapproves or abstains in accordance with the following voting procedures:

(1) In case where shareholder attends the meeting in person

If any shareholder disapproves or abstains from voting, such shareholder shall show his hands and mark “disapprove” or “abstain” in voting confirmation ballots as distributed to shareholders at meeting attendance registration process and sign his name, and the company officers shall collect such voting confirmation ballots for further counting purpose.

For any shareholder who does not show his hands in the meeting, it shall be deemed that such shareholder votes “approve” as proposed by the board of director.

(2) In case where a proxy holder attends the meeting

A) A vote for each agenda marked by the shareholder in the proxy form which has been submitted by the proxy holder to the company officer at meeting attendance registration process shall be counted in considering of meeting resolution. A proxy hold is not required to cast a vote in voting ballot.

B) If the shareholder does not specify his intention to vote in the proxy form or his intention is specified unclearly, the proxy holder is entitled to determine and cast a vote on his behalf by following the manners as specified in clause 4.2 (1).

4.3 Vote count and announcement of vote result

At each agenda of the meeting, a vote shall be counted by deducting a vote for disapproval and abstain from voting from total shares of shareholders/proxy holders attending the meeting and having a right to vote, and a vote result for each agenda shall be announced to the meeting regarding the number of votes for approval, disapproval or abstain from voting.



The Independent directors whom are dominated to be a proxy from the shareholders



Mr. Chalaw Fuangaromya

Address 6/106 Moo13 Lat Phrao, Bangkok 10230
Date of Birth June 10, 1937
Age 80 Years
Nationality Thai
Present Position Independent Director, Chairman and Chairman of Investment Committee

Education background / Training course

B.A. Political Science, Phillips University, USA
 M.A. Political Science, Southern Illinois University, USA
 M.A. Social Science Birmingham University, UK
 The National Defense College (Class 27)
 Director Certification Program (DCP) Course (Class 18) and Corporate Governance, Thai institute of Directors

Work Experience

Director-General, Department of Commercial Registration
 Director-General, Department of Export Promotion
 Director-General, Department of Business Economics
 Director, Office of Insurance Commission
 Deputy Permanent Secretary, Ministry of Commerce
 Committee of monitoring and evaluation, Office of National Broadcasting and Telecommunications Commission
 Committee, The Thai Tapioca Development Institute
 Independent director and chairman of the audit committee, Standard Chartered Bank (Thai) PCL
 Chairman, Professional Waste Technology (1999) PCL.
 Independent director and the audit committee, Thai Re Life PCL.
 Chairman of The audit committee, Thaivivat Insurance PCL.

Director position of Thaivivat Insurance Public Co., Ltd.

Director Position

Independent Director (as the company's definition of independent director)
(appointment – renewal, April 5, 2012– present)

Chairman of Audit committee
(appointment – renewal, April 5, 2012– present)

Chairman of Investment committee
(appointment – renewal, May 12, 2016– present)

Executive position none

Number of year being as director 5 years

Share holding in the company none

Legal matters in dispute No contentious case in past 5 years

Other current position none

- Being the directors / executives in other businesses which may generate conflict of interest with the Company. **No**

- Being the close relative to the executive or the major shareholders of the Company or the Subsidiary Company **No**

- Having the relationship in the following nature to the Company or the Subsidiary Company or Juristic person which may have a conflict in current year or in the past 2 years **No**

(1) Being the director who participates in the management of works, employees and staff or being a consultant who receives monthly salary. **No**

(2) Being service provider for professional matter (such as auditors or legal advisor) **No**

(3) Having business relationship (such as buying/selling raw materials/goods/service, borrowing/lending) **No**

Meeting attendance / Number of Meeting

Meeting attendance for Company Director (appointment – renewal, April 5, 2012)

	Presented	Held
2014	6	6
2015	6	6
2016	6	6

Meeting attendance for Audit committee (appointment – renewal, April 5, 2012)

	Presented	Held
2013	4	4
2014	4	4
2015	1	1

Being Stakeholders in the proposed agenda for the meeting on 24/2017

This Independent director whom are dominated to be a proxy from the shareholders have no interest in the proposed agenda of the meeting in any way except Agenda 5 To consider and determine the Pensions of director committee.



