

(Translation)

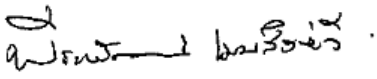
Annual Information Disclosure Form 1

Information Disclosure Form (Appended to the Order of the Registrar No. 48/2018)

Re: Information Disclosure of Non-life Insurance Company 2018

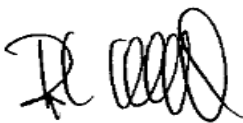
Part 1 Certification of integrity of the disclosed information

The company has verified the disclosed information with circumspection and would like to certify that it is correct, full and not false to cause misunderstanding or not lacking the information that should be notified in the essence, and accuracy of the revealed information in all items.

Signed 

(Mr. Perapart Meksingvee)

Title: Authorized Director

Signed 

(Mr. Praphan Anupongongarch)

Title: Authorized Director

Information disclosed on 15 May 2019

Annual information for 2018

Part 2 Description of the disclosed information

- 1. Profile of the company, policy, objective and strategy in the business operations to achieve the goal in the business as specified, including the information related to the business characteristics, product details and the essential services. Moreover, it includes the channel on the contact with the company, method and duration used in the demand and compensation or claim in accordance with the insurance contract.**

1.1 Profile of the company

The company is one of the insurance companies established in 1997 in accordance with the policy of the government in the preparation of readiness of the country to open up for trade liberalization in insurance business with the registered capital currently paid-up at 740 million baht. It consists of common stock in 74 million shares with the par value of 10 baht per share. The company is a subsidiary of Thanachart Bank PCL

Currently the company has provided non-life insurance service of all kinds. It has developed personnel to have quality with the policy trend to present insurance service in the new formats with emphasis on development and service to become customer centricity.

1.2 Policies, objectives and strategies in the business operations

The company determined to become excellent in insurance business by changing the frame on product development and provided service with creativity. It has risk management with professionalism to increase potential in the competition considering the demand of the customers as the basis. It is to favor the optimization towards customers, employees, trade partners, society and its shareholders.

Missions

- Development of product with creativity having diversity in response to the demand of the customers with exact desirability.
- Development of service quality and after sales service for benefit optimization of its customers.
- Providing service with integrity.

The company also gives priority to the retail business strategy by developing on selling products and services through the online system to be consistent with the demand and format on living of the consumers of the new generation who like to buy goods and do various transactions through the digital channel. The same as seeking for small targets with potential and have a niche market to avoid competition on the price.

1.3 Business Characteristics

The company does the business non-life insurance of all types via the distribution channel covering all channels, including through the agents, brokers, banc assurance, telemarketing, walk-in and the Internet, etc. having 20 branches and networks in the important provinces in all regions of Thailand.

1.4 Detailed characteristics of the company. The important services of the company and the percentage ratios of the insurance premium divided by the type of insurance

Product and Service Characteristics

The company provides insurance services comprehensively in the four main types covering the demand of the customers as follows:

1. Fire insurance. Giving protection on the property both the personal and business sectors. It has different types of plans on insurance that gives different protection and diversity in response to the demand of the insured differently in each sector.

2. Vehicle insurance. It provides vehicular protection, including liability arises from the use of the vehicle consisted of the compulsory and voluntary insurance sectors. In the voluntary insurance sector the company has provided diverse protection plans, both the types 1, 2 and 3 to be able to response to the different demands of the different insured completely.

3. Personal accident and health insurance. It protects against loss of life, dismemberment, disability, including the cost of treatment from accidents and sickness, covering individuals, group and organizational customers.

4. Miscellaneous insurance is to protect the customers who want other protections other than the three types of insurance as mentioned above.

1.4 Important product characteristics of the company. Important services of the company and the percentage ratios of the insurance premium separated into the type of insurance (Continued)

The major groups of the customers at about 95 percent of the total customers are retail customers with the insured property in the range of not exceeding 5 million baht with the type of the loss insurance product that the customers used the service are vehicular and residential insurance. Such the groups of customers came from the loan customers of the bank and marketing through the various channels of the company.

As for the customer group with the insured amount from five million baht and up such as the institutions and the private organizations doing business in diverse fields both commerce and industry.