The Independent directors whom are dominated to be a proxy from the shareholders



Mr. Phisit Setthawong

Address 31 Inthamara 24 Din Daeng, Bangkok 10400
Date of Birth March 18, 1945
Age 71 Years
Nationality Thai
Present Position Independent Director , Chairman of the Audit Committee and Chairman of Nomination and Remuneration Committee

Education background / Training course

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

Work Experience

Deputy Permanent Secretary, Ministry of Commerce
 Director-General, Department of Internal Trade
 Consultant, Innovation Center Co., Ltd.
 Consultant to Director, The Agricultural Futures Exchange of Thailand

Director position of Thaivivat Insurance Public Co., Ltd.

Director Position

Independent Director (as the company's definition of independent director)
 (appointment – renewal, October 28, 2005 – present)

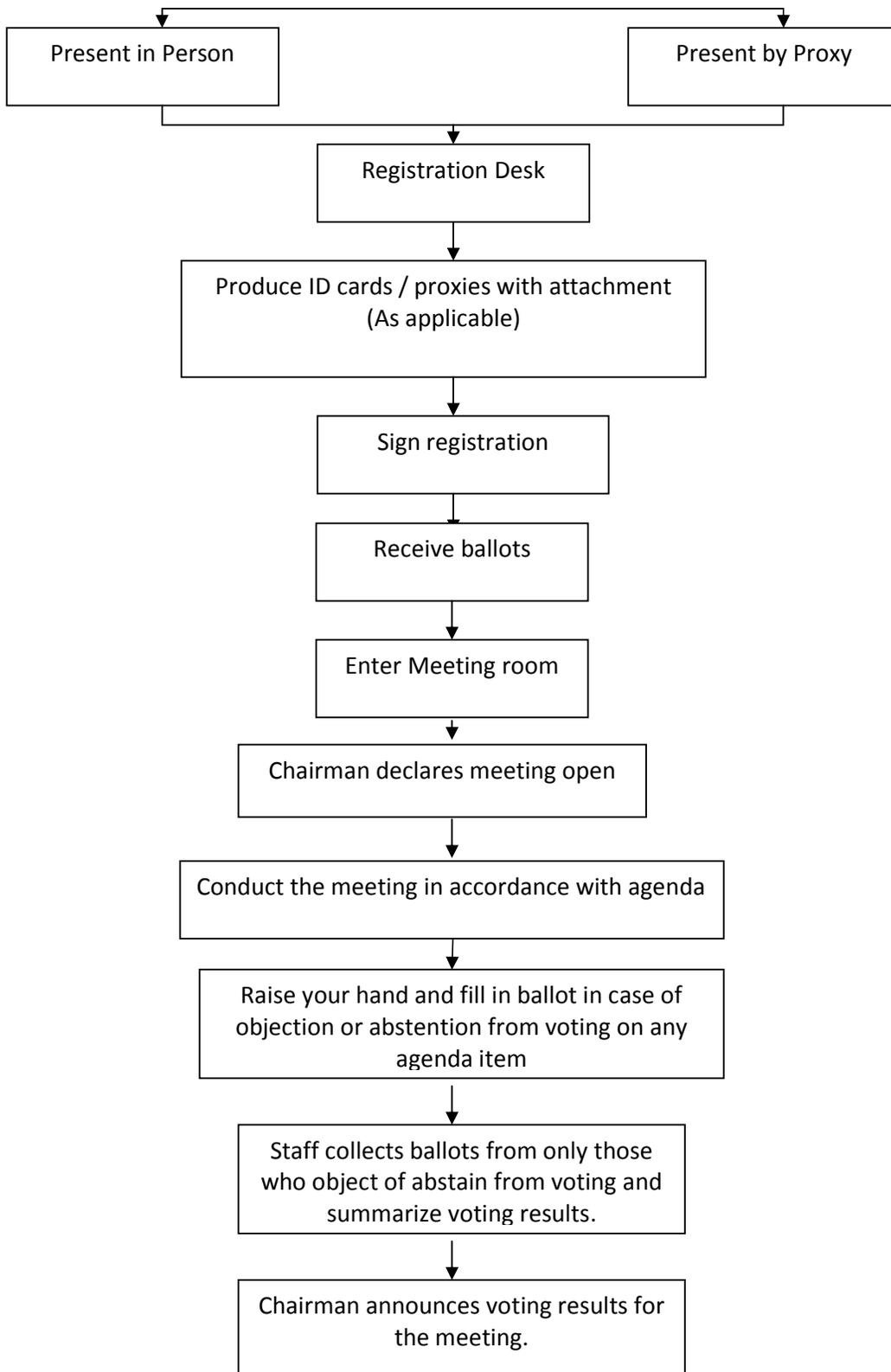
Chairman of Audit committee
 (appointment – renewal, April 5, 2012– present)