We provided the main service products for this group of customer with miscellaneous insurance and fire insurance. Referring to the customer base as mentioned above can be summarized that ever since our company has started the non-life insurance; it did not depend on a particular case in excess of 30 percent of the total revenue of the company. Moreover, it has opened the service operations for domestic customers only.

Unit: Million Baht

Item	Fire Insurance	Marine Insurance		Motor Insurance		Miscellaneous Insurance						Total
		Hull	Cargo	Compulsory	Voluntary	Property	Third Party Liability	Engineering	Personal Accident	Health	Other	
Gross Direct Premium	72	-	-	220	6,499	29	-	-	1,160	-	7	7,987
Proportion of Insurance Premium (Percentage)	0.90%	-	-	2.75%	81.38%	0.36%	-	-	14.52%	-	0.09%	100%

Remark: Information source comes from the annual report

1.5 Contact channels with the company method and duration used in the demand for compensation or claim according to the insurance contract.

1.5.1 Procedure, time document and method on applying for a claim in accordance with the insurance contract.

1.5.2 Method of contact with the company and the relevant agencies in case there is a dispute or complaint.

<https://www.thanachartinsurance.co.th/tnifrontend/articleDetail.aspx?id=159>

<https://www.thanachartinsurance.co.th/tnifrontend/articleDetail.spx?id=160>

2 Framework on good governance and process on internal control of the company, including the details on the frame of implementation and such the process

2.1 Framework of good governance and internal control process of the company

<https://www.thanachartinsurance.co.th/downloadcenter/corporate%20governance.pdf>

<https://www.thanachartinsurance.co.th/download center/csr1.pdf>

<https://www.thanachartinsurance.co.th/download center/csr2.pdf>

2.2 Organization chart

<https://www.thanachartinsurance.co.th/download center/organization chart.pdf>

2.3 Managerial Structure of the Company

Board of Management

The board of directors shall appoint the board of executives consisted of the executives or the directors from the major shareholders. The executives have to report their operations with the board of directors directly, as of 31 December 2018 with the following names:

1. Mr.Suphadej Poonpipat Chairman of Executive Committee
2. Mr. Praphan Anupongongarch Vice President
3. Mr. Teeranun Srihong Director
4. Mr. Perapart Meksingvee Director and Secretary

Duties and responsibilities of the board of management

1. Manage to comply with the policy, target, budget and plan approved by the board of directors.
2. Manage on the risk management.
3. Manage on the transactions of the company, e.g. insurance and paying claims, etc.
4. Manage on the operations inside the organization/assignment related to management under the power of the board of management.
5. Screen the job before presenting to the board of directors.

The management

- | | | |
|--------------------|-------------------|------------------------------------|
| 1. Mr. Perapart | Meksingvee | Managing Director |
| 2. Miss Suwimol | Boonnak | Chief Sales Channel Officer |
| 3. Mr. Suwat | Radomsuttikul | Chief Claims Officer |
| 4. Miss Busara | Tonticharoen | Chief Risk Officer |
| 5. Mr. Kongsak | Hansawangsin | Chief Insurance Product Officer |
| 6. Mr. Pornchai | Wongtirasin | Chief Financial Officer |
| 7. Miss Suwannee | Janpreecha | Head of Branch Service Network |
| 8. Miss Supawandee | Pattanapongviboon | Head of Customer Service Center |
| 9. Mr. Kanitpong | Swetpatchraporn | Chief Insurance Compliance Officer |

2.4 Sub-committees

2.4.1 Internal Audit committee

The board of directors has appointed the internal audit committee consisted of three committees, which all were independent committees with the knowledge, understanding and experience on accounting and/or finance as the important tools of the board of directors in the good governance to meet the correct standards and transparency. It includes complying with the governmental and company rules for good internal control. It has a reliable report system to be beneficial to all the relevant sections, including the shareholders. As of 31 December, 2018 it has the following names:

1. Mr. Chulasingh Vasantasingh Chairman of the Committee (Independent)
2. Mr. Wichian Mektrakarn Committee (Independent)
3. Mr. Pirus Pradithavanij Committee (Independent)

Duties and responsibilities of the audit committee

1. Financial report

- Verify the financial report and disclosure of information in the financial report of the company, including assessment of suitability of the important accounting policy.
- Verify justification of the items in the financial report in essence, including the items with complexity or abnormality and the items to use discretion in making a decision.

2. Internal audit and risk management

- Verify for the company to have internal audit, control inside the IT system and sufficient anti-corruption measures, including guidelines on important communication of the internal audit.
- Verify to make sure that the recommendations on the internal audit received from the internal controller and the auditor have been implemented by the management.
- Verify that the company has risk management across the organization.
- Verify sufficiently for the policy supervision and the duties related to the risk management of the company.

3. Internal Audit

- Verify and approve the annual plan, including the necessary personnel and resources in the operations.
- Verify the report results on the examination and the recommendations of the internal controller, including follow up on the results of the operations abide by such the recommendations.
- Verify for the internal audit unit to comply with the standards on the internal audit.
- Consider independence of the internal audit.

4. Supervision on compliance with the rules

- Verify and approve the annual plan, including the necessary personnel in the operations.
- Verify the process on the follow—up on the operations of the company to comply with the law, regulations, ethics, main policy guidelines and relevant rules, consider the legal rules with a change and there is an impact on the company’s operations.
- Verify the discoveries of the governmental regulators and supervisors, including follow up on the operation results of such the recommendations.

5. Auditor

- Consider the qualifications, independence, experience and remuneration of the auditor with a recommendation in the appointment of the auditor, and set their remuneration with the board of directors.
- Arrange to have a joint meeting with the auditor without the management to attend the meeting a minimum of once a year.

6. Related items or Those May Have a Conflict of Interest

- Consider the related items or those may have a conflict of interest to comply with the laws and requirements of the government. It is to make sure that such times are justified and optimized for the company.

7. Report of the Audit Committee

- Prepare a report on the supervision of the audit committee by revealing in the annual report of the company by signing by the chairman of the audit committee. It shall consist of minimum information in accordance with the requirements of the Office of Insurance Commission (OIC).
- Consider giving a comment in the report related to the notes or assumption that there may be a fraud or abnormality or important shortcomings in the internal audit system, the related items or conflict of interest and compliance with the rules, regulations or bylaws or requirements of the OIC and other relevant laws by presenting to the board meeting.
- Consider reviewing suitability of the charter of the audit committee annually at a minimum, and if there is a change, it shall be presented for approval to the board of directors.

8. Other Responsibilities

- Supervision of the operations to comply with the policy of the Office of Insurance Commission (OIC) by assigning the inspection line to be implemented as follows:
 - (1) Summarize the outline of the inspection line that audits the company for the board of directors to examine, acknowledge and consider to be presented to the board of directors.
 - (2) As for the report according to the (1) in this case are important issues such as the items to cause a conflict of interest, fraud, corruption and violation of the law shall be reported in detail and consider presenting to the board of directors.

- Report to the board of directors for improvement within the time the audit committee deems appropriate. In the case of discovery or suspicion of an item or action that may have a significant impact to the financial status and the operation results of the company as follows:
 - (1) The item that causes a conflict of interest.
 - (2) Fraud and corruption or abnormal thing or important defect in the internal audit system.
 - (3) Violation of the law on financial institution business, governmental requirement or other relevant laws.
 - (4) In a situation that the board of directors or the management fails to improve or remedy within the reasonable time, the audit committee shall disclose such the action in the annual report and a report to the OIC.
- Assessment of the operations of themselves the whole group and present to the board of directors for acknowledgement each year.
- Corporate social responsibility (CSR)
 - (1) Verify or advice for the company to do business with social responsibility in accordance with the guidelines advised by the SET (Stock Exchange of Thailand) or the SEC (Security Exchange Commission) designated in the business compass for the society.
 - (2) Support the business activities related to the direct insurance to benefit the employees, people, community and society overall.
 - (3) Make good governance and give priority to maintaining business ethics as the framework of behavior that reflects organizational value. Having the main objective for the personnel of all levels to develop themselves and be aware of their duty and responsibility to perform with readiness of virtue and ethics.
- Other operations as assigned by the board of directors or designated by the law,