Chairman of Nomination and Remuneration Committee
 (appointment – renewal, August 11, 2016– present)

Executive position None
Number of year being as director 11 years 5 months
Share holding in the company None
Legal matters in dispute No contentious case in past 5 years



Procedures for Attending Annual Meeting of Shareholders



Chapter 5 General Meeting of Shareholders

Article 27. The Board of Director shall arrange for an annual ordinary meeting of shareholders within 4 months from the last day of the fiscal year of the company.

Meetings other than that mentioned above shall be called extraordinary meetings. The Board of Director may call an extraordinary meeting of shareholders whenever the Board deems appropriate, or the shareholders holding not less than one-fifth of the total number of shares sold or shareholders of not less than 25 in number whose shares are in total not less than one-tenth of the total number of shares sold, may submit a written request signed by them to ask the Board of Directors to call an extraordinary meeting of shares at any time, provided that they shall clearly state their reasons in such written request.

Article 28. In calling a general meeting of shareholders, the Board of Directors shall send notices of the meeting specifying the place, date, time and agenda of the meeting, as well as the subject matters to be submitted to the meeting with reasonable details, and clearly stating which one will be for information, for approval or for consideration, as the case may be, together with the justification of the Board of Director on such matters, and shall send notices to the shareholder and the registrar for their information not less than 7 days before the date of meeting. Furthermore, publication of notices calling a meeting shall also be made in a newspaper for a period of 3 consecutive days, which shall end not less than 3 days before the date of meeting.

Article 29. At a general meeting of shareholders, there shall be shareholders and proxies (if any) present at the meeting in a number of not less than 25 persons or not less than half of the hotel number of shareholders and such shareholders shall holder shares totaling not less than one-third of the total number of shares sold, in order to constitute a quorum.

In the event that after 1 hour from the time fixed for any general meeting of shareholders, the number of shareholders present is still inadequate to form a quorum, and if such general meeting of shareholders was requested by the shareholders, such meeting shall be cancelled. If such meeting of shareholders was not called by the shareholders' request, the meeting shall be called again, and, in this case, notices calling the meeting shall be sent to shareholders not less than 7 days before the meeting. In the second meeting, a quorum is not required.



Article 30. The chairman of the Board shall be the chairman of the general meetings of shareholders. If the chairman is absent or is unable to discharge his duties, and if a vice-chairman is present, he shall act as chairman. If there is no vice-chairman or if the vice-chairman is not able to discharge his duties, the shareholders shall elect one among themselves to be chairman of that general meeting.

In casting a vote, the shareholders shall have votes equal to the number of shares held by them and one share is entitled to one vote.

Voting shall be mad openly, unless at least five shareholders request a secret vote and the meeting resolves accordingly. The method for the secret vote shall be stipulated by the chairman of the meeting.

Article 31. A resolution of the meeting of shareholders shall be made by the following votes:

- (1) in an ordinary event, the majority vote of the shareholders who attend the meeting and cast their votes. In case of an equality of votes, the chairman of the meeting shall have an additional vote as a vesting vote;
- (2) in the following cases, a vote of note less than three-fourths of the total number of votes of shareholders who attend the meeting and have the right to vote:
 - (a) the sale or transfer of the whole or essential part of the business of the company to other persons;
 - (b) the purchase or acceptance of transfer of the business of other companies or private companies by the company;
 - (c) an executing, amending or terminating of contracts with respect to the granting of a hire of the whole or essential part of the business of the company, the entrustment of the management of the business of the company to any other person or the amalgamation of the business with other persons with the purpose of profit and loss sharing;

Article 32. The annual ordinary general meeting of shareholders shall consider the following matters:

- (1) consideration of the report of the Board of Directors concerning the company's operating performance during the preceding year;
- (2) consideration and approval of the balance sheet;
- (3) consideration of the profit allocation;
- (4) election of the directors in place of those directors retiring by rotation;
- (5) appointment of an auditors and determination of remuneration;
- (6) other matters.