2.4 Subcommittee (Continued)

2.4.2 Risk Management Committee

The board of directors shall appoint the risk management committee with the duty to set up the risk management policy covering all risks across the organization by presenting to the board of directors for approval and supervision. The management shall implement the policy and report to the board regularly and review the system or assess the effectiveness of the risk management a minimum of once a year. It shall reveal it in the annual report, including giving priority to the Early Warning Signals and report all the abnormalities, as of 31 December 2018 had the following names:

1. Mr. Perapart	Meksingvee	Chairman of the Committee
2. Mr. Suwat	Radomsuttikul	Committee
3. Mr. Kongsak	Hansawangsin	Committee
4. Mr. Phinit	Phongphet	Committee
5. Miss Busara	Tonticharoen	Committee and Secretary

Duties and Responsibilities of the Risk Management Committee

1. Present the entire risk management policy of the company to the board of directors for approval. And create the standards on the follow-up and inspection to make sure that the risk management policy to be implemented strictly.
2. Placing the strategy on the risk management to be consistent with the risk management policy by being able to evaluate, follow up and take care of the company's risk volume to be in the suitable level.
3. Review the sufficiency of the risk management policy overall with effectiveness of the system and compliance with the specified policy.
4. Designate the measures on implementing the risk management on prevention of the possible risk to take place, including solving the possible problems.
5. Assess the internal and external factors that may affect the financial status significantly to be used in changing the policy on the risk management overall of the company.
6. Designate and order the units under the risk management committee in developing the managerial mechanism control and follow up on the risk to be more efficient and effective.
7. Follow up and control on the management of risk on the various stances with the committee and/or unit to comply with the set policies.
8. Report the results on the operations to the board of directors regularly on the things to be improved/ remedied to be consistent with the policies and strategies on the designated risk management.

2.4 Subcommittee (Continued)

2.4.3 Investment portfolio committee consists of,

- | | |
|---|-----------------------|
| 1. Mr. Perapart Meksingvee | Chairman of Committee |
| 2. Mr. Piyaphong Artmangkorn | Committee |
| 3. Mr. Pornchai Wongtirasin | Committee |
| 4. Representative from the Insurance risk control | Committee Secretary |
| 5. Representative from Risk Management | Associate Attendee |

Duties and responsibilities of the Investment portfolio committee (IC)

1. Set the investment policy and supervise the investment to comply with the framework of investment policy/risk management and consistent with the characteristics of business and insurance product, including the binding burden that the company has with the insured in the form of cash flow, amount of money, duration and currency denomination.
2. Consider and approve the amount of investment according to the framework on the investment policy/plan.
3. Consider reviewing with setting the guidelines on improvement or revision the risk status related to the investment, e.g. market risk, credit risk, liquidity risk, operation risk, concentration risk or strategic risk, etc.
4. Consider and set the ratio on a reserve or allowance value for the depreciation of the invested securities.
5. Report the results on the operations of the IC to the chairman of the management, board of management or board of directors for acknowledgement.
6. Supervise on good governance, transparency and prevention of conflict of interest on the investment.
7. Supervise on the job system, personnel and information used in the investment to have sufficiency for the operations.
8. Consider other matters as assigned by the chairman or committee of executive board or board of directors.

2.5 Recruitment and Appointment of the Directors, Independent Directors and the Management

Since our company has not set up a recruitment committee to select the independent directors and the management; thus, for such the selection the board of directors acts as the elector and screening of the people with the qualification to be appointed as directors, independent directors and the management. It is considered suitability based on merits, qualifications and no prohibited characteristics as refer to the requirements or relevant laws. They must have knowledge, business acumen, expertise that is useful to the business operations and capability to manage to be consistent with the visions, missions, strategies and long-term goals of the company with approval from the board of directors or shareholders (as the case maybe).

2.6 Remuneration policy

1) Remuneration for the board of directors and the subcommittees

Consideration of the remuneration for the board directors and committees in the subcommittees shall be implemented by the remuneration and wage management of Thanachart PCL, which analyzed, compared and reviewed based on the results from the survey of remuneration of the companies in the same type of industry.

It also considers the suitability with the duty and responsibility assigned, including the results on the performance that is consistent with the policy and operation results of the company. However, it shall be in the sufficient level to attract, maintain and motivate the experts from the various technological fields under the process and procedure that is transparent. It shall comply with the principle of good governance, accountability by presenting the remuneration of the directors to the board meeting and the annual general meeting (AGM) for approval.

2) Remuneration of the management

There is consideration for the remuneration of the management to be consistent with the results on the company's operations both in the short term and long term under the scope of duty and responsibility of each position. Moreover, the results on the individual performance by comparing with the indicators, e.g. financial indicator, customer indicator, working process development and risk management and personnel development indicators, etc. They come under the process and procedure that are transparent, abide by the principle of good governance and can be accountable, and in the sufficient level to attract, motivate and keep the quality personnel with the company.

3) Remuneration in money

The management shall be paid remuneration in the form of salary, provident fund and annual bonus.

4) Other remunerations

The management has received benefits and other fringe benefits in accordance with the rules of the company, e.g. benefits on medical care, medical examination, loan of all kinds, including the provident fund, etc.

3 Enterprise Risk Management: ERM and Asset Liability Management: ALM

3.1 Enterprise Risk Management: ERM

The company has managed the risk in accordance with the standards on enterprise risk management (ERM) throughout the organization, that is, there is building of risk culture on ERM by communicating to the employees at all levels and supervision to have compliance with the process on risk management completely.

It has set up the organizational structure in accordance with the three lines of defenses with the tone from the top. Meanwhile, the board of directors acknowledged and/or approved the risk management process in all procedures from the risk management policy up to the report on the risk status monthly as the company has presented for follow-up and management to achieve the target according to the business plan under the acceptable risk level.

It shall maintain "the growth rate with sustainability and the customer centricity with excellence in the service under the risk management with professionalism and good governance" according to the organizational vision.

3.2 Asset Liability Management: ALM

The company has managed the Asset Liability Management both value and duration. It considers from the multiple factors to support investment's decision e.g. Fundamental's price and risk, credit rating, interest rate tendency, liquidity and duration, etc.

Quantitative information with the following details

Unit: Million Baht

Item	2018		2017	
	Accounting Price	Assessed Price	Accounting Price	Assessed Price
Total Investment Assets	11,617	11,650	11,034	11,065
Total Liquid Assets	12,135	12,168	11,653	11,683
Total Liabilities	8,737	7,819	7,886	7,031
Insurance Contract Liabilities	5,729	4,823	5,475	4,626

Remarks: - Accounting price means the assets and liabilities assessed in accordance with Thai Accounting Standard

- Assessed price means the assets and liabilities assessed in accordance with the notification of the Office of Insurance Commission (OIC) on asset and liability assessment of the non-life insurance company for the main objective in the supervision on financial stability of loss insurance companies. It also to make sure that the company has the ability to pay the claims to the insured in accordance with the insurance contract completely.

4 Risk from insurance that can be expected and has significant clue may have an impact on the financial status of the company, reinsurance management, financial connection of the fund and risk from insurance and cluster of insurance.

Insurance risk arises from fluctuations of frequencies and severity of damage, which is deviated from the hypothesis used in setting the premium rates, calculation of reserves, and underwriting. However, the company has insurance risk management guideline that covers the said management process with the objective for the company to achieve the specified business target.

Due to the company has insured its individual customers as high as 95% of the total portfolio, so it carries a risk of clustering individual customers at the low level. There is a cluster in the area, which the company has designated the risk retention level in the size that is consistent with the risk, capital and liquidity of the company. Moreover, the company has preceded the stress testing based on the business plan as designated in each year. It is to set the risk level that is acceptable and reinsurance by approval from the board of directors.

The company has various reinsurance contracts, annually got approval from the board of directors, to help transfer losses and/ or catastrophe loss events. Reinsurers in all contracts have no less than A- financial strength ratings with the gross written premium at the world's high rankings.

However the quantitative information has the following details:

Unit: Million Baht

Item	Quantity
Insurance recoverable from reinsurers	707
Amounts due from reinsurers	15
Amounts deposit from reinsurers	-

5 Value, Method and Hypothesis in Assessment of Liabilities from the Insurance Contracts

Estimation of the claims has multiple elements with uncertainty to cause the actual results may be different from the expectation due to fluctuations. However, the estimation can be made by the actuarial method, which is acceptable and tried to set the hypothesis and reduce uncertainty as much as possible. It is considered the experience of claims to cover economics, factor on claim development and possible fluctuation allowance, but such the liability value assessment is certified by the licensed actuary from the Office of Insurance Commission (OIC).

Nonetheless, the quantitative information contains the following details:

Unit: Million Baht

Item	2018		2017	
	Accounting Price	Assessed Price	Accounting Price	Assessed Price
Insurance contract liabilities				
-Premium liabilities	4,139	3,443	3,791	3,148
-Claim liabilities	1,590	1,380	1,684	1,478

Remark - Accounting price means the liability value from the insurance contract assessed in accordance with the accounting standards with the main objective for the investors and the financial analysts to understand the economic value of the liabilities from the insurance contract that is acceptable in accordance with the accounting principle in Thailand, which such the value must be certified by a licensed auditor.

- Assessed price means the liability value from the insurance contracts assessed in accordance with the notification of the Office of Insurance Commission (OIC) on the assessment of the property and liability price of non-life insurance companies. The main objective is to supervise the financial stability of the non-life insurers and for confidence that the companies have the ability to pay the claims according to the insurance contract fully to the insured. It shall be assessed by a licensed actuary from the registrar in accordance with the mathematical principle acceptable. The hypothesis used in the assessment shall be consistent with the actual experience or in a situation that the company has insufficient information, it may be referred to the industrial experience and adjust for suitability with the particular characteristics of the insurance port of that company. Moreover, the backup insurance value as such shall include the provision of adverse deviation: PAD, to comply with what designated by the OIC.

Note In some duration of the financial report, the liability value from the insurance contracts may have a difference between the accounting price and the assessed price significantly. It is due to the objective the different method used in the assessment as mentioned above. However, the people who shall apply the information should study and understand the objectives, guidelines on evaluation of the liability price from both insurance contracts carefully before making a decision.

6. Company's Investment

The company has an investment policy by investing in debt securities (Government bond, State Agency bond and Corporate debenture) which are listed on ThaiBMA. For corporate debenture, the company has many factors for consideration. Those are strong performance; having credit rating not below A- and matching asset liabilities management. Moreover, the company has hedge against for foreign currency.

While the investment in the equity securities focuses on Listed stocks with good fundamental and strong financial performance. Besides, the company invests in property and infrastructure fund which has also good fundamental and dividend payout.

The investment decision process shall be approved by the Investment Portfolio Committee, which has to comply with the Office of Insurance Commission (OIC)'s regulation.

The company applies the guidelines on assessment of the value of the investment asset assessment in accordance with the standard on financial reporting designated in the Accounting Profession Act and shall comply with the notification of the OIC Re: Assessment of the assets and liabilities of the non-life insurance company 2011.

However, the quantitative information has the following details:

Unit: Million Baht

Type of Investment Asset	Value As of 31 December			
	2018		2017	
	Accounting Price	Assessed Price	Accounting Price	Assessed Price
Deposit and CD at Financial institution	3,119	3,119	1,881	1,881
Debt instrument (Bond, debentures, P/N, bill of exchange, convertible bond and lottery)	5,693	5,699	6,698	6,704
Equity instrument, excluding the investment in the subsidiaries and affiliates	1,668	1,695	1,425	1,450
Unit Trust	1,092	1,092	986	986
Loan, Hire Purchase and Leasing	45	45	44	44
Warrant, debentures and unit trust	-	-	-	-
Derivative instrument	-	-	-	-
Other investments	-	-	-	-
Total investment asset	11,617	11,650	11,034	11,065

Remark: - Accounting price means assets and liabilities assessed in accordance with Thai Accounting Standard

- Assessed price means the assets and liabilities assessed in accordance with the notification of the OIC on asset and liability assessment of the loss insurer. It is for the main objective in supervising financial stability of the non-life insurer and confidence that the company has the capability in paying the claims in accordance with the insurance contract fully to the insured.

7. Operation Results of the Company, including the Results on Analysis and the Relevant Various Ratios

Operation Results

As for the year ended 31 December 2018 the company had the net profit of 1,041.88 million baht or the net profit per share at 12.72 baht, an increase when compared with the same duration with the same period of the previous with the net profit of 1,051.33 million baht, or the net profit per share at 12.72 baht, which can be analyzed the operation results as follows:

Income

The company had the total revenue at 7,617.78 million baht, increased by 235.26 million baht, or an increase by 3.19 percent when compared with the same duration of the previous year. It was the revenue from insurance by 6,951.27 million baht, an increase of 85.32 million baht, or an increase of 1.24 percent compared with the same period of the previous year. It was a result that the company still used the marketing strategy by putting emphasis on expanding the customer base of retail business and effective cost control. The company also has a profit from total insurance by 976.56 million baht, reduced by 12.10 million baht or 1.14 percent compared with the same period of the previous year.

Cost and expenses

The company had the claims and expenses totally 3,910.68 million baht, increased by 112.83 million baht or an increase by 2.97 percent when compared with the same duration of the previous year. The loss ratio was at 56.26 percent, increased from the same period of 2017 at 55.31 percent. The total expense on the operation at 736.96 million baht, increase by 35.32 million baht or 5.03 percent compared with the same period of the previous year.

Financial Position

Assets

At the year ended 31 December 2018 the company had the total assets at 14,496.07 million baht, increased from the end of 2017 in the amount of 1,042.39 million baht or 7.75 percent, mostly increased by the invested assets. On 31 December 2018 had the investment assets totally 11,616.86 million baht, increased from the end of 2017 for 582.86 million baht or 5.28 percent.

Liabilities

At the year ended 31 December 2018 the company had the total liabilities at 8,736.57 million, increased from the end of 2017 in the amount of 851.22 million baht or increased by 10.79 percent.

Equity

At the year ended 31 December 2018 the company has the total net worth at 5,759.50 million baht, increased from the end of 2017 at 191.17 million baht or 3.43 percent.

For the quantitative information the details are as follows:

Item	2018	2017
Gross premium written	7,987	7,506
Net earned premium	6,951	6,866
Investment income and other income	385	384
Net profit (Loss)	1,042	1,051

Important Financial Ratio (Percentage)

Ratio	2018	2017
Loss Ratio	56%	55%
Expense Ratio	29%	29%
Combined Ratio	85%	84%
Liquidity Ratio	764%	693%
Return on Equity	19%	19%

8. Capital adequacy

The company has prepared the fund projection and the important ratios according to the business plan, including assessing the various factors that may take place in the future and stress testing to know of the impact from the factors in severe conditions with effects on the capital regularly. In a scenario of there is an adverse situation, the company has prepared a crisis management plan as guidelines on risk management of each category. It is to maintain the level of the capital of the company to be in the acceptable norm, which designated to be consistent with the annual business plan. It has a review on **capital adequacy** in the monthly risk status report, or when there is a change in the business operations with significance is to improve it to be consistent with the changed situation.

However, the Quantitative Information has the Following Details:

Unit: Million Baht

Item	As of 31 December	
	2018	2017
Total Assets	13,925	12,995
Total Liabilities		
- Insurance contract liabilities	4,823	4,626
- Other liabilities	2,996	2,405
Equity	6,106	5,964
Capital Adequacy Ratio (%)	809	820
Total Capital Available (TCA)	6,100	5,943
Total Capital Required (TCR) by Law	754	725

Remark - According to the notification of the Office of Insurance Commission (OIC) on designating the type and kind of the fund, including the guidelines, methods and conditions on calculating the money of the loss insurance fund. It requires the registrar may set the necessary measure on the supervision of the company with the capital adequacy ratio below 140 percent.

- The capital is in accordance with the assessed price, according to the notification of the OIC on the assessment of the assets and liabilities of the non-life insurance company.
- The above items calculated by using the assessed price in accordance with the notification of the OIC on the assessment of the assets and liabilities of the non-life company.

9. Financial statement and the remarks to supplement the financial statement for the past calendar year that the auditor has audited and commented

<https://www.thanachartinsurance.co.th/tnifrontend/investor.aspx>

Please Note! This document is a translation only, The Original is in Thai version.